



## FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT FRONTERA ENERGY CORPORATION REPORT – REPORTING YEAR 2023

### 1. Introduction

Whereas Canada has ratified its commitment to core international conventions, including the ILO Declaration on Fundamental Principles and Rights at Work; the 1930 Forced Labour Convention, adopted at Geneva on June 28, 1930; the 1957 Convention on the Abolition of Forced Labour, adopted at Geneva on June 25 1957, and the 1999 Convention on the Worst Forms of Child Labour, adopted at Geneva on June 17, 1999; and considering the country’s decision to contribute to the fight against modern slavery and child labour through the formulation and adoption by its parliament of the ***Fighting Against Forced Labour and Child Labour in Supply Chains Act*** (hereinafter “**Bill S-211**” or the “**Act**”) which entered into force on January 1, 2024, the aforementioned act requires reporting by entities involved in the manufacture, production, growing, extraction or processing of goods, whether in Canada or elsewhere, as well as the importation of goods manufactured, produced, grown, extracted or processed outside Canada.

In accordance with Bill S-211, and considering that Frontera Energy Corporation (hereinafter “**Frontera**” or the “**Company**”) is publicly listed on the Toronto Stock Exchange (“**TSX**”) and incorporated and existing under the laws of British Columbia, Canada, the following report, which indirectly includes the Company’s subsidiaries, will present the framework of guidelines and policies for the protection of human rights that Frontera has implemented, along with its responsible business conduct procedures and the activities carried out as part of its human rights due diligence process for the prevention and establishment of guarantees on zero tolerance regarding forced labour and child labour as forms of modern slavery.

This report includes the implementation of policies, procedures and regulations applicable in Frontera (in its operations in Colombia and Ecuador), its contractors (supply chain), and parts of the business and supply chains, pursuant to the requirements of Section 11.3 of Bill S-211 on reporting content.

### 2. General overview of Frontera Energy Corporation

Frontera is a Canadian public company involved in the exploration, development, production, transportation, storage and sale of oil and natural gas in South America, including related investments in both *upstream* and *midstream* facilities. Frontera is listed on the TSX in Canada under the ticker symbol “FEC”.

In the framework of responsible business conduct and for the development of its operations, Frontera updated and defined a sustainability strategy establishing three macro-objectives listed below, from which commitments and actions are established:



1. To promote an environmentally and energetically efficient operation by maximizing the use of resources and waste.
2. To respect human rights and improve the economic and social well-being of key stakeholders.
3. To encourage growth and competitiveness in the Company by managing strategic risks with sustainability and responsible business criteria.

## 2.1 Description of the activities

We have a diversified asset portfolio, composed of 24 exploration and production blocks in Colombia, Ecuador, and Guyana, as well as pipelines and port facilities<sup>1</sup> in Colombia.

Operations in Colombia:

39,988<sup>2</sup> barrels/day average production

5 blocks in exploration phase

15 blocks in production phase

1 block in exploration and production phase

Operations in Ecuador:

931<sup>3</sup> barrels/day average production

2 blocks in exploration phase with a partner

Operations in Guyana:

1 block in exploration/appraisal phase with a partner

## 2.2 Structure of Frontera operations

VALUE CHAIN:

### Upstream Exploration

5 onshore blocks in exploration phase

1 onshore block in exploration and production phase

1 offshore block in exploration/appraisal phase

Net proved reserves (1P): 108.7 MMboe

Gross reserves P1 + probable (P2): 164.1 MMboe

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<sup>1</sup> Sociedad Portuaria Puerto Bahia S.A., a subsidiary of Frontera Energy Corporation.

<sup>2</sup> Including 23,259 bbl/d of heavy crude oil, 13,886 bbl/d of light and medium crude oil, 6,042 mcf/d of conventional natural gas, and 1,644 boe/d of natural gas liquids.

<sup>3</sup> Including 931 bbl/d of light and medium crude oil.



### **Onshore Production**

13 crude oil blocks in production

38,215 bbl/d of crude oil production

2 gas blocks in production

6,042 mcf/d of natural gas and 1,644 boe/d of natural gas liquids

### **Port:**

99.97% equity interest in Sociedad Portuaria Puerto Bahia S.A., owner of a port facility in Cartagena, Colombia.

## **2.3 Supplementary information**

### **2.3.1 Description of the supply chain**

The Company's supply chain consists of different suppliers of goods and/or services that provide their services directly or indirectly to the business. In the 2023 fiscal year, the participation of national contractors or suppliers (Colombia) was 95.5% and 4.5% of purchases and services were through international suppliers and contractors.

Frontera advances its due diligence processes by directing them towards strengthening responsible business conduct performance in its suppliers and/or contractors, with special focus on those in the segment described below:

- Station operation and maintenance contractors
- Drilling and well services contractors
- Private security and surveillance contractors
- Civil engineering and metalworking service contractors
- Accommodation, staff transportation and general services contractors.

This is due to the volume of work related to these services and contractors or suppliers, who have a direct relationship with the communities that are part of the areas of direct influence of operations.

## **3. Measures taken to prevent and reduce forced labour and child labour**

At Frontera, our commitment to respect human rights is based on our corporate values (integrity, respect, commitment and sustainability), our governance model, regulatory compliance, self-regulation policies and sustainability strategy. We understand that the protection of human rights covers a wide range, from guaranteeing decent work and combating all forms of modern slavery to promoting equal opportunities, inclusion, protection of fundamental rights to life, mental health, safety, privacy and freedom of expression.

We understand that human rights and the accompanying guidelines affect more than just



supply chain compliance; therefore, we concentrate our efforts on the establishment of a risk management model suited to the Company that allows the identification and assessment of risks in the field of human rights, and able to prevent, monitor, report and redress their violation.

In 2017, Frontera redefined its corporate values and ethical principles, as well as its corporate purpose and elaborated a new code of business conduct and ethics (“**Code of Business Conduct and Ethics**”). As stated in its Code of Business Conduct and Ethics, Frontera is committed to respecting “*the universally accepted human rights of individuals and groups and seeks to ensure the Company is not complicit in human rights abuses committed by others*”. Moreover, the Company’s Code of Business Conduct and Ethics states that Frontera “*does not tolerate human rights abuses within its operations or by its customers or suppliers and has adopted the United Nations Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights*”.

Our objectives, as described in our Code of Business Conduct and Ethics, include the promotion of healthy relations, the avoidance of civil conflict, and zero tolerance of all forms of child labour, forced labour or trafficking in persons. Additionally, the Company requires strict monitoring of compliance with the Code of Business Conduct and Ethics by suppliers, contractors and subcontractors, promoting the right to decent work in safe, favourable and appropriate conditions. The Company also respects and promotes the dignity, welfare and rights of the staff, their families and the communities in which it operates. When these rights are threatened, the Company seeks compliance with international standards and avoids situations that could be interpreted as tolerance of human rights abuse.

This includes, but is not limited to, the elimination of all forms of forced labour and human trafficking, the effective abolition of child labour, the promotion of non-discrimination and inclusion in all areas of work, freedom of association and the effective recognition of the right to collective bargaining.

Frontera prioritizes action on human rights issues, identifies the factors that influence this activity and takes measurable actions. At Frontera, each employee plays a leading or supporting role in these efforts. Since 2017, we have been strengthening our work in promoting the protection of human rights and with regard to the prevention of forced labour and child labour. To date we have taken the following measures, among others:

- Corporate Human Rights Policy: Establishes Frontera’s commitment to respect and promote respect for human rights, which is applicable to the entire Company and its entire value chain, emphasizing zero tolerance for violations or infringements of human rights. This includes forced labour and child labour.
- Annex to contractor work agreement (Human Rights, Prohibition of Child Labor and Forced Labor), Decalogue of Frontera’s Provider (corporate guideline), Contractual Annex: It is vitally important for Frontera that both the contracting companies and



their subcontractors comply with their obligations, as employers and part of the value chain, in labour matters, as well as public employment service. Therefore, the annex to contractor work agreement issued by Frontera, which is mandatory for contractors and subcontractors, establishes that these companies should observe, promote and comply with the legal framework and policies of Frontera in relation to the hiring of personnel in legal terms and conditions, the timely payment of salaries and surcharges, the timely payments of social security, the setting of working days and shifts in accordance with legal provisions, and the provision of health conditions and safety at work. It also establishes the obligation to respect and promote human rights in all its operations, as well as the ratification of Frontera commitment to eradicate forced or child labour in its operations, seeking to end contemporary forms of slavery and human trafficking.

- Code of Business Conduct and Ethics: It establishes the parameters of ethical and responsible conduct in corporate relations.  
In 2023, 100% of Frontera workers attended the Code of Business and Ethics annual training and signed the declaration to know and comply with the Code and its related policies.
- Ethics is The Path - Code of Business Conduct and Ethics Manual, Chapter 5, Communities and Human Rights: Based on our principles of ethics and corporate compliance, we declare that at Frontera we respect and promote respect for human rights of our workers and communities in the areas of operation.
- Inclusion of the topic "**Sustainable Supply Chain**" in the 2024-2028 sustainability strategy: After updating the materiality analysis on sustainability, the issue of sustainable supply chains was included to monitor and accompany the supply chain in the implementation of practises aimed at the sustainable performance of Frontera's businesses, including human rights, with emphasis on child labour and forced labour.
- Establishment of an internal working group composed of representatives of Corporate Affairs and Human Talent Directors, Legal, Ethics and Compliance to review the impact of Canada's legislation against modern slavery and assess the meaning and scope of the measures taken to address risks.
- We implemented awareness-raising and communication initiatives promoting zero tolerance of modern slavery and activities related to human trafficking and the consequences of employees violating this prohibition. We also included actions to promote the Decalogue for Frontera's Provider. This decalogue is a corporate guideline that contemplates actions through which Frontera establishes parameters of responsible business conduct in its supply chain. The Decalogue summarizes the main guidelines of the Code of Business Conduct and Ethics that are applicable to all personnel (contractors, subcontractors, among others) no matter where they operate.
- Hiring guidelines aligned with International Labour Organization conventions, which include directions prohibiting the charging of recruitment fees to employees. Human Talent plan or policy, which includes guidelines for the



establishment of wages, according to the applicable requirements of each country where we operate.

- Speak-up campaigns in which we provide contact details of our ethical line to report any act contrary to the law, our Code of Conduct Business Conduct and Ethics, policies, and associated guidelines, including human rights policy.
- Due diligence compliance processes which include reputational risk assessment of third parties to prevent risks associated with, among others, corruption, and possible human rights incidents to which they may have been exposed, including modern slavery, considering the reports of the external sources of local, regional, and global stakeholders, such as media and associated lists.
- Introduction of compliance and ethical clauses within the agreements, which enable Frontera to terminate the contractual relationship if legal or contractual breaches are evidenced, including the contractor's participation in modern slavery-related activities.
- Implementation of compliance certifications that support those established in our Code of Business Conduct and Ethics, as well as associated policies that include zero tolerance of human rights violations and the promotion of actions to prevent modern slavery.
- Participation in collective action initiatives (e.g., training in human rights promoted by Alliance for Integrity - an initiative from the German Embassy in Colombia) in relation to human rights and modern slavery to prevent and mitigate these risks at industry, local or international level.

Frontera has been honored four times since 2021 as one of the world's most ethical companies by the Ethisphere Institute. Ethisphere meticulously evaluates actions related to human rights and commitment, recognizing companies that exemplify ethical business practices.

### **3.1.1 Due diligence policies and processes against forced and child labour**

In 2019, Frontera published its commitment to respect and promote human rights through its human rights declaration.

In December 2023, as part of the due diligence process and policy update, Frontera ratified its commitment, moving from a declaration to corporate human rights policy. Through this policy, it emphasizes its commitment to respect and promote respect of human rights, as well as the declaration of zero tolerance for human rights violations, especially any type of child labour, forced labour or human trafficking. This policy covers employees and third parties with whom we have significant dealings, including partners, suppliers, contractors, subcontractors, distributors, managers, advisors and other representatives acting on behalf of the Company.

In light of the foregoing, Frontera establishes the following guidelines that respond to due diligence processes in the prevention of human rights violations, including any form of



forced and child labour:

- Annex to contractor work agreement (human rights, prohibition of child labour and forced labour)
- Code of Conduct and Business Conduct and Ethics (CBCE) -excerpt
- Ethics is the Path - Code of Business Conduct and Ethics Manual, Chapter 5, Communities and Human Rights
- Human Rights Policy
- Decalogue of Frontera's Provider - Contractual Annex (corporate guideline)
- Due Diligence Form
- Compliance Certification - reference to CBCE and legislation
- Social Investment Policy

### **3.1.2 Some activities and supply chains that involve a risk of forced labour or child labour and measures taken to assess and manage risks**

The Company performs due diligence processes in advance of contractual actions with its partners, allies and suppliers in the framework of promoting responsible business conduct through the compliance area, in order to identify antecedents related to human rights violations, terrorist financing and corruption.

To implement human rights due diligence processes, Frontera carries out a risk assessment in each of the areas of the organization.

We are steadfastly dedicated to advancing human rights within our operations and supply chain. Through a range of initiatives, we enhance our operational practices and proactively address the risk of human rights violations. We acknowledge the vulnerability of specific activities in certain geographic regions, particularly transportation. Our approach involves employing robust tools and strategies to identify, assess, and effectively mitigate human rights risks across our entire operations and supply chains.

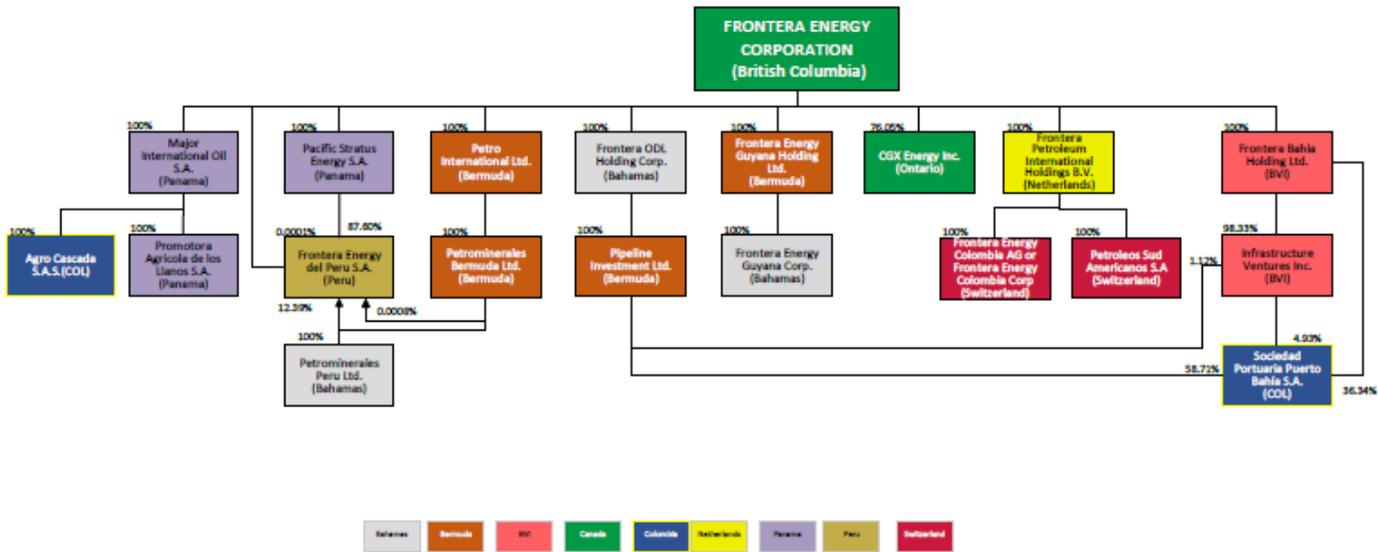
In addition to the foregoing, it is important to mention that compliance with the annex to contractor work agreement is mandatory for all Frontera contractors and subcontractors. Likewise, as an insurance measure for risk management, Frontera carries out labour audits, through which it verifies the application of the annex, seeking to ensure that contractors and subcontractors do not engage in practices related to forced labour, this is, through compliance with the applicable legal regulations regarding working hours, breaks, employment contracts and payments to social security during the execution of contracts. In 2023, there were 546 labour audits conducted, 224 in labour matters to 161 contractors and 129 subcontractors. In the course of these actions, no events related to forced or child labour were identified.



Both the recruitment processes of direct personnel and through third parties are carried out in compliance with the applicable legislation in each country, in strict compliance with working conditions, union affiliations, working hours, salaries, rest periods and work-life balance. Likewise, during the selection and recruitment processes, due assurance is made that people decide to work of their own free will.

**In joint ventures and subsidiaries**

As at December 31, 2023



The subsidiaries of Frontera in Peru, Promotora Agrícola de los Llanos S.A., Agro Cascada S.A.S., Sociedad Portuaria Puerto Bahía S.A. and CGX Energy Inc., are making efforts to prevent violations related to forced labour or child labour. These entities are aware of alleged violations and follow the guidelines of corporate policy. The entities have their own policies, procedures and regulations applicable to both their workers and their supply chain to identify, assess and manage risks related to violations of forced and child labour, both in their operations and in their supply chain.

**3.1.3 Measures taken to redress any form of forced or child labour**

At present, Frontera has processes for receiving petitions, complaints and claims, a channel to report cases of ethics and business behavior, permanent conversations with workers’ representatives through the coexistence committees and COPAST, ongoing discussions with trade unions; bodies that allow workers to complain about working hours, fair pay, implementation of occupational health and safety plans, in compliance with Colombian regulations both within the Company and in its supply chain.



### **3.1.4 Measures taken to remedy the loss of income of most vulnerable families resulting from any measures taken to eliminate the use of forced labour or child labour in their activities and supply chain**

Frontera establishes the implementation of an Ethics Line within its human rights policy, as a channel through which different interest groups (community, workers, contractors or suppliers) may file complaints or reports related not only to bribery or corruption cases, but also to human rights violations, including forced labour and child labour.

During 2023, there were no reports related to forced labour or child labour in Frontera; however, if any occurs in relation to our contractors or suppliers, Frontera commits to apply a comprehensive approach to address the situation effectively. This approach includes the following strategy:

- Review of breach of contract: Implementation of joint measures to solve the problem leading to the breach or cancellation of the contract.
- Process analysis and continuous improvement of corporate standards policies and procedures.
- Training and support to the supply chain to prevent practices that may lead to forced labour and child labour in their supply chains.
- Although a training process was carried out for 100% employees in relation to the code of conduct and corporate ethics, which integrates the respect for human rights, additionally.

### **3.1.5 How the company assesses its effectiveness in ensuring that forced and child labour is not applied in its businesses and supply chains**

Through the monitoring of the following indicators, Frontera ensures the effectiveness of prevention processes on forced and child labour:

- Monitoring, managing and closing cases related to forced labour and child labour. Indicator: Number of cases of workplace harassment and/or child labour reported through the following mechanisms: coexistence committee, COPAST, Ethics Line.
- Training for workers and contractors: Annual training on the prevention of forced labour and child labour will make it possible to identify situations in which violations of forced labour and child labour occur, and in this sense, prevent them during the development of activities, through our supply chain. Indicator: Number of training processes conducted with human rights workers, with emphasis on forced and child labour.
- Monitoring work performance in the supply chain: It is important to ensure the correct implementation of applicable labour legislation, policies and contractual annexes in the supply chain, for this reason certain undertakings which are part of the supply chain are intervened during the performance of the contract. Indicator:



Number of findings related to forced labour, child labour recorded through labour audits conducted in the year.

### **Approval**

This report has been reviewed and approved by the Board of Directors of Frontera, the principal governing body of the entity that controls each entity included in this report, in accordance with section 11 (4)(b)(ii) of Bill S-211.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above, and I have the authority to bind **FRONTERA ENERGY CORPORATION.**

A handwritten signature in black ink, appearing to read 'Orlando Cabrales Segovia', written over a horizontal line.

**Orlando Cabrales Segovia**  
Chief Executive Officer & Director  
Date: May 7, 2024