

# Policy of Management of Risks and Opportunities

Canacol Energy Ltd. and its subsidiaries maintain a robust system for the management of risks and opportunities associated with the exploration, drilling, and production of hydrocarbons. The objective of this system is to establish a comprehensive and systematic framework for the identification and management of the risks and opportunities that may positively or negatively impact the achievement of corporate objectives. By responding effectively to business and environmental challenges, the aim is to maximize opportunities, develop strategies, optimize resource utilization, and facilitate informed decision-making. This approach contributes to continuous improvement and corporate sustainability.

This system promotes the integration of risk criteria into all the processes of the Company, along with the establishment of risk management indicators for all employees, areas, and processes within the organization. Risks and opportunities are categorized into the following classifications: Strategic, Tactic, Operational and Emerging, as applicable, based on the methodology outlined in the ISO 31000 standard.



The tracking and development of the risk and opportunity management system fall under the purview of the Quality and Risk Coordination within the ESG department, reporting to the Executive Team. The Executive Team is tasked with continually reviewing policies and processes to identify, evaluate, and effectively govern Canacol's risk profile. Ensuring an efficient management of risks, the Board of Directors oversees, through its Audit and ESG Committees, the supervision of risks and opportunities. These committees play a crucial role in the oversight and orientation of the Company's risk management efforts.

The execution or application of the guidelines outlined in the risk and opportunity management system is the responsibility of each vice president, managerial office, and/or highest authority accountable for the specific process or sub-process. Canacol promotes measures for employees to actively engage in risk management processes. Quarterly, each process within the Company must conduct a tracking of the specific risks, verifying their assessment and the actions for treatment and mitigation. Additionally, in the event of changes in risk management documentation, all Canacol personnel receive training to ensure proper execution of the process for identifying and assessing risks and opportunities. These guidelines are detailed in document PPLN-01, Planning of Management of Risks and Opportunities.