
Climate Change and Energy Efficiency Policy

1. Objective

This policy aims to establish the guidelines for Canacol Energy Ltd (hereinafter Canacol or the Company) and its subsidiaries for climate change management and energy efficiency, ensuring their integration with the Company's strategy and business model through targeted initiatives, clear performance metrics, and alignment with corporate sustainability goals. The goal is to maximize long-term value for all stakeholders while contributing to the transition toward a low-carbon economy.

2. Scope

This policy applies to all operational areas of the Company and its subsidiaries, including:

- **Direct operations:** Exploration, drilling, production, and other products.
- **Supply chain:** Suppliers, contractors, and business partners.
- **Administrative and logistics activities:** Administrative facilities, transportation systems, and logistics and distribution processes.
- **Future projects:** New projects should be designed with a sustainability vision to align with this policy.

3. Ambition and Commitments

Canacol aspires to lead natural gas production and be a benchmark of excellence in sustainability, including climate change management and energy efficiency.

As part of its efforts to contribute to the 2030 Agenda, the Paris Agreement, and the Nationally Determined Contributions (NDCs) of the regions where it operates, the Company remains committed to implementing actions to reduce greenhouse gas (GHG) emissions through the design and execution of energy efficiency and decarbonization strategies, technological reconversion, portfolio diversification, and the innovation, development, and use of renewable and alternative energies. Additionally, Canacol reaffirms its commitment to identifying and efficiently managing climate-related risks and opportunities, reducing vulnerabilities, and strengthening organizational resilience.

Our specific commitments include:

Operations:

- **Climate Change Management:**
 - Continuously update and verify the GHG emissions inventory for Scope 1 and 2 with an independent third party.
 - Reduce GHG emissions.
 - Identify and manage the strategic business and stakeholder impacts of climate change.
 - Identify and manage dependencies, opportunities, and physical and transitional climate risks of strategic importance to the business and stakeholders.
 - Facilitate the transition to a low-carbon economy in the regions where the Company operates.
- **Energy Efficiency:**
 - Optimize energy use in our operations.
 - Evaluate and implement advanced technologies.
 - Implement improvements in measurement systems to assess energy consumption more accurately in high-demand processes, identifying opportunities for optimization and efficiency.
 - Establish a preventive maintenance and leak detection program focused on minimizing emissions and ensuring operational efficiency.

Value Chain:

- Continuously update and verify the GHG emissions inventory for Scope 3 with an independent third party.
- Train employees, suppliers, contractors, and business partners on the risks and opportunities that climate change presents for Canacol and its environment.
- Foster an organizational culture oriented toward energy excellence.
- Work with local communities to develop projects that contribute to climate change adaptation.
- Strengthen engagement with stakeholders, especially suppliers and contractors, to build capacities and support efforts beyond Canacol's operational control.

4. Strategic Objectives

To guide and fulfill our commitments, Canacol has set the following medium- and long-term strategic objectives:

- **Emissions Reduction:**
 - Reduce GHG emission intensity for Scope 1 and 2 by at least 50% by 2035 and achieve carbon neutrality by 2050.

- Achieve net-zero methane emissions across all operations by 2026.
- **Management of Dependencies, Impacts, Risks, and Opportunities:**
 - Ensure that climate-related issues, including strategic and emerging risks and opportunities, are considered in the Company's annual and long-term strategic planning process, as well as in future divestment and investment decisions.
- **Energy Efficiency Improvement:**
 - Increase energy efficiency per unit of production by 25% by 2035, optimizing the use of energy, water, and materials to maximize productivity and minimize environmental impact.
- **Transition to Renewable Energy:**
 - Increase the share of renewable energy in our energy mix by 50% by 2050.

5. Management Framework

Our climate change and energy efficiency management are supported by a strategic framework composed of the following elements:

Governance:

Canacol has a sustainability governance model that includes climate change and energy efficiency management under a double materiality approach. This model defines a structure comprising executive and tactical roles (Figure 1.), which outlines the responsibilities required to design and implement processes, controls, and procedures that enable effective oversight, management, and monitoring of climate-related impacts, dependencies, risks, and opportunities.



Management of Impacts, Dependencies, Risks, and Opportunities:

Our strategic framework defines the process used to identify, assess, prioritize, and monitor climate and energy efficiency-related risks, opportunities, dependencies, and impacts. This process includes analyzing positive and negative impacts, as well as assessing current, emerging, and future probable (scenario analysis) physical and transitional risks and opportunities, extending this approach to the value chain. Additionally, it integrates this process into the Company's global risk management framework.

Strategy:

The Company designs its climate and energy efficiency strategy to effectively respond to the most relevant impacts, risks, and opportunities for Canacol and its stakeholders. Our strategy includes medium- and long-term objectives (outlined in section 4 of this policy) and is accompanied by a master action plan that defines various resources required to achieve these goals, including material, technological, human, and financial resources.

We periodically review and analyze our strategy and progress to remain at the forefront, enhancing our competitiveness, resilience, and long-term value creation capacity.

Metrics and Targets:

Based on our strategy and management framework, we establish metrics that include tactical and strategic indicators to measure our annual and cumulative performance and progress in the short, medium, and long term, including progress toward our strategic climate change and energy efficiency objectives.

Communication and Reporting:

We transparently and regularly communicate progress, challenges, and achievements in climate change and energy efficiency to all stakeholders. This includes both financial and non-financial information.

External Assessment and Continuous Improvement:

As part of our management framework, we participate annually in external evaluations and rankings to validate the Company's performance regarding climate change and energy efficiency, generating information to continuously improve our operations, processes, and strategies.