

Human Due Diligence Process

Characterization					
Date of Update		Process	Due Diligence in Human Rights		
Objective	Identify, avoid and address potential and/or actual risks arising from the activities of the company that could infringe on the human rights of related stakeholders, as well as opportunities that could benefit them.				
Scope	It starts with the establishment and/or updating of the institutional commitment, the identification and management of Human Rights (HR) risks and opportunities in all processes and performance monitoring and ends with remediation for those cases that cannot be avoided.				
Responsible for the Process	Legal Area	Responsibility and authority of the process	CEO		
Monitoring and Measurement	Dashboard indicators, monitoring through internal and external audits, risks and Opportunities				
Resources	Financial: Budgets G&A, AFES, OPEX.	Equipment and infrastructure: computer equipment, offices, telecommunications equipment	Computer: Internet	Human: Manager, Coordinators, Supervisors, Specialists, Professionals, Analyst, Agents, External Advisors	Other:
Inputs		Description		Outputs	
Input/stakeholder	Description	Activities (PHVA)		Description	Recipient/ stakeholder
Institutional Commitment/Policy					
Senior Management Legal Area Stakeholders	Requirements in application of the framework of performance in human rights, expectations of investors, business relations, and industrial sector.	Preparation and/or update process: List or refer to documents, declarations or instruments of human rights such as the Guiding Principles on Business and Human Rights, the Voluntary Principles on Security and Human Rights, the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights, as well as on Economic, Social and Cultural Rights, the conventions of the International Labor Organization, the ILO Declaration related to fundamental principles and rights at Work, and the Principles of the Global Compact.		Document with an explicit commitment to incorporate due diligence according to the standards involved and to remedy adverse impacts in the event that they occur.	Senior Management Stakeholders of the Entire Organization

<p>Senior Management Legal Area Strategic Planning Human Talent</p>		<p>Preparation and/or update process: approve the policy at management level and communicate it to stakeholders (employees, partners, authorities at the national and local levels, and suppliers)</p>	<p>Document with approval at management level and dissemination and training strategy to favor the organizational culture to ensure due diligence in human rights.</p>	
<p>Senior Management Legal Area Stakeholders</p>	<p>Requirements in application of the framework of performance in human rights, expectations of investors, business relations, and industrial sector.</p>	<p>Differential approach: Consider specific groups or populations that require special attention (for example, women, children, indigenous peoples, minorities, people with disabilities, local communities, migrant workers, among others), as well as population groups that demand greater attention, such as those mentioned in the United Nations Declaration on the Rights of Indigenous Peoples, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Rights of the Child, Convention 169 of the ILO on Indigenous and Tribal Peoples, among others.</p>	<p>Document with an explicit commitment to incorporate the differential approach.</p>	<p>Senior Management Stakeholders of the Entire Organization</p>

Identification of Impacts / Risks and Opportunities

<p>Social Management Sustainability/Process Characterization Planning, Analysis and Risk Management Sustainability/Quality Legal Area Stakeholders</p>	<p>Need to integrate the human rights due diligence approach into the risk and opportunity management process throughout the organization.</p>	<p>Characterization or knowledge of the environment: Develop a baseline that may allow the recognition and understanding of the social, political, cultural, environmental and economic conditions of the area of influence, incorporating relevant information for the identification of possible impacts on human rights by stakeholders. While incorporating, with a differential approach, the possible impacts that the operation may have on vulnerable populations or populations that require a particular treatment based on their ethnicity or culture, political affinity, nationality, sexual orientation, age and gender, among others. The analysis must include the entities of the national level and the authorities at the local level with which it is necessary to coordinate to prevent the materialization of impacts.</p>	<p>Document of characterization by processes and stakeholders, to serve as reference for the appointment, description, causes and the ones involved in risks and opportunities associated with HR.</p>	<p>The entire organization Stakeholders</p>
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<p>Gestión Social Sostenibilidad/Proceso Caracterización Planeación, Análisis y Gestión del Riesgo Sostenibilidad/calidad Área Legal Grupos de interés</p>	<p>Need to integrate the human rights due diligence approach into the risk and opportunity management process throughout the organization.</p>	<p>Identification of impacts: Proactively and constantly identify risks and opportunities of activities in human rights, and update identification at key moments (for example, change of policies and new projects, among others)</p>	<p>According to the organization's risk and opportunity management guidelines.</p>	<p>The entire organization Stakeholders</p>
Management of Impacts/risks and Opportunities				
<p>Planning, Analysis and Risk Management Sustainability/Quality Legal Area Stakeholders The entire organization</p>		<p>Integration of the Human Rights Approach: Incorporate the human rights approach associating impacts with rights, and prioritize based on the criticality and severity that they represent, including in your risk weighting tools (risk matrix) the rights affected; the number of people who would be affected if the risks materialize; the presence of particularly vulnerable populations; and the remediable or irremediable nature of the impact.</p>	<p>Matrix of risks and opportunities associated with human rights by process.</p>	<p>The entire organization Stakeholders</p>
<p>Legal Area Social Management Sustainability Administrative Management</p>	<p>Integration of the findings of risks and impacts on human rights in the relevant internal functions and processes, through the adoption of appropriate measures to prevent, mitigate or remedy.</p>	<p>Coordination with Stakeholders: Coordinate prevention, mitigation, and remediation actions with entities at the national level, local authorities, and other companies, to achieve synergies and effectiveness in treatment measures.</p>	<p>Coordination Protocols.</p>	<p>Government, Surveillance and Control Bodies</p>
<p>Legal Area Supply</p>		<p>Value chain: Ensure that contractors know and understand the impacts identified, the measures defined and the behavior that is expected of them in the framework of due diligence management, including specific human rights clauses in the terms of reference to be published, as well as in the contracts to be signed with suppliers.</p>	<p>Terms and conditions, annexes, addenda.</p>	<p>Contractors and suppliers</p>
<p>Legal Area Sustainability Social Management Administrative Management</p>		<p>Internal and External Communication: Externally communicate the identified impacts and management measures, especially to potentially affected stakeholders, through differentiated communication strategies.</p>	<p>Communication and dissemination strategies according to the communication procedure and relationship protocols.</p>	<p>Stakeholders</p>

Performance Monitoring				
Senior Management Legal Area Planning, Analysis and Risk Management Sustainability/Quality		Indicators and Processes: Establish specific qualitative and quantitative indicators within an ongoing process to track the management of impacts on human rights, monitoring and also evaluating changes in the baseline or context analysis.	According to the guidelines of the current Risk and Opportunity Planning Process for the evaluation of the effectiveness of the management framework.	Senior Management The entire organization Stakeholders
Legal Area Planning, Analysis and Risk Management Sustainability/Quality Sustainability Social Management Administrative Management		Follow-up tools: Integrate follow-up to internal and external audits and conduct consultations, interviews, focus groups, and surveys, among others, to identify the perceptions of stakeholders regarding the progress of risk management.	Communication and dissemination strategies according to the communication procedure and relationship protocols.	Stakeholders
Sustainability/Quality	Need for follow-up to the management of impacts on human rights.	Integrate follow-up to internal and external audits	According to the guidelines of the current Risk and Opportunity Planning Process, having as a baseline the evaluation of performance indicators and post audit exercises.	Senior Management The entire organization Stakeholders
Legal Area Supply		Value Chain: Include within the performance evaluation criteria for contractors or suppliers, the integrality of the measures adopted by them to ensure respect for human rights..	Mechanisms to verify compliance with standards agreed for suppliers, contractors and subcontractors with respect to human rights due diligence.	Contractors and Suppliers

Impact Remedy				
Senior Management Legal Area		<p>Petitions, Complaints and Claims System: Develop a PQRS [Spanish acronym for Petitions, Complaints, Claims and Suggestions] system that may be recognized by the different stakeholders as a channel through which they will obtain response and solutions to situations raised, classifying the PQRS received and identifying which of them involve the possible affecting or the effecting of a human right, maintaining constant analysis and identifying gaps and opportunities for improvement.</p>	PQRS System	Stakeholders
Legal Area Crisis Committee	Need for procedures to provide remedy in case of a negative impact on human rights and achieve substantive results that may counteract, or positively transform, such Impacts.	<p>Mechanisms for Reparation and Restitution of Rights: Establish remedy formulas adjusted to the internationally recognized rights and coordinate in an effective way with the institutional framework to restore rights in the cases in which the intervention of national or local entities is required.</p>	<p>Claim mechanisms of a state and non-state nature, which may be parallel and not excluding, and judicial and not judicial, which may be of a public or private initiative.</p> <p>Mechanisms alternative to justice for the solution of conflicts and the access to remedy, adequately coordinated with the judicial mechanisms, in their sanctioning as well as in their indemnifying form.</p>	Stakeholders
Legal Area		<p>Communication: Disclose data on the operation of the systems including in the reports the number of PQRS submitted, answered and resolved on human rights issues.</p>	Reports	The entire organization Stakeholders
Legal Area Supply		<p>Value Chain: Encourage contractors and suppliers so that they may establish PQRS systems under internationally recognized standards.</p>	Terms and conditions, annexes, addenda.	Contractors and Suppliers

Identification of Human Rights Risks, Impacts and Opportunities

In 2021, Canacol conducted a disaggregated evaluation of each one of the five (5) components related to due diligence in human rights, namely:

- a. Institutional commitment
- b. Impact identification
- c. Impact management
- d. Monitoring
- e. Remediation

The above, with the purpose of providing recommendations to strengthen the identification of risks and opportunities, the evaluation of potential and/or existing impacts, and to incorporate the results into the integrated management system.

For the development of the evaluation, an instrument was designed in accordance with the standards and indicators of the United Nations Guiding Principles and with quantifiable valuation criteria to allow their use within the specifications of the structural framework of the management system. A scale of six (6) levels was considered to determine the degree of development (formalization) and thus have a reference point to structure a due diligence process and incorporate it into the process map.

The evaluation was based on a documentary review that allowed a classification by due diligence component, and the determination, when applying the instrument, of the degree of formalization. For this exercise, different aspects of due diligence were analyzed, such as: identification, management and remediation of impacts, performance monitoring, safety, water, labor rights, ethnic minorities, land management, local communities and migrant workers. Additionally, within the diagnosis, the supply chain and joint ventures were evaluated according to the evaluation indicators of the due diligence standards.

The result allowed Canacol to ratify the presence of formalized procedures, both operational and institutional support, which have been guaranteeing the social license of operation and which allow their integration into the internal processes.

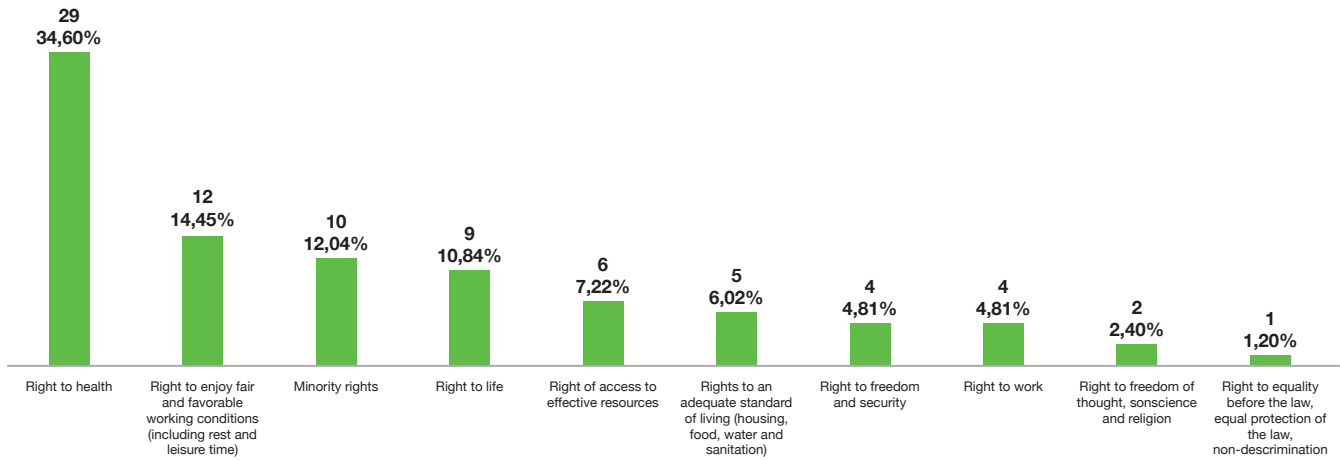
In addition, it allowed an association of the human rights risks and opportunities identified by all areas of Canacol, for which the structure and instruments of the existing procedure within the integrated management system were used. Through the evaluation, risks and opportunities related to human rights were identified, in order to prevent their occurrence and provide for mitigation measures if necessary.

In this regard, it is worth noting that the risks identified are those inherent to companies of the sector and that none of them has materialized to date, due to the prevention and mitigation strategies that the Company has established.

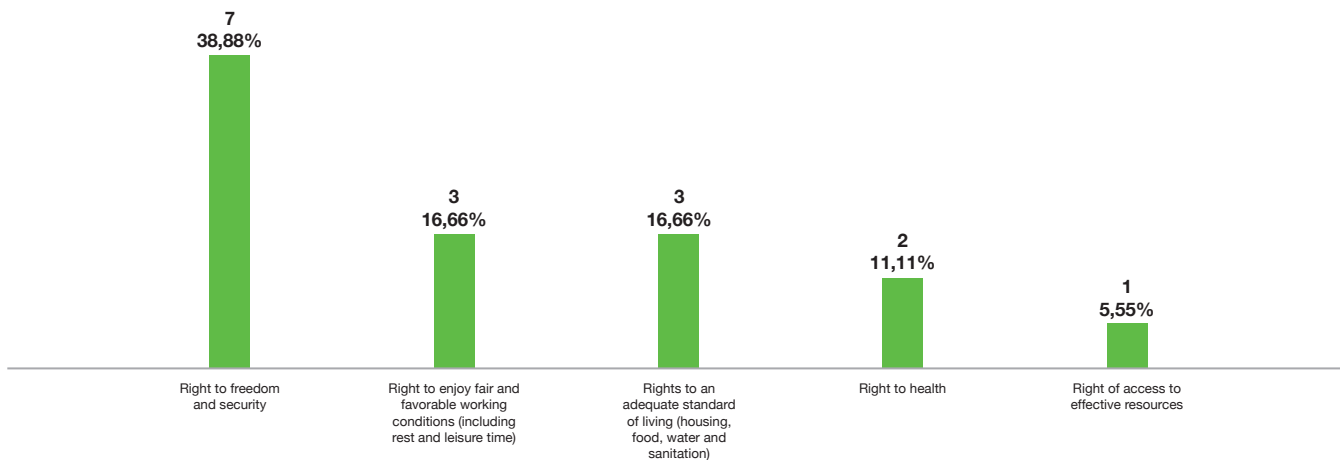
Thus, of the total risks identified in the Company's operations, a very low percentage are related to human rights. In addition, 74 opportunities in total were identified, of which 20 are related to human rights.

The matrix of risks, impacts and opportunities in human rights allowed the identification of the human rights associated with both risks and opportunities in the development of Company operations, as set out below:

Human Rights associated with risks



Human Rights associated with opportunities



Human Rights Remediation Procedure

1. Purpose

The purpose of this Procedure is to establish the guidelines to provide remediation in the case of negative impacts on human rights related to the handling of petitions, requests, complaints, claims and denunciations by CANACOL ENERGY's stakeholders. It is important to note that the remediation procedure and the mitigation actions cover all CANACOL ENERGY operations.

The foregoing, taking into account the provisions of the Guiding Principles on Business and Human Rights of the United Nations, as well as the mechanisms existing in the Company related to the processing and management of human rights petitions, complaints, claims and denunciations.

2. Principles

This manual contemplates the following principles for the handling of human rights petitions, complaints, claims and denunciations:

- Legitimate and reliable
- Public and accessible
- Transparent
- Based on constructive dialogue
- Predictable in terms of the process
- Culturally appropriate
- Confidential
- Provides access to other legal mechanisms
- Fair and empowered
- Continuous learning
- Institutional, integrated and aligned

3. Approaches to remediation.

The approach favored in this procedure is that of direct operational management by the Company.

4. Procedimiento

To identify and manage human rights risks and opportunities, the procedure covers the following activities: receipt of petitions, complaints and claims, classification and treatment.

5. Remediation

If remediation is necessary, it must consider the following aspects:

1. For those cases that involve open risks and/or opportunities, treatment must be carried out according to what has already been determined in the respective management of the area involved.
2. For those cases related to risks and/or opportunities that are in a closed state, which would evidence the specific materialization of a risk, the area in charge must define an action and treatment plan proportional to what is established for the management of this risk in the respective procedures (PPLN-01 and PPRY-01).
3. For those cases that were not considered as risks and/or opportunities through the existing procedures, a treatment must be provided by the area involved and management must be established as a risk to prevent their repetition.
4. For those cases that correspond to violations directly committed by employees of the company or contractors, concrete actions must be taken, and the facts must be reported to the competent authorities if necessary. Once there is a ruling by the competent authority, the Company may make a public apology including recognition of the facts and delimitation of responsibilities.
5. For those cases in which the Company does not have direct control and involvement in any way of the activities of the operation, the respective authorities must be informed to prevent possible accusations of complicity. The above in accordance with the established relationship protocols.

6. Human Rights remediation plans

We recognize the importance of incorporating applicable human rights mitigation and remediation plans in cases where there is a negative impact on the human rights of our stakeholders. We employ effective redress mechanisms when there has been a violation of the human rights of an individual or a group. Some of the remediation alternatives considered were restitution, apologies, financial and non-financial compensation, and punitive sanctions, applicable according to the impacts of each case.