CANACOL ENERGY LTD.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

Canacol Energy Ltd. ("Canacol" or the "Company") is an international company headquartered in Calgary with a focus on sustainable and profitable natural gas production. The Company is the largest independent onshore conventional natural gas exploration and production company in Colombia with operations in the Lower Magdalena Basin, supplying approximately 20% of the country's and more than 50% of the Caribbean Coast's gas demand. In 2012, we made a strategic shift to onshore gas exploration in Colombia, identifying the Lower Magdalena Valley Basin as a promising but under-explored gas-rich basin. We acquired a number of gas exploration blocks through acquisitions and exploration auctions, and in 2014 we solidified our position as the largest exploration land holder in the basin. Through our successful exploration drilling programs and our ability to efficiently commercialize new gas reserves, we have grown our reserves and production significantly over the years with industry-leading success rates. With a forward drilling inventory of more than 178 identified prospects and leads containing approximately 20.5 Tcf of new prospective natural gas resources3, we are positioned to continue growing our production and reserves well into the future. Canacol is committed to the exploration and production of natural gas needed to improve the quality of life of millions of Colombians in a safe, efficient, and profitable manner. For this reason, the Companys strategy is based on 3 priorities: A cleaner energy future, empowering our people, and a transparent and ethical business. Priority 1, A cleaner energy future: A cost-effective energy supply is crucial for the successful development and progression of society. We are committed to delivering natural gas under the highest environmental and operational standards to support Colombia's energy transition. Priority 2, Empowering our people: Our team members drive our

performance. We are committed to their health and safety and the development of an inclusive culture that guarantees well-being and growth for all. Priority 3, A transparent and ethical business: Strong corporate governance guarantees efficiency and transparency. We are committed to adopting best practices, promoting respect for human rights, and guaranteeing ethics and integrity in everything we do. • Energy Transition and climate is a Key Topic that falls under Priority 1. In 2023, the Company maintained its focus on a robust and resilient low carbon strategy that considers climate-related risks and opportunities to effectively respond and progressively adapt to the energy transition. For this reason, the Company continued to calculate its greenhouse gas (GHG) emissions. Canacol's GHG baseline complies with the ISO 14064 standard and was prepared by a third-party expert in accordance with the World Resources Institute (WRI) GHG Protocol Corporate Accounting and Reporting Standard. Canacol's scope 1 emissions accounts for stationary combustion, mobile fuel sources, fire extinguishers, refrigerants, and fugitive emissions. Scope 2 emissions accounts for emissions generated by energy purchases from the National Interconnected System (SIN) for Canacol's Bogotá office operations. The Company's production facilities generate their own energy for consumption. In 2022, Canacol accounted for its scope 3 emissions through a third party.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:
☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:
☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:
☑ 4 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:
☑ 4 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:
☑ 2 years
[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

304900000

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

CA1348082035

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

134808302

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

TSX: CNE

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

BVC:CNEC.CL

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

OTCQX: CNNEF
[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply
☑ Colombia

(1.19) In which part of the oil and gas value chain does your organization operate?

Oil and gas value chain
☑ Upstream

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

Canacol promotes and implements ESG with its suppliers of goods and services based on the company's three strategic ESG pillars: 1. A cleaner energy future: We deliver natural gas according to the highest standards of environmental and operational efficiency. 2. An empowered and sustainable society: We promote a diverse and inclusive culture and maintain close and transparent relationships with our stakeholders. 3. A transparent and ethical business: We adopt the best corporate practices, promote respect for human rights, and ensure ethics and integrity in all our processes. These programs are overseen by the ESG Committee of the Board of Directors, and their execution is managed by the Company's Executive team. The ESG programs for suppliers of goods and services include the following actions: • Socialization of the Code of Conduct and Ethics for Suppliers of Goods and Services. • Supplier Census: Canacol conducts a census of local suppliers in the areas where it has operations and implements a development plan to promote their participation in the Company's actions and activities in a direct or indirect manner. • Training: We prioritize training in ESG criteria; health and safety; Diversity, Equity, and Inclusion (DEI); climate change and Human Rights within the supply chain. • Sustainability surveys: Identification of suppliers of goods and services that are risky in terms of sustainability. • Socialization of ESG strategy with the Company's strategic suppliers. These actions allow Canacol to identify and promote good sustainability practices of its suppliers of goods and services, ensuring compliance with standards, good performance and long-term relationships in our supply chain. Management of Our Supply Chain When acquiring goods and services from various suppliers, Canacol recognizes the need to establish an effective system for supplier management. This system focuses on assessing the capabilities of goods and services suppliers to meet the increasing demand for and quality of products, while still achieve objectives

and fostering trusted relationships between parties. Canacol establishes comprehensive criteria for the equitable and transparent selection, evaluation, and auditing of goods and services suppliers. These standards encompass the supplier's capacity to support commercial operations while integrating sustainability considerations. [Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

	Plastics mapping	Primary reason for not mapping plastics in your value chain	Explain why your organization has not mapped plastics in your value chain
	Select from: ☑ No, and we do not plan to within the next two years	*Select from:* ☑ Judged to be unimportant or not relevant	*Canacol is neither a producer nor a distributor of plastic; therefore, it neither generates nor uses this material in its operations*

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

2

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Canacol defines its horizontality of time based on the structure of operational projects. In the short term, baselines, project diagnostics and risk analyses, and opportunities are implemented to ensure that corporate, operational, and strategic objectives are met. The Board of Directors and Canacol's leadership team constantly monitor the risk matrix. They establish comprehensive action plans to avoid and mitigate possible impacts from internal, strategic, and emerging risks. The Board is responsible for balancing risks with potential returns for the Company's shareholders. Management ensures these systems are working to effectively monitor and manage risks from the perspective of the company's long-term viability and in the context of an annual review of associated risks. This includes: Updating the inventory of scope 1, 2, and 3 GHG emissions. Maintaining alignment of the risk matrix with the ISO 31000 Risk Management Principles and Guidelines of the International Organization for Standardization.

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Canacol defines its horizontality of time based on the structure of operational projects. In the medium term, the implementation of projects and the realization of strategies for the prevention of risks and the use of opportunities begins. The Board of Directors and Canacol's leadership team constantly monitor the risk matrix. They establish comprehensive action plans to avoid and mitigate possible impacts from internal, strategic, and emerging risks. The Board is responsible for balancing risks with potential returns for the Company's shareholders. Management ensures these systems are working to effectively monitor and manage risks from the perspective of the company's long-term viability and in the context of an annual review of associated risks. These include: Achievement of no methane emissions by 2026. The company's risk matrix is aligned with the ISO 31000 Risk Management Principles and Guidelines of the International Organization for Standardization.

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ No

(2.1.3) To (years)

10

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Canacol defines its horizontality of time based on the structure of operational projects. In the long term, it develops the Company's strategic and innovative projects and conducts assessments of the vulnerability of emerging risks. The Board of Directors and Canacol's leadership team constantly monitor the risk matrix. They establish comprehensive action plans to avoid and mitigate possible impacts from internal, strategic, and emerging risks. The Board is responsible for balancing risks with potential returns for the Company's shareholders. Management ensures these systems are working to effectively monitor and manage risks from the perspective of the company's long-term viability and in the context of an annual review of associated risks. These include: Reduce Co2 emissions by 50% (Scope 1 and Scope 2) compared to a 2022 baseline in 2030 and Carbon Neutrality in 2050. The company's risk matrix is aligned with the ISO 31000 Risk Management Principles and Guidelines of the International Organization for Standardization.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ Local

☑ Sub-national

☑ National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct
☑ WWF Water Risk Filter
☑ WWF Biodiversity Risk Filter
☑ Water Footprint Network Assessment tool
☑ Biodiversity indicators for site-based impacts
☑ TNFD – Taskforce on Nature-related Financial Disclosures

Enterprise Risk Management

☑ Enterprise Risk Management
☑ ISO 31000 Risk Management Standard
☑ Risk models
☑ Stress tests

International methodologies and standards

☑ IPCC Climate Change Projections
☑ ISO 14001 Environmental Management Standard
☑ Life Cycle Assessment

Databases

☑ Nation-specific databases, tools, or standards
☑ Regional government databases

Other

☑ Scenario analysis
☑ Desk-based research
☑ External consultants
☑ Materiality assessment
☑ Internal company methods
☑ Jurisdictional/landscape assessment
☑ Source Water Vulnerability Assessment
☑ Partner and stakeholder consultation/analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- ☑ Drought
- ☑ Landslide
- ☑ Wildfires
- ☑ Heat waves
- ☑ Subsidence
- ☑ Storm (including blizzards, dust, and sandstorms)
- ☑ Toxic spills
- ☑ Cold wave/frost
- ☑ Pollution incident
- ☑ Heavy precipitation (rain, hail, snow/ice)
- ☑ Flood (coastal, fluvial, pluvial, ground water)

Chronic physical

- ☑ Heat stress
- ☑ Soil erosion
- ☑ Water stress
- ☑ Soil degradation
- ☑ Change in land-use
- ☑ Declining ecosystem services
- ☑ Increased ecosystem vulnerability
- ☑ Rationing of municipal water supply
- ☑ Water quality at a basin/catchment level
- ☑ Precipitation or hydrological variability
- ☑ Increased levels of environmental pollutants in freshwater bodies
- ☑ Permafrost thawing
- ☑ Groundwater depletion
- ☑ Declining water quality
- ☑ Temperature variability
- ☑ Poorly managed sanitation
- ☑ Increased severity of extreme weather events
- ☑ Water availability at a basin/catchment level
- ☑ Seasonal supply variability/interannual variability
- ☑ Changing temperature (air, freshwater, marine water)
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)

Policy

- ☑ Carbon pricing mechanisms
- ☑ Increased pricing of water
- ☑ Changes to national legislation
- ☑ Regulation of discharge quality/volumes
- ☑ Limited or lack of river basin management
- ☑ Lack of mature certification and sustainability standards
- ☑ Increased difficulty in obtaining water withdrawals permit
- ☑ Statutory water withdrawal limits/changes to water allocation
- ☑ Poor coordination between regulatory bodies
- ☑ Poor enforcement of environmental regulation
- ☑ Limited or lack of transboundary water management
- ☑ Increased difficulty in obtaining operations permits
- ☑ Changes to international law and bilateral agreements
- ☑ Introduction of regulatory standards for previously unregulated contaminants

☑ Mandatory water efficiency, conservation, recycling, or process standards
☑ Uncertainty and/or conflicts involving land tenure rights and water rights

Market

☑ Availability and/or increased cost of certified sustainable material
☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior
☑ Inadequate access to water, sanitation, and hygiene services (WASH)
☑ Uncertainty in the market signals

Reputation

☑ Impact on human health
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
☑ Stakeholder conflicts concerning water resources at a basin/catchment level
☑ Stigmatization of sector

Technology

☑ Data access/availability or monitoring systems
☑ Transition to water intensive, low carbon energy sources

Liability

☑ Exposure to litigation
☑ Moratoria and voluntary agreement
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees
☑ Investors
☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ Yes

(2.2.2.16) Further details of process

Water, biodiversity and climate-related risks are identified and managed through the company's Enterprise Risk Management (ERM) system. The company included water, biodiversity and climate-related risks and opportunities into the centralized integrated risk management process where previously identified climate-related risks were decentralized and separated by business units within specific business processes and team strategies. The centralization of the activities and actions to identify, assess, and mitigate possible climate-related risks encompasses all aspects of the company's commercial and operational strategies, increasing efficiency. Centralization of the risk management process ensures that all climate-related risks are reported to the Executive Committee and the Board of Directors' Audit Committee. Canacol has developed an analysis of physical and transition risks associated with climate change in accordance with the TCFD recommendations. This analysis prioritizes assets and facilities relevant to the business and its operations. The prioritized facilities correspond to the stations of i) Jobo, where a unique small-scale liquefied natural gas ("LNG") plant operates, a first of its kind in Colombia, ii) Betania, iii) Clarinete, iv) Pandereta and v) Níspero. In this order of priority, the corresponding analysis was conducted for each asset. These analyses utilized the year 2022 as a baseline and projected outcomes for the short term (2030), medium term (2040) and long term (2050) time horizons. This was done within the framework of climate scenarios SSP1-2.67; SSP3-7.08 and SSP5-8.59 for physical risks, and International Energy Agency (IEA) scenarios: STEPS, APS, and NZE for transition risks. Describe the climate-related risks and opportunities that the organization has identified in the short, medium, and long term. The general objective of Canacol's analysis of physical and climatic risks was to identify the extent of exposure to various climate hazards for each of the prioritized assets and to collect data on the magnitude of such exposure. It is important to note that exposure to climate risks is contingent not only on climate data and projections but also on the unique characteristics of each assessed asset. Considering the above, the methodology executed by Canacol is composed of four main phases: Basis for the analysis of climate risk scenarios, Physical risk análisis, Transition risk análisis, Economic valuation of climate risks.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

Evaluating the links between environmental dependencies, impacts, risks, and opportunities is essential for grasping how these elements interact and affect the organization as a whole. This evaluation aids in recognizing possible synergies, trade-offs, and critical areas that need immediate attention, thereby supporting a more holistic approach to sustainability and risk management. Incorporating this analysis into the organization's broader assessment process guarantees that decisions are informed by a thorough understanding of the environmental context. The Organization has established a Risk and Opportunity Management system with the primary goal of anticipating and addressing risks and opportunities that could either negatively or positively impact its strategic objectives. This system therefore facilitates informed decision-making and promotes the efficient use of resources, thus promoting Business Excellence. Consequently, Canacol has conducted an analysis of biodiversity-related risks. The primary risks identified included alterations in aquatic fauna and the modification of water habitats. Additionally, lesser-scale impacts on terrestrial fauna and flora were identified. In 2023, we conducted an analysis of the potential effects of our operations on biodiversity, encompassing considerations for flora, fauna, ecosystems, and hydrobiological resources. The insights drawn from this assessment enabled our specialists in environmental sciences, social investment, and engineering to develop mitigation strategies and implement action plans. This analysis was conducted on the area in which we have operational activity for 2023, the prioritized areas were 81.4 hectares.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

☑ Areas of high ecosystem integrity

☑ Areas of rapid decline in ecosystem integrity

☑ Areas of limited water availability, flooding, and/or poor quality of water

☑ Areas of importance for ecosystem service provision

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to forests

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Canacol has developed an analysis of physical and transition risks associated with climate change in accordance with the TCFD recommendations. This analysis prioritizes assets and facilities relevant to the business and its operations. The prioritized facilities correspond to the stations of i) Jobo, where a unique small-scale liquefied natural gas ("LNG") plant operates, a first of its kind in Colombia, ii) Betania, iii) Clarinete, iv) Pandereta and v) Níspero. In this order of priority, the corresponding analysis was conducted for each asset. These analyses utilized the year 2022 as a baseline and projected outcomes for the short term (2030), medium term (2040) and long term (2050) time horizons. This was done within the framework of climate scenarios SSP1-2.67; SSP3-7.08 and SSP5-8.59 for physical risks, and International Energy Agency (IEA) scenarios: STEPS, APS, and NZE for transition risks. Describe the climate-related risks and opportunities that the organization has identified in the short, medium, and long term. The general objective of Canacol's analysis of physical and climatic risks was to identify the extent of exposure to various climate hazards for each of the prioritized assets and to collect data on the magnitude of such exposure. It is important to note that exposure to climate risks is contingent not only on climate data and projections but also on the unique characteristics of each assessed asset. Considering the above, the methodology executed by Canacol is composed of four main phases: 1. Basis for the analysis of climate risk scenarios 2. Physical risk analysis 3. Transition risk analysis 4. Economic valuation of climate risks. The identification, analysis, and assessment of physical and transition risks were conducted on the Company's five primary strategic assets. These assets are designated to processing and treating natural gas. This process encompasses various stages: i) primary separation, ii) dehydration, iii) dewpoint conditioning of hydrocarbons, iv) compression, v) filtration, and vi) measurement. Based on the geographic location of the assets, an analysis of their proximity, measured in kilometers, was conducted to understand the similarities and differences crucial for interpreting the data and projections provided by the climate scenarios. It was identified that the assets with the greatest distance between them are the routes from Betania to Pandereta, spanning a distance of 26.43 Km, while the closest are Jobo and Betania, with a distance of 9.24 Km. Additionally, it was determined that all the assets are located at altitudes below 90 meters above sea level.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

2023_esg_report_english-final_04junio_2023.pdf
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % decrease

(2.4.4) % change to indicator

Select from:

☑ 11-20

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Canacol has developed an analysis of physical and transition risks associated with climate change in accordance with the TCFD recommendations. This analysis prioritizes assets and facilities relevant to the business and its operations. The prioritized facilities correspond to the stations of i) Jobo, where a unique small-scale liquefied natural gas ("LNG") plant operates, a first of its kind in Colombia, ii) Betania, iii) Clarinete, iv) Pandereta and v) Níspero. In this order of priority, the corresponding analysis was conducted for each asset. These analyses utilized the year 2022 as a baseline and projected outcomes for the short term (2030), medium term (2040) and long term (2050) time horizons. This was done within the framework of climate scenarios SSP1-2.67; SSP3-7.08 and SSP5-8.59 for physical risks, and International Energy Agency (IEA) scenarios: STEPS, APS, and NZE for transition risks. Describe the climate-related risks and opportunities that the organization has identified in the short, medium, and long term. The general objective of Canacol's analysis of physical and climatic risks was to identify the extent of exposure to various climate hazards for each of the prioritized assets and to collect data on the magnitude of such exposure. It is important to note that exposure to climate risks is contingent not only on climate data and projections but also on the unique characteristics of each assessed asset. Considering the above, the methodology executed by Canacol is composed of four main phases: Basis for the analysis of climate risk scenarios Physical risk analysis Transition risk analysis Economic valuation of climate risks Very high: Value of damage repair plus damaged infrastructure repair. Great economic loss for the Company. The cost of loss is greater than US500,000. High: Value of damage repair plus damaged infrastructure repair, US50,000 up to US500,000. Prolonged shutdown in the process. Medium: Partial interruption in the process. Value of damage repair plus damaged infrastructure repair between US15,000 and US50,000. Very low: There may be a brief interruption in the process. Value of damage repair plus damaged infrastructure repair less than US15,000. Low: There is no material loss or interruption in the process.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Revenue

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 11-20

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Opportunities represent positive aspects derived from favorable circumstances or conditions that benefit the Company's business and operations. Canacol identifies and evaluates climaterelated opportunities by examining favorable conditions that the Company can leverage through its management and response to climate change. These opportunities are categorized based on components outlined in the TCFD recommendations, which include: Resilience, understood as the Company's ability to respond in a timely manner to emerging or current challenges and circumstances with potential profit creation. The receiving component of the market, understood as the segment served or with the possibility of expansion for the Company's business. The receiving component of products and services in which Canacol explores the opportunity to venture or strengthen its capabilities, recognizing that climate change may have favorable conditions, current and future, to strengthen the value offerings of the Company in the energy context and specifically in its natural gas offering. The receiving component of energy sources, understanding that the operation has a dependence on energy for conducting business operations. In this context, the Company evaluates opportunities related to self-generation capacities utilizing natural gas, energy efficiency, and demand management. Canacol also ensures to uphold guarantees to sustain these capacities. The receiving component of eco-efficiency, which refers to the rational and efficient use of the natural resources necessary to operate and which are accounted for in the operating expenses (OPEX). Recognizing that all companies have dependencies on natural resources due to the natural foundation supporting any productive system, TCFD suggests that certain sectors exhibit greater dependency based on the nature their businesses and value chain.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

At Canacol, we recognize the importance of water as an essential resource for life and for the sustainability of our operations and communities. Therefore, we are committed to responsable water management, aiming to minimize the impact of our activities on water resources in the regions where we operate. Therefore, we have adopted sound water management practices with a focus on conserving and efficiently using water. We apply control measures to prevent the discharge of pollutants into wáter bodies, addressing all associated risks and opportunities in alignment with the Sustainable Development Goals framework. At Canacol, we monitor the quality of surface and groundwater, considering parameters established by national regulations for domestic and industrial water consumption in our operations. Similarly, we conduct monitoring with control parameters for water reinjection to prevent negative impacts on ecosystems and human life. Also in Canacol, we manage water-related risks through a process involving identification, assessment, prevention, and planning and implement operational control measures following an analysis of potential impacts on our water resources, accounting for the hydrogeological systems in our operational areas.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

The event may occur during the storage, use, and/or transportation of these fluids through the flow line. It can also happen during the fueling of tanker vehicles and the transportation of these fluids to other locations outside the stations. At times, due to the size and location of these potential events, some operations may be temporarily or partially affected. Analyzed consequences: Soil contamination Water contamination Generation of environmental liabilities Possible environmental sanction

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Water recycling

☑ Reduction or phase out of hazardous substances

☑ Discharge treatment using sector-specific processes to ensure compliance with regulatory requirements

(2.5.1.5) Please explain

The Company has implemented measures to manage water-related risks effectively. Since 2021, withdrawals from surface sources have been suspended, with alternative sources such as groundwater and purchases from authorized third parties being utilized instead. Our Sustainability Policy (HSEQ) has been established, encompassing specific commitments to water conservation and efficient usage, coupled with proactive resource management strategies. Throughout operations and projects, water availability analysis is conducted, with surface water collection suspended during the dry season as a preventive measure. In 2023, we made a public pledge to uphold responsible water management, aiming to mitigate the impact of our operations on water resources in our operational areas. As part of this commitment, we embrace effective water management practices that prioritize water conservation and efficient usage. We implement strict control measures to prevent water pollution discharges and proactively address the risks and opportunities related to water in alignment with the Sustainable Development Goals
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Not an immediate strategic priority

(3.1.3) Please explain

Canacol does not produce plastics in its operations. The use of this material is insignificant within the Company's facilities, both in Bogotá and at the operation sites. [Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Colombia

(3.1.1.9) Organization-specific description of risk

Canacol's revenues and profits fluctuates inversely with Colombia's rainfall. As natural gas powered the thermal backup the country has defined and installed for dry periods when the hydro-generation (72%) is highly vulnerable. However, during rainy season (La Niña) natural gas demand for thermal plants decrease affecting company sales.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Consecutive rainy days with rainfall above the 95th percentile of the data record can trigger river flooding. The plant is located on a low-slope location and near a body of water, increasing vulnerability to flooding. Heavy rains can cause damage to infrastructure, equipment, machines, wiring and vehicles. Potential disruptions to processes may require evacuations of personnel for safety and health reasons. Access roads may be closed, and critical supplies may be interrupted due to flooding. In addition, river flood projections from the projected scenarios propose the following: In a conservative climate scenario, rainfall events with precipitation above the 95th percentile can be expected for at least 14 consecutive days. There is a trend of increase in the time of consecutive days of precipitation, with projections more than 16 days between 2040 and 2050. Despite this increase, event recurrence times also increase, suggesting that largescale events become less likely over time. It is estimated that an event of more than 16 consecutive days of elevated rainfall could occur every 2.92 years from 2030 onward. In a catastrophic climate scenario, although up to 15 continuous days of high rainfall are projected, recurrence times suggest that such events become less likely over time. In

summary, the plant is highly susceptible to river flooding, particularly during periods of intense and prolonged rainfall. It is essential to implement mitigation and preparedness measures to protect infrastructure and ensure the safety of personnel during flood events. In addition, close monitoring of climate projections and adapting to shifts in precipitation patterns are crucial for effective risk management.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

9090000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

18180000

(3.1.1.25) Explanation of financial effect figure

The potential financial impact figure would be an approximate of the sales affected by the reduction of purchases from other companies during the rainy season. The financial impact varies according to the year and the sales forecast. The total cost to response the risk in between 9,090,000 and 18,180,000 USD.The financial impact is calculated as a gas sales and gas demand.

(3.1.1.26) Primary response to risk

Policies and plans

☑ Develop flood emergency plans

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

No associated cost of response to the risk has been assumed/identified because of the quick identification and response of the Sales and Financial teams. Since 2021 the company developed adjusted annual demand/sales plans which included climate variability (rainy seasons) as a model variable to create different sales scenarios and its impact on sales and revenues.

(3.1.1.29) Description of response

According to the TCFD report, the flood risk at Canacol's stations is high. For this reason, the Company has developed a strategy to mitigate this risk. The mitigation plans are led by the Vice President of Operations, and the Company's technical projects must be aligned with this plan

Water

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Drought

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Colombia

(3.1.1.7) River basin where the risk occurs

Select all that apply

☑ Other, please specify :Sinú River

(3.1.1.9) Organization-specific description of risk

Decrease in availability of water to sustain the operation

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The Standardized Precipitation Index (SPI) was used, recommended by the WMO. The index is calculated with a 60-day moving average and is considered a dry period when there is a recurrence of the index in 30 consecutive days.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

800000

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

1000000

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

1100000

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

1300000

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

1500000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

2000000

(3.1.1.25) Explanation of financial effect figure

The calculation of drought risk materialization is based on the costs the Company would have to incur to purchase water from local third parties. This would imply an additional direct cost to Canacol's operations

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Establish site-specific targets

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

As part of our commitment to responsible water management, we consult the World Resources Institute's (WRI) Water Risk Atlas, a source recognized by IDEAM, to verify that our operational areas are not experiencing water scarcity and to determine that we operate in areas with low water stress. To prevent overexploitation of our aquifers, we manage our water supply through a combination of purchases and extraction from subterranean sources, ensuring the responsible and sustainable use of water in all operations. Water stress analysis29: Our operating sites in the departments of Sucre and Cordoba (green dots on the map) show no or low groundwater level decline (in VIM-33). Overall water stress/water risk analysis: The departments of Cordoba and Sucre (marked with green), are classified as low to medium risk.

(3.1.1.29) Description of response

At Canacol, we are committed to the comprehensive management of water resources. We adopt a holistic approach to managing water sustainably and efficiently across all stages, from collection to treatment, and final disposal. To ensure that our operations do not impact the local water supply, we establish a baseline before implementing a project. This reference consists of assessing and documenting the baseline conditions of the water sources in the operational area, including the quality and quantity of available water, and the health of local aquatic ecosystems. During the execution phase, we conduct systematic monitoring to evaluate water sources and ensure their preservation.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Carbon pricing mechanisms

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Colombia

(3.1.1.9) Organization-specific description of risk

Over the last couple of years, Colombia has introduced several environmental taxes, such as the carbon tax. The tax basis and rate depend on the amount of carbon dioxide generated by fossil fuel combustion, adjusted for inflation each year. The carbon tax must be paid by the purchaser. Currently, Canacol is not subject to this as the company is a producer. However, according to the latest analysis conducted by ASOCARBONO (Colombian carbon market association), the current tax in place will not be sufficient to achieve the country's commitment to reduce emissions by 51% by 2030. This will possibly result in new or additional carbon tax and regulations that might impact the company's business. To mitigate this possible risk, Canacol is working on defining an internal carbon price as a financial and operational planning tool. The company's low carbon plan and commitments will be disclosed by the end of 2025.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Over the last couple of years, Colombia has introduced several environmental taxes, such as the carbon tax. The tax basis and rate depend on the amount of carbon dioxide generated by fossil fuel combustion, adjusted for inflation each year. The carbon tax must be paid by the purchaser. Currently, Canacol is not subject to this as the company is a producer. However, according to the latest analysis conducted by ASOCARBONO (Colombian carbon market association), the current tax in place will not be sufficient to achieve the country's commitment to reduce emissions by 51% by 2030. This will possibly result in new or additional carbon tax and regulations that might impact the company's business. To mitigate this possible risk, Canacol is working on defining an internal carbon price as a financial and operational planning tool. The company's low carbon plan and commitments will be disclosed by the end of 2025.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

91995

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

275985

(3.1.1.25) Explanation of financial effect figure

Emerging regulation on climate risks (Carbon tax) are considered in the Corporate Crisis Management Plan as a potential increase in direct cost associated to the amount of GHG emissions emitted during the fiscal year. The company has not defined an internal carbon price to estimate the financial impact and cost this could represent.But, the calculation of the financial impact was calculated with the present value and future value of the tax. 5 USD/per ton 91,995 15 USD/per ton 275,985

(3.1.1.26) Primary response to risk

Pricing and credits

☑ Promotion/purchase of carbon credits

(3.1.1.27) Cost of response to risk

790000

(3.1.1.28) Explanation of cost calculation

Some initial financial scenarios were conducted using current carbon credit price (offsets) and an estimated fluctuation of 5-15 USD. The company understands that the most significant action currently is to define a reduction plan that can reduce emissions. The company has focused on evaluating possible abatement projects and presented to the CEO and Management Climate Committee an Abatement cost curve, to assess different alternatives to be implemented in the short- and medium-term. The cost of the assessed projects broadly varies and was presented after the decarbonization strategy and low carbon plan were approved by the ESG Committee. Cost of response to risk assuming an offset of 100% of Scope I and II emissions 2023 (18,399 tonnes CO2e): 5 USD/per ton 91,995 15 USD/per ton 275,985

(3.1.1.29) Description of response

Cost of response to risk assuming an offset of 100% of Scope I and II emissions 2023 (18,399 tonnes CO2e): 5 USD/per ton 91,995 15 USD/per ton 275,985
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

500000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

500000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ 1-10%

(3.1.2.7) Explanation of financial figures

Estimation of consequences with possible financial impact: For each significant risk across each climate threat and time horizon, possible consequences with financial impact for Canacol's operations and business were estimated. Probability of occurrence of climatic events leading to possible financial impacts: Following the risk analysis, climatic events with the highest probability of occurrence across defined time horizons were identified. This process factored in the specific vulnerability of each asset, evaluating its level of exposure to risks and considering the return times of extreme weather events. In addition, transition risks and opportunities were based on concrete facts. Identification of financial thresholds: Financial thresholds, delineating monetary limits where the risk magnitude shifts, were defined based on valuation scales for operational and financial risk levels. In Canacol's specific analysis, the financial threshold was set using scales designed to assess financial risk levels. Calculation of the economic valuation of the risk or identification of arguments of possible financial impact: The economic valuation was calculated as a measure of financial impact in a specific formulation. In instances where there was insufficient information to identify variables for a formulation according to the outlined steps, arguments and data were presented to determine the potential financial consequences linked to the outcomes of the risk or the benefit of each opportunity.

Water

(3.1.2.1) Financial metric

Select from:

☑ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

1000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

1000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ 1-10%

(3.1.2.7) Explanation of financial figures

Estimation of consequences with possible financial impact: For each significant risk across each climate threat and time horizon, possible consequences with financial impact for Canacol's operations and business were estimated. Probability of occurrence of climatic events leading to possible financial impacts: Following the risk analysis, climatic events with the highest probability of occurrence across defined time horizons were identified. This process factored in the specific vulnerability of each asset, evaluating its level of exposure to risks and considering the return times of extreme weather events. In addition, transition risks and opportunities were based on concrete facts. Identification of financial thresholds: Financial thresholds, delineating monetary limits where the risk magnitude shifts, were defined based on valuation scales for operational and financial risk levels. In Canacol's specific analysis, the financial threshold was set using scales designed to assess financial risk levels. Calculation of the economic valuation of the risk or identification of arguments of possible financial impact: The economic valuation was calculated as a measure of financial impact in a specific formulation. In instances where there was insufficient information to identify variables for a formulation according to the outlined steps, arguments and data were presented to determine the potential financial consequences linked to the outcomes of the risk or the benefit of each opportunity.
[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Colombia
☑ Magdalena

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply
☑ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

5

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☑ 100%

(3.2.9) % organization's global oil and gas production volume that could be affected by these facilities

Select from:

☑ 100%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☑ 100%

(3.2.11) Please explain

In 2023, a total of 85,212 m3 of water was consumed in our operations, representing an increase from the previous year when 72,591.2 m3 was consumed. This increase is primarily attributed to expanded operational activity, with 14 wells drilled in 2023 compared to 11 wells in 2022. Additionally, the prevailing weather conditions, characterized by elevated temperatures, necessitated a higher consumption of water for cooling the compression systems used in production activities. These datasets reflect the growth of the Company's infrastructure and operational capacity
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☑ No

(3.3.3) Comment

We take pride in reporting that Canacol has upheld an unblemished track record concerning water-related incidents. Our dedication to responsible management has enabled us to effectively safeguard this vital resource, preventing any incidents that could affect its quality or availability. We remain committed to upholding this exceptional track record, reaffirming our commitment to the protection and preservation of water throughout all our operations and activities. The Company has not experienced any water-related incidents with any financial impact. Additionally, the Company does not use water-intensive hydraulic fracturing techniques], which supports its commitment to comprehensive water resource management and minimizes potential risks associated with water use in its operations.
[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, but we anticipate being regulated in the next three years

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The current Colombian carbon tax does not apply to Canacol's operations (producer), there is no advance strategy for this issue. However, the Company has identified emerging climate (carbon) regulation as an emerging risk and have been developing a mitigation strategy that includes defining an internal carbon price and establishing a carbon reduction and compensation strategy by the end of 2024, based on the calculated abatement cost curves.Canacol's strategy is composed of 3 items the first one the constant mapping of the regulation, the second one the participation in technical scenarios for the discussion of the new legislation and lastly to participate in all the related regulation that we as a sector will be involved in. In the year 2023, Canacol designed a series of specific initiatives aimed at strengthening and enhancing the Board's proficiency in sustainability-related matters, encompassing energy transition, climate change, emissions reduction, internal carbon pricing, and nature-based targets, among others. We intend to publicly disclose an assessment and results of these initiatives by 2024.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Shift toward decentralized energy generation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Colombia

(3.6.1.8) Organization specific description

Canacol operates a micro–Liquefied Natural Gas (LNG) plant, that converts 2.4 million standard cubic feet per day (46 tons per day) of gas into LNG. LNG is sold to a third party at the main production plant gate, where it is distributed to customers via trucks. LNG can replace diesel, fuel oil, compressed gas, propane, and other fuels, and has advantages such as lower cost and lower emissions. The expansion of the intermediate storage capacity of the LNG plant is part of the companys efforts to increase the production of natural gas and allow its use in isolated areas and communities. The hydrological periods of lost flow affect the generation of energy in the country, LNG is presented as an alternative source of energy supply. This business can earn approximately US600,000 per day. As a key player in the energy transition of Colombia, Canacol is also evaluating the impact LNG can have on Colombia's transport emissions, which in 2023 represented 35% of total energy-related emissions and has increased steadily by 2% every year. LNG is a cleaner choice for heavy transport such as trucks as it allows a higher mass-based energy density compared to traditional fuels.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Canacol operates a micro–Liquefied Natural Gas (LNG) plant, that converts 2.4 million standard cubic feet per day (46 tons per day) of gas into LNG. LNG is sold to a third party at the main production plant gate, where it is distributed to customers via trucks. LNG can replace diesel, fuel oil, compressed gas, propane, and other fuels, and has advantages such as lower cost and lower emissions. The expansion of the intermediate storage capacity of the LNG plant is part of the companys efforts to increase the production of natural gas and allow its use in isolated areas and communities. The hydrological periods of lost flow affect the generation of energy in the country, LNG is presented as an alternative source of energy supply. This business can earn approximately US600,000 per day.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The LNG market in Colombia is very limited, but it is forecasted for increased growth in the medium term. Canacol built the first production LNG plant with intermediate storage capacity and a possibility to expand capacity at no higher cost. The company also has within its portfolio of future projects the construction of a greater LNG plant that could result in the reduction of production costs and an increase in the company's gas sales.

(3.6.1.26) Strategy to realize opportunity

Expanding LNG sales capacity in addition to yielding positive financial impacts also allows for the leveraging of poverty reduction and climate change strategies. In Colombia, there are many populated centers and rural communities where it is not technically or economically viable to supply natural gas via pipelines. Many of these communities still cook with wood due to the high cost of electricity. The replacement of wood and some liquid fuels with natural gas (Gasoline, fuel oil, etc.) has great social and environmental benefits. It reduces the frequency of respiratory diseases and generates opportunities for value creation in communities when used in small businesses (bakeries, restaurants, etc.). It also generates less air pollution than traditional fuel sources.

Water

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Reduced impact of product use on water resources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Colombia

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Magdalena

(3.6.1.8) Organization specific description

The reuse of water as a strategic opportunity for Canacol has helped reduce operational costs and comply with the water policy aimed at decreasing direct water consumption in Canacol's operations. The receiving component of ecoefficiency, which refers to the rational and efficient use of the natural resources necessary to operate and which are accounted for in the operating expenses (OPEX). Recognizing that all companies have dependencies on natural resources due to the natural foundation supporting any productive system, TCFD suggests that certain sectors exhibit greater dependency based on the nature their businesses and value chain.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Canacol is actively committed to promoting optimal management of water use and reuse, conducting various actions to achieve this goal including: Recirculation of drilling water for mud and fluid preparation. Reuse of treated water to control particulate matter on uncovered roads. Maintenance and improvement of water consumption measurement systems. Campaigns for prevention and identification of leaks, savings, and efficient use. Installation of water flow meters at Jobo Station to detect leaks

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The cost is zero because this project has been developed at Canacol over the past few years, leading to: 1. optimization of operations (capex and opex) and 2. reduction of water consumption in Canacol's upstream activities.

(3.6.1.26) Strategy to realize opportunity

Canacol is actively committed to promoting optimal management of water use and reuse, conducting various actions to achieve this goal including: Recirculation of drilling water for mud and fluid preparation. Reuse of treated water to control particulate matter on uncovered roads. Maintenance and improvement of water consumption measurement systems. Campaigns for prevention and identification of leaks, savings, and efficient use. Installation of water flow meters at Jobo Station to detect leaks.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Use of new technologies

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Colombia

(3.6.1.8) Organization specific description

Energy and operational efficiency are key components of Canacol's Corporate Climate Strategy and since 2020 the company has implemented an energy transformation process in its gas operations by minimizing the need for other fossil fuels and optimizing the efficiency of natural gas as the principal fuel in the company's operations. In all production and development wells, the company utilizes solar panels, which reduces diesel consumption for power generation. With the ambition of YoY increase in renewable and low/null carbon sources of energy for the next 5 years, the company has determined that all remote locations (production and development wells) should use solar power. In 2023, the company increased solar energy usage by 38%, installing photovoltaic systems in 100% of new well sites as well as the offices of 5 gathering facilities. Current plans include the development of a 1.8 MW solar farm for auto-generation that will supply the electricity demand of the main company's site (Jobo) which will remove at least 2,000 tons of CO2e that would otherwise be produced from standard fossil fuel energy generation.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Very likely (90–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Energy and operational efficiency are key components of Canacol's Corporate Climate Strategy and since 2020 the company has implemented an energy transformation process in its gas operations by minimizing the need for other fossil fuels and optimizing the efficiency of natural gas as the principal fuel in the company's operations. In all production and development wells, the company utilizes solar panels, which reduces diesel consumption for power generation. With the ambition of YoY increase in renewable and low/null carbon sources of energy for the next 5 years, the company has determined that all remote locations (production and development wells) should use solar power. In 2023, the company increased solar energy usage by 38%, installing photovoltaic systems in 100% of new well sites as well as the offices of 5 gathering facilities. Current plans include the development of a 1.8 MW solar farm for auto-generation that will supply the electricity demand of the main company's site (Jobo) which will remove at least 2,000 tons of CO2e that would otherwise be produced from standard fossil fuel energy generation.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

1000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

1100000

(3.6.1.23) Explanation of financial effect figures

The Climate Management Committee by instruction of the CEO is evaluating the financial and environmental impact of implementing a small-sized renewable energy project in line with the company's energy consumption (1.8 MW) to partially reduce carbon emissions produced by the energy generation from natural gas. The potential financial impact figure was calculated by the amount of natural gas consumed for generation that can be replaced at a determined cost (production and sales). Implementing the project would have an abatement cost of US20.7/ton.

(3.6.1.24) Cost to realize opportunity

2000000

(3.6.1.25) Explanation of cost calculation

Canacol has clear objectives and goals to progressively reduce emissions and increase energy efficiency in direct operations. In the last year the company has evaluated different technologies and renewable energy projects to be implemented and achieve significant reductions in the company's emissions. The most immediate renewable project the company is currently developing is the use of photovoltaic systems for auto-generation. By 2025, the company aims to replace the energy consumption of the main facility to solar energy after installing such models in all remote facilities. The company is currently working with a technical expert to implement a small-sized renewable energy solar plant in line with internal electric consumption (1.8 MW) to partially reduce the carbon emissions produced by the auto-generation powered by natural gas.

(3.6.1.26) Strategy to realize opportunity

Cost, financial impact, and emissions reductions have been evaluated and defined based on current energy demand, emissions, and business proposals the company has received from third parties.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

3000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ 1-10%

(3.6.2.4) Explanation of financial figures

The economic valuation was calculated as a measure of financial impact in a specific formulation. In instances where there was insufficient information to identify variables for a formulation according to the outlined steps, arguments and data were presented to determine the potential financial consequences linked to the outcomes of the risk or the benefit of each opportunity

Water

(3.6.2.1) Financial metric

Select from:

☑ OPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

2000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 1-10%

(3.6.2.4) Explanation of financial figures

The economic valuation was calculated as a measure of financial impact in a specific formulation. In instances where there was insufficient information to identify variables for a formulation according to the outlined steps, arguments and data were presented to determine the potential financial consequences linked to the outcomes of the risk or the benefit of each opportunity
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ Quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

Canacol believes in the importance of diversity within its Board and at all levels of the organization. The Corporation recognizes the benefits of bringing together individuals from a variety of backgrounds and perspectives. The roles and responsibilities of the Board include: 1. To serve as an independent and objective party to monitor the integrity and quality of Canacol's Diversity, Equity, and Inclusion Corporate Policy. 2. Ensure that Canacol's Diversity, Equity, and Inclusion Corporate Policy is integrated into its business plan, corporate values and objectives and serves to foster a culture of responsibility and transparency within the boardroom. 3. Review and approve the implementation of Canacol's Gender Equality Management System to identify and eliminate gender gaps. 4. Review and monitor

compensation, training, hiring, and turnover indicators to identify gender gaps and effectively address them. 5. Ensuring a safe, diverse, and inclusive work environment within the boardroom.

(4.1.6) Attach the policy (optional)

board_diversity_policy.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**ESG Committee Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The ESG (Environmental, Social & Governance) Committee has been established by resolution of the board of Directors of Canacol Energy Ltd. for the purpose of assisting the board in fulfilling its oversight responsibilities with respect to the Company's ESG management including climate-related issues. The Committee is composed of five board members and meets quarterly to assess and advise the CEO on the definition and implementation of the Company's ESG strategy. According to their oil and gas experience and their interest in Environmental, Social and Governance "ESG" matters, the Committee plays a key role in assuring the ESG and climate strategy is incorporated into the business model, ensuring its integration with business objectives, key performance indicators, and risk management. The Committee has various responsibilities and decides Company actions pertaining to climate-related issues.Canacol's Chief Executive Officer (CEO) is a member of the board, who participates in all ESG Committee meetings. The CEO led the creation and implementation of the corporate ESG strategy. In addition to identifying the need to align the business strategy to environmental aspects such as climate change, through weekly meetings (C-Level meetings), the CEO oversees the progress of the low carbon and climate plans. Some of the CEO's decisions regarding climate-related issues in the last two years include: • Built and verified a GHG emissions baseline through a third party. This baseline and emissions forecast for the following five years will define the companies' short-, medium-, and long-term reduction targets.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Board Terms of Reference

☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The ESG (Environmental, Social & Governance) Committee has been established by resolution of the board of Directors of Canacol Energy Ltd. for the purpose of assisting the board in fulfilling its oversight responsibilities with respect to the Company's ESG management including climate-related issues. The Committee is composed of five board members and meets quarterly to assess and advise the CEO on the definition and implementation of the Company's ESG strategy. According to their oil and gas experience and their interest in Environmental, Social and Governance "ESG" matters, the Committee plays a key role in assuring the ESG and climate strategy is incorporated into the business model, ensuring its integration with business objectives, key performance indicators, and risk management. The Committee has various responsibilities and decides Company actions pertaining to climate-related issues. Some of the decisions in the last two years include: • Approval and oversight of the implementation of climate and energy goals such as: YoY increases in renewable and low/null carbon sources of energy for the next 6 years, reduce 2023 methane emissions by changing the instrumentation system at the main production site, define a corporate low carbon strategy with activities and associated costs by 2023. • The ESG Committee has allowed and promoted the company's dialogue with stakeholders regarding environmental practices. Since the Committee's creation the Company's press releases have included ESG topics and commitments. The ESG (Environmental, Social & Governance) Committee has been established by resolution of the board of Directors of Canacol Energy Ltd. for the purpose of assisting the board in fulfilling its oversight responsibilities with respect to the Company's ESG management including climate-related issues. The Committee is composed of five board members and meets quarterly to assess and advise the CEO on the definition and implementation of the Company's ESG strategy. According to their oil and gas experience and their interest in Environmental, Social and Governance "ESG" matters, the Committee plays a key role in assuring the ESG and climate strategy is incorporated into the business model, ensuring its integration with business objectives, key performance indicators, and risk management. The Committee has various responsibilities and decides Company actions

pertaining to climate-related issues. Some of the decisions in the last two years include: - Development of the first water commitment. The ESG Committee has allowed and promoted the company's dialogue with stakeholders regarding environmental practices. Since the Committee's creation the Company's press releases have included ESG topics and commitments

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Executive Officer (CEO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**ESG Committee Terms of Reference

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Monitoring compliance with corporate policies and/or commitments
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The ESG (Environmental, Social & Governance) Committee has been established by resolution of the board of Directors of Canacol Energy Ltd. for the purpose of assisting the board in fulfilling its oversight responsibilities with respect to the Company's ESG management including climate-related issues. The Committee is composed of five board members and meets quarterly to assess and advise the CEO on the definition and implementation of the Company's ESG strategy. According to their oil and gas experience and their interest in Environmental, Social and Governance "ESG" matters, the Committee plays a key role in assuring the ESG and climate strategy is incorporated into the business model, ensuring its integration with business objectives, key performance indicators, and risk management. The Committee has various responsibilities and decides Company actions pertaining to climate-related issues. Some of the decisions in the last two years include: - Development of the first biodiversity commitmment. The ESG Committee has allowed and promoted the company's dialogue with stakeholders regarding environmental practices. Since the Committee's creation the Company's press releases have included ESG topics and commitments. Canacol's Chief Executive Officer (CEO) is a member of the board, who participates in all ESG Committee meetings. The CEO led the creation and implementation of the corporate ESG strategy. In addition to identifying the need to align the business strategy to environmental aspects such as climate change, through weekly meetings (C-Level meetings), the CEO oversees the progress of the low carbon and climate plans. Some of the CEO's decisions regarding climate-related issues in the last two years include: • Built and verified a GHG emissions baseline through a third party. This baseline and emissions forecast for the following five years will define the companies' short-, medium-, and long-term reduction targets.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Course certificate (relating to environmental issues), please specify :Competent Boards Program Certification to the entire Board of Directors.
☑ Training in an environmental subject by a certified organization, please specify :Competent Boards Program Certification to the entire Board of Directors.

Experience

☑ Active member of an environmental committee or organization
☑ Experience in an academic role focused on environmental issues
☑ Staff-level experience in a role focused on environmental issues
☑ Executive-level experience in a role focused on environmental issues
☑ Management-level experience in a role focused on environmental issues
☑ Experience in the environmental department of a government (national or local)
☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Additional training

☑ Course certificate (relating to environmental issues), please specify :Competent Boards Program Certification to the entire Board of Directors.

☑ Training in an environmental subject by a certified organization, please specify :Competent Boards Program Certification to the entire Board of Directors.

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Quarterly

(4.3.1.6) Please explain

Our strategy not only seeks to enhance our reputation and relationships with stakeholders, but also to unlock new revenue streams and opportunities, and ensures the Company's alignment with evolving energy trends, standards, and regulations. Consequently, the Executive Team has a fundamental role in the execution, management, and assessment of climate-related risks and opportunities. The Executive Team evaluates and updates the identified risks and opportunities and incorporates them into the Company's strategic and operational objectives. Below are key roles and responsibilities of the Executive Team5 in managing climaterelated risks and opportunities: 1. Develop the Company's climate action strategy. 2. Build and develop the Company's decarbonization plan. 3. Identify climate-related risks and opportunities throughout the Company's value chain. 4. Generate actions to address climaterelated risks and opportunities. 5.Generate strategic alliances to strengthen best practices around climate action. 6.Foster an ESG culture built on transparency. 7. Monitor and improve the Company's ESG

performance. 8. Report and communicate climate action initiatives internally and with external stakeholders. As a member of the Board, Canacol's CEO is a key liaison between management and the Board. The CEO keeps the ESG Committee fully informed about the progress, achievements, and upcoming plans related to the climate strategy. The CEO also provides feedback to the Executive Team and ensures that annual operational objectives and strategies align with climate considerations.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan
☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

Canacol's ESG Committee is the Company's governing body for climate issues. The Committee is responsible for ensuring that climate-related risks, opportunities, and targets are incorporated into the corporate-wide strategy and that the Company has in effect adequate policies and procedures to identify and manage the principal climate-related risks. The ESG Committee continually evaluates the evolving landscape of climate-related risks and opportunities, and semi-annually reports findings to the board for consideration and integration into wider business planning. The progress of these plans is monitored at the board level to ensure

accountability is maintained and that key challenges are addressed. The Committee meets as frequently as required but no less than twice per year. For the calendar year 2023, the Committee met two times to discuss the ESG strategy, climate goals, and to develop and review the Company's Net-Zero commitment and plan.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Quarterly

(4.3.1.6) Please explain

As a board member, Canacol's CEO is a key link between management and the board. The CEO keeps the ESG Committee fully informed of the climate strategy progress, achievements, and upcoming plans. The CEO also provides feedback to the executive management team and ensures alignment of annual operational objectives and strategies with climate considerations, including biodiversity.

Water

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Half-yearly

(4.3.1.6) Please explain

Canacol's ESG Committee is the Company's governing body for climate issues. The Committee is responsible for ensuring that climate-related risks, opportunities, and targets are incorporated into the corporate-wide strategy and that the Company has in effect adequate policies and procedures to identify and manage the principal climate-related risks. The ESG Committee continually evaluates the evolving landscape of climate-related risks and opportunities, and semi-annually reports findings to the board for consideration and integration into wider business planning. The progress of these plans is monitored at the board level to ensure accountability is maintained and that key challenges are addressed. The Committee meets as frequently as required but no less than twice per year. For the calendar year 2023, the Committee met two times to discuss the ESG strategy, climate goals, water, biodiversity and to develop and review the Company's Net-Zero commitment and plan.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions

☑ Managing public policy engagement related to environmental issues

☑ Managing supplier compliance with environmental requirements

☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Conducting environmental scenario analysis

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Developing a business strategy which considers environmental issues

☑ Managing environmental reporting, audit, and verification processes

☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues
☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other
☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:
☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:
☑ Half-yearly

(4.3.1.6) Please explain

Canacol's ESG Committee is the Company's governing body for climate issues. The Committee is responsible for ensuring that climate-related risks, opportunities, and targets are incorporated into the corporate-wide strategy and that the Company has in effect adequate policies and procedures to identify and manage the principal climate-related risks. The ESG Committee continually evaluates the evolving landscape of climate-related risks and opportunities, and semi-annually reports findings to the board for consideration and integration into wider business planning. The progress of these plans is monitored at the board level to ensure accountability is maintained and that key challenges are addressed. The Committee meets as frequently as required but no less than twice per year. For the calendar year 2023, the Committee met two times to discuss the ESG strategy, climate goals, water, biodiversity and to develop and review the Company's Net-Zero commitment and plan.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee
☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities
☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing engagement in landscapes and/or jurisdictions
☑ Managing public policy engagement related to environmental issues
☑ Managing supplier compliance with environmental requirements
☑ Managing value chain engagement related to environmental issues

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments
☑ Measuring progress towards environmental corporate targets
☑ Setting corporate environmental policies and/or commitments
☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan
☑ Implementing a climate transition plan
☑ Conducting environmental scenario analysis
☑ Managing annual budgets related to environmental issues
☑ Implementing the business strategy related to environmental issues
☑ Developing a business strategy which considers environmental issues
☑ Managing environmental reporting, audit, and verification processes
☑ Managing acquisitions, mergers, and divestitures related to environmental issues
☑ Managing major capital and/or operational expenditures relating to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Half-yearly

(4.3.1.6) Please explain

Canacol's ESG Committee is the Company's governing body for climate issues. The Committee is responsible for ensuring that climate-related risks, opportunities, and targets are incorporated into the corporate-wide strategy and that the Company has in effect adequate policies and procedures to identify and manage the principal climate-related risks. The ESG Committee continually evaluates the evolving landscape of climate-related risks and opportunities, and semi-annually reports findings to the board for consideration and integration into wider business planning. The progress of these plans is monitored at the board level to ensure accountability is maintained and that key challenges are addressed. The Committee meets as frequently as required but no less than twice per year. For the calendar year 2023, the Committee met two times to discuss the ESG strategy, climate goals, water, biodiversity and to develop and review the Company's Net-Zero commitment and plan.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

Canacol's remuneration guidelines aim to align executive compensation with the interests of its shareholders and as such the Company has designed metrics where executive compensation is linked to corporate performance. The Company's bonus plan provides executives with the chance to earn cash bonuses upon achieving key performance goals. The Compensation Committee incorporated corporate performance targets to establish annual bonus objectives for all managers and executives of the Company. These targets are used to assess performance and allocate cash bonuses accordingly. Key performance measures include 100% compliance with annual sustainability goals (such as the "definition of a corporate plan for carbon reduction and compensation with associated goals, activities, and costs in 2023"). Improving the Company's ESG performance index is another key indicator for the Executive Team's variable compensation. For 2023, 10% of the total compensation was linked to sustainability & climate.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

Canacol's remuneration guidelines aim to align executive compensation with the interests of its shareholders and as such the Company has designed metrics where executive compensation is linked to corporate performance. The Company's bonus plan provides executives with the chance to earn cash bonuses upon achieving key performance goals. The Compensation Committee incorporated corporate performance targets to establish annual bonus objectives for all managers and executives of the Company. These targets are used to assess performance and allocate cash bonuses accordingly. Key performance measures include 100% compliance with annual sustainability goals (such as the "definition of a corporate plan for carbon reduction and compensation with associated goals, activities, and

costs in 2023"). Improving the Company's ESG performance index is another key indicator for the Executive Team's variable compensation. For 2023, 10% of the total compensation was linked to sustainability and climate.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board/Executive board

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

☑ Shares

☑ Profit share

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

☑ Other targets-related metrics, please specify :Company performance against a climate-related sustainability index

Strategy and financial planning

☑ Board approval of climate transition plan
☑ Achievement of climate transition plan
☑ Shift to a business model compatible with a net-zero carbon future
☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative
☑ Reduction in emissions intensity
☑ Other emission reduction-related metrics, please specify

Resource use and efficiency

☑ Energy efficiency improvement
☑ Reduction in total energy consumption
☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Reduction in water consumption volumes – direct operations
☑ Improvements in emissions data, reporting, and third-party verification
☑ Improvements in water accounting, reporting, and third-party verification
☑ Improvements in water efficiency – upstream value chain (excluding direct operations)
☑ Improvements in water efficiency – downstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution

☑ Reduction of water pollution incidents
☑ Reduction or phase out of hazardous substances
☑ Improvements in wastewater quality – direct operations
☑ Increase in substitution of listed environmental contaminants

☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)
☑ Improvements in wastewater quality – downstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – downstream value chain (excluding direct operations)

Policies and commitments

☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices
☑ Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
☑ Adopting UN International Labour Organization principles
☑ Implementation of water-related community project

Engagement

☑ Increased value chain visibility (traceability, mapping)
☑ Implementation of employee awareness campaign or training program on environmental issues
☑ Increased engagement with suppliers on environmental issues
☑ Increased engagement with customers on environmental issues
☑ Increased engagement with smallholders on environmental issues
☑ Increased engagement in landscape (including river basin) and jurisdictional initiatives

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance,

which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Canacol's remuneration guidelines aim to align executive compensation with the interests of its shareholders and as such the Company has designed metrics where executive compensation is linked to corporate performance. The Company's bonus plan provides executives and directors with the chance to earn cash bonuses upon achieving key performance goals. The Compensation Committee incorporated corporate performance targets to establish annual bonus objectives for all managers and executives of the Company. These targets are used to assess performance and allocate cash bonuses accordingly. Key performance measures include 100% compliance with annual sustainability goals (such as the "definition of a corporate plan for carbon reduction and compensation with associated goals, activities, and costs in 2023"). Improving the Company's ESG performance index is another key indicator for the Executive Team's variable compensation. The establishment of these goals at the board of directors and executive committee levels has brought sustainability, water, climate change, and biodiversity to the forefront within the Company. Since these goals were incorporated into the compensation metrics, Canacol has achieved 100% of the target and has made progress in developing climate and water strategies.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Board/Executive board

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets
☑ Achievement of environmental targets
☑ Organization performance against an environmental sustainability index
☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan
☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy
☑ Board approval of climate transition plan
☑ Shareholder approval of climate transition plan
☑ Increased investment in environmental R&D and innovation
☑ Increased proportion of revenue from low environmental impact products or services

Resource use and efficiency

☑ Energy efficiency improvement
☑ Reduction in total energy consumption
☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Reduction in water consumption volumes – direct operations
☑ Improvements in emissions data, reporting, and third-party verification
☑ Improvements in water accounting, reporting, and third-party verification
☑ Improvements in water efficiency – upstream value chain (excluding direct operations)
☑ Improvements in water efficiency – downstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution

☑ Reduction of water pollution incidents
☑ Reduction or phase out of hazardous substances

☑ Improvements in wastewater quality – direct operations
☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)
☑ Improvements in wastewater quality – downstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – downstream value chain (excluding direct operations)

Policies and commitments

☑ Implementation of water-related community project
☑ Increased access to workplace WASH – direct operations
☑ Adopting UN International Labour Organization principles
☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices
☑ Increased access to workplace WASH – upstream value chain (excluding direct operations)
☑ Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities

Engagement

☑ Increased value chain visibility (traceability, mapping)
☑ Implementation of employee awareness campaign or training program on environmental issues
☑ Increased engagement with suppliers on environmental issues
☑ Increased engagement with customers on environmental issues
☑ Increased engagement with smallholders on environmental issues
☑ Increased engagement in landscape (including river basin) and jurisdictional initiatives

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

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(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

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Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Salary increase

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets
☑ Achievement of environmental targets
☑ Organization performance against an environmental sustainability index
☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan
☑ Increased investment in environmental R&D and innovation

Emission reduction

☑ Implementation of an emissions reduction initiative
☑ Reduction in emissions intensity
☑ Increased share of renewable energy in total energy consumption
☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement
☑ Reduction in total energy consumption
☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Reduction in water consumption volumes – direct operations
☑ Improvements in emissions data, reporting, and third-party verification
☑ Improvements in water accounting, reporting, and third-party verification
☑ Improvements in water efficiency – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution

☑ Reduction of water pollution incidents
☑ Reduction or phase out of hazardous substances
☑ Improvements in wastewater quality – direct operations
☑ Increase in substitution of listed environmental contaminants
☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – downstream value chain (excluding direct operations)

Policies and commitments

☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices
☑ Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
☑ Adopting UN International Labour Organization principles
☑ Implementation of water-related community project

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term

alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

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Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Compliance Officer (CCO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets
☑ Organization performance against an environmental sustainability index
☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning
☑ Achievement of climate transition plan
☑ Increased investment in environmental R&D and innovation

Emission reduction
☑ Implementation of an emissions reduction initiative
☑ Reduction in emissions intensity
☑ Increased share of renewable energy in total energy consumption
☑ Reduction in absolute emissions

Resource use and efficiency
☑ Energy efficiency improvement
☑ Reduction in total energy consumption
☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Reduction in water consumption volumes – direct operations
☑ Improvements in water accounting, reporting, and third-party verification
☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution
☑ Reduction of water pollution incidents
☑ Reduction or phase out of hazardous substances
☑ Improvements in wastewater quality – direct operations
☑ Increase in substitution of listed environmental contaminants
☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)

☑ Improvements in wastewater quality – downstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – downstream value chain (excluding direct operations)

Policies and commitments
☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices

(4.5.1.4) Incentive plan the incentives are linked to

Select from:
☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Canacol's remuneration guidelines aim to align executive compensation with the interests of its shareholders and as such the Company has designed metrics where executive compensation is linked to corporate performance. The Company's bonus plan provides executives and directors with the chance to earn cash bonuses upon achieving key performance goals. The Compensation Committee incorporated corporate performance targets to establish annual bonus objectives for all managers and executives of the Company. These targets are used to assess performance and allocate cash bonuses accordingly. Key performance measures include 100% compliance with annual sustainability goals (such as the "definition of a corporate plan for carbon reduction and compensation with associated goals,

activities, and costs in 2023"). Improving the Company's ESG performance index is another key indicator for the Executive Team's variable compensation. The establishment of these goals at the board of directors and executive committee levels has brought sustainability, water, climate change, and biodiversity to the forefront within the Company. Since these goals were incorporated into the compensation metrics, Canacol has achieved 100% of the target and has made progress in developing climate and water strategies

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

☑ Board approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased proportion of revenue from low environmental impact products or services

Emission reduction

☑ Implementation of an emissions reduction initiative
☑ Reduction in emissions intensity
☑ Increased share of renewable energy in total energy consumption
☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement
☑ Reduction in total energy consumption
☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Reduction in water consumption volumes – direct operations
☑ Improvements in emissions data, reporting, and third-party verification
☑ Improvements in water accounting, reporting, and third-party verification
☑ Improvements in water efficiency – upstream value chain (excluding direct operations)
☑ Improvements in water efficiency – downstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution

☑ Reduction of water pollution incidents
☑ Reduction or phase out of hazardous substances
☑ Improvements in wastewater quality – direct operations
☑ Increase in substitution of listed environmental contaminants
☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)
☑ Improvements in wastewater quality – downstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

☑ Increase in discharge treatment compliance and meeting regulatory requirements – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – downstream value chain (excluding direct operations)

Policies and commitments

☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices
☑ Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
☑ Adopting UN International Labour Organization principles
☑ Implementation of water-related community project

Engagement

☑ Increased engagement with suppliers on environmental issues
☑ Increased engagement with customers on environmental issues
☑ Increased value chain visibility (traceability, mapping)
☑ Implementation of employee awareness campaign or training program on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As a member of the Board, Canacol's CEO is a key liaison between management and the Board. The CEO keeps the ESG Committee fully informed about the progress, achievements, and upcoming plans related to the climate strategy. The CEO also provides feedback to the Executive Team and ensures that annual operational objectives and strategies align with climate considerations. The establishment of these goals at the board of directors and executive committee levels has brought sustainability, water, climate change, and biodiversity to the forefront within the Company. Since these goals were incorporated into the compensation metrics, Canacol has achieved 100% of the target and has made progress in developing climate and water strategies.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

☑ Reduction of water withdrawals – direct operations
☑ Improvements in water efficiency – direct operations
☑ Reduction in water consumption volumes – direct operations
☑ Improvements in emissions data, reporting, and third-party verification
☑ Improvements in water accounting, reporting, and third-party verification
☑ Improvements in water efficiency – upstream value chain (excluding direct operations)
☑ Improvements in water efficiency – downstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)
☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution
☑ Reduction of water pollution incidents
☑ Reduction or phase out of hazardous substances
☑ Improvements in wastewater quality – direct operations
☑ Increase in substitution of listed environmental contaminants
☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)
☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations

(4.5.1.4) Incentive plan the incentives are linked to

Select from:
☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

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Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Canacol's remuneration guidelines aim to align executive compensation with the interests of its shareholders and as such the Company has designed metrics where executive compensation is linked to corporate performance. The Company's bonus plan provides executives and directors with the chance to earn cash bonuses upon achieving key performance goals. The Compensation Committee incorporated corporate performance targets to establish annual bonus objectives for all managers and executives of the Company. These targets are used to assess performance and allocate cash bonuses accordingly. Key performance measures include 100% compliance with annual sustainability goals (such as the "definition of a corporate plan for carbon reduction and compensation with associated goals, activities, and costs in 2023"). Improving the Company's ESG performance index is another key indicator for the Executive Team's variable compensation. The establishment of these goals at the board of directors and executive committee levels has brought sustainability, water, climate change, and biodiversity to the forefront within the Company. Since these goals were incorporated into the compensation metrics, Canacol has achieved 100% of the target and has made progress in developing climate and water strategies.

Water

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Environment/Sustainability manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in emissions data, reporting, and third-party verification

☑ Improvements in water accounting, reporting, and third-party verification

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Improvements in water efficiency – downstream value chain (excluding direct operations)

☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)

☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

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Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Risk manager

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Increased investment in environmental R&D and innovation

☑ Increased proportion of revenue from low environmental impact products or services

Policies and commitments

☑ Increased supplier compliance with environmental requirements

☑ New or tighter environmental requirements applied to purchasing practices

☑ Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term

alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The Executive Team and the Risk Manager evaluates and updates the identified risks and opportunities and incorporates them into the Company's strategic and operational objectives

Climate change

(4.5.1.1) Position entitled to monetary incentive

Senior-mid management

☑ Management group

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Organization performance against an environmental sustainability index

☑ Reduction in absolute emissions in line with net-zero target

Strategy and financial planning

☑ Achievement of climate transition plan

☑ Board approval of climate transition plan

☑ Shareholder approval of climate transition plan

☑ Increased investment in environmental R&D and innovation

☑ Shift to a business model compatible with a net-zero carbon future

☑ Increased proportion of revenue from low environmental impact products or services

☑ Increased alignment of capex with transition plan and/or sustainable finance taxonomy

Emission reduction

☑ Implementation of an emissions reduction initiative

☑ Reduction in emissions intensity

☑ Increased share of renewable energy in total energy consumption

☑ Reduction in absolute emissions

Resource use and efficiency

☑ Energy efficiency improvement

☑ Reduction in total energy consumption

☑ Reduction of water withdrawals – direct operations

☑ Improvements in water efficiency – direct operations

☑ Reduction in water consumption volumes – direct operations

☑ Improvements in emissions data, reporting, and third-party verification

☑ Improvements in water accounting, reporting, and third-party verification

☑ Improvements in water efficiency – upstream value chain (excluding direct operations)

☑ Reduction of water withdrawal and/or consumption volumes – upstream value chain (excluding direct operations)

☑ Reduction of water withdrawal and/or consumption volumes – downstream value chain (excluding direct operations)

Pollution

☑ Improvements in wastewater quality – direct operations

☑ Improvements in wastewater quality – upstream value chain (excluding direct operations)

☑ Reduction of water pollution incidents

☑ Increase in discharge treatment compliance and meeting regulatory requirements – direct operations
☑ Reduction/elimination of environmental incidents and/or environmental notices (notices of violation)

Policies and commitments

☑ Increased supplier compliance with environmental requirements
☑ New or tighter environmental requirements applied to purchasing practices
☑ Securing Free, Prior and Informed Consent (FPIC) of Indigenous peoples and local communities
☑ Adopting UN International Labour Organization principles
☑ Implementation of water-related community project

Engagement

☑ Increased value chain visibility (traceability, mapping) environmental issues
☑ Implementation of employee awareness campaign or training program on environmental issues
☑ Increased engagement with suppliers on environmental issues
☑ Increased engagement with customers on environmental issues
☑ Increased engagement with smallholders on environmental issues
☑ Increased engagement in landscape (including river basin) and jurisdictional initiatives

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

In our commitment to corporate sustainability, we recognize the importance of attracting, hiring, and retaining high-caliber individuals, as their values are crucial to our Company's ongoing success. To achieve this, we have implemented a comprehensive compensation program designed to enhance our executives' performance, which includes: (a) base salary; (b) short term incentive compensation; and (c) long term incentive compensation through Restricted Stock Units (RSUs) and Performance Share Units (PSUs). Our executives receive short term incentives through a cash bonus plan when key performance targets are achieved. These corporate performance goals are set by the Board's Compensation Committee to determine the annual bonus targets for all Company executives. Long term alignment is achieved through a mix of PSUs and RSUs. PSUs are based on a three-year metric and vest at the end of the period, while RSUs are tied to annual corporate and individual objectives and vest over two years.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our strategy not only seeks to enhance our reputation and relationships with stakeholders, but also to unlock new revenue streams and opportunities, and ensures the Company’s alignment with evolving energy trends, standards, and regulations. Consequently, the Executive Team has a fundamental role in the execution, management, and assessment of climate-related risks and opportunities. The Executive Team evaluates and updates the identified risks and opportunities and incorporates them into the Company’s strategic and operational objectives. Below are key roles and responsibilities of the Executive Team5 in managing climaterelated risks and opportunities: 1.Develop the Company’s climate action strategy. 2. Build and develop the Company’s decarbonization plan. 3. Identify climate-related risks and opportunities throughout the Company’s value chain. 4. Generate actions to address climaterelated risks and opportunities. 5. Generate strategic alliances to strengthen best practices around climate action. 6. Foster an ESG culture built on transparency. 7. Monitor and improve the Company’s ESG performance. 8. Report and communicate climate action initiatives internally and with external stakeholders. Canacol’s remuneration guidelines aim to align executive compensation with the interests of its shareholders and as such the Company has designed metrics where executive compensation is linked to corporate performance. The Company’s bonus plan provides executives and directors with the chance to earn cash bonuses upon achieving key performance goals. The Compensation Committee incorporated corporate performance targets to establish annual bonus objectives for all managers and executives of the Company. These targets are used to assess performance and allocate cash bonuses accordingly. Key performance measures include 100% compliance with annual sustainability goals (such as the “definition of a corporate plan for carbon reduction and compensation with associated goals, activities, and costs in 2023”). Improving the Company’s ESG performance index is another key indicator for the Executive Team’s variable compensation. The establishment of these goals at the board of directors and executive committee levels has brought sustainability, water, climate change, and biodiversity to the forefront within the Company. Since these goals were incorporated into the compensation metrics, Canacol has achieved 100% of the target and has made progress in developing climate and water
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(4.6.1.4) Explain the coverage

This Policy is applicable to all employees, partners, customers, suppliers, contractors, and other stakeholders involved in the exploration, drilling, and production activities.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to No Net Loss

☑ Commitment to a circular economy strategy

☑ Commitment to respect legally designated protected areas

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance
☑ Commitment to avoidance of negative impacts on threatened and protected species
☑ Commitment to stakeholder engagement and capacity building on environmental issues
☑ Commitment to implementation of nature-based solutions that support landscape restoration and long-term protection of natural ecosystems
☑ Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

Climate-specific commitments
☑ Commitment to net-zero emissions
☑ Commitment to not funding climate-denial or lobbying against climate regulations

Water-specific commitments
☑ Commitment to reduce or phase out hazardous substances
☑ Commitment to control/reduce/eliminate water pollution
☑ Commitment to the conservation of freshwater ecosystems

Social commitments
☑ Adoption of the UN International Labour Organization principles
☑ Commitment to promote gender equality and women's empowerment
☑ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
☑ Commitment to respect internationally recognized human rights
☑ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

Additional references/Descriptions
☑ Description of renewable electricity procurement practices

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply
☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

POHSEQ-01 Politica Sostenibilidad HSEQ V22.doc
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ Task Force on Nature-related Financial Disclosures (TNFD)

(4.10.3) Describe your organization's role within each framework or initiative

TNFD: In 2023, the Taskforce on Nature-related Financial Disclosure (TNFD) released their guidance for companies to report and act on their nature-related dependencies, impacts, risks, and opportunities. As one of the 320 companies globally that registered for the TNFD recommendations, we are considered an early adopter. Following our registration we have undertaken an initial assessment in accordance with the recommendations at five priority operating points: Esperanza, VIM5, VIM33, VMM45 and SSJN-7. The results of this inaugural exercise will be released in the first half of 2024. This effort also aligns with the KunmingMontreal Global Diversity Framework and other legally binding international agreements. Additionally, within the same fiscal year we established our commitment to protecting the biodiversity of the ecosystems at our operational areas. We recognize our responsibility in preserving ecosystem services as an essential component for sustainable development and the well-being of communities. TCFD: In recognition of the imperative to address the challenges posed by climate change, Canacol Energy Ltd. – hereinafter referred to as "Canacol" or "the Company" – has aligned with the global initiative of the Paris agreement, which aims to limit the increase in temperature to 1.5 above pre-industrial levels. The Company is committed to reducing greenhouse gas emissions, enhancing resilience to the risks posed by climate variability, and implementing measures to adapt to and mitigate the impacts of climate change. Consequently, Canacol is pleased to present its second report on the risks and opportunities associated with climate change for the year 2023, in adherence with the framework of the Task Force on Climate-related Financial Disclosures

(TCFD). In accordance with the recommendations set forth by the TCFD, this report is structured around four main pillars: (i) Governance; (ii) Strategy; (iii) Risks and Opportunities; and iv) Metrics and Objectives. In 2023, Canacol expanded its analysis to further the identification and assessment of physical and transition risks derived from climate-related factors. This involved evaluating the exposure of the Company's key assets to six climate-related threats: extreme heat, extreme cold, water stress and drought, precipitation-induced landslides, forest fires, and river floods. The analysis was conducted using modeling techniques across three-time horizons: 2030, 2040 and 2050, considering various climate scenarios. Furthermore, this report provides insights into the Company's performance concerning the reduction of greenhouse gas (GHG) emissions, as well as the progress of the strategy and goals established to achieve carbon neutrality. It is anticipated that this analysis will not only encourage the implementation of more tangible actions to address climate-related risks and opportunities but also facilitate the review and refinement of the climate change mitigation and adaptation strategy. Finally, Canacol reiterates its commitment to play an active role in Colombia's energy transition, prioritizing sustainability every step of the way.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

☑ Another global environmental treaty or policy goal, please specify :Colombian government is committed to reducing GHG emissions by 51% by 2030

(4.11.4) Attach commitment or position statement

2023_esg_report_english-final_04junio_2023.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Unknown

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

1. Incorporation of climate risks into decision-making and operational processes including critical contractor activities. 2) Systematic control and monitoring: identified and verified 2023 scope 1, 2, and 3 carbon emissions using a third-party expert. 3) Operational efficiency and technology as a driver of change. 4) Development of mechanisms to assist communities' adaptation in the areas Canacol operates: The Company implemented multiple initiatives to guarantee access to cleaner energy in the provinces of Sucre and Cordoba, such as the Gass Massification Project (this project was executed with Canacol's main client). 5) Natural Climate Solutions to increase carbon storage and prevent biodiversity loss. Therefore, Canacol is a member of the Natural Gas Sector Alliance: Path to Carbon Neutrality, which includes prominent entities such as the Colombian Natural Gas Association (NATURGAS), the Ministry of Environment and Sustainable Development, and the Ministry of Mines and Energy. This alliance covers all regions where we operate. Our affiliation with NATURGAS underscores our commitment to decarbonizing the Colombian gas sector in alignment with the principles of the Paris Agreement. Through our participation, we contribute to initiatives aimed at providing essential training for an effective energy transition and developing strategies for green energy projects. Additionally, we are currently assessing the possibility of joining the Oil and Gas Methane Alliance (OGMP 2.0 Framework) in 2026. In 2022, Canacol became a member of IPIECA, marking a significant milestone in aligning our decarbonization efforts with industry standards. We regularly review our affiliations with trade associations and lobbying groups to ensure they align with our sustainability goals. In 2023, Canacol allocated 322,000 towards climate and sustainability-focused purposes. All lobbying activities, donations, or climate sponsorships must receive authorization from the Board of Directors. Additionally, any political-related activities must be properly recorded in our accounting books to ensure transparency. [Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Colombian national transition plan

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☑ Emissions – CO2

☑ Emissions – methane

☑ Emissions – other GHGs

☑ Hazardous substances

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Colombia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

1. Incorporation of climate risks into decision-making and operational processes including critical contractor activities. 2) Systematic control and monitoring: identified and verified 2023 scope 1, 2, and 3 carbon emissions using a third-party expert. 3) Operational efficiency and technology as a driver of change. 4) Development of mechanisms to assist communities' adaptation in the areas Canacol operates: The Company implemented multiple initiatives to guarantee access to cleaner energy in the provinces of Sucre and Cordoba, such as the Gass Massification Project (this project was executed with Canacol's main client). 5) Natural Climate Solutions to increase carbon storage and prevent biodiversity loss. Therefore, Canacol is a member of the Natural Gas Sector Alliance: Path to Carbon Neutrality, which includes prominent entities such as the Colombian Natural Gas Association (NATURGAS), the Ministry of Environment and Sustainable Development, and the Ministry of Mines and Energy. This alliance covers all regions where we operate. Our affiliation with NATURGAS underscores our commitment to decarbonizing the Colombian gas sector in alignment with the principles of the Paris Agreement. Through our participation, we contribute to initiatives aimed at providing essential training for an effective energy transition and developing strategies for green energy projects. Additionally, we are currently assessing the possibility of joining the Oil and Gas Methane Alliance (OGMP 2.0 Framework) in 2026. In 2022, Canacol became a member of IPIECA, marking a significant milestone in aligning our decarbonization efforts with industry standards. We regularly review our affiliations with trade associations and lobbying groups to ensure they align with our sustainability goals. In 2023, Canacol allocated 322,000 towards climate and sustainability-focused purposes. All lobbying activities, donations, or climate sponsorships must receive authorization from the Board of Directors. Additionally, any political-related activities must be properly recorded in our accounting books to ensure transparency.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

- ☑ Ad-hoc meetings
- ☑ Regular meetings
- ☑ Discussion in public forums
- ☑ Responding to consultations
- ☑ Provided funding or in-kind support
- ☑ Submitting written proposals/inquiries
- ☑ Participation in voluntary government programs
- ☑ Participation in working groups organized by policy makers

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

322

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Our purpose is to improve the quality of life of millions of people through the exploration, production, and supply of conventional natural gas through socially and environmentally responsible operations managed in a conscious and transparent manner. In a constantly changing world, we firmly believe in the critical role of natural gas in the energy transition and we fully support the global plans to meet the goals of the Paris Agreement. Specifically, in Colombia, we are committed to

contributing to the reduction of 51% of emissions by 2030. As leaders in the production of the cleanest-burning hydrocarbon, we are committed to supplying the increasing energy demand while reducing CO2 emissions, improving air quality, and developing conditions for the growth and development of the countries where we operate, over the next 30 years or more. At Canacol, we focus our efforts on continuous and transparent community engagement, which guarantees the implementation of social investment projects that can improve the people's lives in neighboring communities by increasing access to water, natural gas, and education, enhancing public and community infrastructure, and supporting local productive and business development programs. We aim to develop strong relations with these communities based on a mutual benefit, balancing their needs with our corporate strategies.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ IFRS

☑ TCFD

☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Content of environmental policies

(4.12.1.6) Page/section reference

48-84

(4.12.1.7) Attach the relevant publication

2023_esg_report_english-final_04junio_2023.pdf

(4.12.1.8) Comment

TCFD link: https://canacolenergy.com/site/assets/files/4075/2023_tcfd_report_fv.pdf
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☑ Yes

(5.1.2) Frequency of analysis

Select from:

☑ Annually

Water

(5.1.1) Use of scenario analysis

Select from:

☑ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ No standardized procedure

(5.1.4) Explain why your organization has not used scenario analysis

Canacol plans to develop its first water scenario report in 2025
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Reputation

☑ Technology

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Low population growth, high economic growth, high levels of education, governability, a globalized society, international cooperation, technological development, and environmental awareness. Under these assumptions, this scenario represents low levels of mitigation and adaptation challenges.

(5.1.1.11) Rationale for choice of scenario

SSP1-2.6 - Sustainability: Challenges low for mitigation and low for adaptation: The scenario is characterized by low GHG emissions declining to net-zero emissions around 2050 or later, followed by varying levels of net negative CO2 emissions. The temperature increase is unlikely to exceed 2C. The world is gradually, but broadly, evolving towards more inclusive and sustainable development that respects the perceived environmental limits. The management of the commons is slowly improving, investments in education and health accelerate the demographic transition, and emphasis on economic growth shifts to a broader emphasis on human well-being. Driven by a growing commitment to achieving development goals, inequality is reduced both between and within countries. Consumption is geared towards low material growth and lower intensity of resources and energy. In a scenario characterized by low population growth, high economic growth, high levels of education, strong governability, a globalized society, robust international cooperation, technological development, and heightened environmental awareness, the challenges related to mitigation and adaptation are minimal. This scenario suggests a future where societies are well-equipped to address and manage environmental issues effectively, leveraging technological advancements and international partnerships to create sustainable solutions and minimize the impacts of climate change. Canacol chose this scenario due to the trend of adoption of Net Zero strategies by major governments and the private sector, and it could be a possible path in the future. This scenario is also considered as optimistic and/or conservative, as it is referred to throughout the analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy
☑ Market
☑ Liability
☑ Reputation
☑ Technology
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.5ºC - 3.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Changes in ecosystem services provision
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Consumer sentiment

☑ Impact of nature footprint on reputation

☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Level of action (from local to global)

☑ Global targets

Relevant technology and science

☑ Data regime (from closed to open)

Direct interaction with climate

☑ On asset values, on the corporate

☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

SSP3-7.0 ("Fragmentation"): High population growth and low economic development, lower levels of education, and a regionalized society with little environmental awareness, thus representing a high level of challenges for adaptation and mitigation.

(5.1.1.11) Rationale for choice of scenario

SSP3-7.0 - Fragmentation: High challenges for mitigation, high challenges for adaptation: The resurgence of nationalism, concerns about competitiveness, security and regional conflicts push countries to focus more and more on internal or, at most, regional issues. Policies change over time to become increasingly oriented towards national and regional security issues. Countries are focused on achieving energy and food security goals within their own regions at the expense of broader-based development. Investments in education and technological development decrease. Economic development is slow, consumption is material-intensive, and inequalities persist or worsen over time. Population growth is low in industrialized countries and high in developing countries. The low international priority in addressing environmental problems leads to severe environmental degradation in some regions, a regionalized society with little environmental awareness, high GHG emissions, almost doubling with respect to current levels by 2100, so all this represents a high level of challenges for adaptation and mitigation. The formidable challenges for mitigation in this scenario are of interest to Canacol, Table 7: RCP scenarios in relation to SSP scenarios given that natural gas plays a fundamental role in GHG mitigation processes.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA STEPS (previously IEA NPS)

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Liability

☑ Acute physical

☑ Chronic physical

☑ Reputation
☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 4.0°C and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2100

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes
☑ Global targets

Direct interaction with climate
☑ On asset values, on the corporate
☑ Perception of efficacy of climate regime

Macro and microeconomy
☑ Domestic growth
☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

SSP5-8.5 (“Fossil fuel-based development”): This scenario assumes a very high dependence on fossil fuels, and there would be low population growth, high economic growth, and high human development; therefore, it represents a high level of challenge for mitigation.

(5.1.1.11) Rationale for choice of scenario

SSP5-8.5: Fossil fuel-based development: high challenges for mitigation, low challenges for adaptation: This scenario assumes a widespread distrust in markets and free competition, innovation, and participatory societies as catalysts for producing rapid technological progress and fostering the development of human capital as a means towards sustainable development. Global markets are increasingly integrated. There is also a great deal of investment in health, education, and institutions to improve human and social capital. At the same time, the drive for economic and social development goes hand in hand with the exploitation of abundant fossil fuel resources and the adoption of resource- and energy-intensive lifestyles around the world. All these factors lead to fast growth of the world economy, while the world population reaches its peak and declines in the 21st century. Local environmental problems, such as air pollution, are successfully managed. The ability to effectively manage social and ecological systems, including through geoengineering, if necessary, is relied upon. This represents high challenges in mitigation and low challenges in adaptation. Canacol chose a catastrophic scenario, in the case that technology continues to advance towards fossil fuels without considering other less polluting energy sources. It is used as a scenario to be considered as a stress test on assets that would have to face the consequences of physical risks at their maximum expresión.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy
☑ Market
☑ Reputation
☑ Technology
☑ Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2030
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature
☑ Number of ecosystems impacted
☑ Changes in ecosystem services provision
☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Cost of capital

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Consumer sentiment

☑ Consumer attention to impact

☑ Impact of nature footprint on reputation

☑ Impact of nature service delivery on consumer

☑ Sensitivity to inequity of nature impacts

Regulators, legal and policy regimes

☑ Global regulation

☑ Political impact of science (from galvanizing to paralyzing)

☑ Level of action (from local to global)

☑ Global targets

☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

☑ Data regime (from closed to open)

Direct interaction with climate

☑ On asset values, on the corporate

☑ Perception of efficacy of climate regime

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario outlines a pathway to achieve the stabilization of global temperature rise at 1.5C and universal access to electricity and modern energy systems by 2030. It forecasts an increase of 1.5C, with annual emissions decreasing to 23 Gt by 2030 and achieving net zero emissions by 2050.

(5.1.1.11) Rationale for choice of scenario

By 2030, for every dollar spent on fossil fuels, 5 dollars will be spent on clean energy supply, and another 4 dollars will be spent on efficiency and end-uses. Increasing the supply of clean energy is complemented by energy-saving measures, bringing benefits in terms of emission reduction, affordability, and energy security. Improvements in energy intensity through 2030 are almost three times faster than in the last decade. Hydrogen and hydrogen-based fuels are used in heavy industry and long-distance transport, and their share in total final consumption reaches around 10% by 2050. The use of bioenergy remains at around 100 EJ in the interest of promoting sustainability and reaches around 15% of total final consumption by 2050. CO2 capture amounts to 1.2 Gt in 2030 and 6.2 Gt in 2050, with more than 60% occurring in industry and other fuel transformation sectors.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

In the initial phase, the Company defines the scope of its assets to undergo a detailed analysis concerning the identification and assessment of physical risks. Within this framework, time parameters for the analysis are established, along with specific climate scenarios that will be the subject of the assessment. This approach ensures an understanding of the potential risks linked to the Company's assets, thereby enabling strategic planning and the implementation of effective mitigation and

adaptation measures in response to the identified climate challenges. The identification, analysis, and assessment of physical and transition risks were conducted on the Company's five primary strategic assets. These assets are designated to processing and treating natural gas. This process encompasses various stages: i) primary separation, ii) dehydration, iii) dewpoint conditioning of hydrocarbons, iv) compression, v) filtration, and vi) measurement. Based on the geographic location of the assets, an analysis of their proximity, measured in kilometers, was conducted to understand the similarities and differences crucial for interpreting the data and projections provided by the climate scenarios. It was identified that the assets with the greatest distance between them are the routes from Betania to Pandereta, spanning a distance of 26.43 Km, while the closest are Jobo and Betania, with a distance of 9.24 Km. Additionally, it was determined that all the assets are located at altitudes below 90 meters above sea level. For the analysis of physical risks, SSP scenarios were selected, whose projections are achieved by applying the climate model called "Integrated Assessment Model" (IAMs4) to describe plausible but uncertain future changes in human development, the economy, and the environment. These projections were set out by the Intergovernmental Panel on Climate Change (IPCC) in the sixth Assessment Report (AR6). The main general characteristics of these climate scenarios are: Their descriptive approach to socioeconomic and environmental trends at the global level. Their quantitative and qualitative content on the assumed challenges for mitigation and adaptation. The incorporation of information based on the global atmosphereocean general circulation model (GCM7) on energy, economy, and land use on a global scale. The absence of climate policies and variables related to the effects of climate change. Their extensive information on global assumptions for regional-scale scenarios (O'Neill et al., 2014). Canacol selected the energy trend scenarios to model transition risks, which were formulated by the International Energy Agency (IEA), an organization created by the OECD in 1974. The IEA produces globally relevant information such as the World Energy Outlook (WEO) and the Energy Technology Perspectives (ETP). These scenarios are developed within the framework of the Global Energy and Climate (GEC) model. The GEC model explores several scenarios for the energy transition, based on underlying assumptions about how the energy system might respond to and evolve from the global situation. These scenarios do not constitute predictions and do not offer a singular perspective on the long term future. Instead, they are designed to establish alternative scenarios for comparing different potential futures. They aim to provide a rationale for understanding potential global energy trajectories within the context of climate change and offer insights into the actions that governments can consider fostering knowledge in this area. The WEO-2022 and the ETP-2023 rely on an integrated modeling cycle of the GEC to explore three scenarios that incorporate energy cost and energy market data.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ Yes

(5.2.5) Description of activities included in commitment and implementation of commitment

Canacol has developed a 2022 emissions baseline and has forecasted future 2023 emissions to further its commitment to progressive climate action. This baseline establishes a foundation against which the Company can monitor and measure progress in achieving climate-related goals pertaining to the development of the corporation's low carbon roadmap. The low carbon roadmap includes the incorporation of climate risks into decision-making and operational processes, systematic control and monitoring, operational efficiency, and technology as a driver for change, development of mechanisms to assist communities' adaptation in the areas of operation, as well as natural climate solutions to increase carbon storage and prevent biodiversity loss. The Company's climate strategy is being designed in line with the Colombian government's ambition of reducing GHG emissions by 51% by 2030. In 2026 the Company expects to achieve zero methane emissions and reduce CO2 emissions by 50% (Scope 1 and Scope 2) compared to a 2022 baseline in 2030 and Carbon neutrality in 2050. In addition, while Canacol has not developed a transition plan the corporation is working with an external consultant to develop climate scenario analyses aligned with the 1.5C and 2.0C warming models to further align the Company with the goals of the Paris Agreement. This will be reported at the end of 2023 in the Company's TCFD report. Furthermore, the Company has continued its agreement with the NATURGAS road to carbon neutrality. This milestone further consolidates and strengthens Canacol's industry commitments and practices towards carbon neutrality in 2030 and 2050.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ Our climate transition plan is voted on at Annual General Meetings (AGMs)

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

At Canacol, we are dedicated to mitigating GHG emissions and firmly support the attainment of Colombian National Plans, the Paris Agreement, and the United Nations 2030 Agenda for Sustainable Development. In alignment with these objectives, our goal is to achieve zero methane emissions by 2026, reduce Scope 1 and 2 GHG emissions by 50% by 2035, and achieve carbon neutrality by 2050. In addition to our mitigation efforts, we are committed to enhancing our resilience and adaptive capacity to climate change. We are strengthening our risk and opportunity management processes, supported by the formulation of a comprehensive strategy aligned with the recommendations of the TCFD

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

Incorporation of climate risk assessment into decision-making, commercial and expansion strategies, and operational processes. All climate risks are reported to the Executive Committee and to the Audit Committee. Systematic control and monitoring of our greenhouse gases emissions. After certifying our emissions baseline with an expert third-party in 2021, in 2022 we developed our decarbonization strategy. Operational efficiency and technology as drivers of decarbonization. Our roadmap encompasses short, medium, and long term actions including leak detection and repair to eliminate fugitive emissions, flare efficiency and reduction, and the expansion of renewable energy projects. Development of mechanisms to assist communities' adaptation in the areas we operate. We provide access to clean energy for Sucre and Córdoba provinces, with Canacol's Gas Massification Project, a leading example aimed at replacing firewood with gas via a local utility gas distribution network. Natural climate solutions to increase carbon storage and prevent biodiversity loss. We aim to develop a wide range of Natural Climate Solutions (NCS), as these are essential to ensuring decarbonization targets, while generating social development, job opportunities, and protecting communities.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

2023_tcfd_report_fv.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Effect on equipment and equipment integrity, as well as on gas treatment processes from exposure to extreme heat: The number of extreme heat events during each time horizon was calculated dividing the duration of each time horizon by the return time of the threat, for each of the scenarios (the data are on page 3.1 Climate Data of each of the Excel files). The cost of partial interruption of the process and of repairs for a period less than or equal to 72 hours is sourced from the physical risk assessment scale adopted in the content of the disaster risk management plan (chapter 4), estimated at USD50,000. Due to information limitations, the economic valuation does not include the cost of business continuity measures, or the costs associated with fines for possible contractual breaches with clients with the potential of increasing the financial impact of this risk.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Events of hail precipitation of a large size that after collision would affect roofs with possible damage to the buildings and infrastructure: The number of events is taken from the non-conservative projection of up to 4 hailstorm events projected for a recurrence interval of 34 years. This results in a rate of up to 0.11 events per year, that could potentially occur between the months of June and August of each year. The risk factor corresponds to the risk score calculated and described in the climate data tab for extreme heat. The daily cost of interruption was taken from the physical risk assessment scale adopted in the content of the disaster risk management plan (chapter 4), estimated at USD15,000 and a loss of time less than or equal to 24 hours.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply
☑ Revenues

(5.3.2.2) Effect type

Select all that apply
☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply
☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate-related risks and opportunities have influenced financial planning: 1. Some Canacol revenues (gas trading) depend on sales subject to short-term contracts that are affected during heavy rainy seasons (tropical storms). When this excessive rainfall occurs, the Company loses revenue from gas sales and impacts

Canacol's financial planning. 2. Natural gas composed 98% of Canacol's resource portfolio in 2023. 3. Currently developing the decarbonization plan, which takes into account the investment cost of the projects and solutions that will allow it to meet decarbonization goals and optimize energy efficiency.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Direct costs

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Forest fire risk conditions: The conditions that can lead to a forest fire near the Jobo asset can occur during a period of 145 to 171 continuous days, regardless of the weather scenario. In addition, historical records indicate occurrences of similar events in the vicinity of the Jobo asset.

Row 3

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Dry conditions that persist for at least 60 days can cause plant material to lose its moisture and become fuel, this can lead to short-lived but rapidly spreading forest fires, directly affecting an area of up to 4.48 km2.

Row 4

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

☑ Direct costs

☑ Capital expenditures

☑ Assets

(5.3.2.2) Effect type

Select all that apply

☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

For the Níspero asset, the risk of river flooding is mainly identified, considering the following factors: Consecutive rainy days with rainfall above the 95th percentile of the data record can trigger river flooding. The plant is located on a low-slope location and near a body of water, increasing vulnerability to flooding. Heavy rains can cause damage to infrastructure, equipment, machines, wiring and vehicles. Potential disruptions to processes may require evacuations of personnel for safety and health reasons. Access roads may be closed, and critical supplies may be interrupted due to flooding.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☑ No, but we plan to in the next two years

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☑ Yes

(5.5.2) Comment

At Canacol we prioritize fundamental actions to reduce our emissions. We incorporate technology to improve energy efficiency and reduce gas releases and flaring in our operations. We installed solar energy systems at wells and satellite facilities. We conduct frequent inspections of our systems and facilities to identify and correct leaks through internal actions and Renewable Energy Investment. Canacol has invested a total of 132,000 in renewable energy development. These investments demonstrate our commitment to transitioning to more sustainable energy sources and our pursuit of innovative energy solutions for the future.
[Fixed row]

(5.5.7) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Row 1

(5.5.7.1) Technology area

Select from:

☑ Advanced monitoring techniques

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Pilot demonstration

(5.5.7.3) Average % of total R&D investment over the last 3 years

1

(5.5.7.4) R&D investment figure in the reporting year (unit currency as selected in 1.2) (optional)

120000

(5.5.7.5) Average % of total R&D investment planned over the next 5 years

2

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Investment for decarbonization: At Canacol we prioritize fundamental actions to reduce our emissions: We incorporate technology to improve energy efficiency and reduce gas releases and flaring in our operations. We installed solar energy systems at wells and satellite facilities. We conduct frequent inspections of our systems and facilities to identify and correct leaks through internal actions and Renewable Energy Investment (USD) assistance from third parties. Canacol has invested a total of 132,000 in renewable energy development. These investments demonstrate our commitment to transitioning to more sustainable energy sources and our pursuit of innovative energy solutions for the future.
[Add row]

(5.6) Break down, by fossil fuel expansion activity, your organization’s CAPEX in the reporting year and CAPEX planned over the next 5 years.

Exploration of new oil fields

(5.6.1) CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)

0

(5.6.2) CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year

0

(5.6.3) CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years

0

(5.6.4) Explain your CAPEX calculations, including any assumptions

0

Exploration of new natural gas fields

(5.6.1) CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)

30000000

(5.6.2) CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year

20

(5.6.3) CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years

20

(5.6.4) Explain your CAPEX calculations, including any assumptions

Canacol is an independent natural gas exploration and production company in Colombia, crafting its sustainability strategy around advancing a cleaner energy future based on natural gas as a transitional energy resource.

Expansion of existing oil fields

(5.6.1) CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)

0

(5.6.2) CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year

0

(5.6.3) CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years

0

(5.6.4) Explain your CAPEX calculations, including any assumptions

0

Expansion of existing natural gas fields

(5.6.1) CAPEX in the reporting year for this expansion activity (unit currency as selected in 1.2)

150000000

(5.6.2) CAPEX in the reporting year for this expansion activity as % of total CAPEX in the reporting year

80

(5.6.3) CAPEX planned over the next 5 years for this expansion activity as % of total CAPEX planned over the next 5 years

80

(5.6.4) Explain your CAPEX calculations, including any assumptions

Canacol is an independent natural gas exploration and production company in Colombia, crafting its sustainability strategy around advancing a cleaner energy future based on natural gas as a transitional energy resource.
[Fixed row]

(5.8) Disclose the breakeven price (US$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid / share buybacks.

20.99

(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

4

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

4

(5.9.3) Water-related OPEX (+/- % change)

3

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

3

(5.9.5) Please explain

When obtaining environmental licenses, we conduct detailed hydrological and hydrogeological studies to evaluate water availability in our operational areas. Subsequently, the environmental authorities grant us permission to extract water in designated areas and during specific times of the year, ensuring the conservation of water resources. As part of our commitment to responsible water management, we consult the World Resources Institute's (WRI) Water Risk Atlas, a source recognized by IDEAM, to verify that our operational areas are not experiencing water scarcity and to determine that we operate in areas with low water stress. To prevent overexploitation of our aquifers, we manage our water supply through a combination of purchases and extraction from subterranean sources, ensuring the responsible and sustainable use of water in all operations.
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Water

[Fixed row]

(5.10.2) Provide details of your organization's internal price on water.

Row 1

(5.10.2.1) Type of pricing scheme

Select from:

☑ Internal fee

(5.10.2.2) Objectives for implementing internal price

Select all that apply

☑ Conduct cost-benefit analysis

(5.10.2.3) Factors beyond current market price are considered in the price

Select from:

☑ Yes

(5.10.2.4) Factors considered when determining the price

Select all that apply

☑ Anticipated water tariffs

(5.10.2.5) Calculation methodology and assumptions made in determining the price

costs associated with cubit meter

(5.10.2.6) Stages of the value chain covered

Select all that apply

☑ Direct operations

(5.10.2.7) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.2.9) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.2.10) Indicate how you expect the price to change over time

It would increase

(5.10.2.11) Minimum actual price used (currency per cubic meter)

4

(5.10.2.12) Maximum actual price used (currency per cubic meter)

5

(5.10.2.13) Business decision-making processes the internal water price is applied to

Select all that apply

☑ Capital expenditure
☑ Operations

(5.10.2.14) Internal price is mandatory within business decision-making processes

Select from:
☑ Yes, for all decision-making processes

(5.10.2.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:
☑ Yes

(5.10.2.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Canacol continuously monitors the price of water to develop strategies that prevent the purchase cost from rising. Also, Installation of water flow meters at Jobo Station to detect leaks.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Customers	*Select from:*	*Select all that apply*

	Engaging with this stakeholder on environmental issues	Environmental issues covered
	☑ Yes	☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

☑ Dependence on water

☑ Dependence on ecosystem services/environmental assets

(5.11.1.3) % Tier 1 suppliers assessed

Select from:
☑ 100%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Environmental standards (environmental standards for processes, products and/or services of suppliers, GHG, energy intensity, resource efficiency biodiversity, Pollution prevention and waste management, and water).

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:
☑ 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

35

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:
☑ No, we do not currently assess the dependencies and/or impacts of our suppliers, but we plan to do so within the next two years
[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Material sourcing

☑ Procurement spend

☑ Regulatory compliance

☑ Reputation management

☑ Business risk mitigation

☑ Leverage over suppliers

☑ Strategic status of suppliers

☑ Product safety and compliance

☑ Supplier performance improvement

☑ In line with the criteria used to classify suppliers as having substantive dependencies and/or impacts relating to climate change

(5.11.2.4) Please explain

Within Canacol, the supply chain assumes a foundational role in the realization of our sustainability objectives. We firmly uphold the belief that our value chain stands as a significant conduit through which we can drive positive outcomes for Colombia. At each stage of engagement with our goods and services suppliers, we conscientiously incorporate holistic environmental, social, and corporate governance (ESG) strategies. These strategic integrations are designed to implement and uphold the sustainability standards prevalent in the oil and gas sector. This underscores our unwavering commitment to the practice of responsible and ethical principles. To maintain the highest standards of transparency across our value chain, we have instituted a Code of Conduct and Ethics for Suppliers of goods and services. This Code is structured around a definitive set of guiding principles, encompassing: Environmental standards (environmental standards for processes, products and/or services of suppliers, GHG, energy intensity, resource efficiency biodiversity, Pollution prevention and waste management, and water), among others.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Procurement spend

☑ Regulatory compliance

☑ Reputation management

☑ Vulnerability of suppliers

☑ Strategic status of suppliers

☑ Supplier performance improvement

(5.11.2.4) Please explain

Within Canacol, the supply chain assumes a foundational role in the realization of our sustainability objectives. We firmly uphold the belief that our value chain stands as a significant conduit through which we can drive positive outcomes for Colombia. At each stage of engagement with our goods and services suppliers, we conscientiously incorporate holistic environmental, social, and corporate governance (ESG) strategies. These strategic integrations are designed to implement and uphold the sustainability standards prevalent in the oil and gas sector. This underscores our unwavering commitment to the practice of responsible and ethical principles. To maintain the highest standards of transparency across our value chain, we have instituted a Code of Conduct and Ethics for Suppliers of goods and services. This Code is structured around a definitive set of guiding principles, encompassing: Environmental standards (environmental standards for processes, products and/or services of suppliers, GHG, energy intensity, resource efficiency biodiversity, Pollution prevention and waste management, and water), among others.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization’s purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

To maintain the highest standards of transparency across our value chain, we have instituted a Code of Conduct and Ethics for Suppliers of goods and services. This Code is structured around a definitive set of guiding principles, encompassing: Respect for Human Rights (fair working conditions, prohibition of child labor, freedom of association and requirements of the conventions of the International Labor Organization (ILO). Integrity. Transparency and legality (business ethics and prohibition of anti-competitive and corrupt practices). Occupational health and safety requirements. Environmental standards (environmental standards for processes, products and/or services of suppliers, GHG, energy intensity, biodiversity, waste, and water). Confidentiality and data protection. Guidelines for gifts and hospitality. Procedures for reporting code violations. Sustainable procurement policies that suppliers must follow with their subcontractors.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

To maintain the highest standards of transparency across our value chain, we have instituted a Code of Conduct and Ethics for Suppliers of goods and services. This Code is structured around a definitive set of guiding principles, encompassing: Respect for Human Rights (fair working conditions, prohibition of child labor, freedom

of association and requirements of the conventions of the International Labor Organization (ILO). Integrity. Transparency and legality (business ethics and prohibition of anti-competitive and corrupt practices). Occupational health and safety requirements. Environmental standards (environmental standards for processes, products and/or services of suppliers, GHG, energy intensity, biodiversity, waste, and water). Confidentiality and data protection. Guidelines for gifts and hospitality. Procedures for reporting code violations. Sustainable procurement policies that suppliers must follow with their subcontractors.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:
☑ Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply
☑ Certification
☑ Fines and penalties
☑ First-party verification
☑ On-site third-party audit
☑ Second-party verification
☑ Supplier self-assessment
☑ Community-based monitoring
☑ Supplier scorecard or rating
☑ Ground-based monitoring system
☑ Grievance mechanism/ Whistleblowing hotline

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:
☑ 76-99%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:
☑ 76-99%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:
☑ 26-50%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:
☑ 26-50%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:
☑ Exclude

(5.11.6.12) Comment

Canacol has established comprehensive supplier evaluation and audit programs aimed at risk management, the formulation of mitigation strategies, and the evaluation of performance guided by jointly developed mitigation plans. These evaluations encompass considerations of production and delivery quality, quantity, and safety, aligned with Canacol's fundamental requisites and the minimum mandates of labor and environmental regulations. Furthermore, these assessments encompass adherence to recognized standards such as ISO 9001, ISO 14001, and ISO 45001, tailored to the specific nature of the goods or services to be contracted, in addition to strict compliance with our anti-corruption policy. Canacol has formulated an audit and evaluation plan specifically tailored for strategic suppliers operating within high-risk domains. These domains encompass activities with potential for significant impact on the respective suppliers and neighboring communities, consequently carrying substantial implications for the client in terms of business operations and corporate reputation. The clear objective outlined within this plan is to conduct audits and evaluations for 100% of the strategic suppliers associated with the high-risk operational category.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Certification

☑ Fines and penalties

☑ First-party verification

☑ On-site third-party audit

☑ Second-party verification

☑ Supplier self-assessment

☑ Supplier scorecard or rating

☑ Ground-based monitoring system

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Exclude

(5.11.6.12) Comment

Canacol has established comprehensive supplier evaluation and audit programs aimed at risk management, the formulation of mitigation strategies, and the evaluation of performance guided by jointly developed mitigation plans. These evaluations encompass considerations of production and delivery quality, quantity, and safety, aligned with Canacol's fundamental requisites and the minimum mandates of labor and environmental regulations. Furthermore, these assessments encompass adherence to recognized standards such as ISO 9001, ISO 14001, and ISO 45001, tailored to the specific nature of the goods or services to be

contracted, in addition to strict compliance with our anti-corruption policy. Canacol has formulated an audit and evaluation plan specifically tailored for strategic suppliers operating within high-risk domains. These domains encompass activities with potential for significant impact on the respective suppliers and neighboring communities, consequently carrying substantial implications for the client in terms of business operations and corporate reputation. The clear objective outlined within this plan is to conduct audits and evaluations for 100% of the strategic suppliers associated with the high-risk operational category.
[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building
☑ Develop or distribute resources on how to map upstream value chain
☑ Provide training, support and best practices on how to measure GHG emissions
☑ Support suppliers to develop public time-bound action plans with clear milestones
☑ Provide training, support and best practices on how to mitigate environmental impact
☑ Support suppliers to set their own environmental commitments across their operations
☑ Provide training, support and best practices on how to make credible renewable energy usage claims

Financial incentives
☑ Provide financial incentives to encourage progress against water pollution targets
☑ Provide financial incentives for environmental performance
☑ Provide financial incentives for suppliers with a climate transition plan

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Canacol develops and implements ESG programs with its suppliers. These programs include the following actions: Socialization: Canacol socializes the Supplier's Code of Conduct and Ethics and the ESG strategy to all suppliers. Supplier census: Canacol takes a census of local suppliers and implements a development plan to encourage their participation in the Company's activities either directly or indirectly. Training: Prioritized training on ESG criteria, health and safety, DEI, security, climate change, and human rights. Sustainability surveys: Identification of sustainability risks in suppliers' operations. These actions enable the identification and incorporation of best sustainability practices with our suppliers, ensuring compliance with the highest standards, exemplary performance, and fostering positive long term partnerships in our supply chain.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Improvement of environmental kpis.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Total water withdrawal volumes reduction

(5.11.7.3) Type and details of engagement

Capacity building

☑ Develop or distribute resources on how to map upstream value chain

☑ Provide training, support and best practices on how to mitigate environmental impact

☑ Support suppliers to set their own environmental commitments across their operations

Financial incentives

☑ Feature environmental performance in supplier awards scheme

☑ Provide financial incentives for environmental performance

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 51-75%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

☑ 51-75%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Canacol develops and implements ESG programs with its suppliers. These programs include the following actions: Socialization: Canacol socializes the Supplier's Code of Conduct and Ethics and the ESG strategy to all suppliers. Supplier census: Canacol takes a census of local suppliers and implements a development plan to encourage their participation in the Company's activities either directly or indirectly. Training: Prioritized training on ESG criteria, health and safety, DEI, security, climate change, and human rights. Sustainability surveys: Identification of sustainability risks in suppliers' operations. These actions enable the identification and incorporation of best sustainability practices with our suppliers, ensuring compliance with the highest standards, exemplary performance, and fostering positive long term partnerships in our supply chain.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Improvement of water kpis

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Yes

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Share information about your products and relevant certification schemes

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization's goals to support customers' targets and ambitions

☑ Collaborate with stakeholders in creation and review of your climate transition plan

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

☑ Engage with stakeholders to advocate for policy or regulatory change

☑ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 76-99%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

For Canacol, the involvement of customers in the ESG strategy has been essential. The performance of operations in terms of climate, water, and waste management has improved due to the commitment of the customers andcontractors.

(5.11.9.6) Effect of engagement and measures of success

Improvement of management indicators regarding emissions, water, waste, and biodiversity.

Water

(5.11.9.1) Type of stakeholder

Select from:
☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing
☑ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:
☑ 1-25%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

For Canacol, the involvement of customers in the ESG strategy has been essential. The performance of operations in terms of climate, water, and waste management has improved due to the commitment of the customers andcontractors.

(5.11.9.6) Effect of engagement and measures of success

Improvement of management indicators regarding emissions, water, waste, and biodiversity.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

Canacol's climate strategy is centered on two key objectives: mitigating GHG emissions and enhancing our resilience and adaptive capacity to address the impacts of climate change. Crafted with a deep understanding of the envi-ronmental context, this strategy is guided by the recommendations of the TCFD framework. We have integrated the management of biodiversity, waste, water and climate related risks and opportunities into all aspects of our operations. This approach encompasses a spectrum of management measures, including the development of Natural Climate Solutions (SCN, per its Spanish acronym), efforts to curtail our direct GHG emissions, and initiatives aimed at fostering the transition to a cleaner energy matrix within Colombia. In 2023, we deepened our analysis of physical and transitional risk identification and assessment. This involved evaluating the vulnerability of our key assets to six climate hazards: extreme heat, extreme cold, water stress and drought, precipitation-related landslides, wildfires, and river flooding. Our analysis utilized modeling techniques covering three-time horizons: 2030, 2040, and 2050, while considering the climate scenarios SSP1-2.6, SSP3-7.0 and SSP5-8.5 (optimistic, neutral, and pessimistic). We emphasize that robust governance is at the core of our climate strategy, with active engagement from the Board of Directors and its Committees to all the business units of the Company. This governance structure is supported by clearly defined roles and responsibilities, along with risk management and sustainability policies specifically addressing climate-related issues.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

Canacol's climate strategy is centered on two key objectives: mitigating GHG emissions and enhancing our resilience and adaptive capacity to address the impacts of climate change. Crafted with a deep understanding of the envi-ronmental context, this strategy is guided by the recommendations of the TCFD framework. We have integrated the management of biodiversity, waste, water and climate related risks and opportunities into all aspects of our operations. This approach encompasses a spectrum of management measures, including the development of Natural Climate Solutions (SCN, per its Spanish acronym), efforts to curtail our direct GHG emissions, and initiatives aimed at fostering the transition to a cleaner energy matrix within Colombia. In 2023, we deepened our analysis of physical and transitional risk identification and assessment. This involved evaluating the vulnerability of our key assets to six climate hazards: extreme heat, extreme cold, water stress and drought, precipitation-related landslides, wildfires, and river flooding. Our analysis utilized modeling techniques covering three-time horizons: 2030, 2040, and 2050, while considering the climate scenarios SSP1-2.6, SSP3-7.0 and SSP5-8.5 (optimistic, neutral, and pessimistic). We emphasize that robust governance is at the core of our climate strategy, with active engagement from the Board of Directors and its Committees to all the business units of the Company. This governance structure is supported by clearly defined roles and responsibilities, along with risk management and sustainability policies specifically addressing climate-related issues.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Canacol's climate strategy is centered on two key objectives: mitigating GHG emissions and enhancing our resilience and adaptive capacity to address the impacts of climate change. Crafted with a deep understanding of the envi-ronmental context, this strategy is guided by the recommendations of the TCFD framework. We have integrated the management of biodiversity, waste, water and climate related risks and opportunities into all aspects of our operations. This approach encompasses a spectrum of management measures, including the development of Natural Climate Solutions (SCN, per its Spanish acronym), efforts to curtail our direct GHG emissions, and initiatives aimed at fostering the transition to a cleaner energy matrix within Colombia. In 2023, we deepened our analysis of physical and transitional risk identification and assessment. This involved evaluating the vulnerability of our key assets to six climate hazards: extreme heat, extreme cold, water stress and drought, precipitation-related landslides, wildfires, and river flooding. Our analysis utilized modeling techniques covering three-time horizons: 2030, 2040, and 2050, while considering the climate scenarios SSP1-2.6, SSP3-7.0 and SSP5-8.5 (optimistic, neutral, and pessimistic). We emphasize that robust governance is at the core of our climate strategy, with active engagement from the Board of Directors and its Committees to all the business units of the Company. This governance structure is supported by clearly defined roles and responsibilities, along with risk management and sustainability policies specifically addressing climate-related issues.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Canacol's climate strategy is centered on two key objectives: mitigating GHG emissions and enhancing our resilience and adaptive capacity to address the impacts of climate change. Crafted with a deep understanding of the envi-ronmental context, this strategy is guided by the recommendations of the TCFD framework. We have integrated the management of biodiversity, waste, water and climate related risks and opportunities into all aspects of our operations. This approach encompasses a spectrum of management measures, including the development of Natural Climate Solutions (SCN, per its Spanish acronym), efforts to curtail our direct GHG emissions, and initiatives aimed at fostering the transition to a cleaner energy matrix within Colombia. In 2023, we deepened our analysis of physical and transitional risk identification and assessment. This involved evaluating the vulnerability of our key assets to six climate hazards: extreme heat, extreme cold, water stress and drought, precipitation-related landslides, wildfires, and river flooding. Our analysis utilized modeling techniques covering three-time horizons: 2030, 2040, and 2050, while considering the climate scenarios SSP1-2.6, SSP3-7.0 and SSP5-8.5 (optimistic, neutral, and pessimistic). We emphasize that robust governance is at the core of our climate strategy, with active engagement from the Board of Directors and its Committees to all the business units of the Company. This governance structure is supported by clearly defined roles and responsibilities, along with risk management and sustainability policies specifically addressing climate-related issues.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply

	Change(s) in methodology, boundary, and/or reporting year definition?
	☑ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ ISO 14064-1
☑ The Greenhouse Gas Protocol: Scope 2 Guidance
☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006
☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
☑ IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011
☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

(7.3.3) Comment

Canacol's Scope 2 emissions consist of emissions derived from energy purchases from the National Interconnected System (SIN, per its Spanish acronym) for our operations in the Bogota offices. It is important to note that our production facilities generate enough energy to meet their required needs. During 2023, we experienced a 26.7% increase in our indirect emissions from electricity consumption. This increase is primarily attributed to the rise in the emission factors within Colombia, which is influenced by the climatic and natural phenomena prevailing in the national context, ultimately causing a reduction in electricity generation from hydroelectric sources.
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:
☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

66631

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

22.56

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

31273

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

8772

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

74.28

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

544

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

126

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

207

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

681

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

10718

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

3390520

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2022

(7.5.2) Base year emissions (metric tons CO2e)

0.0

(7.5.3) Methodological details

Our estimates were calculated in accordance with the World Resources Institute (WRI) Corporate GHG Accounting and Reporting Standard to ensure its precision and reliability. Furthermore, we integrated factors recommended by the Intergovernmental Panel on Climate Change (IPCC), along with country-specific emissions factors associated with our energy matrix (electric power).
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

111151.6

(7.6.3) Methodological details

We have defined metrics and targets that ensure business objectives relating to climate change and the energy transition are realized. Carbon accounting and management are defined as key performance indicators for all our business units. We followed the GHG Protocol's Corporate Standard to calculate and disclose carbon emissions and, through a third-party expert, we quantified 100% of the most recent direct and indirect GHG inventory (FY 2023). We use Wood Mackenzie's Emissions Benchmarking Tool to enhance transparency and provide a more comprehensive assessment of emissionsrelated risks and opportunities at the corporate level and across our value chain.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

66609

(7.6.2) End date

12/31/2022

(7.6.3) Methodological details

Our GHG baseline complies with the ISO 14064 standard and was prepared by a thirdparty expert in accordance with the World Resources Institute (WRI) GHG Protocol Corporate Accounting and Reporting Standard

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

49820

(7.6.2) End date

12/31/2021

(7.6.3) Methodological details

Our GHG baseline complies with the criteria established in the ISO 14064 standard and was prepared by a third-party expert in accordance with the World Resources Institute (WRI) GHG Protocol Corporate Accounting and Reporting Standard.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

24058

(7.6.2) End date

12/31/2020

(7.6.3) Methodological details

Our GHG emissions inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard from the World Resources Institute (WRI).

Past year 4

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

0

(7.6.2) End date

12/31/2019

(7.6.3) Methodological details

Not apply
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

0

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

28.5

(7.7.4) Methodological details

The analysis of our GHG emissions intensity (scope 1 and scope 2) is now estimated through a third-party according to IPCC guidelines

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

0

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

22.56

(7.7.3) End date

12/31/2022

(7.7.4) Methodological details

The analysis of our GHG emissions intensity (scope 1 and scope 2) is now estimated through a third-party according to IPCC guidelines

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

0

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

25

(7.7.3) End date

12/31/2021

(7.7.4) Methodological details

The analysis of our GHG emissions intensity (scope 1 and scope 2) is now estimated through a third-party according to IPCC guidelines

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

0

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

46

(7.7.3) End date

12/31/2020

(7.7.4) Methodological details

The analysis of our GHG emissions intensity (scope 1 and scope 2) is now estimated through a third-party according to IPCC guidelines

Past year 4

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

0

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

0

(7.7.3) End date

12/31/2019

(7.7.4) Methodological details

Not apply
[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

97317

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products). For Canacol the products purchased were: Cement, chemical additives, quarried material, pipes, electrical and installation cables and others.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

Capital goods were calculated under the Purchased Goods and Services category this year. For Canacol the capital goods purchased were: gas compressor, production separators, Tea and others).

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

5.4

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2. For Canacol the fuels used in the account were: coal, gasoline, fuel oil, natural Gas, and ACPM.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

195.4

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

• Transportation and distribution of products purchased in the reporting year, between a company's tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company (including multi-modal shipping where multiple carriers are involved in the delivery of a product but excluding fuel and energy products). • Third-party transportation and distribution services purchased by the reporting company in the reporting year (either directly or through an intermediary), including inbound logistics, outbound logistics (e.g., of sold products), and third-party transportation and distribution between a company's own facilities.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1240.21

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Category 5 includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

190.69

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and cars.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

65855

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes emissions from the transportation of employees between their homes and their worksites. Emissions from employee commuting may arise from: • Automobile travel • Bus travel • Air travel

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Not applicable to Canacol's activities.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

11811.02

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This category includes emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company. For Canacol this transportation corresponds to the delivery of Gas.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Not applicable to Canacol's activities due to the nature of the business.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

3695622.26

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average product method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Use of natural gas

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Not applicable to Canacol's activities due to the characteristics of natural gas.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

This category does not apply to Canacol due to the activities performed by the Company.

Franchises

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Canacol does not have any franchises.

Investments

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

This category does not apply to Canacol due to the nature of the business.

Other (upstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Does not apply to Canacol's activities.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Does not apply to Canacol's activities.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

31273

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

8772

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

74.28

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

544

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

126

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

207

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

681

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

10718

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

3390520

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

The values with 0 refer to the fact that this category does not apply to the Company.

Past year 2

(7.8.1.1) End date

12/31/2021

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

240929

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

588.9

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

175.77

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

101.56

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

63.79

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

170.41

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

475.67

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

11839

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

3696489

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

0

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

The values with 0 refer to the fact that this category does not apply to the Company.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

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(7.9.1.5) Page/section reference

164-167 Deloitte's Independent Assurance Report

(7.9.1.6) Relevant standard

Select from:
☑ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

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(7.9.2.6) Page/ section reference

164-167

(7.9.2.7) Relevant standard

Select from:
☑ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- ☑ Scope 3: Capital goods
- ☑ Scope 3: Business travel
- ☑ Scope 3: Employee commuting
- ☑ Scope 3: Use of sold products
- ☑ Scope 3: Purchased goods and services
- ☑ Scope 3: Waste generated in operations
- ☑ Scope 3: Upstream transportation and distribution
- ☑ Scope 3: Downstream transportation and distribution
- ☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

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(7.9.3.6) Page/section reference

164-167

(7.9.3.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

44571

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

53

(7.10.1.4) Please explain calculation

This rise can be attributed to the increased production of natural gas and the utilization of additional compressors to meet the gas demand.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in this category.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ Yes

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
	9.5	*In the reported period, we have registered 9.5 tonCO2e/year from biogenic sources.*

[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:
☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

89470

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:
☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

21460

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:
☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

44.94

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

175.93

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:
☑ PFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 6

(7.15.1.1) Greenhouse gas

Select from:
☑ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 7

(7.15.1.1) Greenhouse gas

Select from:
☑ NF3

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Sixth Assessment Report (AR6 - 100 year)
[Add row]

(7.15.4) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Row 1

(7.15.4.1) Emissions category

Select from:

☑ Combustion (excluding flaring)

(7.15.4.2) Value chain

Select all that apply

☑ Upstream

(7.15.4.3) Product

Select from:

☑ Gas

(7.15.4.4) Gross Scope 1 CO2 emissions (metric tons CO2)

89300

(7.15.4.5) Gross Scope 1 methane emissions (metric tons CH4)

8.17

(7.15.4.6) Total gross Scope 1 emissions (metric tons CO2e)

89588

(7.15.4.7) Comment

Combustion of stationary sources.

Row 2

(7.15.4.1) Emissions category

Select from:

☑ Fugitives

(7.15.4.2) Value chain

Select all that apply

☑ Upstream

(7.15.4.3) Product

Select from:

☑ Gas

(7.15.4.4) Gross Scope 1 CO2 emissions (metric tons CO2)

21243

(7.15.4.5) Gross Scope 1 methane emissions (metric tons CH4)

720.16

(7.15.4.6) Total gross Scope 1 emissions (metric tons CO2e)

21243

(7.15.4.7) Comment

21,243 tons CO2e estimated fugitive emissions (IPCC 2006) in gas production.

Row 3

(7.15.4.1) Emissions category

Select from:
☑ Fugitives

(7.15.4.2) Value chain

Select all that apply
☑ Upstream

(7.15.4.3) Product

Select from:
☑ Gas

(7.15.4.4) Gross Scope 1 CO2 emissions (metric tons CO2)

0.13

(7.15.4.5) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.4.6) Total gross Scope 1 emissions (metric tons CO2e)

0.13

(7.15.4.7) Comment

Emissions corresponding to fire extinguishers.
[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Colombia	*111151*	*0*	*28.5*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☑ By activity

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	*Natural gas production*	*111151.6*

[Add row]

(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

Oil and gas production activities (upstream)

(7.19.1) Gross Scope 1 emissions, metric tons CO2e

111151.6

(7.19.2) Net Scope 1 emissions , metric tons CO2e

111151.6

(7.19.3) Comment

Upstream activities accounted for all of Canacol's direct Scope 1 emissions with stationary combustion accounting for 80.6% of total emissions. Other emissions source included mobile fuel sources, fire extinguishers, refrigerants, and fugitive emissions.
[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply
☑ By facility

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Canacol's operational sites work off-grid, and the Company only purchases electricity for the administrative offices of the Company located in Bogota.

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

28.5

[Add row]

(7.21) Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

Oil and gas production activities (upstream)

(7.21.1) Scope 2, location-based, metric tons CO2e

28.5

(7.21.3) Comment

Canacol’s operational sites work off-grid, and the Company only purchases electricity for the Company’s administrative offices in Bogota. Energy was purchased from the National Interconnected System (SIN).

Oil and gas production activities (midstream)

(7.21.1) Scope 2, location-based, metric tons CO2e

0

(7.21.3) Comment

not applicable

Oil and gas production activities (downstream)

(7.21.1) Scope 2, location-based, metric tons CO2e

0

(7.21.3) Comment

Not applicable to Canacol's business.
[Fixed row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

111151.6

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

28.5

(7.22.4) Please explain

During 2023, we experienced a significant decline in our fields due to the natural production process. This situation generated higher compression requirements, which, in turn, contributed to a notable increase in our Scope 1 and 2 emission intensity. It is important to note that we remain within the recommended emissions intensity limit for our sector.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

Not apply. All emissions come from Canacol Energy Ltd.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Not relevant as we do not have any subsidiaries

(7.24) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Row 1

(7.24.1) Oil and gas business division

Select all that apply
☑ Upstream

(7.24.2) Estimated total methane emitted expressed as % of natural gas production or throughput at given division

19.27

(7.24.3) Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

19.27

(7.24.4) Indicate whether your methane emissions figure is based on observational data

Select from:
☑ Both observational data and estimated or modelled data

(7.24.5) Details of methodology

Methane emissions were included in the calculations of total Scope 1 emissions.
[Add row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 10% but less than or equal to 15%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ No
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

225.3

(7.30.1.3) MWh from non-renewable sources

0

(7.30.1.4) Total (renewable and non-renewable) MWh

249

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

15115

(7.30.1.4) Total (renewable and non-renewable) MWh

15115

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

225.3

(7.30.1.3) MWh from non-renewable sources

15115

(7.30.1.4) Total (renewable and non-renewable) MWh

15506
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

15506

(7.30.9.2) Generation that is consumed by the organization (MWh)

15506

(7.30.9.3) Gross generation from renewable sources (MWh)

225.3

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

15115

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Colombia

(7.30.16.1) Consumption of purchased electricity (MWh)

0.28

(7.30.16.2) Consumption of self-generated electricity (MWh)

15506

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

15506.28
[Fixed row]

(7.38) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

Crude oil and condensate, million barrels

(7.38.1) In-year net production

0.25

(7.38.2) Comment

Canacol operates the Rancho Hermoso oil fields under a participation agreement with Ecopetrol. Ecopetrol holds the environmental license as the principal owner of the contract with the National Hydrocarbon Agency (ANH). Canacol is responsible for environmental compliance activities at the field. Carbon emissions from Rancho Hermoso production were included in the company's GHG inventory and CDP response.

Natural gas liquids, million barrels

(7.38.1) In-year net production

421

(7.38.2) Comment

Canacol operates a micro–Liquefied Natural Gas (LNG) plant, converting 2.4 million standard cubic feet per day (46 tons per day) of gas to LNG. LNG is sold to a third party at the Jobo plant gate, who distributes it to its customers via trucks. LNG can replace diesel, fuel oil, compressed gas, propane, and other fuels, with advantages such as the relatively lower cost and lower emissions.

Oil sands, million barrels (includes bitumen and synthetic crude)

(7.38.1) In-year net production

0

(7.38.2) Comment

Not applicable.

Natural gas, billion cubic feet

(7.38.1) In-year net production

66.17

(7.38.2) Comment

Canacol operates over 1.83 million acres in 11 exploration and production contracts in Colombia focused on exploring and developing natural gas assets. These blocks are all located in the Lower and Middle Magdalena Basins of Colombia. The Lower Magdalena Basin Blocks are located near the Caribbean coast and the cities of Cartagena and Barranquilla. The Middle Magdalena Basin Blocks are located near a TGI operated gas pipeline which has spare transportation capacity, allowing for any new discoveries and production to be quickly commercialized and sold into the domestic market. Canacol's gas fields produce from the proven Cienaga de Oro and Porquero reservoirs and produce more than 190 million standard cubic feet per day. These reservoirs are connected to the central gas processing and treatment facility, Jobo, through more than 223 kilometers of flow lines. Canacol's main production comes from this gas processing which has a capacity of over 300 million standard cubic feet per day.

[Fixed row]

(7.38.1) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries/areas, please explain this.

During the year ended December 31, 2023, the Corporation recorded increases in certain reserve categories due to discoveries at Lulo on the VIM21 block, Piña Norte on the Esperanza block, and Pistacho on the VIM5 block. All aforementioned additions are in the Lower Magdalena Valley. Positive technical revisions were associated primarily with Clarinete, Pandereta, and Claxon on the VIM5 block, Chinu on the SSJN7 block due to a working interest consolidation to 100% from 50%, and Rancho Hermoso in the Llanos basin. Negative technical revisions were associated primarily with Fresa on the VIM21 block. The following information from the independent reserves report prepared by Boury Global Energy Consultants Ltd. ("BGEC") effective December 31, 2023 (the "BGEC 2023 report"). The BGEC 2023 report covers 100% of the Corporation's conventional natural gas and light/medium/heavy oil reserves and deemed volumes. The BGEC 2023 report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument NI 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Additional reserve information as required under NI 51-101 is included in the Corporation's Annual Information Form, which will be filed on SEDAR by March 31, 2024: https://canacolenergy.com/site/assets/files/4053/21_03_2024_-_canacol_energy_ltd__announces_2p_reserves_and_deemed_volumes_of_607_bcfe_worth_us_2_1b_btax_and_10_year_reserve.pdf

(7.38.2) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

(7.38.2.1) Estimated total net proved + probable reserves (2P) (million BOE)

106.6

(7.38.2.2) Estimated total net proved + probable + possible reserves (3P) (million BOE)

183

(7.38.2.3) Estimated net total resource base (million BOE)

6000

(7.38.2.4) Comment

https://canacolenergy.com/site/assets/files/4053/21_03_2024_-_canacol_energy_ltd__announces_2p_reserves_and_deemed_volumes_of_607_bcfe_worth_us_2_1b_btax_and_10_year_reserve.pdf
[Fixed row]

(7.38.3) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

Crude oil/ condensate/ natural gas liquids

(7.38.3.1) Net proved + probable reserves (2P) (%)

0

(7.38.3.2) Net proved + probable + possible reserves (3P) (%)

0

(7.38.3.3) Net total resource base (%)

0

(7.38.3.4) Comment

a) in relation to the Company's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves; (b) in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and (c) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

Natural gas

(7.38.3.1) Net proved + probable reserves (2P) (%)

10

(7.38.3.2) Net proved + probable + possible reserves (3P) (%)

14

(7.38.3.3) Net total resource base (%)

76

(7.38.3.4) Comment

a) in relation to the Company's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves; (b) in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and (c) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.

Oil sands (includes bitumen and synthetic crude)

(7.38.3.1) Net proved + probable reserves (2P) (%)

0

(7.38.3.2) Net proved + probable + possible reserves (3P) (%)

0

(7.38.3.3) Net total resource base (%)

0

(7.38.3.4) Comment

a) in relation to the Company's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves; (b) in relation to the Company's interest in wells, the number of wells obtained by aggregating the Company's working interest in each of its gross wells; and (c) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest owned by the Company.
[Fixed row]

(7.38.4) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Row 1

(7.38.4.1) Development type

Select from:
☑ Onshore

(7.38.4.2) In-year net production (%)

100

(7.38.4.3) Net proved reserves (1P) (%)

100

(7.38.4.4) Net proved + probable reserves (2P) (%)

100

(7.38.4.5) Net proved + probable + possible reserves (3P) (%)

100

(7.38.4.6) Net total resource base (%)

100

(7.38.4.7) Comment

The Corporation’s conventional natural gas reserves are located in the Lower Magdalena Valley basin, Colombia.
[Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

9.58

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

111182

(7.45.3) Metric denominator

Select from:
☑ barrel of oil equivalent (BOE)

(7.45.4) Metric denominator: Unit total

11608080

(7.45.5) Scope 2 figure used

Select from:
☑ Market-based

(7.45.6) % change from previous year

52

(7.45.7) Direction of change

Select from:
☑ Increased

(7.45.8) Reasons for change

Select all that apply
☑ Change in output

(7.45.9) Please explain

Canacol's GHG direct emissions inventory experienced an increase in 2023 derived from the growth in natural gas production and the utilization of additional compressors to meet the gas demand.
[Add row]

(7.48) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Row 1

(7.48.1) Unit of hydrocarbon category (denominator)

Select from:
☑ Thousand barrels of crude oil/ condensate

(7.48.2) Metric tons CO2e from hydrocarbon category per unit specified

20171

(7.48.3) % change from previous year

8

(7.48.4) Direction of change

Select from:
☑ Increased

(7.48.5) Reason for change

Direct emissions inventory experienced an increase in 2023 derived from the growth in crude oil production.

(7.48.6) Comment

Direct emissions inventory experienced an increase in 2023 derived from the growth in crude oil production.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:
☑ Energy usage

(7.52.2) Metric value

1.32

(7.52.3) Metric numerator

MWh

(7.52.4) Metric denominator (intensity metric only)

Boe

(7.52.5) % change from previous year

20

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

In 2023, our total energy consumption increased, rising by 2,092 MWh compared to the previous year. However, our dedication to utilizing clean energy sources, notably hydro-solar, remained steadfast. Additionally, we managed to generate 225.3 MWh of energy from this renewable source. Notably, we have abstained from utilizing diesel in our energy processes and have sustained self-sufficiency by relying on natural gas.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

08/20/2023

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/31/2022

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

85009

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

22.56

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

85031.560

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

08/20/2050

(7.53.1.55) Targeted reduction from base year (%)

1

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

84181.244

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

0

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

0.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

10000.00

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

Mindful of the imperative to address the challenges of climate change, Canacol has joined the global initiative of the Paris agreement. This accord aspires to restrict the rise in temperature increase to 1.5C above pre-industrial levels. Consequently, we have made a resolute commitment to reduce our greenhouse gas emissions, increase our resilience to risks stemming from climate variability, and adopt measures to both adapt to and mitigate the impacts of climate change. As a result, the Company has set itself an ambitious agenda, aiming to achieve carbon neutrality by 2050. In pursuit of this objective, we aim to reduce our GHG emissions (Scope 1 and 2) by 50% by 2035 in relation to our 2022 baseline emissions. Additionally, we are determined to achieve zero methane emissions by 2026.

(7.53.1.83) Target objective

2050 reduction (TonCO2): 186,107 2050 Emissions Projection (Ton Co2): 186,195

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

1. Scope 1, 2 & 3 GHG inventory with a third-party consultant (2022 baseline) 2. Field assessment to evaluate decarbonization projects. 3. Quick leaks identification of current leaks. 4. Auto generation solar 1,8MW - 2030 5. Solar farm 22MW - 2030 6. Solar farm 95MW – 2035 7. Solar farm 35MW - 2049

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to reduce methane emissions

☑ Net-zero targets

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☑ Oth 1

(7.54.2.2) Date target was set

08/13/2023

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Methane reduction target

☑ Total methane emissions in CO2e

(7.54.2.7) End date of base year

12/31/2022

(7.54.2.8) Figure or percentage in base year

22472

(7.54.2.9) End date of target

12/31/2026

(7.54.2.10) Figure or percentage at end of date of target

19000

(7.54.2.11) Figure or percentage in reporting year

19

(7.54.2.12) % of target achieved relative to base year

646.6877880184

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, reducing methane emissions at the principal compression substation and main production site by changing the instrumentation system was a project was implemented in March 2022. Emissions reductions associated with the instrumentation system change will be quantified and disclosed during 2023. Canacol plans to achieve zero methane by 2026.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

Row 2 Oth 1 Organization-wide Absolute Total methane emissions in CO2e 22472.0 Calculated automatically Underway Yes, reducing methane emissions at the principal compression substation and main production site by changing the instrumentation system was a project was implemented in March 2022. Emissions reductions associated with the instrumentation system change will be quantified and disclosed during 2022. Canacol plans to achieve zero methane by 2026. No, it's not part of an overarching initiative Canacol plans to achieve zero methane by 2026. Forecast methane emissions: In 2022, methane emissions were 22,472 tons CO2e. By 2024 - 2025, 41,955 tons CO2e are expected based on gas production projections. Canacol's planned fugitive emissions project will decrease expected emissions to 22,216 tons CO2e. By 2025 - 2026, 50,273 tons CO2e are expected and with the implementation of the fugitive emissions project expected methane emissions will decrease to 28,686 tons CO2e in 2025 and 0 tons CO2e by 2026.

(7.54.2.19) Target objective

Canacol plans to achieve zero methane by 2026

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

The target covers all activities under the control of Canacol. In 2023, the Company continued its development of its robust and resilient low carbon strategy that considers climate-related risks and opportunities to effectively respond and progressively adapt to the energy transition. The strategy includes achieving zero methane emissions by 2026 compared against a 2022 baseline. Recognizing the relevance of methane emissions in the company's operations, during the last year Canacol implemented actions to reduce emissions: 1.Mitigated the direct release of natural gas into the atmosphere (venting) by utilizing controlled combustion (flaring). In 2023, zero points were identified for direct venting. 2.Inspected locations to identify possible gas leaks or venting and installed detectors to identify possible large-scale gas leaks that could cause explosions or fires. 3.Proactively conducted thermal imaging reviews every 6 months and regular onsite inspections for leak monitoring. 4. Increased flaring efficiency by 90%, through the installation of a pilot light at one of the substation's flares. In 2023, Canacol quantified its fugitive emissions through a third-party according to the 2006 IPCC guidelines. This resulted in an increase in the company's GHG intensity in scope 1 and scope 2 emissions to previous years. The low carbon strategy includes achieving zero methane emissions by 2026 compared to a 2022 baseline
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

08/20/2022

(7.54.3.3) Target Coverage

Select from:
☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

(7.54.3.5) End date of target for achieving net zero

08/20/2050

(7.54.3.6) Is this a science-based target?

Select from:

☑ No, but we anticipate setting one in the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

As part of Canacol's decarbonization strategy to progressively reduce greenhouse gas emissions and eliminate fugitive emissions and other air pollutants we have set metrics to ensure targets are achieved. Our decarbonization roadmap encompasses short, medium, and long term actions including leak detection and repair to eliminate fugitive emissions, flare efficiency and reduction, and the expansion of renewable energy projects, among others. At Canacol, we are dedicated to fostering a cleaner energy future and accelerating the global energy transition. As part of this commitment, we have taken significant steps to meet the growing demand for

natural gas in Colombia. By doing so, we are empowering millions of people to make the switch to cleaner fuels, contributing to a more sustainable and environmentally friendly energy landscape. At Canacol, we are dedicated to mitigating GHG emissions and firmly support the attainment of Colombian National Plans, the Paris Agreement, and the United Nations 2030 Agenda for Sustainable Development. In alignment with these objectives, our goal is to achieve zero methane emissions by 2026, reduce Scope 1 and 2 GHG emissions by 50% by 2035, and achieve carbon neutrality by 2050.

(7.54.3.11) Target objective

At Canacol, we are dedicated to mitigating GHG emissions and firmly support the attainment of Colombian National Plans, the Paris Agreement, and the United Nations 2030 Agenda for Sustainable Development. In alignment with these objectives, our goal is to achieve zero methane emissions by 2026, reduce Scope 1 and 2 GHG emissions by 50% by 2035, and achieve carbon neutrality by 2050.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

Canacol is designing a series of targeted initiatives aimed at enhancing the Board's expertise in sustainability-related issues. These initiatives will include coverage of topics such as the energy transition, climate change, emissions reduction strategies, internal carbon pricing, and science-based targets, among others. As part of our ongoing commitment to transparency and accountability, we anticipate publishing a comprehensive report in 2024 detailing the outcomes and impacts of these initiatives for public review
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*1*	*`Numeric input*
To be implemented	*2*	*22160*
Implementation commenced	*0*	*0*
Implemented	*1*	*319*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Fugitive emissions reductions
☑ Oil/natural gas methane leak capture/prevention

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

319

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

300000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

900000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 3-5 years

(7.55.2.9) Comment

*The actions to achieve the initiative include: *Updating and adjusting the methane emissions inventory. *Continuous implementation of the Monitoring System. *Quick leaks identification of current leaks. *Development of alternatives for zero flaring and improvement of energy efficiency.*
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:
☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Canacol recognizes the great opportunities related to future technology and R&D investments. The Company promotes employees and management teams efforts in this field and maintains a dedicated budget allocated to external R&D consultancy, training, and technology updates.

Row 3

(7.55.3.1) Method

Select from:
☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

Canacol looks forward to achieving significant reductions in GHG direct emissions through technological innovation and operational expertise. The carbon neutrality roadmap the Company is designing encompasses short-, medium-, and long-term actions (with specific activities, costs, and investments) including: 1.Leak detection and repair to eliminate fugitive emissions2.Flare efficiency and reduction3.Expansion of renewable energy projects

Row 4

(7.55.3.1) Method

Select from:

☑ Employee engagement

(7.55.3.2) Comment

Established key performance metrics that target innovation for production teams and employees that are reviewed by the Management team with the purpose of boosting innovation, creativity, and efficiency.
[Add row]

(7.57) Describe your organization’s efforts to reduce methane emissions from your activities.

*Canacol continually inspects locations to identify possible gas leaks or venting and installs detectors at the plants to identify possible large-scale gas leaks that could cause explosions or fires. The Company proactively conducts thermal imaging reviews and onsite inspections for leak monitoring by a third-party. The strategy includes achieving zero methane emissions by 2026 compared against a 2022 baseline. The actions to achieve this plan include:*Updating and adjusting the methane emissions inventory.*Quick leaks identification of current leaks.* Abatement Planning and Implementation.*Continuous implementation of the Monitoring System.*Developing best alternatives for zero flaring and improving energy efficiency.Result” (STAR) approach:1) Situation: Unintentional fugitive emissions of gas to the atmosphere in equipment and processes, due to loss of containment due to corrosion, installation or assembly problems, wear of seals or gaskets, manufacturing defects or poor quality of components, or operating conditions outside design limits. For example: leaks in threaded connections, instruments or valves.2) Task: Detection and quantification of fugitive emissions at Canacol's production and processing facilities.3) Action: The detection of hydrocarbon vapor emissions is based on the Optical Gas Imaging (OGI) technique which allows direct visualization of hydrocarbon gas emissions (normally invisible to the human eye). This technique is accepted as an alternative work practice (40 CFR § 65.7) in Leak Detection and Repair (LDAR) programs by the United States Environmental Protection Agency (US EPA) and is widely used in Oil and Gas stations and plants around the world.4) Result: Direct measurement is performed with a high flow sampler (Bacharach Hi Flow Sampler), which provides an indication of the methane leak or vent flow rate (in dm3/min) with a range from 0.1 - 230dm3/min of CH4 and a permissible error of 10%. For very small sources (flow rate less than 0.1dm3/min), the concentration is determined in parts per million (ppm) using a SENSIT HXG-3 detector, and is set as "NO LEAK" for those whose concentration is less than 10,000ppm (US EPA Method 21). If it exceeds 10,000ppm, it is set as default leakage flow rate: 0.1 dm3/min.Subsequently, a classification of gas leaks into three grades is made, according to the evaluation of their magnitude based on the criteria of the Gas Pipeline and Technology Committee (GPTC) of the United States.Finally, the component where the leak is located is identified and the leak is repaired.*

(7.61) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Select from:

☑ Yes

(7.61.1) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

Canacol quantified its fugitive emissions through a third-party according to the 2006 IPCC guidelines. This resulted in the company’s GHG emissions intensity increase compared to previous years. Quantifying the company's fugitive emissions resulted in the learning and understanding of the relevance of fugitive emission prevention and repair activities, which have accounted for 27.25% of total emissions. As a result, since November 2021, the operational-maintenance team is leading the Leak Detection and Repair program which consist of internal activities that use an infrared camera, reference Opgal EyeCGas 2.0, and use the optical gas imaging technique (Optical Gas Imaging -OGI) to identify fugitive emissions. This method enables direct visualization of the emissions. As an additional step, the Company contracted an external expert to conduct regular assessments and measures of vents and leaks on-site. Canacol’s 2022 GHG inventory will account for and measure on-site measured fugitive emissions. Canacol will be the first Colombian E&;P company to implement these actions and commitments.Result” (STAR) approach:1) Situation: Unintentional fugitive emissions of gas to the atmosphere in equipment and processes, due to loss of containment due to corrosion, installation or assembly problems, wear of seals or gaskets, manufacturing defects or poor quality of components, or operating conditions outside design limits. For example: leaks in threaded connections, instruments or valves.2) Task: Detection and quantification of fugitive emissions at Canacol's production and processing facilities.3) Action: The detection of hydrocarbon vapor emissions is based on the Optical Gas Imaging (OGI) technique which allows direct visualization of hydrocarbon gas emissions (normally invisible to the human eye). This technique is accepted as an alternative work practice (40 CFR § 65.7) in Leak Detection and Repair (LDAR) programs by the United States Environmental Protection Agency (US EPA) and is widely used in Oil and Gas stations and plants around the world.4) Result: Direct measurement is performed with a high flow sampler (Bacharach Hi Flow Sampler), which provides an indication of the methane leak or vent flow rate (in dm3/min) with a range from 0.1 - 230dm3/min of CH4 and a permissible error of 10%. For very small sources (flow rate less than 0.1dm3/min), the concentration is determined in parts per million (ppm) using a SENSIT HXG-3 detector, and is set as "NO LEAK" for those whose concentration is less than 10,000ppm (US EPA Method 21). If it exceeds 10,000ppm, it is set as default leakage flow rate: 0.1 dm3/min.Subsequently, a classification of gas leaks into three grades is made, according to the evaluation of their magnitude based on the criteria of the Gas Pipeline and Technology Committee (GPTC) of the United States.Finally, the component where the leak is located is identified and the leak is repaired.

(7.62) If flaring is relevant to your oil and gas production activities, describe your organization’s efforts to reduce flaring, including any flaring reduction targets.

Flaring is relevant to our gas production activities. Since 2020 Canacol has increased flaring efficiency by 90%, via the installation of a pilot at one of the substation flares.Colombia joined the World Bank's Zero Routing Flaring by 2030 initiative, which aims to stimulate a cooperative environment for the application of new technologies, financial agreements, and joint work to contribute to decarbonization. The Oil &; Gas Methane Partnership 2.0 (OGMP 2.0) is the flagship oil and gas reporting and mitigation programme of the United Nations Environment Programme (UNEP). It is the only comprehensive, measurement-based international reporting framework for the sector.Canacol plans to achieve zero routing flaring by 2030.

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:
☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:
☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:
☑ No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Other
☑ Other, please specify

(7.74.1.4) Description of product(s) or service(s)

Natural gas is the fossil fuel with the lowest environmental impact of all those used in the extraction, processing, transportation, and utilization stages. Natural gas is a natural progression in the energy transition from heavier burning fossil fuels. According to NATURGAS, the resource reduces up to 99% of fine particulate matter and sulfur oxides. It also reduces nitrogen dioxides by 70%. Likewise, the gas contributes to a 30% to 50% reduction in carbon dioxide emissions when compared to other fuels such as coal, wood, gasoline, and diesel.(LNG)We operate a micro–Liquefied Natural Gas (LNG) plant, converting 2.4 million standard cubic feet per day (46 tons per day8) of gas to LNG. This LNG is sold to a third party at the Jobo plant gates, where it is distributed to customers via trucks. LNG can replace diesel, fuel oil, compressed gas, propane, and other fuels, and has competitive advantages such as lower cost and lower emissions.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ No

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

98

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☑ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

The company conducts daily measurements of the groundwater extraction from the authorized well

(9.2.4) Please explain

The company holds an underground extraction permit for water supply to production activities. The well is equipped with a meter that is monitored daily to track the operation's water consumption

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Daily

(9.2.3) Method of measurement

The company conducts daily measurements of the groundwater extraction from the authorized well

(9.2.4) Please explain

The company holds an underground extraction permit for water supply to production activities. The well is equipped with a meter that is monitored daily to track the operation's water consumption

Produced water associated with your oil & gas sector activities - total volumes

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Daily

(9.2.3) Method of measurement

El agua de producción se inyecta a la formación geologica por medio de una planta de inyección de agua, allí se cuantifica los volumenes tratados y reinyectados

(9.2.4) Please explain

The water produced by the organization's activities is treated in a water injection plant. This plant has a specific treatment capacity that indicates how many barrels of water are treated and re-injected into the subsurface

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Other, please specify :biannually

(9.2.3) Method of measurement

We conduct water withdrawal monitoring twice a year to determine its quality

(9.2.4) Please explain

At Canacol, groundwater withdrawals are monitored twice a year to ensure the quality of water collected for domestic and industrial use. For domestic use, there is a potable water treatment plant in place

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

In Canacol's processes, there is no direct discharge of water; instead, we request treatment certifications from authorized third parties

(9.2.4) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal. Additionally, we request that these third parties provide certifications for the treatment and disposal of the water

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

In Canacol's processes, there is no direct discharge of water; instead, we request treatment certifications from authorized third parties

(9.2.4) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

In Canacol's processes, there is no direct discharge of water; instead, we request treatment certifications from authorized third parties

(9.2.4) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal. Additionally, we request that these third parties provide certifications for the treatment and disposal of the water

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal. Additionally, we request that these third parties provide certifications for the treatment and disposal of the water

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal. Additionally, we request that these third parties provide certifications for the treatment and disposal of the water

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

We carried out monitoring of water consumption through flow meters for domestic and industrial water

(9.2.4) Please explain

In Canacol, we have various flow meters for domestic and industrial water consumption. This allows us to keep a daily record of water usage in the operation and to identify critical consumption points

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Other, please specify **:**By project

(9.2.3) Method of measurement

In Canacol, we monitor the water reused and recycled in the drilling process

(9.2.4) Please explain

In Canacol, water reuse and recycling processes are implemented during drilling operations. This activity is outsourced, and monitoring is conducted once the drilling of a specific project is completed by requesting the contractor to provide information on the management of natural resources

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Daily

(9.2.3) Method of measurement

We carried out groundwater withdrawal for domestic consumption, which is monitored to ensure its quality

(9.2.4) Please explain

For our field activities, we rely on groundwater withdrawal. This water, intended for domestic use, is treated in a drinking water treatment plant for cleaning and human consumption purposes. Water quality monitoring is conducted to ensure its safety
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

77.7

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

There is an increase in water usage compared to last year due to operational conditions that cause the compressors to reach high temperatures and require water for cooling in order to maintain normal operation

Total discharges

(9.2.2.1) Volume (megaliters/year)

183

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

Due to operational conditions, the production water generated from the wells has increased, causing the water injection plant to reach its treatment limit, and therefore this water has had to be sent for final disposal through an authorized third party

Total consumption

(9.2.2.1) Volume (megaliters/year)

77.7

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Higher

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

In 2023, there was an increase in well drilling and water requirements for natural gas processing, which led to a rise in the organization's total water consumption [Fixed row]

(9.2.3) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed (by business division), how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals – upstream

(9.2.3.1) Volume (megaliters/year)

26.2

(9.2.3.2) Comparison with previous reporting year

Select from:

☑ Much Lower

(9.2.3.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.3.4) Five-year forecast

Select from:

☑ Higher

(9.2.3.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.3.6) Please explain

There is an increase in water usage compared to last year due to operational conditions that cause the compressors to reach high temperatures and require water for cooling in order to maintain normal operation

Total discharges – upstream

(9.2.3.1) Volume (megaliters/year)

183

(9.2.3.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.3.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.3.4) Five-year forecast

Select from:

☑ Higher

(9.2.3.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.3.6) Please explain

Due to operational conditions, the production water generated from the wells has increased, causing the water injection plant to reach its treatment limit, and therefore this water has had to be sent for final disposal through an authorized third party

Total consumption – upstream

(9.2.3.1) Volume (megaliters/year)

77.7

(9.2.3.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.3.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.3.4) Five-year forecast

Select from:

☑ Higher

(9.2.3.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.3.6) Please explain

In 2023, there was an increase in well drilling and water requirements for natural gas processing, which led to a rise in the organization's total water consumption

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☑ No

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

☑ WWF Water Risk Filter

(9.2.4.9) Please explain

As part of our commitment to responsible water management, we consult the World Resources Institute's (WRI) Water Risk Atlas, a source recognized by IDEAM, to verify that our operational areas are not experiencing water scarcity and to determine that we operate in areas with low water stress. To prevent overexploitation of our aquifers, we manage our water supply through a combination of purchases and extraction from subterranean sources, ensuring the responsible and sustainable use of water in all operations. Water stress analysis29: Our operating sites in the departments of Sucre and Cordoba (green dots on the map) show no or low groundwater level decline (in VIM-33). Overall water stress/water risk analysis: The departments of Cordoba and Sucre (marked with green), are classified as low to medium risk.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

At Canacol, we don't have any surface water withdrawals; we only consume water through groundwater withdrawal and purchasing from authorized providers

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

Brackish surface water/Seawater

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

26.2

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.7.5) Please explain

There is an increase in water usage compared to last year due to operational conditions that cause the compressors to reach high temperatures and require water for cooling in order to maintain normal operation

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

We don’t consume non-renewable groundwater

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

183

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ Much higher

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in efficiency

(9.2.7.5) Please explain

Due to operational conditions, the production water generated from the wells has increased

Third party sources

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

51.5

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ Lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in efficiency

(9.2.7.5) Please explain

Although there was an increase in the water needs of the operation due to the rise in the number of drilled wells and operational conditions, the purchase of water from third parties saw a slight reduction because greater use was made of the captured groundwater
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

At Canacol, we have a process for reinjecting produced water from the reservoir; however, we do not discharge any type of industrial wastewater into underground sources

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

14.6

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in efficiency

(9.2.8.5) Please explain

Due to operational conditions, the production water generated from the wells has increased, causing the water injection plant to reach its treatment limit, and therefore this water has had to be sent for final disposal through an authorized third party
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

At Canacol, we do not perform any tertiary wastewater treatment

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

At Canacol, we do not perform any secondary wastewater treatment

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

At Canacol, we do not perform any primary wastewater treatment

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

At Canacol, we do not discharge any water into the natural environment without treatment

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Relevant

(9.2.9.2) Volume (megaliters/year)

14.6

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:
☑ Much higher

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in efficiency

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:
☑ 100%

(9.2.9.6) Please explain

Due to operational conditions, the production water generated from the wells has increased, causing the water injection plant to reach its treatment limit, and therefore this water has had to be sent for final disposal through an authorized third party

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

(9.2.9.6) Please explain

We do not perform any other method of water discharge
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.3) % of facilities in direct operations that this represents

Select from:

☑ 100%

(9.3.4) Please explain

At Canacol, we conduct hydrological and hydrogeological studies as part of the Environmental Impact Assessment formulation to apply for the environmental license to operate. To this end, we have conducted five different Environmental Impact Assessments for the licensed blocks we have, where the risks related to the availability and quality of the resource are evaluated

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years

(9.3.4) Please explain

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, but we are planning to do so in the next 2 years
[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

☑ Facility 1

(9.3.1.2) Facility name (optional)

Jobo Station

(9.3.1.3) Value chain stage

Select from:

☑ Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

☑ Impacts

☑ Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

☑ Yes, withdrawals only

(9.3.1.6) Reason for no withdrawals and/or discharges

In Canacol's processes, no direct discharge of water into water bodies is carried out; all wastewater generated is delivered to authorized third parties for treatment and final disposal

(9.3.1.7) Country/Area & River basin

Colombia

☑ Other, please specify :San Jorge

(9.3.1.8) Latitude

8.641

(9.3.1.9) Longitude

-75.3

(9.3.1.10) Located in area with water stress

Select from:

☑ No

(9.3.1.12) Oil & gas sector business division

Select all that apply

☑ Upstream

(9.3.1.13) Total water withdrawals at this facility (megaliters)

77.7

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

26.2

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

7.5

(9.3.1.20) Withdrawals from third party sources

51.5

(9.3.1.27) Total water consumption at this facility (megaliters)

77.7

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

☑ This is our first year of measurement

(9.3.1.29) Please explain

We add the withdrawal from third parties and groundwater and exclude the produced water because it is recycled water and does not leave the system. Therefore, it is not counted as a new source
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water discharges – total volumes

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000

Water consumption – total volume

(9.3.2.1) % verified

Select from:
☑ 76-100

(9.3.2.2) Verification standard used

ISAE 3000
[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
	304850000	*3923423.42*	*Not known*

[Fixed row]

(9.11) Do you calculate water intensity for your activities associated with the oil & gas sector?

Select from:
☑ Yes

(9.11.1) Provide water intensity information associated with your activities in the oil & gas sector.

Row 1

(9.11.1.1) Business division

Select all that apply
☑ Upstream

(9.11.1.2) Water intensity value (m3/denominator)

0.01

(9.11.1.3) Numerator: water aspect

Select from:
☑ Freshwater consumption

(9.11.1.4) Denominator

Select from:
☑ Barrel of oil equivalent

(9.11.1.5) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

(9.11.1.6) Please explain

Total water consumed in operational activities 35979 m3 over total production 12080000 BOE
[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
	Select from: ☑ No	*We don't use any substances classified as hazardous*

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:
☑ No, but we plan to address this within the next two years

(9.14.3) Primary reason for not classifying any of your current products and/or services as low water impact

Select from:
☑ Lack of internal resources

(9.14.4) Please explain

At Canacol, we plan to conduct a water analysis over the next two years to establish a balance that allows us to identify the processes with the highest water consumption in order to calculate the water footprint according to the ISO 14046 standard
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:
☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	*Select from:* ☑ No, and we do not plan to within the next two years	*We just established a water withdrawal target for 2024. Next year, we will analyze the viability of implementing new targets*
Water withdrawals	*Select from:* ☑ Yes	*Rich text input [must be under 1000 characters]*
Water, Sanitation, and Hygiene (WASH) services	*Select from:* ☑ No, and we do not plan to within the next two years	*We just established a water withdrawal target for 2024. Next year, we will analyze the viability of implementing new targets*
Other	*Select from:* ☑ No, and we do not plan to within the next two years	*We just established a water withdrawal target for 2024. Next year, we will analyze the viability of implementing new targets*

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

☑ Target 1

(9.15.2.2) Target coverage

Select from:

☑ Organization-wide (direct operations only)

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in total water withdrawals

(9.15.2.4) Date target was set

08/20/2024

(9.15.2.5) End date of base year

10/01/2024

(9.15.2.6) Base year figure

26200

(9.15.2.7) End date of target year

12/31/2024

(9.15.2.8) Target year figure

2024

(9.15.2.9) Reporting year figure

39661

(9.15.2.10) Target status in reporting year

Select from:
☑ Underway

(9.15.2.11) % of target achieved relative to base year

-56

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply
☑ Sustainable Development Goal 6

(9.15.2.13) Explain target coverage and identify any exclusions

The target coverage aim only to production activities

(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year

We are currently verifying the withdrawals water data and optimizing gas compressors for a lower water consumption

(9.15.2.16) Further details of target

No further details

[Add row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Law & policy

☑ Species management

☑ Education & awareness

☑ Land/water protection

☑ Land/water management

☑ Livelihood, economic & other incentives

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from:	*Select all that apply*

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	☑ Yes, we use indicators	☑ State and benefit indicators ☑ Pressure indicators ☑ Response indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Canacol strives to maintain steady progress in biodiversity management. We are committed to strict adherence to the Colombian environmental legal framework. This entails protecting natural habitats within our operational areas. We refrain from engaging in activities within protected areas categorized by the IUCN as categories I to IV and in World Heritage Areas designated by UNESCO.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Applying precautionary measures concerning natural habitats within the regions of our operations, with the understanding that we neither engage in nor subcontract in protected areas falling under IUCN categories I to IV, nor in UNESCO-designated World Heritage areas

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Applying precautionary measures concerning natural habitats within the regions of our operations, with the understanding that we neither engage in nor subcontract in protected areas falling under IUCN categories I to IV, nor in UNESCO-designated World Heritage areas

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Canacol strives to maintain steady progress in biodiversity management. We are committed to strict adherence to the Colombian environmental legal framework. This entails protecting natural habitats within our operational areas. We refrain from engaging in activities within protected areas categorized by the IUCN as categories I to IV and in World Heritage Areas designated by UNESCO. Furthermore, we are committed to abstaining from the harvesting of endangered tree species, upholding

a Net Zero Deforestation approach. We apply the impact mitigation hierarchy, ensuring that we compensate for any impacts that we were unable to prevent or mitigate. Through comprehensive analysis of the potential effects of our operations on biodiversity, we establish partnerships with communities, educational institutions, NGOs, and governmental entities to strengthen biodiversity protection efforts.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Canacol strives to maintain steady progress in biodiversity management. We are committed to strict adherence to the Colombian environmental legal framework. This entails protecting natural habitats within our operational areas. We refrain from engaging in activities within protected areas categorized by the IUCN as categories I to IV and in World Heritage Areas designated by UNESCO. Furthermore, we are committed to abstaining from the harvesting of endangered tree species, upholding a Net Zero Deforestation approach. We apply the impact mitigation hierarchy, ensuring that we compensate for any impacts that we were unable to prevent or mitigate. Through comprehensive analysis of the potential effects of our operations on biodiversity, we establish partnerships with communities, educational institutions, NGOs, and governmental entities to strengthen biodiversity protection efforts.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

Canacol strives to maintain steady progress in biodiversity management. We are committed to strict adherence to the Colombian environmental legal framework. This entails protecting natural habitats within our operational areas. We refrain from engaging in activities within protected areas categorized by the IUCN as categories I to IV and in World Heritage Areas designated by UNESCO. Furthermore, we are committed to abstaining from the harvesting of endangered tree species, upholding

a Net Zero Deforestation approach. We apply the impact mitigation hierarchy, ensuring that we compensate for any impacts that we were unable to prevent or mitigate. Through comprehensive analysis of the potential effects of our operations on biodiversity, we establish partnerships with communities, educational institutions, NGOs, and governmental entities to strengthen biodiversity protection efforts.
[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Waste data

☑ Carbon removals

☑ Base year emissions

☑ Progress against targets

☑ Fuel consumption
☑ Methane emissions
☑ Product footprint
☑ Project-based carbon credits
☑ Emissions breakdown by country/area
☑ Emissions breakdown by business division
☑ Electricity/Steam/Heat/Cooling generation
☑ Electricity/Steam/Heat/Cooling consumption
☑ Year on year change in emissions intensity (Scope 3)
☑ Year on year change in absolute emissions (Scope 1 and 2)
☑ Year on year change in emissions intensity (Scope 1 and 2)
☑ Renewable fuel consumption
☑ Target-setting methodology
☑ All data points in module 7
☑ Emissions reduction initiatives/activities
☑ Year on year change in land use change emissions
☑ Renewable Electricity/Steam/Heat/Cooling generation
☑ Year on year change in absolute emissions (Scope 3)
☑ Renewable Electricity/Steam/Heat/Cooling consumption

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Deloitte's Limited assurance report on the information subject to assurance included in the esg integrated report 2023 of canacol group: pages 164-166

(13.1.1.5) Attach verification/assurance evidence/report (optional)

2023_esg_report_english-final_04junio_2023.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

☑ All data points in module 9
☑ Water consumption– total volume
☑ Water discharges– total volumes
☑ Water withdrawals– total volumes
☑ Water withdrawals – volumes by source
☑ Facilities with water-related dependencies, impacts, risks and opportunities
☑ Emissions to water in the reporting year
☑ Water discharges – volumes by destination
☑ Water intensities of products and services
☑ Water discharges – volumes by treatment method
☑ Volume withdrawn from areas with water stress (megaliters)

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Deloitte's Limited assurance report on the information subject to assurance included in the esg integrated report 2023 of canacol group: pages 164-166

(13.1.1.5) Attach verification/assurance evidence/report (optional)

2023_esg_report_english-final_04junio_2023.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

☑ Environmental policies

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Deloitte's Limited assurance report on the information subject to assurance included in the esg integrated report 2023 of canacol group: pages 164-166

(13.1.1.5) Attach verification/assurance evidence/report (optional)

2023_esg_report_english-final_04junio_2023.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

(13.2.1) Additional information

Canacol's commitment is to supply the natural gas needed to meet the growing demand for energy in Colombia, while protecting ecosystems, minimizing resource consumption, and maintaining a positive impact on the environment. Through the Corporate Environmental Policy and Integrated Management System, the Company has implemented mechanisms to develop its activities according to the highest environmental and operational standards to keep natural resources available and protect biodiversity.

(13.2.2) Attachment (optional)

2023_esg_report_english-final_04junio_2023.pdf
[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer (CEO) and board member

(13.3.2) Corresponding job category

Select from:
☑ Chief Executive Officer (CEO)
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:
☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute