

Human Due Diligence Process

Human Rights Due Diligence Process					
Date of Update	January 2025	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	
Contribution/Stakeholder	Description	Activities (PHVA)		Description	Recipient/ stakeholder
Institutional Commitment/Policy					
Executive Management, Legal Department, Stakeholders	Requirements for the application of the human rights framework, investor expectations, business relationships, industrial sector.	Policy Content: Reference or relate to documents, statements, or human rights instruments such as the UN 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 Economic, Social, and Cultural Rights, the International Labour Organization (ILO) Conventions, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact Principles.		Document with an explicit commitment to incorporating due diligence according to relevant standards and to remedying adverse impacts should they occur.	Executive Management, Stakeholders, Entire Organization

<p>Executive Management, Legal Department, Strategic Planning, Human Talent</p>	<p>Requirements for the application of the human rights framework, investor expectations, business relationships, industrial sector.</p>	<p>Development and/or Update Process: Approve the policy at the executive level and communicate it to stakeholders (employees, partners, national and local authorities, and suppliers).</p>	<p>Document with executive-level approval and a dissemination and training strategy that promotes organizational culture to ensure due diligence in human rights.</p>	<p>Executive Management, Stakeholders, Entire Organization</p>
<p>Executive Management, Legal Department, Stakeholders</p>	<p>Requirements for the application of the human rights framework, investor expectations, business relationships, industrial sector</p>	<p>Differential Approach: Consider specific groups or populations that require special attention (e.g., women, children, Indigenous peoples, minorities, persons with disabilities), as well as populations that demand greater attention, in accordance with instruments such as 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, the ILO Convention 169 on Indigenous and Tribal Peoples, among others.</p>	<p>Document with executive-level approval and a dissemination and training strategy that promotes organizational culture to ensure due diligence in human rights.</p>	<p>Executive Management, Stakeholders, Entire Organization</p>
<p>Identification of Impacts / Risks and Opportunities</p>				
<p>Social Management, Sustainability / Process Characterization, Planning, Risk Analysis and Management, Sustainability / Quality, Legal Department, Stakeholders</p>	<p>Need to integrate the human rights due diligence approach into the organization's risk and opportunity management process.</p>	<p>Characterization or Understanding of the Environment: Develop a baseline to assess and understand the social, political, cultural, environmental, and economic conditions of the area of influence. This should include relevant information for identifying potential impacts on the enjoyment of human rights by stakeholders, incorporating a differential approach to assess the possible effects of operations on vulnerable populations or those requiring special consideration based on ethnicity, culture, political affiliation, sexual orientation, age, gender, among others.</p> <p>The analysis should also include national entities and local authorities that need to be engaged to prevent the materialization of impacts.</p>	<p>Document for process and stakeholder characterization, serving as a reference for the identification, description, causes, and parties involved in risks and opportunities related to human rights.</p>	<p>Stakeholders, Entire Organization</p>
<p>Social Management, Sustainability / Process Characterization, Planning, Risk Analysis and Management, Sustainability / Quality, Legal Department, Stakeholders</p>	<p>Need to integrate the human rights due diligence approach into the organization's risk and opportunity management process.</p>	<p>Identification of Impacts: Proactively and continuously identify the risks and opportunities of activities in relation to human rights, and update the identification at key moments (e.g., policy changes, new projects, among others).</p>	<p>In accordance with the organization's risk and opportunity management guidelines.</p>	<p>Stakeholders, Entire Organization</p>

Management of Impacts / Risks and Opportunities				
Planning, Risk Analysis and Management, Sustainability / Quality, Legal Department, Stakeholders, Entire Organization	Integration of human rights risk and impact findings into relevant internal functions and processes through the adoption of appropriate measures to prevent, mitigate, or remedy them.	<p>Integration of the Human Rights Approach: Incorporate the human rights approach by linking impacts to rights and prioritizing them based on their criticality and severity. This includes integrating into risk assessment tools (e.g., risk matrix) factors such as the affected rights, the number of people who would be impacted if the risks materialize, the presence of particularly vulnerable populations, and whether the impact is remediable or irreparable.</p>	Risk and Opportunity Matrix Associated with Human Rights by Process.	Stakeholders, Entire Organization
Legal Department, Social Management, Sustainability, Administrative Management	Integration of human rights risk and impact findings into relevant internal functions and processes through the adoption of appropriate measures to prevent, mitigate, or remedy them.	<p>Engagement with Stakeholders: Coordinate prevention, mitigation, and remediation actions with national-level entities, local authorities, and other companies to achieve synergies and effectiveness in treatment measures.</p>	Coordination Protocols.	Government, Oversight and Regulatory Agencies.
Legal Department, Procurement	Integration of human rights risk and impact findings into relevant internal functions and processes through the adoption of appropriate measures to prevent, mitigate, or remedy them.	<p>Value Chain: Ensure that contractors are aware of and understand the identified impacts, defined measures, and expected behavior within the framework of due diligence management. This includes incorporating specific human rights clauses in the terms of reference to be published, as well as in contracts to be signed with suppliers</p>	Terms and Conditions, Annexes, Addendums.	Contractors and Suppliers.
Legal Department, Sustainability, Social Management, Administrative Management	Integration of human rights risk and impact findings into relevant internal functions and processes through the adoption of appropriate measures to prevent, mitigate, or remedy them.	<p>Internal and External Communication: Externally communicate the identified impacts and management measures, especially to potentially affected stakeholders, through differentiated communication strategies.</p>	Communication and Outreach Strategies: Aligned with the communication procedure and relationship protocols..	Stakeholders

Performance Monitoring				
Executive Management, Legal Department, Planning, Risk Analysis and Management, Sustainability / Quality	Need for Monitoring the Management of Human Rights Impacts.	<p>Indicators and Processes: Establish specific qualitative and quantitative indicators within a continuous process to monitor the management of human rights impacts, also tracking and evaluating changes in the baseline or contextual analysis.</p> <p>As part of human rights impact management monitoring, we conduct periodic and systematic reviews of the human rights risk mapping and publicly disclose the results to ensure transparency and accountability.</p> <p>In accordance with the guidelines of the Current Risk and Opportunity Planning Process, this serves to evaluate the effectiveness of the management framework.</p>	In accordance with the guidelines of the Current Risk and Opportunity Planning Process for evaluating the effectiveness of the management framework.	Executive Management, Entire Organization, Stakeholders.
Legal Department, Planning, Risk Analysis and Management, Sustainability / Quality, Social Management, Administrative Management	Need for Monitoring the Management of Human Rights Impacts.	<p>Monitoring Tools: Integrate tracking into internal and external audits and conduct consultations, interviews, focus groups, surveys, among others, to identify stakeholder perceptions regarding progress in risk management.</p>	Communication and Outreach Strategies: Aligned with the communication procedure and relationship protocols.	Stakeholders
Sustainability/Quality	Need for Monitoring the Management of Human Rights Impacts.	Integrate monitoring into internal and external audits.	De acuerdo con los lineamientos del Proceso de Planificación de Riesgos y Oportunidades Vigente teniendo como base la evaluación de los indicadores de desempeño, ejercicios post Auditorias.	Executive Management, Entire Organization, Stakeholders
Legal Department, Procurement	Need for Monitoring the Management of Human Rights Impacts.	<p>Value Chain: Include the comprehensiveness of the measures adopted by contractors or suppliers to ensure respect for human rights as part of their performance evaluation criteria.</p>	Verification Mechanisms: Ensure compliance with agreed standards for suppliers, contractors, and subcontractors regarding human rights due diligence.	Contractors and suppliers.

Impact Remediation				
<p>Executive Management, Legal department</p>	<p>Need for Procedures to Provide Remedy for Negative Human Rights Impacts: Establish procedures to ensure effective remediation of negative human rights impacts and strive for substantive outcomes that can counteract or transform those impacts into positive ones.</p>	<p>Mechanisms for Reparation and Restitution of Rights: Establish remediation frameworks aligned with internationally recognized rights and effectively coordinate with institutions to restore rights in cases requiring intervention from national or local entities.</p>	<p>State and Non-State Grievance Mechanisms: Establish parallel and non-exclusive judicial and non-judicial mechanisms, which can be initiated by public or private entities.</p> <p>Alternative Dispute Resolution Mechanisms: Develop alternative justice mechanisms for conflict resolution and access to remedies, ensuring proper coordination with judicial mechanisms in both their punitive and compensatory forms.</p>	<p>Stakeholders</p>
<p>Legal Department</p>	<p>Need for Procedures to Provide Remedy for Negative Human Rights Impacts: Establish procedures to ensure effective remediation of negative human rights impacts and strive for substantive outcomes that can counteract or transform those impacts into positive ones.</p>	<p>Communication: Disclose data on the operation of the systems, including in reports the number of CCRP submitted, responded to, and resolved concerning human rights issues.</p>	<p>Reports</p>	<p>Entire Organization, Stakeholders</p>

Impact Remediation				
Legal Department, Procurement	Need for Procedures to Provide Remedy for Negative Human Rights Impacts: Establish procedures to ensure effective remediation of negative human rights impacts and strive for substantive outcomes that can counteract or transform those impacts into positive ones.	Value Chain: Encourage contractors and suppliers to establish CCRP systems in accordance with internationally recognized standards.	Terms and Conditions, Annexes, Addendums.	Contractors and suppliers
Security				
Sustainability/ Safety ESG	Maintain the security and protection of operations within an operational framework that guarantees respect for human rights and international humanitarian law, acting in alignment with applicable international standards, particularly regarding the use of force	Implement actions aligned with the Voluntary Principles on Security and Human Rights, extending them to contractors and suppliers within the value chain. Incorporate community perceptions and concerns into security assessments and collaborate with community members to enhance security, prevent, or address tensions related to operations.	Terms and Conditions, Annexes, Addendums.	Contractors and suppliers
Water				
Sustainability Environmental	Consider the United Nations Sustainable Development Goals (SDGs) and the CEO Water Mandate of the UN Global Compact.	Implement preventive and corrective action plans for specific identified risks related to the right to water and sanitation within operations. Set specific water management objectives that consider local communities' and other nearby users' water consumption, and report on progress.	Risk Management Plans Environmental Compliance Report	Stakeholders

Decent Work				
Administrative Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Union Recognition: It will design and implement specific policies and standards to meet legal requirements on this matter, as well as mechanisms for tracking and monitoring its performance.	Guide to Working Conditions	Stakeholders
Administrative Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Union Activities Exercise: Implement measures to guarantee that every worker, without distinction or discrimination, and in an autonomous manner, has the freedom to join, not join, or withdraw from a union organization, provided that they respect its statutes.	Guide to Working Conditions	Stakeholders
Administrative Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Collective Bargaining: Implement measures to guarantee the recognition of trade union organizations' right to collective bargaining.	Collective Bargaining	Stakeholders
Administrative Management, Social Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Job Opportunities: Implement measures to create employment alternatives in the direct area of influence of operations, whenever possible. The company will review its policies and practices to ensure an inclusive approach and a gender perspective that considers differentiated views based on identified vulnerabilities within the population.	Comprehensive Social Management Policy	Stakeholders
Administrative Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Working Conditions: Implement mechanisms to inform workers about labor commitments and obligations in accordance with current legislation. The company will take measures to raise awareness about workplace harassment, sexual harassment, and other forms of gender-based violence in the workplace.	Statement on Working Conditions	Stakeholders

Administrative Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Child Labor: Implement measures in accordance with legislation on the eradication of child labor, ensuring the identification of related risks, including those within the value chain.	Purchasing and Contracting Manual	Stakeholders
Administrative Management, Legal Department	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Equal Opportunities: Implement measures to promote the principle of non-discrimination in hiring, promotion, and development processes. Likewise, ensure that differences in employee compensation are not based on distinctions, restrictions, or preferences of any kind.	Guide to Working Conditions	Stakeholders
Ethnic Minorities				
Social Management	Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.	Establish measures to incorporate a differential approach in all actions to ensure respect for the rights of ethnic minorities. In particular, to assess and address the impacts of business activities and commercial relationships on the culture and territory of identified ethnic minorities.	Purchasing and Contracting Manual	Stakeholders
Land Management				
Legal Department, Social Management	Need to Adopt Guidelines for Land Purchases or Acquisition of Usage Rights Establish guidelines for purchasing land or acquiring usage rights, ensuring respect for the dignity and equality of all parties involved. These processes should be conducted with transparency and through means that align with international standards.	Establish measures to ensure that, in the case of any new or ongoing land resettlement, legitimate tenure rights holders can be identified, with special attention to vulnerable tenure rights holders.	Description of Activities of the Land Department	Stakeholders

<p>Legal Department, Social Management</p>	<p>Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.</p>	<p>Establish measures to ensure that, in the case of any new or ongoing land resettlement, financial compensation or alternative compensation options are planned or provided, in accordance with IFC Performance Standard No. 5 on Land Acquisition and Involuntary Resettlement.</p>	<p>Description of Activities of the Land Department</p>	<p>Stakeholders</p>
<p>Legal Department, Social Management</p>	<p>Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.</p>	<p>Establish measures to ensure that, in cases of land acquisition, leasing, or other land use arrangements, legitimate tenure rights are recognized, with special attention to vulnerable tenure rights holders.</p>	<p>Description of Activities of the Land Department</p>	<p>Stakeholders</p>
<p>Legal Department, Social Management</p>	<p>Establish working conditions based on the principles of freedom, equity, security, and dignity, ensuring protected rights, fair remuneration, and social protection.</p>	<p>Establish measures to ensure that, in cases of land acquisition, leasing, or other land use arrangements, legitimate tenure rights are recognized, with special attention to vulnerable tenure rights holders.</p>	<p>Description of Activities of the Land Department</p>	<p>Stakeholders</p>

Human Rights Remediation Procedure

1. Purpose

This procedure aims to establish guidelines for providing remedies in response to negative human rights impacts related to the handling of petitions, requests, complaints, claims, and reports from Canacol Energy Ltd. (here and after Canacol or the “Company”) stakeholders. These guidelines seek to achieve results that counteract or transform such impacts into positive outcomes. It is important to note that the remediation procedure and mitigation actions are cross-cutting and apply to all Canacol Energy Ltd. operations.

This procedure aligns with the United Nations Guiding Principles on Business and Human Rights, as well as the company’s existing mechanisms for processing and managing petitions, complaints, claims, and reports concerning human rights.

2. Principles

This manual establishes the following principles for handling petitions, complaints, claims, and reports related to human rights:

- 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 preferred approach in this procedure is direct operational management by the company.

4. Procedure

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

5. Remediation

If remediation is necessary, the following aspects must be considered:

1. In cases involving open risks and/or opportunities, the treatment must follow the guidelines already established in the relevant management area.
2. In cases involving closed risks and/or opportunities, which indicate the materialization of a specific risk, the responsible area must define an action plan and treatment proportional to the measures outlined in the respective procedures (PPLN-01 and PPRY-01).
3. In cases not previously considered as risks and/or opportunities within existing procedures, the involved area must ensure proper treatment and classify it as a risk to prevent recurrence.
4. In cases involving direct violations committed by company employees or contractors, concrete actions must be taken, and, if necessary, the facts must be reported to the competent authorities. Additionally, once there is a ruling from the competent authority, the company may issue a public apology acknowledging the facts and outlining responsibilities.
5. In cases where the company does not have direct control, but the issue still involves operational activities, it must be reported to the relevant authorities to avoid potential accusations of complicity, in accordance with established engagement protocols.

6. Remediation Plans

At Canacol, we recognize the importance of incorporating human rights mitigation and remediation plans in cases where a negative impact on the human rights of our stakeholders has occurred. The objective is to implement effective reparation mechanisms when a human rights violation has taken place, either affecting an individual or a group.

To illustrate this, various remediation alternatives may be considered, such as restitution, apologies, financial and non-financial compensation, and punitive sanctions, applied according to the impact of each case.