

# ESG

## Integrated report

### 2 0 2 4

ENVIRONMENTAL • SOCIAL • GOVERNANCE

# Strategic presence and operations

[GRI 2-1] [GRI 2-6] [EM-EP-000.A]

## Colombia

We foster sustainable growth in our natural gas production, generating long-term value for our stakeholders. Our operations are guided by a commitment to efficiency, environmental stewardship, transparent community engagement, and robust corporate governance. Innovation and sustainability are integral to our contribution to Colombia's energy transition.

**#1** Independent natural gas producer in Colombia

## Our business model



### Upstream

11 contracts for natural gas production.

1 participation contract for crude oil production.

## Operational Performance 2024

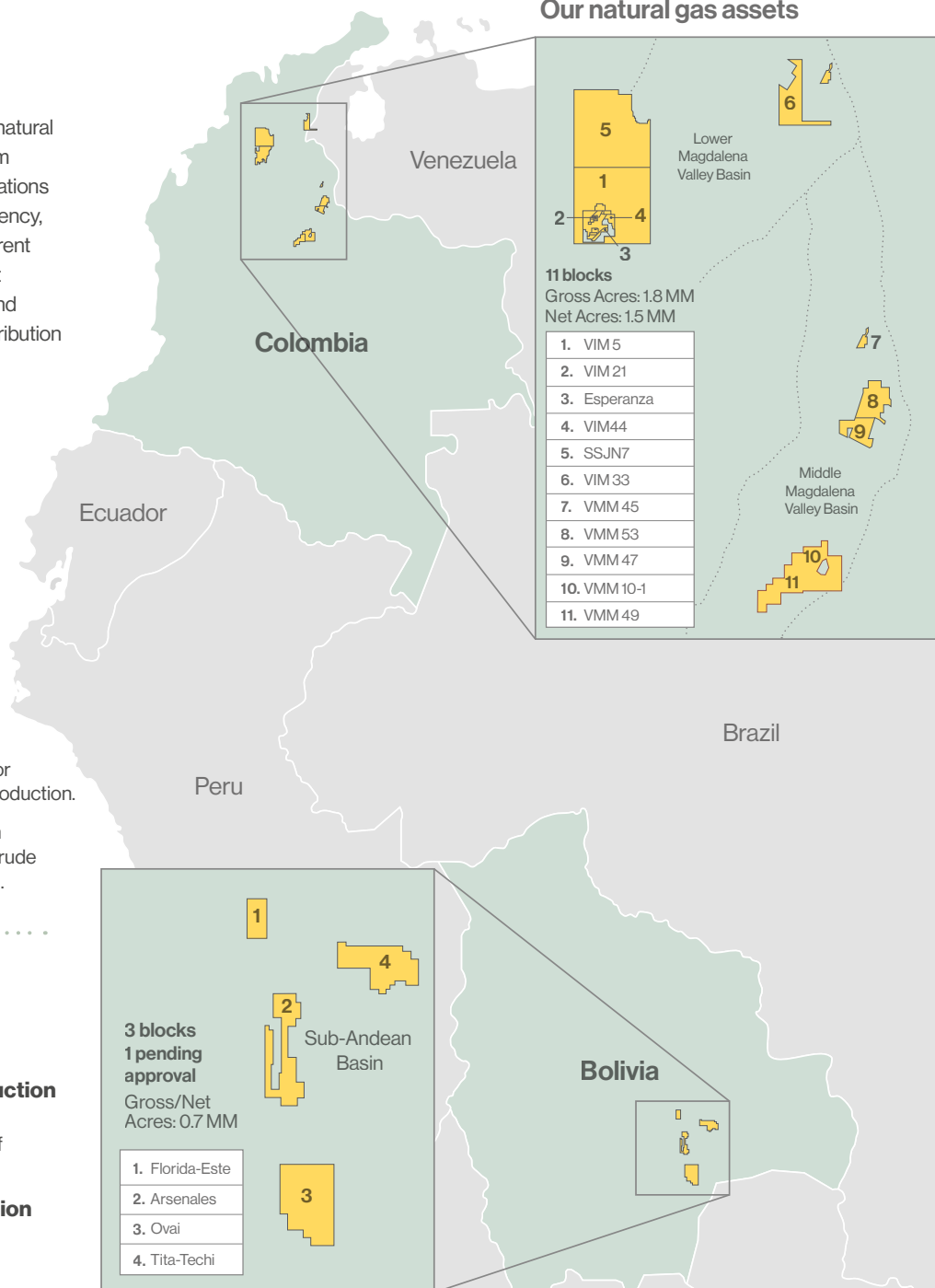


**Natural gas production**  
**160,664 MMcfd**  
2023: 181,277 MMcfd



**Crude oil production**  
**1,411 BOPD**  
2023: 563 BOPD

## Our natural gas assets

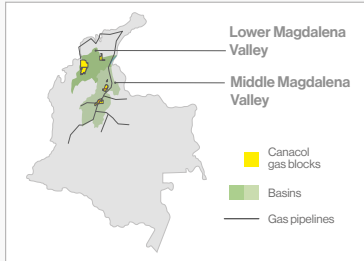


## International (Bolivia)

With the aim of ratifying and formalizing three exploratory contracts and one development contract, the Company is preparing to reactivate the Tita field, with operations scheduled to begin in 2026.

# Driving the Future of Natural Gas

## Opportunities in Colombia and Bolivia



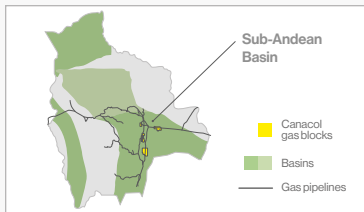
### Colombia

#### Lower Magdalena Valley

We supply 50% of the region's natural gas, reaffirming our leadership in the Lower Magdalena Valley. To support sustained growth, we have identified 24 new exploration prospects. Leveraging existing infrastructure with a capacity of up to 270 MMcf/d, we are well-positioned to expand our sales across the Caribbean region.

#### Middle Magdalena Valley

We are exploring Colombia's oldest hydrocarbon basin, renowned for its long-standing production history. Recent discoveries in the area are expected to reach the market swiftly, supported by existing infrastructure that facilitates the rapid development of new strategic opportunities.



### Bolivia

#### Sub-Andean Basin

This region is characterized by mature fields and robust installed infrastructure. Within this context, Bolivia is the second-largest natural gas exporter in South America, with 35% of pipeline capacity available. Our strategy of redeveloping mature fields allows us to optimize investments and drive sustained growth by maximizing operational efficiency.

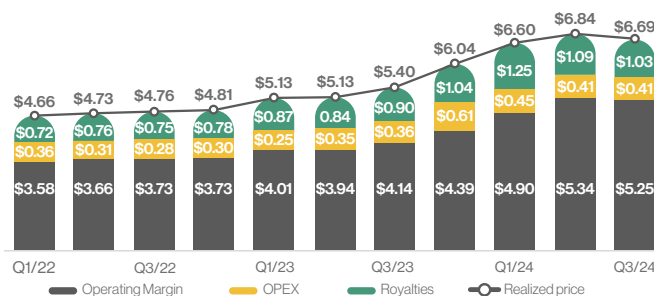
## Net Operating Income from Gas: Strengthening Canacol's Leadership

We have implemented rigorous financial analysis and operational projections that have consistently driven our sustainable performance:

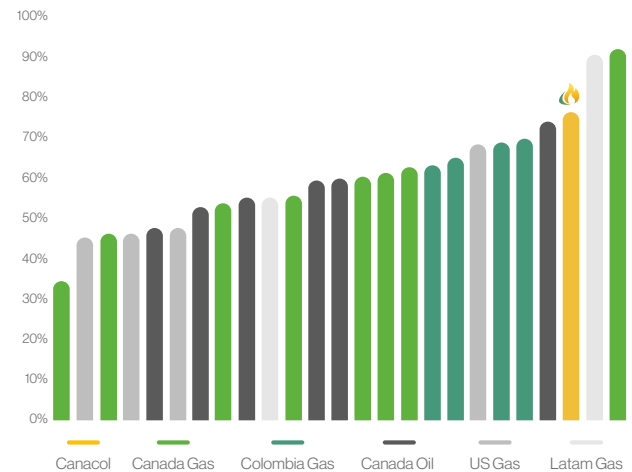
- In 2024, our operating margin increased by 25%, supported by higher natural gas prices and efficient cost management.
- We maintained strong control over operating expenses, with only moderate increases attributed to inflation and strategic expansion efforts.
- The growth in royalties, aligned with our earnings, reflects a greater contribution to the State—reinforcing our role as a key partner in national economic development.

Canacol has solidified its leadership in the natural gas market. The continuous improvement in operating margin, disciplined cost control, and increased royalty contributions demonstrate the resilience and sustainability of our business model, positioning us as a strategic player in the energy sector.

Natural Gas Netback (US\$/MCF)



## Canacol: Outstanding Performance and Profitability in the Energy Sector



Canacol has positioned itself as a leader in the natural gas segment of the energy industry, consistently delivering superior margins compared to its peers in Canada, Colombia, the United States, and Latin America.

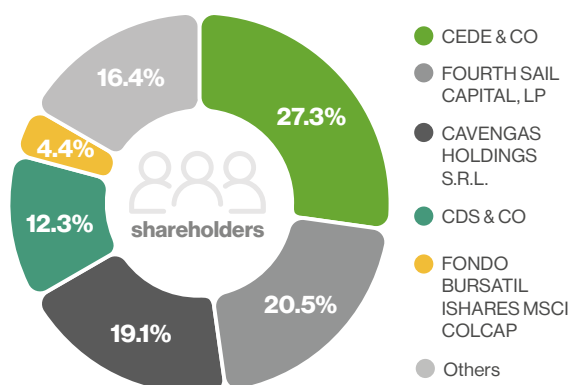
Since mid-2021, rising natural gas prices in Colombia have contributed to record-high margins, underscoring Canacol's operational efficiency and strong profitability.

This exceptional performance has not only enhanced Canacol's global positioning but has also reinforced its contribution to the sustainable development of the energy sector.

# Financial performance

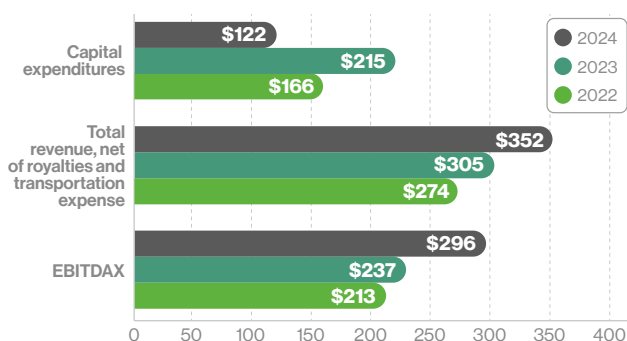
## and looking ahead

### Shareholder structure as of December 31, 2024

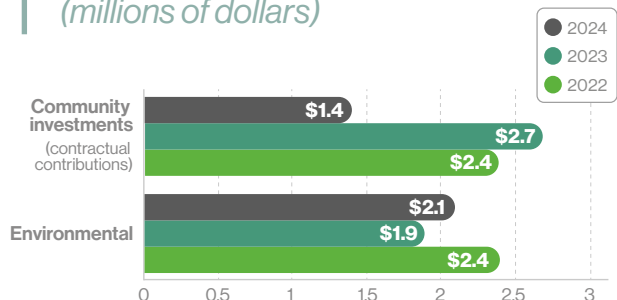


Canacol Energy's common shares are listed on the Toronto Stock Exchange, the OTCQX in the United States of America, and the Colombian Stock Exchange under the symbols CNE, CNNEF and CNE.C, respectively.

### Financial results (millions of dollars)



### Environmental and Social Investment (millions of dollars)

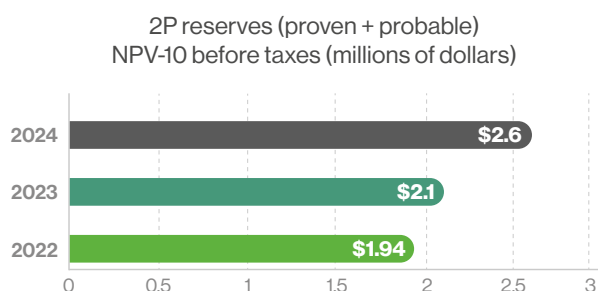


### Number of E&P\* contracts with the National Hydrocarbons Agency (ANH), Colombia

	2022	2023	2024
100% participation	10	10	10
50% participation	1	1	1
New contracts/gas blocks acquired during the year (100% participation)	2	0	0

\* Exploration and production

### Reserves in Colombia as of December 31, 2024



### 2025 Guidance

#### Highlights

	2024	2025 Lower limit	2025 Upper limit
Natural gas sales (MMcfd)	156.7	140	153
EBITDA (millions of dollars)	\$296.1	\$264	\$312
Capital expenditures (millions of dollars)	\$122.3	\$143	\$160



## Our environmental commitment

[GRI 305-4]



### GHG emissions

#### intensity

**10.31 kgCO<sub>2</sub>e/BOE**

2023: 9.58 kg CO<sub>2</sub>e/BOE



We launched our methane reduction project, which includes continuous emissions monitoring, the implementation of a Leak Detection and Repair (LDAR) program, and progress toward achieving certification under the oil and gas Methane Partnership framework.



### Certified solid waste management center

Achieved Zero Waste certification – Gold Category under ICONTEC standard in Colombia.

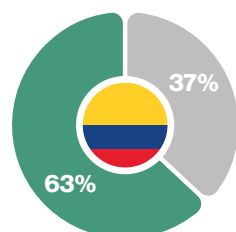
## Employees, diversity, and inclusion

[GRI 2-7] [GRI 2-8]



We received official recognition from the UNDP and the Ministry of Labor for our Diversity, Equity, and Inclusion strategy, earning the Equipares Gold Seal certification, a testament to our ongoing commitment to fostering an inclusive and equitable workplace.

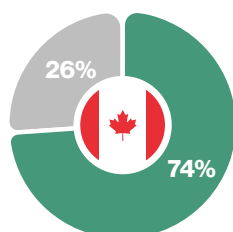
### Colombia Employees:



Women

Total: **453**

### Canada Employees:



Women

Total: **27**



We are leaders in diversity, equity, and inclusion within Colombia's oil and gas sector, with 37% female representation in our workforce—10 percentage points above the industry average.



There were no fatalities among either direct employees or contractors in 2024.

## Climate strategy, energy efficiency, and nature

Our climate strategy goes beyond emission reductions, placing a strong emphasis on ecosystem conservation. By adopting the TNFD framework, we deepen our focus on nature-related risks and opportunities, ensuring sustainable resource management while aligning with global sustainable finance standards.



Canacol Energy is committed to achieving carbon neutrality by 2050, with a 50% reduction in CO<sub>2</sub> emissions by 2035 and zero methane emissions by 2026, integrating double materiality and the IFRS S2 standard into our climate strategy.

## ESG data providers ratings and rankings

	2022	2023	2024
S&P Corporate Sustainability Assessment (0-100)	68	69	75
MSCI – ESG Rating (AAA-CCC)	A	A	A
Sustainalytics ESG Risk Rating (100-1)	26.8	23.7	24.4
CDP Water (F-A)	-	-	B
CDP Climate (F-A)	C	B	B
ISS ESG Corporate Score (D- to A+)	C+	B-	B
ISS Governance Quality Score (10-1)	3	2	Governance: 3 Environmental: 1 Social: 1

Canacol leads the way in sustainability, achieving the best ESG performance in the sector according to ISS ESG, with a B Rating and Prime status for the second consecutive year.

For the second year in a row, we remain among the most sustainable and best-performing companies in the oil & gas Upstream & Integrated sector, as reflected in our inclusion in the top 10 of the 2024 Sustainability Yearbook.

## ESG Awards and Certifications 2024



Recognition of the Company's Diversity, Equity and Inclusion state



Member of the Voluntary Principles on Security and Human Rights Initiative



S&P Global Corporate Sustainability Assessment



Member of IPIECA



Earned the Equipares Gold Seal Award



# Content

## Introductory chapters

1. About this report 7
2. Letters from the Board of Directors and CEO 9
3. Sustainability strategy 16
4. Stakeholder engagement 25
5. Materiality analysis 28
6. Sustainability strategy and contribution to the 2030 Agenda 34
7. Sustainability governance 37
8. Management report 40
9. Corporate model 55

**10. A cleaner energy future 65**

**11. Empowering our people 124**

**12. A transparent and ethical business 186**

### Conventions

Reading Guide for Indicators

GRI: [GRI 302-1] SASB: [EM-EP-140a.2] IPIECA: [CCE-6]



# About this Report

[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-4] [GRI 2-5]

**Canacol Energy Ltd.'s 2024 ESG Report has been prepared in accordance with the principles of the International Reporting Framework <IR>, now part of the IFRS Foundation. Additionally, we have made progress in integrating the disclosure requirements of the IFRS S1 standard, ensuring clear and structured communication regarding governance, strategy, risk management, sustainability metrics, and objectives.**

This report covers the period from January 1 to December 31, 2024, unless otherwise stated, and includes information on 100% of our operations and subsidiaries in Colombia and Canada<sup>1</sup>. Through this document, we aim to provide stakeholders with a comprehensive view of how we create and sustain value over the short, medium, and long-term. It outlines the progress made in implementing our corporate sustainability strategy, presents our future outlook, and highlights key success stories related to environmental (E), social (S), and corporate governance (G) aspects.

Structured into twelve chapters, the report covers everything from our ESG strategy presentation to a detailed performance analysis across 14 material sustainability issues. The last three chapters focus on our strategic dimensions:

- **A Cleaner Energy Future (E)**
- **Empowering Our People (S)**
- **A Transparent and Ethical Business (G)**



<sup>1</sup> Canacol has no operations or employees in the United States.



Reaffirming our commitment to transparency and accountability, the 2024 ESG Report also serves as our Communication on Progress (CoP) under the framework of the United Nations Global Compact. Its development adheres to the GRI Standards, referencing the 2021 Sector Guide 11 for oil and gas. Moreover, we incorporate the indicators recommended by the Sustainability Accounting Standards Board (SASB) and the disclosure metrics suggested by the International Petroleum Industry Environmental Conservation Association (IPIECA), ensuring alignment with industry best practices.

The report follows the recommendations of the global framework of the United Nations 2030 Agenda, the CSA assessment requirements from S&P Sustainable1, and aligns with the IFRS S2 standard, which integrates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, it considers the guidelines and incorporates the results obtained from the Taskforce on Nature-related Financial Disclosures (TNFD).

The financial information included in this document has been prepared in accordance with the International Financial Reporting Standards (IFRS) as approved in Colombia and other applicable legal provisions. All figures are presented in U.S. dollars (USD), using the average exchange rates for 2024, 2023, and 2022, which were 4,071 COP/USD, 4,325 COP/USD, and 4,255 COP/USD, respectively.

To ensure the reliability and accuracy of the reported information, the non-financial data in this 2024 ESG Report has been reviewed and verified by Deloitte & Touche Ltda., an independent auditing firm that applies the guidelines of the International Standard on Assurance Engagements (ISAE) 3000 (Revised).

## Contact Information

### Canacol Energy Ltd.

Headquarters: 2000, 215-9 AV SW Calgary,  
Alberta T2P 1K3, Canada

Office in Colombia: Calle 113 No 7-45, Bogotá,  
Torre B, Office 1501

Contact point for more information:

[esg@canacolenergy.com](mailto:esg@canacolenergy.com)



# Letters from the Board and Executive Director

[GRI 2-22]

## Board of Directors

**At Canacol, we lead natural gas production with a firm conviction that excellence in sustainability is not only a commitment but the path toward a cleaner, fairer, and more responsible energy future. As the Board of Directors, we are fully committed to integrating Environmental, Social, and Governance (ESG) principles into our business strategy, ensuring alignment with corporate objectives, effective risk and opportunity management, and long-term value creation for our stakeholders. Continuous improvement is a legitimate expectation from those who trust us, and we respond with concrete, measurable actions aligned with the highest international standards. We are guided by core values that define our corporate culture: integrity, accountability, transparency, and strict regulatory compliance.**

In 2024, we completed our first double materiality assessment—a key milestone that provides a comprehensive view of the bidirectional impact between ESG issues and the Company's financial performance, as well as our decisions for and with stakeholders. The Board fully supports this evolution, considering it a strategic step to align our decision-making and corporate goals with sustainability and resilience principles. This enhances our ability to anticipate and manage risks and capitalize on new opportunities that generate long-term value.

Our sustainability strategy is built upon three pillars: empowering people, driving the transition to a cleaner energy future, and operating with ethics and transparency. In 2024, we reaffirmed our commitment to communities by investing in 20 social projects that benefited 5,513 individuals across 16 municipalities in Colombia. We strengthened local hiring practices, ensuring that 82.7% of skilled labor and 100% of unskilled labor came from our areas of influence—boosting local development and reinforcing trust with neighboring communities.

As a result of our efforts in diversity, equity, and inclusion, we earned the Gold Equipares Seal, Colombia's highest distinction for promoting gender equality in the workplace—marking a significant milestone in our commitment to equity and inclusion. Moreover, we enhanced female representation in leadership, with women holding 24% of senior management positions, surpassing industry averages in Colombia and Latin America.

On the environmental front, we consolidated our leadership by achieving a greenhouse gas emissions intensity 75% lower than that of oil producers and 45% lower than other natural gas producers. We became pioneers in nature-related risk and opportunity disclosures in Colombia by publishing our first report aligned with the Taskforce on Nature-related Financial Disclosures (TNFD), fulfilling our commitment as an Early Adopter in 2023. We also advanced our ecosystem restoration efforts, recovering over 13 hectares of degraded land and strengthening alliances with organizations such as the Wildlife Conservation Society (WCS). In terms of water management,





we ensured that 100% of the industrial water used in our operations was either recycled or reused—reflecting our commitment to responsible and efficient water use.

For the second consecutive year, Canacol ranked among the most sustainable and best-performing companies in the Oil & Gas Upstream & Integrated sector, as reflected by our placement within the top 10 of the 2024 Sustainability Yearbook, based on S&P Global Sustainable1's Corporate Sustainability Assessment (CSA). In the "Governance & Economic" dimension, we scored 78 out of 100—the highest in the industry. Furthermore, in 2024, we maintained our historic record of no human rights violations, no corruption cases, and no breaches of our Code of Conduct and Ethics. We continue to uphold transparency and corporate accountability, ensuring an ethical and responsible workplace.

Our 2024 financial and operational results reflect the strength and resilience of our strategy. We ended the year with net operating earnings from natural gas and LNG of USD \$5.41 per thousand cubic feet (Mscf), representing a 31.6% increase over 2023. Our EBITDAX reached USD \$296.1 million, reinforcing our capacity to generate cash flow and fund future growth. These outcomes reflect global best practices and underscore our strong financial foundation.

These achievements highlight Canacol's essential role in Colombia's energy transition. The energy we produce supports national development and enhances the quality of life for millions of Colombians. As we continue to grow, we reaffirm our commitment to using resources responsibly and efficiently—ensuring our impact is positive, enduring, and sustainable. None of this would be possible without the support of those who share our vision for a more sustainable future.

We extend our sincere appreciation to our employees, strategic partners, shareholders, local communities, and all stakeholders for their continued support and commitment to our values and sustainability objectives. Together, we are building a cleaner and more resilient energy future.

Sincerely,

**David Winter**

Chairman of the ESG Committee

## President (CEO)

At Canacol, we have established ourselves as the leading private Company in Colombia's onshore conventional natural gas exploration and production sector, with a 16% market share. Our priority is to maintain this leadership position by responding to market dynamics and addressing the challenges and opportunities presented by sustainable development and an inclusive energy transition.

We operate within a global context where there is broad consensus on the need for coordinated and comprehensive action to address climate and nature-related challenges. Within this framework, we take responsibility for actively participating in the energy transition, recognizing the key role that natural gas plays as an energy source for Colombia. Likewise, we remain committed to transparency and information disclosure, fostering trust with our stakeholders.

We continue to enhance the efficiency of our operations and secure our proven reserves to ensure the availability of energy resources in the country. In 2024, we reported proven (1P) reserves of 254.1 billion standard cubic feet equivalent (Bscf), and proved plus probable (2P) reserves of 599.8 Bscf, enabling us to maintain a reserves life index of up to 10.2 years. Our possible (3P) reserves reached 1,120.7 trillion cubic feet equivalent (Tscf), reinforcing the long-term sustainability of our production and consolidating our leadership in Colombia's natural gas supply.

Financially, in 2024 we generated revenues of USD \$305 million and reached an EBITDAX of USD \$296.1 million, reflecting our strong ability to generate cash flow and finance growth. Net operating income from natural gas and LNG stood at USD \$5.41 per thousand cubic feet, a 31.6% increase over 2023. These results support the execution of our growth and investment plan. During the year, we allocated USD \$122.3 million to capital

investments—a 43% decrease from the previous year—driven by lower spending on land acquisitions, seismic studies, workovers, and drilling activities.

In this context, Canacol's efforts in 2024—driven by the commitment and passion of over 480 employees, as well as the support of our stakeholders—focused on sustainable development and impact mitigation throughout our value chain.

Our performance in environmental, social, and governance (ESG) matters is reflected in our eighth integrated ESG report. These results demonstrate the maturity of our strategy and our commitment to transparency and excellence in the oil, natural gas, and LNG industries.

Canacol's corporate maturity is further evidenced by our results in S&P Global's Corporate Sustainability Assessment. For the second consecutive year, we earned a distinguished position in the Sustainability Yearbook. Only 10% of the 165 companies assessed globally in the "Oil & Gas Upstream & Integrated" sector with the best performance are included in this ranking—showcasing that our practices meet world-class standards. In 2024, we increased our score by six points compared to 2023, standing out in the "Governance & Economic" dimension, where we received the highest score among all evaluated companies.

Additionally, Sustainalytics awarded us an ESG Risk Rating of 24.4, placing us in the medium ESG risk category and underscoring our commitment to responsible and resilient practices. Canacol was also recognized by ISS ESG with the best ESG rating in the sector, receiving a B score and "Prime" status for the second year in a row.

We also made significant progress in developing and implementing our first double materiality assessment, enabling us to evaluate both the Company's

impact on the environment and the ESG factors that influence our business strategy. Since 2020, we have defined three strategic pillars that guide our management: a cleaner energy future, empowering our people, and a transparent and ethical business.

## A Cleaner Energy Future:

In line with our commitment to sustainability, in 2024 we maintained responsible and efficient operations, achieved no environmental sanctions, and strengthened our environmental management practices in accordance with international standards. We consolidated our leadership through tangible results that reflect an organizational culture centered on climate action and operational efficiency.

One of our most notable achievements was obtaining the ICONTEC Gold “Zero Waste” certification, thanks to a reuse rate of over 70% of generated waste. This was accomplished through reduction, reuse, and recycling strategies under a circular economy approach. Highlights include a 20% increase in the reuse of construction, demolition, and formation sand waste, as well as strategic partnerships to reincorporate waste into production processes. We also launched a food surplus recovery program that directly benefits local communities.

In a milestone for global environmental management, Canacol became one of the world’s first companies to adopt the TNFD framework, earning recognition as an Early Adopter and fully integrating this approach into our corporate strategy. We also made significant progress in conserving the Tropical Dry Forest, preserving 55.5 hectares of this vital ecosystem, planting 2,500 native trees, and establishing a nursery with 1,500 seedlings. Through the “Friends of the Tropical Dry Forest” program, we promoted sustainable farming practices that benefited over 200 families and engaged 300 students in environmental education initiatives. These efforts were recognized by organizations such as CORPOMOJANA, with whom we partnered to organize post-consumer waste collection drives (800 kg) and native species planting events.

In water resource management, we implemented a comprehensive water stress analysis tool that confirmed all our operations are located in low-stress areas. We recycled and reused 100% of our industrial water, accounting for 16% of total water used. At the Jobo station, we eliminated industrial water consumption in cooling processes and achieved a 12.97% recirculation rate in drilling and hydrostatic testing activities. Additionally, we avoided the use of surface water entirely, prioritized underground water sourcing, and installed a real-time monitoring system to detect leaks and optimize consumption.





Finally, we reaffirmed our commitment to decarbonization through the “Net Zero Methane 2026” program, which aims to eliminate net methane emissions through enhanced leak detection and repair, based on a 2022 baseline assessment and a structured plan with targets for 2026, 2030, and 2035. This strategy, part of our Master Decarbonization Plan, is further supported by a 4.5% reduction in operational GHG emissions, an 8% decrease in Scope 3 emissions, and a 7.4% reduction in electricity consumption compared to 2023.

A cleaner energy future is possible—and we are building it through measurable actions, continuous innovation, and an unwavering commitment to future generations.

## Empowering Our People:

At Canacol, we deeply believe in the power of people to transform realities and build a more equitable, safe, and sustainable future. In 2024, we reaffirmed this commitment through concrete actions aligned with our vision to be a sustainability leader focused on human rights, equity, and shared development.

One of our most significant achievements this year was making decisive progress in building a diverse and inclusive corporate culture rooted in equal opportunity. We surpassed the national average for the oil & gas sector in Colombia, achieving 37% female participation in our workforce and 24% representation in senior management roles. These results, driven by our Diversity, Equity, and Inclusion (DEI) strategy, earned us the Equipares Gold Seal from the Ministry of Labor and the UNDP.

Our commitment to people is also reflected in our strong human rights performance, with no violations or breaches of our Code of Ethics and Conduct. We strengthened our policies and procedures in line with the UN Guiding Principles and the Voluntary Principles, and promoted training, prior consultation, and due diligence processes to reinforce responsible management practices. Additionally, we obtained the “Sustainability Facts” recognition from the ACP due to our human rights management approach.





We recognize that sustainability is also built at the local level. In 2024, we implemented 20 social projects that positively impacted over 5,500 people across 16 municipalities. Additionally, 96% of our purchases were sourced locally, regionally, or nationally, and more than 82% of skilled labor was hired from the areas where we operate.

In health and safety, we achieved 100% compliance with our corporate goals, recording no lost-time incidents or fatalities among employees or contractors, and maintaining over seven years without serious vehicular accidents. These milestones have been made possible through initiatives such as our Stop Work Authority Policy and the “Life-Saving Rules” campaign, which promotes a culture of prevention through leadership and active engagement.

### A Transparent and Ethical Business:

At Canacol, we reaffirm our commitment to ethics, integrity, and the sustainable development of our operations. We are proud to maintain updated codes and policies, along with a corporate culture grounded in responsibility and compliance. All employees, contractors, suppliers, and partners receive training on our Code of Business Ethics and Conduct.

Thanks to this commitment, in 2024 we reported no cases of corruption, bribery, discrimination, harassment, data privacy violations, conflicts of interest, or money laundering—reflecting our ethical and transparent management practices. This achievement was recognized by the Colombian Stock Exchange (BVC), which awarded us the IR Issuer Seal for our transparency and active shareholder engagement through timely and accurate communication.

From a governance perspective, our Board of Directors received training on ESG matters and implemented an annual compensation plan aligned with corporate objectives and ESG performance-based incentives. We also strengthened risk and opportunity management by providing



comprehensive training for all employees, updating our risk management policy, and regularly communicating progress through both internal and external channels. As part of this approach, we integrated strategic risks into corporate management, enhanced the monitoring of critical risks, and promoted ongoing training for the Board and staff.

Across our value chain, we strengthened strategic relationships with 596 contractors and suppliers, ensuring that 47% of our purchases came from the Caribbean region of Colombia and neighboring municipalities, with 4.6% from local sources. We also conducted evaluations that led to the implementation of corrective action plans in 96% of high-risk suppliers, thereby reinforcing the sustainability of our supply chain.

Information security remains a strategic priority for Canacol. Our Information Security Management System complies with ISO 27001:2022, and we advanced the integration of Information Technology (IT) and Operational Technology (OT) to enhance operational efficiency and security. We also strengthened our Cybersecurity Awareness Program—achieving 95% employee participation—and ensured 100% of our critical infrastructure was verified by an independent third party.

These results reflect our unwavering commitment to building a cleaner, fairer, and more responsible energy future for Colombia.

Sincerely,

**Charle Gamba**

President and Chief Executive Officer of Canacol



# Sustainability strategy

[GRI 2-22]

**At Canacol, our sustainability strategy is designed to strengthen our competitiveness and improve the quality of life for millions of people. Our commitment translates into concrete actions that bring to life our higher purpose: “To build a cleaner energy future”. To achieve this, we drive the exploration, production, and supply of conventional natural gas through a responsible, efficient, profitable, and sustainable long-term operation.**

We are convinced of the strategic role that natural gas plays in Colombia's energy transition, promoting a just transition that generates well-being and positive impacts for all our stakeholders. Our strategy is built around three strategic commitments, led and supervised by the Board of Directors, which provides

strategic direction and oversight, the Executive Team, which is responsible for implementing the strategy, and its Support Committees, which ensure alignment with our business objectives and values. This approach is driven by our talented, innovative, and committed workforce.



## A Cleaner Energy Future

We are committed to supplying natural gas with the highest levels of operational and environmental efficiency. We apply a comprehensive approach to minimize our ecological footprint and actively support Colombia's clean and fair energy transition.



## Empowering Our People

We promote the well-being, safety, and development of our employees, contractors, and neighboring communities. We foster a culture of inclusion, respect, and growth, ensuring that our actions generate positive and sustainable impacts on society and the environment while upholding human rights across all levels of our operation.



## A Transparent and Ethical Business

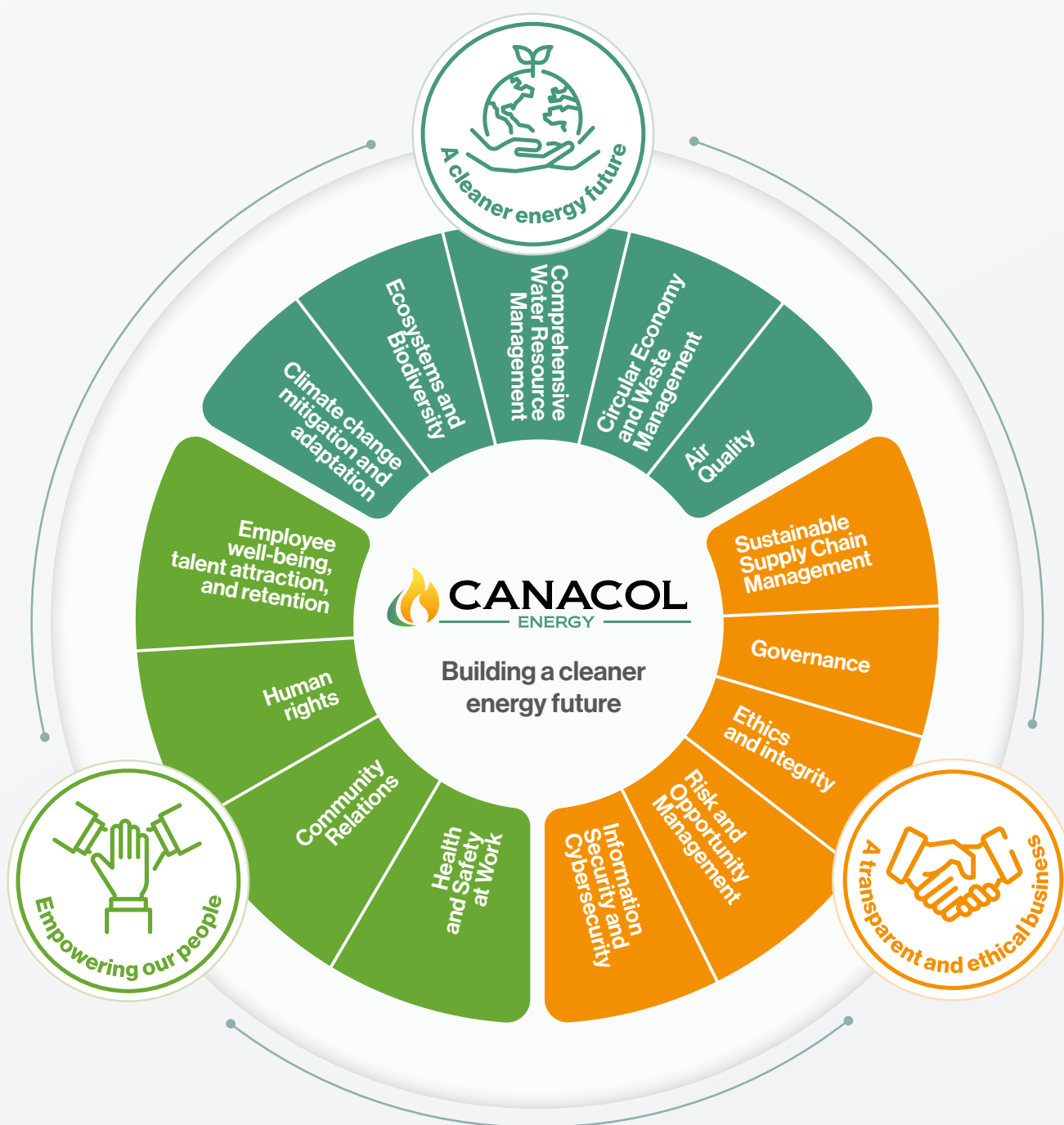
We uphold the highest standards of corporate governance, business ethics, and transparency, complying with the highest practices in governance as well as the management of risks, opportunities, and impacts.

We recognize sustainability as a key pillar in generating value in the short, medium, and long-term in both our value chain and for our stakeholders. By implementing our ESG strategy, we have positioned ourselves as one of the most sustainable and best-performing companies in the oil & gas Upstream & Integrated sector according to various global metrics and standards<sup>2</sup>.

This commitment and performance has been recognized internationally, positioning us in the top 10 of the 2024 Sustainability Yearbook according to the Corporate Sustainability Assessment (CSA) by S&P Global Sustainable<sup>1</sup>.

<sup>2</sup> For more details on our ESG ratings and rankings, please see page 46, where we participate in S&P CSA, MSCI, CDP (Climate and Water), ISS ESG, and Sustainalytics.

## Environmental, Social, and Governance (ESG) Material Issues by Each Dimension



## Progress on the strategic sustainability goals for 2024<sup>3</sup>



### A Cleaner Energy Future

#### Environmental Issues

#### Strategic Goals 2024

#### Progress / Compliance



#### Operational performance

- Report no catastrophic or critical accidents, and no environmental non-compliance events (violations or sanctions) during the year.

- No catastrophic or critical accidents or environmental events were reported.



#### Climate change mitigation and adaptation

- Develop activities based on the climate action strategy, focusing on suppliers and the supply chain to reduce Scope 3 emissions.

- Canacol's climate action strategy recognizes the role of suppliers and actively involves them in the Company's decarbonization goals and climate-related projects. Scope 3 emissions were reduced by 9% compared to 2023.



#### Air quality



#### Comprehensive water resource management

- Develop the first report on nature-related risks and opportunities in alignment with the TNFD framework.

- Developed and published its TNFD report on the Company's website, positioning itself as a pioneer in Colombia in the disclosure of nature-related risks and opportunities.



#### Ecosystems and biodiversity



#### Circular economy and waste management

- Develop the first solid waste management center at the Jobo Station to ensure compliance with zero waste certification and other requirements within the waste management framework.

- Developed the first solid waste management center at the Jobo Station to ensure effective management and compliance with zero waste certification and other requirements within the waste management framework.

- Utilize 34% of recyclable waste.

- Successfully utilized 34% of waste with recycling potential.

<sup>3</sup> The material issues presented in this table reflect the updated double materiality assessment.



## Empowering Our People

### Social Issues



#### Employee well-being, talent attraction and retention

### Strategic Goals 2024

- › Achieve 37% female participation in Canacol's workforce by 2026.
- › Achieve 51% female representation in STEM (Science, Technology, Engineering, and Mathematics) positions within the Company by 2026.
- › Maintain 10-20% female representation on the Board of Directors.
- › Obtain the Equipares Gold Seal, awarded by the Ministry of Labor and UNDP, to enhance the Company's Diversity, Equity, and Inclusion strategy.
- › Disaggregate all human talent indicators by gender, including promotions, turnover, training, permits, and others.

### Progress / Compliance

- › Currently, female participation in the workforce is 37% for 2024, with a goal to maintain 37% by 2026.
- › 59% of women in STEM positions in 2024.
- › Female representation on the Board of Directors is currently 14%.
- › The Equipares Gold Seal was obtained through the implementation of the Diversity, Equity, and Inclusion strategy.
- › 100% of indicators were disaggregated and updated on a monthly basis.



#### Health and safety at work

- › Maintain industrial safety indicators, TRIFR and LTIFR, for the workforce (contractors and employees) below 1.99.
- › Report no fatalities for employees or contractors in 2024.
- › For 2024, the industrial safety indicators were: LTIFR at 1.35 and TRIFR at 1.69.
- › No fatalities were recorded for employees or contractors in 2024.



**Social Issues****Human rights****Strategic Goals 2024**

- › Continue to provide training on human rights to communities and local stakeholders.
- › Continue to provide human rights training for strategic contractors, public security forces, and private security personnel.
- › Identify critical human rights areas and develop, monitor, and evaluate prevention and mitigation plans for associated risks.
- › Continue to report no cases of human rights violations by Company employees and physical security contractors.

**Progress / Compliance**

- › Developed human rights training for communities and local stakeholders, covering the Voluntary Principles on Security and Human Rights, community interaction, gender perspectives, and female empowerment, while strengthening capacities and promoting inclusion.
- › Developed human rights training and modules for strategic contractors, public security forces, and private security, covering due diligence, the Voluntary Principles on Security, International Humanitarian Law, and related risks and opportunities.
- › Critical human rights areas were identified in the Physical Security Management, Sustainability Vice Presidency, Operations Vice Presidency, and H&S Directorate. Prevention and mitigation plans for associated risks were developed, monitored, and evaluated, with the understanding that not all identified risks are of high priority.
- › No cases of human rights violations were reported by Company employees, physical security contractors, or public security forces in 2024.

**Community relations**

- › Measure the outcome indicators for 100% of social investment projects.
- › Measure the impact of 60% of the Company's social investment projects.
- › Annually publish 100% of reported blockages and the number of days the Company's operations are affected.
- › 100% of social investment projects were measured and evaluated.
- › In progress: Target: 18 projects. 13 projects measured by December 2024.
- › Information published annually.



## A Transparent and Ethical Business

### Governance Issues



#### Ethics and integrity

- Continue to report no cases of ethical breaches for all employees and contractors of the Company.

### Progress / Compliance

- No ethical breaches reported for any employees or contractors in 2024.



#### Sustainable supply chain management

- Incorporate ESG criteria into the strategic sourcing assessment for evaluating and selecting strategic and tactical suppliers.

- Inclusion of ESG criteria in the evaluation and selection of suppliers for the Company's strategic and tactical services, using the Aracnia platform.

- Conduct ESG assessments of selected suppliers as part of the procurement process.

- An ESG risk assessment was conducted for 100% of the Company's strategic and tactical stakeholders, with the results shared during SQM (Service Quality Meetings).

- Develop an ESG addendum for supplier evaluation and selection to support sustainable value chain management.

- The addendum has been developed and is now in the process of implementation.



#### Information security and cybersecurity

- Maintain ISO/IEC 27001 Information Security certification for the IT Management and Governance process, focusing on infrastructure.

- ISO/IEC 27001 recertification obtained.

- Provide biannual reports to the Audit Committee of the Board of Directors on cybersecurity and IT updates.

- Two annual reports were submitted to the Audit Committee of the Board of Directors, covering the cybersecurity and IT strategy.



#### Risk management and opportunities

- Conduct annual stress and sensitivity tests on the most critical strategic risks.

- Selection of 4 strategic risks for stress and sensitivity tests:
  - Social unrest
  - Delays in project development procedures
  - Cash flow reduction
  - Competition from imported gas.



#### Governance

- Achieve 100% ESG training for the Board of Directors, covering human rights, climate change, DEI, biodiversity, and associated risks.

- 100% ESG training completed for the Board of Directors, covering human rights, climate change, DEI, biodiversity, and associated risks.

## Strategic sustainability goals for 2025



### A Cleaner Energy Future

#### Environmental Issues

#### Strategic Goals 2025



#### Operational and environmental performance

- › Report no catastrophic or critical accidents, and no environmental non-compliance events (violations or sanctions) during the year.
- › Set quantitative goals (management indicators) for each management area: energy, waste, water, biodiversity, and emissions.



#### Climate change mitigation and adaptation

- › Achieve *net-zero methane* emissions in all our operations by 2026.
- › Set the Company's internal carbon price by 2025 to evaluate investments and expenses in terms of tons of CO<sub>2</sub>.
- › Reduce GHG emission intensity of scopes 1 and 2 by at least 50% by 2035 and achieve carbon neutrality by 2050.
- › Increase energy efficiency per unit of production by 25% by 2035, optimizing resource use to maximize productivity and minimize environmental impact.
- › Increase the share of renewable energy in our energy mix by 50% by 2050.



#### Ecosystems and biodiversity

- › Update the biodiversity commitment to include quantitative progress on net positive impact (NPI) by 2030.
- › Develop and publish mitigation actions to reduce dependence and impact biodiversity and ecosystems.
- › Develop a report on nature-related risks and opportunities under the TNFD framework.



#### Comprehensive water resource management

- › Generate a report that includes a water balance of the Company's operations and its analysis to identify critical consumption points.
- › Develop a water strategy that includes water footprint analysis to identify opportunities for water efficiency, consumption reduction, and setting quantitative goals.



#### Circular economy and waste management

- › Develop and publish the Company's circular economy strategy and share it with suppliers and strategic partners.
- › Reuse at least 34% of the waste generated in our operations annually.



#### Air quality

- › Quantify and verify NO<sub>x</sub>, SO<sub>x</sub> and VOC emissions data annually.



## Empowering Our People

### Social Issues

### Strategic Goals 2025



#### Employee well-being, talent attraction and retention

- › Maintain the Equipares Gold Seal awarded by the Ministry of Labor and UNDP to strengthen the Company's Diversity, Equity, and Inclusion strategy.
- › Maintain 51% female representation in STEM (Science, Technology, Engineering, and Mathematics) positions.
- › Implement the new corporate volunteer program to promote sustainability, social responsibility, and corporate culture.



#### Human rights

- › Verify the due diligence process in human rights with an independent third party by 2026.
- › Continue to develop training programs on human rights for communities and local stakeholders.
- › Ensure 100% employee training on human rights.
- › Publicly disclose the Company's security and human rights manual.
- › Continue to develop human rights training for strategic contractors, public security forces, and private security personnel.



#### Community relations

- › Publicly disclose the Company's Involuntary Resettlement Policy.



#### Health and safety at work

- › Maintain industrial safety indicators TRIFR and LTIFR for the work-force (contractors and employees) below 1.95.
- › Disclose Level 1 process safety events for the Company.





## A Transparent and Ethical Business

### Governance Issues

### Strategic Goals 2025



#### Sustainable supply chain management

- › Disclose the sustainable procurement guidelines outlined in the Company's procurement and contracts manual.
- › Continue training 100% of suppliers on the code of conduct and ethics for suppliers and contractors.
- › Develop training sessions on strategic ESG topics (Diversity, Equity, and Inclusion, Decarbonization) for 100% of Level 1 suppliers.



#### Governance

- › Continue training 100% of Board members on ESG topics (human rights, climate change, DEI, biodiversity).
- › Maintain 10-20% female representation on the Board of Directors.



#### Ethics and integrity

- › Continue compliance training with stakeholders as part of good corporate governance practices.
- › Continue to develop external verification of the Company's compliance system.
- › Initiate the ISO 37301 certification process.



#### Risk management and opportunities

- › Develop the Company's business continuity plan.
- › Update the Company's comprehensive risk management system, including materiality analysis.
- › Continue to report on the monitoring of the Company's strategic risks to the Audit Committee of the Board of Directors on a semi-annual basis.



#### Information security and cybersecurity

- › Maintain ISO/IEC 27001 Information Security certification for the IT Management and Governance process, focusing on infrastructure.
- › Continue to execute the Information Security awareness program, achieving 95-100% participation from critical employees and contractors.



# Stakeholder Engagement

[GRI 2-29] [GRI 3-3]

At Canacol, we recognize that corporate and operational success hinges on open, transparent, and strategic communication with our stakeholders. We are committed to building trust-based relationships through ongoing dialogue grounded in the responsible management of impacts, risks, and opportunities. Our sustainability approach promotes ethical and transparent engagement, aligned with the transition to a cleaner and more sustainable energy future, creating shared value for all.

## Key Stakeholders and Engagement Purpose



### Investors and shareholders

We strengthen trust and ensure transparency to drive long-term sustainable value creation.



### Clients

We foster sustainable and mutually beneficial businesses, promoting operational excellence and corporate responsibility.



### Employees

We attract and retain talent through competitive benefits, innovative leadership, and an organizational culture based on ethics and holistic development.



### Communities

We build relationships based on respect for human rights, transparency, and commitment to delivering results, fostering social and economic development in the regions where we operate.



### Suppliers

We cultivate collaborative relationships across the supply chain, integrating ESG criteria into supplier selection, development, and evaluation.



### Associations and guilds

We actively engage in strategic industry forums to support the sustainable development of the energy sector.



### Authorities

We collaborate with national, regional, and local governments to shape and implement policies that promote responsible industry growth.

We maintain continuous and strategic dialogue with our stakeholders through various engagement mechanisms. In 2024, we highlighted key initiatives that strengthened our communication and alignment with stakeholder expectations.

## Engagement Processes 2024



### Investors and shareholders



- Annual Meeting
- Website
- One-on-one meetings
- Periodic communications
- Management reports
- Surveys



### Clients



- Advisory and support
- Specific events
- Visits and individual meetings.
- Interviews



### Employees



- Technical and soft skills training
- Performance management
- Intranet and virtual platforms
- Internal communications
- Management reports
- Surveys



### Communities



- Community committees
- Local Engagement Plan
- Visits and individual meetings
- Timely attention to concerns, requests, complaints, claims, and suggestions
- Socialization of operational activities and investment projects
- Surveys



### Suppliers



- Supplier evaluation
- Performance management meetings
- In-person/virtual seminars on specific topics
- Interviews and surveys



### Associations and guilds



- Joint working groups
- Sustainability dialogues
- Website
- Specific events
- Surveys



### Authorities



- Regular meetings and socialization
- Management reports
- Specific events
- Surveys



Aligned with international best practices, in 2024, we conducted our first double materiality analysis adhering to the European Corporate Sustainability Reporting Directive (CSRD). This process enabled us to update our stakeholder prioritization matrix and implement a participatory process that strengthened the alignment of our social investments and operational activities in Colombia.



For more information, see the double materiality analysis report here: **Materiality Report**

## Memberships, Affiliations, and Strategic Partners

[GRI 2-28]

We reaffirm our commitment to the sustainable development of both the energy sector and the regions where we operate. To this end, we

actively participate in national and international forums, contributing to high-level dialogue and the development of sectoral policies.



Colombian Association of Petroleum Engineers (ACIPET)



Colombian Association of Oil and Gas (ACP)



Colombian Chamber of Oil, Gas & Energy (Campetrol)



Colombian Natural Gas Association (Naturgas)



International Petroleum Industry Environmental Conservation Association (IPIECA)



Colombia Securities Exchange (BVC)



Centralized Securities Depository (DECEVAL)



Canada Colombia Chamber of Commerce



Circle of Affiliates of the Bogotá Chamber of Commerce



United Nations Global Compact



Extractive Industries Transparency Initiative (EITI)



Voluntary Principles on Security and Human Rights Association



Association of Professional Engineers and Geoscientists of Alberta (APEGA)



Canadian Global Energy Forum (CGEF)

# Materiality Analysis

[GRI 3-1] [GRI 3-2] [GRI 3-3]

Since 2017, Canacol has regularly conducted materiality analysis, ensuring our continuous evolution to identify the key risks, impacts, and opportunities that may affect the Company and our stakeholders.

In 2024, we took a significant step forward by developing and implementing our first double materiality analysis, aligned with our higher purpose of “building a cleaner energy future”. This analysis integrates both the risks and opportunities posed by ESG factors that may impact the organization (**financial materiality**) and the broader societal and environmental effects of our operations (**impact materiality**). As a result, it serves as a key tool for formulating sustainable strategies, ensuring compliance, and managing long-term risks. This approach enables us to respond effectively to evolving sustainability expectations and the ESG factors shaping our business and the environment in which we operate.

## Strategic Value of Double Materiality Analysis

The results of this analysis have been fundamental to sustainability management at Canacol, enabling:

- Informed strategic decision-making based on ESG risks and opportunities that impact both the organization (financial materiality) and society and the environment (impact materiality).
- More effective and responsible management, aligned with the expectations of investors, regulators, employees, communities, and other stakeholders.
- The integration of sustainability into corporate strategy by linking materiality analysis objectives to executive compensation. This approach reinforces Canacol's commitment to corporate responsibility and long-term value creation for stakeholders.





Canacol has structured this analysis in accordance with the European Corporate Sustainability Reporting Directive (CSRD) and aligned it with major international standards, ensuring a robust, industry-best-practice approach.

Additionally, this methodology meets the requirements of globally recognized sustainability analysis, including S&P Global through its CSA

assessment—a key criterion for Dow Jones Sustainability Indices (DJSI)—as well as evaluations by MSCI, Sustainalytics, ISS, and others.

Through this analysis, Canacol reaffirms its commitment to sustainability and shared value creation, positioning itself as a key player in transitioning to a cleaner, more responsible energy future.

## Phases of Materiality Analysis

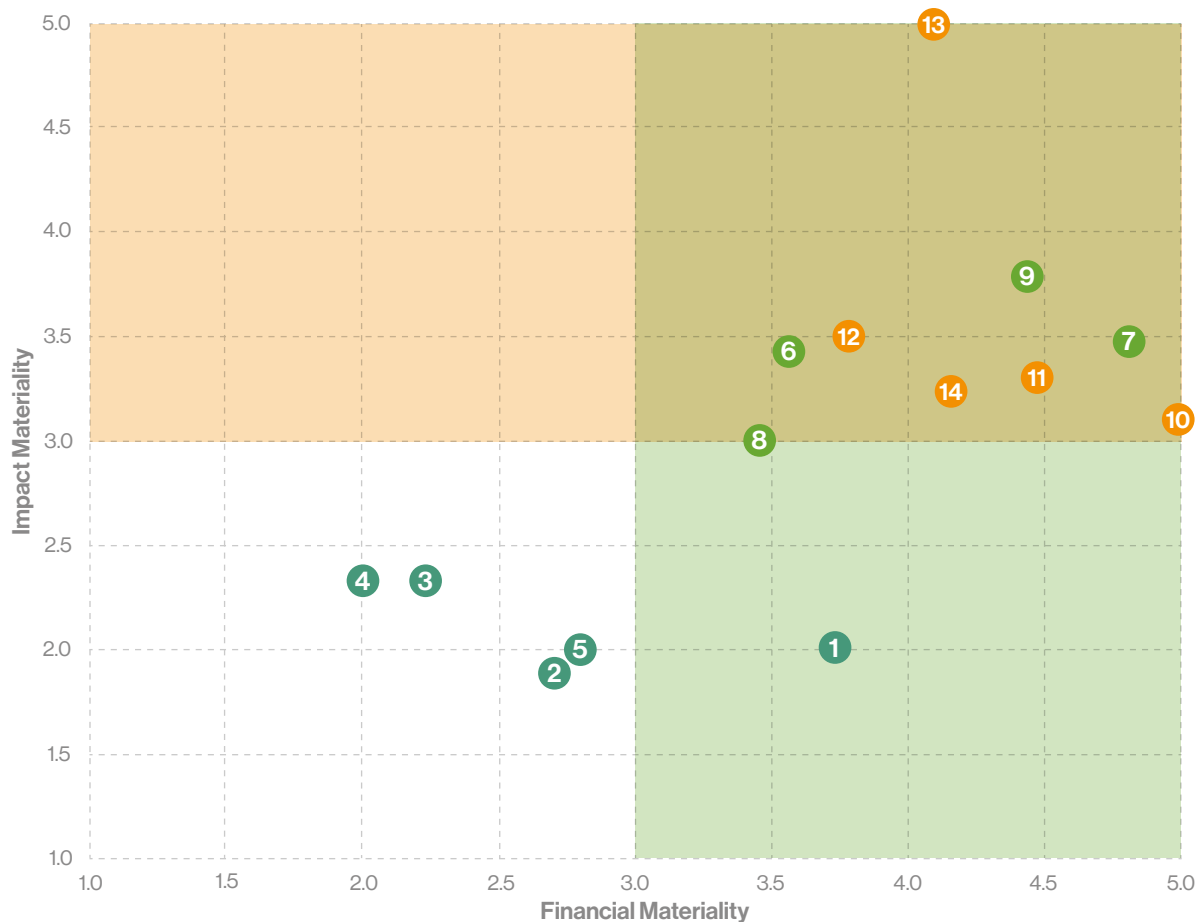
- 1. Assessment of current state:** A comprehensive analysis was conducted on Canacol's competitive and regulatory environment, incorporating standards such as CSA, GRI, SASB, and CSRD. Additionally, a climate analysis based on TCFD and TNFD was applied, identifying long-term environmental risks and opportunities.
- 2. Value chain mapping:** Key stakeholder groups and their relationships with ESG impacts across our operations were identified. In this process, seven key actors and 21 subgroups were mapped and categorized based on their level of involvement and relevance in the value chain. (See Canacol's value chain map on page 8 of the [Materiality report](#).)
- 3. Definition and engagement with stakeholders:** Interviews and surveys were conducted with 12 prioritized stakeholder subgroups. During this phase, 14 sustainability issues were assessed, integrating financial and impact materiality to ensure alignment with stakeholder expectations.
- 4. Prioritization and validation of impacts, risks, and opportunities:** Using severity and probability matrices, we evaluated and prioritized the impacts, risks, and opportunities associated with each sustainability issue. Our Board of Directors subsequently reviewed and approved the 14 prioritized issues.
- 5. External verification of the report:** To ensure transparency and integrity in the materiality process, an independent third-party audit was conducted to verify the reported information.



## Identified Material Issues

Canacol identified 14 sustainability issues, grouped into three strategic dimensions:

Dimension	Sustainability Issue 2024	
 <b>A Cleaner Energy Future (E)</b>	<b>1</b> Climate change mitigation and adaptation <b>2</b> Ecosystems and biodiversity <b>3</b> Comprehensive water resource management	<b>4</b> Circular economy and waste management <b>5</b> Air quality
 <b>Empowering Our People (S)</b>	<b>6</b> Employee well-being, attraction and retention of talent <b>7</b> Human rights	<b>8</b> Community relations <b>9</b> Health and safety at work
 <b>A Transparent and Ethical Business (G)</b>	<b>10</b> Sustainable supply chain management <b>11</b> Governance <b>12</b> Ethics and integrity	<b>13</b> Risk and opportunity management <b>14</b> Information security and cybersecurity



The materiality matrix should be interpreted with the following considerations: **Orange box:** This area of the matrix contains the sustainability issues with the highest relative importance from the impact materiality perspective, meaning they have the potential to significantly affect various stakeholders. **Green box:** This area contains the sustainability issues with the highest relative importance from the financial materiality perspective, indicating their potential to significantly impact the business and financially important stakeholders such as investors, shareholders, and financial institutions. **Intersection of orange and green boxes:** Issues whose relative importance is significant from both materiality perspectives.

This analysis has strengthened our sustainability strategy, ensuring that Canacol and its stakeholders comprehensively address the most relevant issues while aligning with international best practices as well as with our financial and operational strategies.



For more information, consult the materiality analysis at the following link:  
**Materiality Report**

## Business Cases: Impact on Value Creation

To understand how this analysis translates into concrete actions, we present some business cases demonstrating its impact on strategic decision-making and value creation for the Company and its stakeholders.

### Human Rights

#### Integration of Human rights into Canacol's Corporate Strategy

Canacol operates in highly complex environments where its activities may impact fundamental human rights. In a global context of increasing scrutiny from governments, investors, and civil society, the Company adopts a structured approach to managing human rights-related risks and opportunities across all its operations, ensuring alignment with the highest international standards.

Our human rights management is based on the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact Principles, and the Voluntary Principles on Security and Human Rights. We also reference the principles and rights enshrined in the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, the eight fundamental conventions of the International Labor Organization (ILO) and its Declaration on Fundamental Principles and Rights at Work. Additionally, we integrate into our practices the United Nations Declaration on the Rights of Indigenous Peoples, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention on the Rights of the Child, and ILO Convention 169 on Indigenous and Tribal Peoples.



Canacol undertakes the following actions to implement its human rights strategy:

#### Human rights impact assessment

- Identifying risks and opportunities in our operations and supply chain.
- Conducting consultations with affected communities and stakeholders to ensure inclusive and constructive dialogue.

#### Policy and governance development

- Establishing specific policies and procedures for human rights management across all our operations<sup>4</sup>.
- Incorporating human rights clauses in contracts with suppliers and strategic partners to ensure compliance with our standards.

#### Training and organizational culture

- Implementing human rights training programs for employees, contractors, and suppliers.
- Facilitating safe and accessible grievance mechanisms to ensure effective management of any potential violations.



For more information on Canacol's human rights management, consult page 141 of this report or the 2024

**Human Rights Report**



process for goods and services, ensuring compliance with the highest sustainability standards in the oil & gas sector.

Our sustainable value chain management strategy focuses on:

- Socialization of the Code of Conduct and Ethics for Suppliers of Goods and Services.
- Supplier census: Identifying and promoting the participation of local suppliers in our operations and developing strengthening plans.
- Training: Prioritizing training in ESG criteria; health and safety; Diversity, Equity, and Inclusion; climate change; and human rights within the supply chain.
- Sustainability risk identification: Evaluating risks in our supply chain to ensure good practices.
- Socialize the ESG strategy with the Company's strategic suppliers.
- Evaluation and selection of suppliers based on ESG criteria.

These actions enable us to strengthen long-term relationships with our suppliers, ensure compliance with sustainability standards, and enhance supply chain performance.



For more information, consult page 210 of this report or visit our website:

**Supply Chain Management**



## Sustainable Value Chain Management

The supply chain is a strategic pillar in achieving Canacol's sustainability objectives. We view our value chain as one of the greatest opportunities to drive positive change in Colombia. To this end, we integrate environmental, social, and governance (ESG) criteria at every stage of the procurement

## Governance

Corporate governance is a fundamental key element for Canacol, ensuring ethics, integrity, transparency, and strategic decision-making aligned with sustainability.

Canacol implements a robust governance system that includes the following actions:

<sup>4</sup> For more information, consult: [Human Rights](#)



**Strengthening corporate governance**

- Implementing best practices through the following policies:
  - Board of Directors' Diversity Policy.
  - Governance guidelines for the Board of Directors.
- Clear separation of functions between Senior Management and the Board of Directors.
- Creation of specialized committees on compensation, audit, and ESG.

**Transparency and regulatory compliance**

- Publishing sustainability and governance reports aligned with international standards.
- Implementing compliance systems and periodic internal audits.

**Code of ethics and organizational culture**

- Applying the Code of Conduct for employees, contractors, and suppliers.
- Training programs in ethics, anti-corruption, and human rights for all employees, contractors, and suppliers.

**Risk and opportunity management**

- Continuous monitoring and evaluation of risks and opportunities.
- Constant communication with Senior Management and the Board of Directors on risk mitigation strategies.



Scan me

For more information on  
Canacol's governance  
management, consult page  
199 of this report or  
visit our website:  
**Governance**



# Sustainability Strategy and Contribution to the 2030 Agenda

[GRI 2-22]

**At Canacol, we reaffirm our commitment to sustainable development through a robust environmental, social, and governance (ESG) strategy aligned with the United Nations 2030 Agenda principles. We recognize our role in Colombia's energy transition, where natural gas is positioned as a fundamental pillar. Compared to coal, natural gas offers a carbon footprint up to 40% lower and reduces air pollutant emissions by as much as 90%.<sup>5</sup>**

Recent international conferences have reinforced the urgency of strengthening climate action and biodiversity protection. At COP29, the need to accelerate climate finance and the transition to cleaner energy was emphasized. Meanwhile, COP16 on biodiversity highlighted the importance of integrating nature conservation into all economic sectors, including energy. In this context, we have updated our sustainability strategy to reflect a more comprehensive approach—one that incorporates concrete actions in both climate change mitigation and biodiversity preservation. We acknowledge that these challenges are deeply interconnected and require coordinated, systemic solutions.

Through our “Positive Nature” approach, we aim not only to minimize negative impacts but also to generate a net positive benefit for biodiversity and ecosystem services.

With only five years remaining until the 2030 Agenda deadline, we acknowledge that

global challenges have intensified, and much work remains. Recent reports indicate that many global goals are still far from being met, making the so-called “**Decade of Action**” more critical than ever, demanding greater efforts and bolder commitments.

In response, Canacol has raised its goals and actions to generate a real and measurable impact:

- **More ambitious intermediate climate goals**, with targets of net-zero methane emissions by 2026 and a 50% reduction in emission intensity (Scopes 1 and 2) by 2035.
- **Increase investment** in biodiversity protection projects and climate change mitigation and adaptation.
- **Strengthened strategic alliances** with conservation organizations, academic institutions, and government entities to amplify the positive impact of our initiatives.

<sup>5</sup> According to the EIA, this figure is 47% (see the full report [here](#))  
In terms of air quality, emissions from burning natural gas are significantly lower. A 2016 study by the Carnegie Mellon Electricity Industry Center found that sulfur oxide (SOx) emissions are reduced by 60%, and nitrogen oxide (NOx) emissions by 90% (see the full study [here](#)).  
Particulate matter emissions are reported to decrease by as much as 99% (see the detailed report [here](#)).



Our strategy maintains the commitment to the 14 Sustainable Development Goals (SDGs) prioritized for our operation, with a special focus on SDGs 5 (Gender Equality), 8 (Sustainable Economic Growth), 13 (Climate Action), and 15 (Life on Land). To this end, we have implemented comprehensive initiatives including:

- A biodiversity monitoring system in our operational areas with biological corridors that ensure ecosystem connectivity.
- An environmental compensation plan that exceeds regulatory compliance, with concrete actions to protect and restore strategic ecosystems in Colombia.
- Actions to reduce greenhouse gas emissions by designing and implementing energy efficiency and a decarbonization master plan. See our energy efficiency and decarbonization strategy: [Climate Change and Energy Efficiency Policy](#)
- Sustainable water resource management to reduce pressure on sensitive ecosystems and improve operational resilience to extreme weather events.



## Prioritized SDGs



At Canacol, we recognize that the time to act is now. We stand with the global call for the “Decade of Action” and reaffirm our commitment to sustainability, firmly believing that every step matters in building a cleaner, fairer, and more prosperous future for all.

**#10YearsToTransformOurWorld**



# Sustainability Governance

[GRI 2-9] [GRI 2-12] [GRI 2-13] [GRI 2-14] [GRI 2-16]

**Sustainability governance at Canacol is founded on a strong commitment to continuous improvement and the implementation of ESG global best practices. Our action plan integrates sustainability into the corporate strategy, ensuring that every initiative aligns with the principles of transparency and accountability.**

To achieve this, we define clear responsibilities for each strategic area, establish well-structured roles, and implement robust governance processes. This

approach enables us to effectively manage sustainability-related risks while maximizing opportunities to create long-term value for our stakeholders.

## Sustainability Governance



The Board of Directors plays a crucial role in defining Canacol's strategic vision, ensuring the Company's competitiveness through the establishment of corporate policies. These include key aspects such as compensation, risk management, ESG strategy, regulatory compliance, and operational performance improvement. In terms of sustainability, the Board comprises members with specialized experience and tenure, who continuously enhance their ESG capabilities.

To ensure a structured and effective approach, the Board of Directors delegates responsibilities to

various specialized committees. In this context, the ESG and Audit Committees oversee the Company's sustainability impacts while managing associated risks and opportunities.

**ESG Committee** is responsible for strengthening the sustainability strategy, ensuring its alignment with corporate objectives, and applying a dual materiality approach to impact management.

**Audit Committee** assists the Board in fulfilling its financial oversight responsibilities and monitoring the integrity and quality of financial reporting.

To learn more about the Board of Directors' ESG Committee, please refer to the **ESG Committee Terms of Reference**



Scan me

To learn more about the Board of Directors' ESG Committee, please refer to the **Audit Committee Terms of Reference**



Scan me







In 2024, the Board of Directors held four meetings focused on discussing sustainability issues proposed by the ESG Committee, as well as reviewing financial materiality matters reported by the Audit Committee. This exceeded the number of required meetings dictated by the committees mandate.

As part of our governance structure, the CEO serves as a key link between the executive team and the Board of Directors. The CEO is responsible for executing the sustainability strategy and communicating achievements, progress, and plans in alignment with corporate objectives.

At the executive level, a fundamental link within our governance is the Sustainability Management Committee, formed in 2021 by seven key executives:

- **CEO**
- **Vice President of Operations**
- **Vice President of Finance**
- **Vice President of Legal Affairs**
- **Vice President of Sustainability**
- **Vice President of Projects**
- **ESG Manager**

Under the CEO's leadership, this committee is responsible for implementing, updating, and continuously improving the sustainability strategy. It also includes an interdisciplinary team that actively manages material issues across the Company's operations. The Committee regularly gives a verbal update on its progress and challenges to the Board's ESG Committee.

Additionally, ESG Management consistently refines the sustainability strategy by incorporating initiatives to address impacts, risks, and opportunities. In collaboration with the ESG Committee, it ensures compliance with the roadmap, overseeing the execution of sustainability-related initiatives while aligning them with the Company's business strategy, values, and corporate objectives. ESG Management also leads the reporting and communication processes for internal and external stakeholders.

Our sustainability governance structure reinforces Canacol's commitment to transparency, responsible management, and shared value creation, strengthening our leadership in the transition toward a cleaner energy future.

# Management Report

[GRI 2-22] [GRI 2-4] [GRI 2-14]

**In 2024, we reaffirmed our commitment to Colombia's energy transition and sustainable development. As the country's leading independent natural gas producer, Canacol played a critical role in strengthening national energy supply and security through efficient, safe, and responsible operations. Our track record of robust production, high exploratory success rates, and early adoption of advanced technologies has positioned us as a key contributor to a cleaner, more reliable, and equitable energy future.**

Our sustainability strategy integrates economic, social, and environmental considerations across all levels of the organization. We operate with a forward-looking and responsible approach that emphasizes efficient resource use, biodiversity conservation, and the empowerment of local

communities. We are deeply committed to fostering safe work environments, promoting gender equity, prioritizing local hiring, and upholding human rights. Through these actions, we continue to pursue sustainable growth and contribute meaningfully to territorial development and national progress.



## Consolidated results

We remain steadfast in our commitment to strengthening Canacol's position as a leader in sustainability, with a strong focus on fostering development in the regions where we operate. Our purpose is clear: to improve the quality of life for millions of people through the exploration, production, and supply of conventional natural gas, while advancing a reliable and sustainable energy future.

Our management is firmly rooted in Environmental, Social, and Governance principles, enabling us to create long-term value through transparency, collaboration, and adherence to the highest international standards. The following section highlights the key milestones and achievements of our 2024 performance.

## Highlights of our ESG management

### ESG roadmap

At Canacol, we have defined a structured and progressive ESG roadmap, designed to consolidate a sustainable, ethical, and resilient business model. This route includes three key phases:



In 2024, we advanced significantly in our sustainability maturity journey, achieving key milestones that underscore our leadership in the industry and alignment with our corporate sustainability strategy:

- We became one of the first companies in Colombia to adopt the Taskforce on Nature-related Financial Disclosures (TNFD) framework, publishing our first report on nature-related risks and opportunities.
- We established the first Solid Waste Management Center at the Jobo Station, reinforcing our commitment to zero waste and formalizing robust waste management requirements.
- We earned the Zero Waste Certification – Gold Category, awarded by ICONTEC,

recognizing our leadership in the circular economy and excellence in waste management practices.

- We recorded no critical environmental incidents, with no catastrophic events or sanctions from environmental authorities.
- We strengthened our ethical and compliance culture, reporting no ethical breaches or human rights violations across our operations, including contractors.
- We achieved 100% ESG training coverage for Board members, focusing on human rights, climate change, biodiversity, and risk management.
- We were awarded the Equipares Labor Equity Seal – Gold Category by the Ministry of Labor and UNDP, reinforcing our commitment to Diversity, Equity, and Inclusion.





### A cleaner energy future

Our commitment is to supply natural gas with the highest standards of environmental and operational efficiency, contributing to the reduction of CO<sub>2</sub> emissions and the responsible use of natural resources in the regions where we operate.

- We launched the *zero-methane* project, aiming to achieve a net-zero methane emissions balance across all operations.
- We reduced our total energy consumption by 9,602.2 MWh, including a 7.4% decrease in electricity consumption compared to 2023.
- Operational GHG emissions decreased by 4.5%, and Scope 3 emissions dropped by 8% compared to 2023.
- Climate-related investment increased by 9.38% in 2024 compared to 2023, reflecting the Company's efforts in decarbonization and its commitment to the energy transition agenda.
- We incorporated suppliers into our master decarbonization plan, applying ESG criteria for the selection of goods and services.
- We fully complied with the established limits for emissions and air quality, ensuring regulatory compliance in the management of NO<sub>x</sub>, SO<sub>x</sub>, particulate matter (PM<sub>10</sub>), and volatile organic compounds (VOC).
- We reduced NO<sub>x</sub> emissions by more than 50%.
- We invested USD \$507,500 in climate change actions.
- We obtained the Zero Waste certification (Gold category) from ICONTEC, achieving over 70% waste utilization through reduction, reuse, and recycling strategies, all within a circular economy approach.
- We reduced total waste generation by 5% compared to 2023.
- We achieved 83% utilization of our direct waste, significantly driven by optimized management of Construction and Demolition Waste, where we increased



our utilization by 20% compared to the previous year.

- We became one of the first companies globally to adopt the TNFD framework, integrating the LEAP methodology to identify natural risks, dependencies, and opportunities, thereby strengthening the resilience and sustainability of our operations.
- Through our Tropical Dry Forest Friends program, we preserved 55.5 hectares of ecosystem, planted 2,500 trees, and promoted sustainable practices, benefiting more than 200 families and 300 students.
- We do not operate in areas classified as categories I-IV by the International Union for Conservation of Nature (IUCN), which correspond to protected areas with strict use restrictions, such as nature reserves and national parks.
- We established an agreement with the Wildlife Conservation Society to strengthen biodiversity protection in 13 hectares of the La Carranchina reserve.
- We implemented a comprehensive water management tool to assess water stress levels in our operational areas, confirming that all areas are in low-stress zones and ensuring responsible water resource management.
- We continued with the recirculation of 12.9% of water used in our drilling activities, maximizing its efficient and sustainable use.
- We achieved zero industrial water consumption for equipment cooling at our Jobo station.
- We recorded no oil spills in our operations.
- We reduced our freshwater consumption by 31%.
- We continued the historical trend of no water consumption in water-stressed areas.

### **Empowering our people**

- During 2024, we strengthened our focus on human rights, due diligence, and risk management, promoting a safe, fair, and inclusive work environment for all our stakeholders.

Through concrete and innovative actions, we reaffirmed our commitment to responsible and sustainable operations.

- Updated the Human Rights Policy and the Security and Human Rights Procedure, aligning them with the United Nations Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.
- Updated the Due Diligence Process to identify, evaluate, and mitigate human rights risks in our operations and value chain.
- Implemented a human rights training program for employees, contractors, communities, public forces, and private security personnel.
- Maintained a complaints and grievances mechanism for human rights, supported by structured processes ensuring timely and effective responses.
- Updated the Intercultural Relationship Protocol, reinforcing structured approaches to prior consultation and intercultural dialogue with ethnic communities, in compliance with ILO Convention 169.
- Strengthened our social investment strategy, aligning it with the Sustainable Development Goals and focusing on infrastructure, access to basic services, and community capacity building.
- No human rights violations were recorded in our operations during 2024.
- Designed and implemented a human rights risk mitigation plan, with continuous monitoring via a control panel.
- Included human rights clauses and sustainable purchasing criteria in 100% of investment agreements and contracts, ensuring ethical and legal compliance.
- Invested USD \$212,400 in training, achieving 18,489 training hours (7,848 hours for women and 10,641 for men).
- Implemented the Stop Work Authority Policy, empowering employees and contractors to halt operations in case of safety, health, or environmental risks.



- Launched the campaign “OUR LIFESAVING RULES: Know them, Apply them, Live them”, emphasizing safety as a core corporate value.
- Achieved 100% of corporate goals in occupational health and safety.
- Reported no days of disability due to work accidents or occupational diseases and no occupational disease incidents.
- Strengthened the role of thematic leaders in industrial safety, promoting updates, field diagnostics, competency checks, and campaigns aligned with the Annual Work Plan.
- Improved tracking of findings and deviations through a Power BI digital matrix, streamlining analysis and communication of contractor OHSMS evaluations.
- Celebrated over seven consecutive years without severe vehicular accidents.
- Reduced the disabling accident frequency index to 0, down from 0.33 the previous year.
- Implemented a 24/7 psychology service, available virtually and in person monthly, to support employees’ emotional and mental well-being.
- Increased women’s representation in our total workforce to 37%, exceeding the Colombian oil and gas industry average by 10%.
- 24% of senior management positions are held by women.
- Implemented 20 social projects, benefiting 5,513 community members in 16 municipalities.
- Ensured constant, transparent communication, holding 193 meetings with 3,976 participants, and responding to community Concerns, Requests, Complaints, and Claims.
- Reaffirmed our local commitment by hiring 82.7% of skilled labor and 100% of unskilled labor from local communities.
- Obtained the Equipares Gold Seal certification for excellence in gender equality at work, meeting standards from the Ministry of Labor and UNDP.
- Received the “Sustainability Facts” award from the Colombian Petroleum and Gas Association (ACP) for our initiative: “Canacol, a culture focused on respect for and the guarantee of human rights.”

**A transparent and ethical business**

We are committed to adopting best practices and strengthening our corporate governance, ensuring ethics and integrity across all our operations. Canacol maintains standards and procedures aligned with global governance best practices, ensuring regulatory compliance and minimizing risks associated with our activities.

- Trained 100% of the Board of Directors on ESG topics, including human rights, climate change, biodiversity, and risk management.
- Achieved 14% female representation on the Board of Directors.
- Strengthened the integration of strategic risks into corporate management, enhancing the monitoring of critical risks and ensuring continuous training for board members and employees.
- Issued two annual reports to the Audit Committee on cybersecurity and IT strategy updates.
- 86% of our board members are independent.
- Our Board of Directors includes four fully independent committees, such as the ESG Committee, Compensation Committee, and Governance and Nominating Committees.
- Updated and communicated our Risk and Opportunity Management Policy, reinforcing a culture of risk management across all organizational levels.
- Linked short- and long-term compensation to performance metrics and ESG-related KPIs.
- Maintained a clean record with no cases of corruption, bribery, discrimination, harassment, data privacy violations, conflicts of interest, or money laundering.
- Received IR recognition from the Colombian Stock Exchange for transparency and proactive shareholder engagement.
- Achieved 100% training coverage on the Code of Ethics and Business Conduct for employees, contractors, and suppliers.
- Trained 279 employees on updates to the SAGRILIFT manuals and the Business Transparency and Ethics Program.
- Our supply chain comprises 596 contractors and suppliers.
- 4.6% of purchases were from local suppliers in our direct area of influence, and 47% from regional suppliers in the Caribbean region and nearby municipalities.
- Prioritized sustainability performance in supplier selection and excluded non-compliant vendors.
- Supported the development of local suppliers through capacity-building programs; 96% received guidance to improve their environmental, social, safety, and ethical practices.
- Updated the Supplier Code of Conduct and Ethics, including new provisions on pollution prevention, waste management, and resource efficiency. Trained 156 suppliers for effective implementation.
- Updated compliance manuals, adding a chapter on Criminal Compliance and a conflict of interest disclosure form.
- Promoted business ethics through participation in initiatives such as the Natural Gas Alliance and NATURGAS, contributing to the sector's carbon neutrality efforts.
- Scored 78 in the economic and governance dimension of the S&P Global Corporate Sustainability Assessment, surpassing the industry average and ranking in the top 10% of energy companies worldwide.





## ESG rankings and ratings

At Canacol, we are firmly committed to sustainability and long-term value creation for all our stakeholders. Our ESG strategy, aligned with leading international frameworks, has enabled us to consolidate strong performance across all dimensions, validated by top independent ratings and benchmarks. In 2024, we achieved the best ESG performance in the sector according to ISS ESG, earning a “B” rating and Prime status for the second consecutive year. We ranked in the 98th percentile of the S&P Corporate Sustainability Assessment for the Oil & Gas Upstream & Integrated Sector, improving our score by two points, reaching a total of 75. In the Sustainalytics ESG Risk Rating, we scored 24.4, placing us in the fourth percentile among 301 companies evaluated. We received a “B” rating in both Climate Change and Water Management from the Carbon Disclosure Project, reaffirming the strength and consistency of our environmental strategy.

These results reflect the maturity of our ESG management approach and our ongoing commitment to continuous improvement. Our efforts in

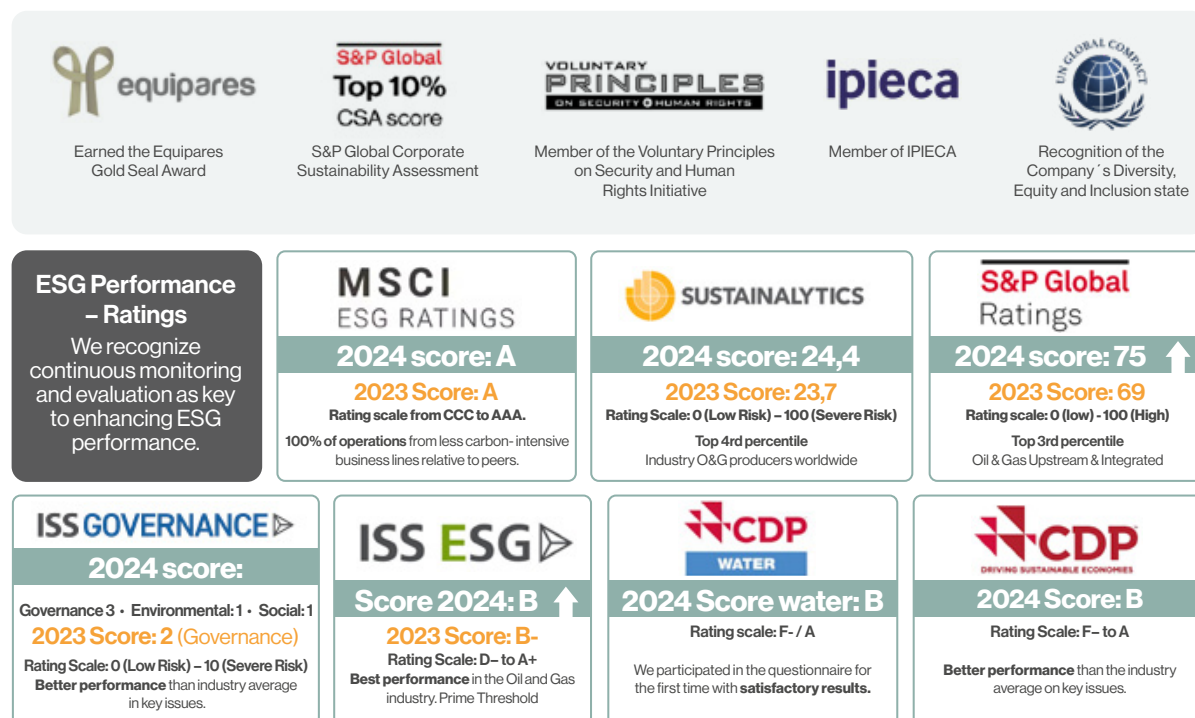
inclusion and social impact were recognized through certifications such as the Gold Seal of the Equipares Program, a milestone in our Diversity, Equity, and Inclusion strategy.

In governance, ethics, and transparency, we maintained our leadership position: Ranked first in the governance dimension of the CSA. Obtained a perfect score (100) in key indicators such as business ethics and codes of conduct. Maintained an “A” rating from MSCI, underscoring our commitment to high operational and ethical standards.

At the international level, we reaffirmed our leadership by actively participating in global sustainability and human rights initiatives, including:

- The Voluntary Principles on Security and Human Rights, promoting the integration of human rights standards into security operations in complex environments.
- IPIECA, which guides best practices for environmental and social sustainability in the energy industry, supports responsible resource management, and strengthens our contribution to local development.

## ESG Awards and Certifications 2024





## Operational performance

[EM-EP-000.A] [EM-EP-000.B] [EM-EP-000.C] [EM-EP-210a.1]  
[EM-EP-210a.2], [EM-EP-160a.3] [EM-EP-420a.1] [GRI 413-1] [GRI 413-2]

At Canacol, we have solidified our position as Colombia's leading independent natural gas producer, playing a critical role in the country's energy development through advanced technology, operational excellence, and a steadfast commitment to environmental stewardship and community engagement.

Our operations are exclusively onshore, covering 11 gas production blocks in the Lower Magdalena Basin, located across the departments of Córdoba, Sucre, Cesar, Magdalena, and Santander. We also manage two unconventional blocks in Cesar and one crude oil block in the Eastern Llanos Basin (Casanare), as reported under the SASB standard **EM-EP-000.C**. Canacol does not operate offshore (**EM-EP-000.B**).

In 2024, we focused our efforts on exploration and development, identifying over 24 high-potential gas prospects while optimizing existing infrastructure to enable the commercialization of future discoveries. As a result, we achieved a net hydrocarbon production of 29,598 barrels of oil equivalent per day (boepd), with natural gas and LNG production reaching 160,664 thousand cubic feet per day (Mcf). The decrease in production compared to 2023 was primarily due to drilling difficulties at the Natilla-2 well and the identification of non-commercial volumes at Pibe-2.

Given that LNG represented less than 1% of total output, it has been consolidated with natural gas under a single reporting category. In contrast, crude oil production rose significantly, by 150%, from 563 boepd in 2023 to 1,411 boepd in 2024, largely driven by the reactivation of the RH-12 well in late January 2024.

### Hydrocarbon production per day [EM-EP-000.A]<sup>6</sup>

Indicator	2022	2023	2024
Oil (boepd)	522	563	1,411
Natural gas and LNG (Mcf)	184,584	181,277	160,664
Oil production variation	(39%)	8%	150%
Natural gas production variation	1%	(1.8%)	(11%)

In 2024, the majority of our natural gas production was sourced from the Esperanza, VIM-5, VIM-21, and VIM-33 blocks, all located within the Lower Magdalena Basin. Additionally, we continued crude oil production from the Rancho Hermoso block<sup>6</sup>.

As part of our commitment to operational efficiency and sustainable development, we successfully drilled several strategic wells throughout the year, including Nispero-2 and Kite-1 in the Esperanza block, Pibe-1 in the VIM-21 block, and Clarinete-11 in the VIM-5 block.

### Exploration, evaluation, and development (number of wells)<sup>7</sup>

	2022	2023	2024
Exploration and advanced	7	6	11
Development	5	8	2
Total	12	14	13

<sup>6</sup> Negative values are presented in parentheses; this notation should be considered throughout this chapter.

<sup>7</sup> Annual information form year ended December 31, 2024

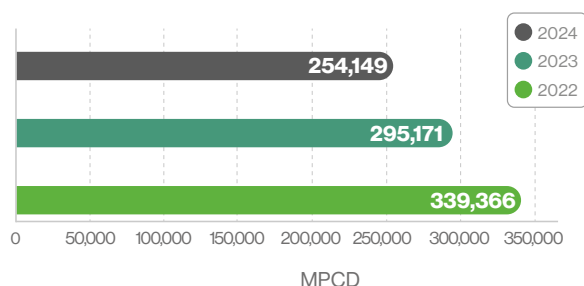
Our short-term exploration and development plan is centered on increasing production and reserves through a balanced strategy that combines exploration, property development, and strategic acquisitions. To achieve this, we continue to execute a comprehensive growth roadmap that includes drilling exploration and development wells in key operational areas, pursuing incorporation and assignment opportunities, acquiring new land positions, and engaging in property rights exchanges.

In the Lower Magdalena Basin, our focus is on optimizing current production and expanding reserves through the drilling of up to 11 exploratory wells and 3 development wells, supported by the

installation of new compression and processing infrastructure. Additionally, we plan to drill 10 new gas wells and one gas-condensate well in the Middle Magdalena Basin.

Among the most significant ongoing projects is the Natilla-2 well in the VIM Basin and the Pola exploration project in the Middle Magdalena Valley Basin. These initiatives reflect our commitment to operational excellence and bolster our ability to respond to the evolving energy market landscape. We also recorded increases in certain reserve categories, driven by new gas discoveries and favorable technical re-evaluations of currently producing fields.

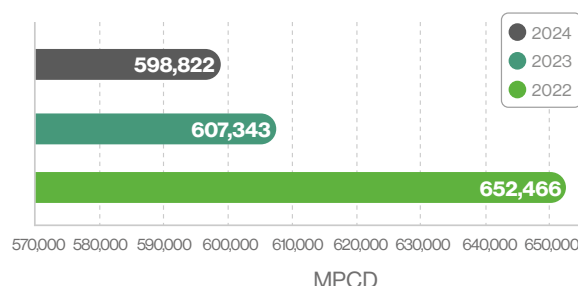
### Proven Reserves (1P)



In 2024, our reserves demonstrated notable growth, with the Net Present Value (NPV-10) after taxes increasing by 13%, from USD \$1.8 billion in 2023 to USD \$2 billion. This performance reflects Canacol's technical expertise and economic resilience. We also achieved robust reserve life indices of 4.3 years for 1P reserves, 10.2 years for 2P reserves, and 19 years for 3P reserves, underscoring the strength of our asset base and reinforcing our medium- and long-term business projections. These results contribute to greater confidence among investors and stakeholders.

At Canacol, we are deeply committed to environmental management and biodiversity conservation. Our operations are not conducted in protected areas or in zones identified by environmental authorities as critical for conservation [EM-EP-160a.3]. We proactively implement measures to protect

### Proven plus Probable net reserves (2P)



local ecosystems, recognizing the strategic value of ecosystem services in sustainable development and community well-being. Additionally, none of the municipalities where we operate have been prioritized under the Territorially Focused Development Programs (PDET) [EM-EP-210a.1], thereby reducing exposure to areas with heightened social vulnerability. Our reserves are not located in countries ranked among the 20 lowest in the Corruption Perceptions Index, according to Transparency International.<sup>8</sup> [EM-EP-510a.1], reinforcing our operations in jurisdictions with stable regulatory and institutional frameworks.

Approximately 60% of our operations take place in indigenous territories, with no projected increase in the near future [EM-EP-210a.2]. In these areas, we apply a participatory approach, delivering high-standard social programs that align with national and

<sup>8</sup> For more information, see the [Transparency International Colombia page](#).

international regulations. Our engagement with local communities, especially ethnic groups, is guided by the principles of Participation, Sustainability, and Respect for Cultural Differences.

We operate under a comprehensive Social Welfare Policy<sup>9</sup> that establishes guidelines, plans, and procedures to strengthen local institutions, promote cultural development, and improve the quality of life of rural and ethnic communities in our areas of influence. [GRI 413-1] [GRI 413-2]. During 2024, no negative impacts were recorded on the inhabitants of these areas, reaffirming our commitment to preventive and responsible social management. In

line with the principles of sustainable development, we prioritize the timely identification and management of our impacts, always seeking to generate shared value for local communities. Additionally, we updated our Intercultural Engagement Protocol<sup>10</sup> and published our Involuntary Resettlement Policy<sup>11</sup>.

As part of this approach, we conducted the first TNFD pilot exercise at five operational sites. This exercise enabled us to identify our dependencies on, and impacts to, nature, along with related risks and opportunities, thereby advancing the integration of biodiversity considerations into our strategic decision-making processes.

## Financial results

[GRI 201-1] [GRI 203-1] [GRI 203-2] [GOV-4]

Since 2012, Canacol has transformed its operating model, shifting from an oil-focused strategy to a specialization in natural gas. This transition has been instrumental in multiplying our sales revenues by more than tenfold, driven by consistent reserve growth and a robust, reliable commercial infrastructure. As a cleaner energy source, natural gas has played a critical role in displacing more polluting fuels such as coal and diesel, significantly contributing to Colombia's emission reduction commitments under the Paris Agreement.

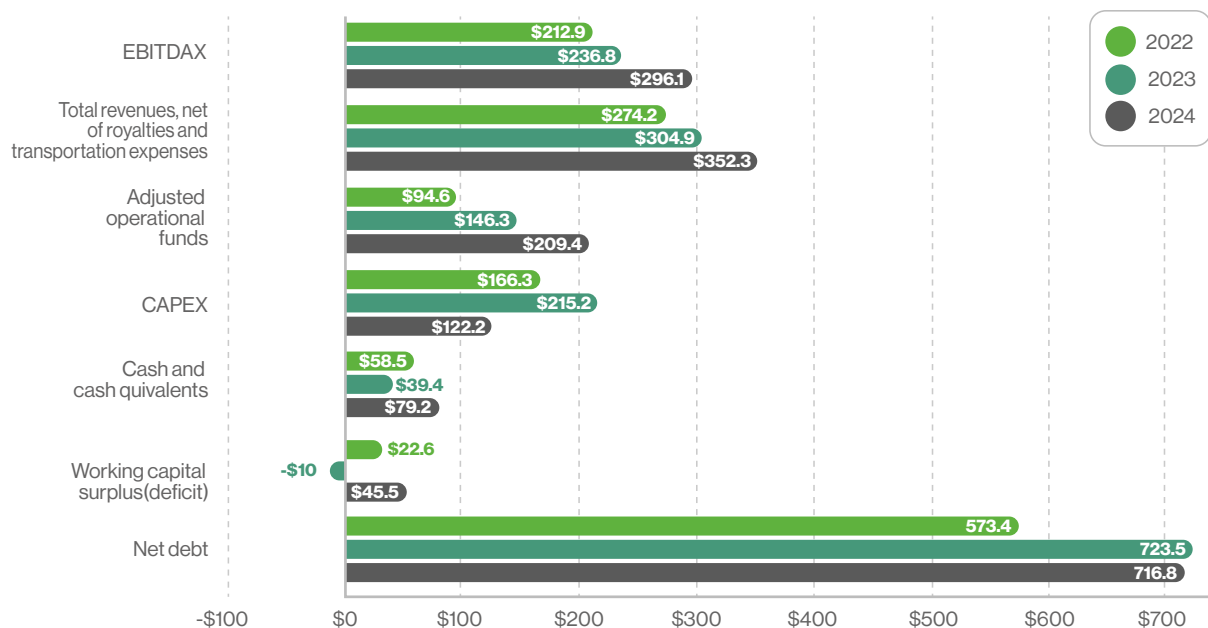
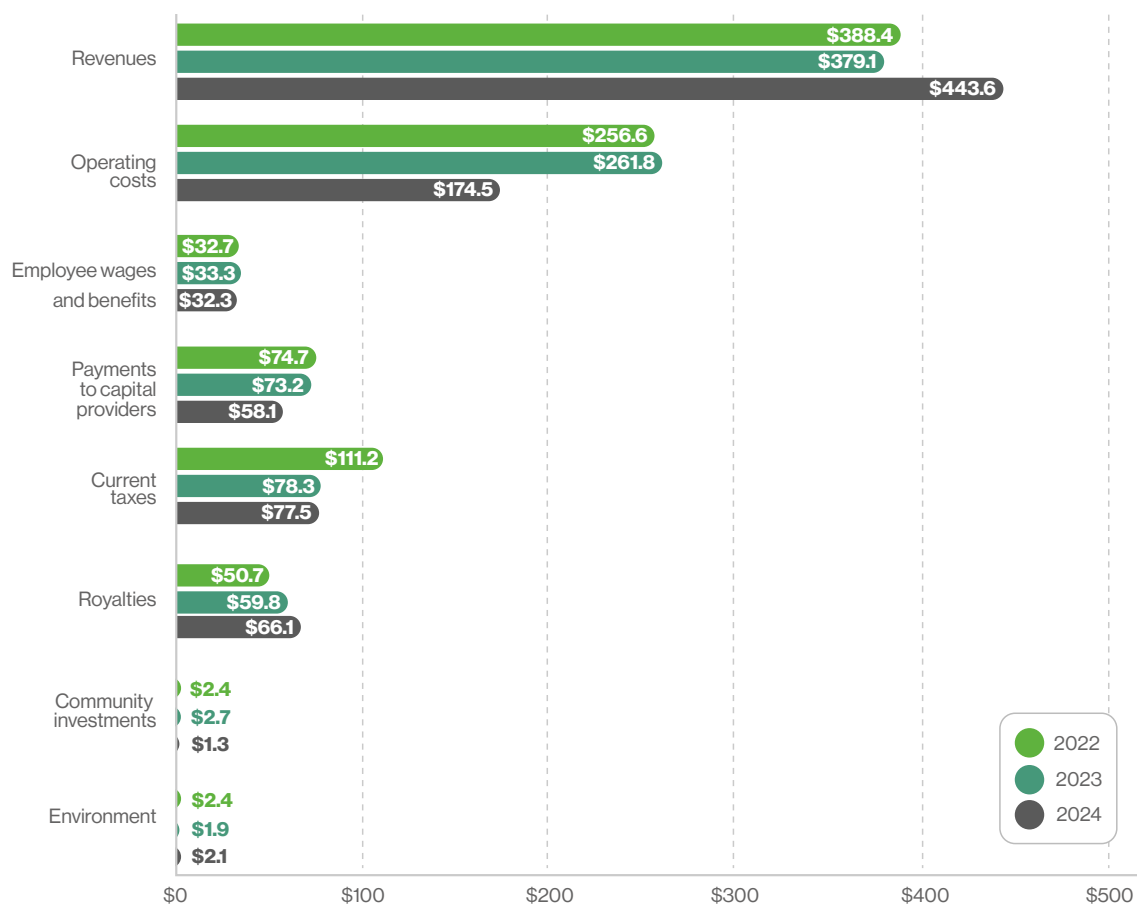
To maintain our competitiveness and resilience, we prioritize production stability, cash flow predictability, and sustained reserve development. Our strategy is underpinned by fixed-price, dollar-denominated contracts and strategic infrastructure that reduces exposure to international market volatility. In 2025, we will continue to execute this strategy through the drilling of up to 11 exploratory wells and 3 development wells, alongside the enhancement of our operational infrastructure, reinforcing our path toward sustainable growth and stronger EBITDAX generation.



<sup>9</sup> For more information, see the [Social Welfare Policy](#)

<sup>10</sup> For more information, see the [Intercultural Relations Protocol](#)

<sup>11</sup> For more information, see the [Involuntary Resettlement Policy](#)

**Financial results** (millions of dollars)**Direct economic value generated and distributed** (millions of dollars)<sup>12</sup> [GRI 201-1]

<sup>12</sup> The income presented in the graph includes: net sales, income from financial investments, and asset sales. Net sales are calculated as total gross sales minus returns, discounts, and allowances. Financial income includes returns such as interest, dividends, royalties, and rentals. Asset sales income includes both physical assets (properties, infrastructure, and equipment) and intangible assets (intellectual property, brands, and designs). Payments to capital providers include dividends distributed to shareholders and interest paid to loan providers. These interests cover all forms of debt and borrowings, not just long-term ones, and also include accumulated dividends owed to preferred shareholders.



In 2024, we reinforced our position as Colombia's leading independent natural gas producer. Revenues grew by 16%, rising from USD \$304.9 million in 2023 to USD \$352.3 million. This

increase was primarily driven by a higher average sales price, net of transportation costs, which helped offset the decline in sales volumes recorded during the year.

### **Behavior of Reference Prices 2023-2024**

	2023	2024	Variation
<b>Average Reference Prices</b>			
Natural Gas (Henry Hub) (US\$/MMBTU)	\$2.53	\$2.6	3%
Crude (Brent) (US\$/bbl)	\$81.03	\$78.42	(3%)
<b>Average Reference Prices</b>			
Natural gas and LNG (\$/Mcf)	\$5.41	\$6.99	29%
Colombian Oil (\$/bbl)	\$45.53	\$28.97	(36%)

Net oil revenues in Colombia, after transportation costs, increased by 62% in 2024. This growth was primarily driven by higher production volumes following the reactivation of the RH-12 well, despite a decline in the average sales price.

During the year, we achieved a record EBITDAX of USD \$296.1 million, representing a 25% increase compared to the previous year. Operating cash flow reached USD \$209.4 million, reflecting a 43% increase, mainly driven by EBITDAX growth.

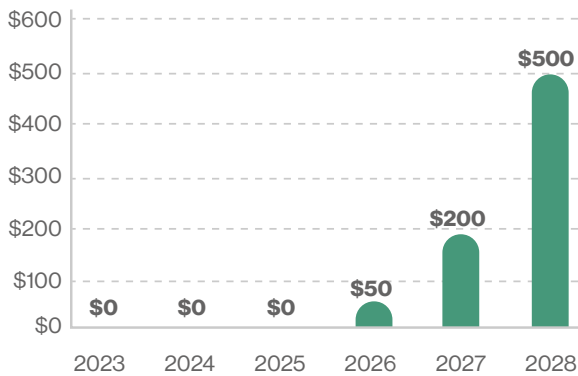
The natural gas and LNG netback rose by 32%, reaching USD \$5.41 per Mcf, up from USD \$4.11 the previous year. This improvement was primarily due to a higher average net sales price, partially offset by increased royalties.

These solid results supported the execution of our growth and investment strategy. In 2024, we allocated USD \$122.2 million to capital investments—a 43% reduction compared to the previous year—mainly due to lower expenditures on land acquisition, seismic studies, workovers, and drilling.

At the end of 2024, net debt—which includes financial debt, working capital deficit, and lease obligations—stood at USD \$716.78 million. This amount includes USD \$45.52 million in working capital deficit and USD \$13.43 million associated with leases. The debt maturity profile is concentrated in 2027 and 2028, and the EBITDAX/net debt ratio closed at 2.31 times.



### Debt profile - Main Maturities (millions of dollars)



In 2024, we remained focused on strengthening our capital position and maintaining the robustness of our balance sheet, with the objective of ensuring the flexibility needed for future growth and preserving investor confidence.

Our strategic objectives for 2025 include:

- Maintain and increase gas production in the VIM Basin through the drilling of both development and exploration wells, while optimizing existing infrastructure for greater efficiency.

- Drill strategic wells such as Ramsay-1, Zamia, Borbón, and Monstera, capitalizing on their proximity to installed infrastructure to enable cost-effective production.
- Advance exploration in the VMM Basin, prioritizing the Valiente-1 project and assessing deeper prospects such as Pola to diversify and strengthen our asset base.
- Initiate preparations for the environmental permit application under the field redevelopment contract (Tita) in Bolivia, with the goal of commencing operations in 2026 and expanding our geographic footprint.

The financial information presented in this report applies to Canacol Energy Ltd. and all its subsidiaries. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Management has implemented and maintains a system of internal controls designed to provide reasonable assurance regarding the safeguarding of assets and the reliability and accuracy of financial information.



## Legal matters, compliance, and debt profile

[GRI 2-25] [GRI 2-26] [GRI 207-1] [GRI 207-2] [GRI 207-3] [GRI 207-4] [GRI 415-1] [GOV-4]

Guided by the highest standards of corporate governance, we are committed to upholding transparency, ethics, and integrity across all operations. Our fiscal strategy, strict regulatory compliance, and prudent debt management form the foundation of Canacol's long-term sustainability and financial resilience.

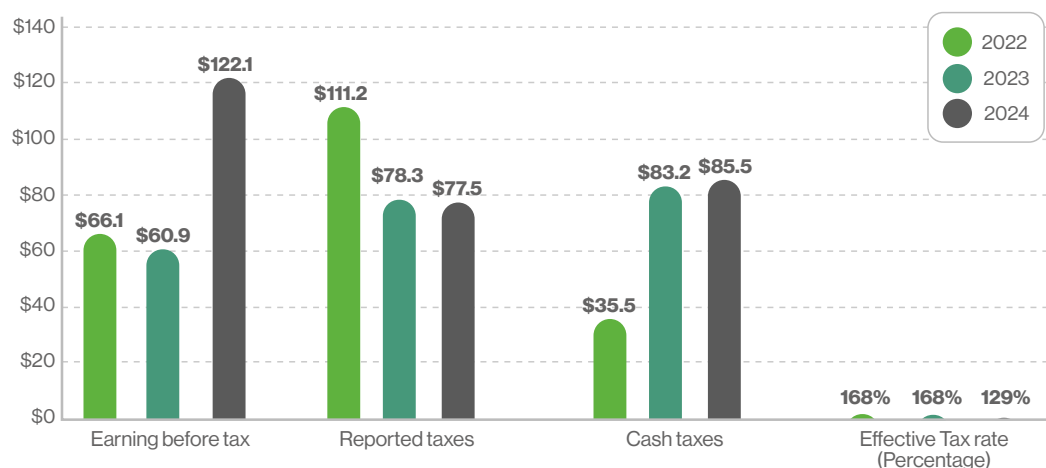
Our Fiscal Strategy<sup>13</sup> is a key priority for both Senior Management and the Board of Directors. It ensures that all operations are conducted in strict

compliance with tax regulations in the jurisdictions where we operate, while promoting a responsible and sustainable fiscal approach. The strategy is built on five core principles: (i) adherence to local laws and OECD guidelines, (ii) tax transparency, (iii) constructive relationships with tax authorities, (iv) risk minimization, and (v) fiscal responsibility [GRI 207-1]. We proactively manage our risk profile through regular evaluations and both internal and external audits [GRI 207-2].

### Taxes as of December 31, 2024 (millions of dollars)

	Canada / Other	Switzerland	Colombia
Income from sales to third parties	—	—	442
Income from transactions between groups from other tax jurisdictions	\$10.4	\$92.5	—
Profit/loss before tax	-\$68.3	\$30	\$140.1
Tangible assets other than cash and cash equivalents	\$2.1	—	\$1,077.2
Income tax paid in cash	\$7.5	\$7.0	\$71
Corporate tax accrued in the profit and loss account	\$8.6	\$57.9	\$11
Total remuneration of employees	\$8.7	\$11	\$ 57.9
Taxes collected from customers on behalf of a tax authority	—	—	\$1.8
Industry-related and other taxes or payments to governments	—	—	\$2.0

### Effective tax rate (millions of dollars)



We communicate our tax practices and responsibilities transparently to external stakeholders, including investors, regulatory authorities, and oversight bodies, in order to strengthen trust and market credibility. We ensure the disclosure of accurate and

complete information regarding our transactions, in alignment with international best practices. As part of our policy, we explicitly prohibit the use of artificial corporate structures intended to conceal activities or evade responsibilities.

<sup>13</sup> For more information, see [Canacol's Approach to Tax](#).



Our fiscal strategy is regularly reviewed by the Executive Committee and the Board of Directors. Senior Management evaluates all tax positions prior to approval, while the Audit Committee monitors fiscal performance on a quarterly basis. This oversight is further reinforced through an annual evaluation conducted by the CEO and the Board of Directors [GRI 207-3].

We also maintain continuous dialogue with external stakeholders on our tax compliance and fiscal approach, reflecting our commitment to accountability and transparency [GRI 207-4]. This ongoing engagement reinforces our corporate governance model and upholds ethical conduct throughout the organization.

### **Ethics and Compliance**

At Canacol, we uphold our commitment to the highest standards of transparency and corporate governance. Through our Business Transparency and Ethics Program<sup>14</sup>, as well as our Anti-Corruption Policy<sup>15</sup>, we foster an honest and transparent business environment grounded in accountability, fairness, and strict compliance with applicable laws and regulations. These principles not only guide our day-to-day operations but also strengthen the trust of investors, partners, and other stakeholders, reaffirming our dedication to sustainability and ethical leadership.

To support this commitment, we have implemented an Ethics Line, enabling both internal and external stakeholders to confidentially report potential incidents of corruption or bribery [GRI 415-1].

Additionally, we are committed to protecting human rights across all our operations and stakeholder relationships. Our objective is to establish clear principles that guide the Company in respecting fundamental rights, in alignment with international declarations<sup>16</sup>, such as the UN International Covenants and ILO guidelines. This commitment

ensures the protection of rights including equality without discrimination based on race, gender, or religion; the right to life and security; health; a safe work environment; the elimination of forced and child labor; and the protection of vulnerable groups, including women, children, and ethnic communities.

We also uphold key commitments such as combatting human trafficking, promoting freedom of association and collective bargaining, and ensuring fair remuneration.

Our Anti-Corruption Policy incorporates both basic and enhanced due diligence to identify and assess corruption risks within the Company and among its partners. In line with our Human Rights Policy, we have established effective mechanisms for addressing requests, complaints, and concerns, as well as independent reporting channels [GRI 2-25] [GRI 2-26].



<sup>14</sup> For more information, see the [Transparency and Business Ethics Program](#)

<sup>15</sup> For more information, see the [Anti-Corruption Policy](#)

<sup>16</sup> For more information, see the [Human Rights Policy](#)



# Corporate Model

**At Canacol, human capital is the foundation of our corporate strategy, as our employees drive innovation, productivity, and operational success. Their talent and experience are key to achieving our strategic and sustainability objectives. Recognizing their value, we are committed to providing the necessary tools for their professional growth, enhancing our competitiveness and resilience in a dynamic market.**

Our Board of Directors plays a vital role in shaping Canacol's strategic vision. Beyond corporate oversight, the Board ensures that the Company's values are deeply integrated at all organizational levels. In close collaboration with the Executive Team, it fosters a culture of transparent governance, focused on sustainability and long-term value creation.

Through the commitment and synergy of our Board, Executive Team, and employees, Canacol continues to strengthen its position as a solid and sustainable organization. Our ability to optimize processes, drive innovation, and adopt responsible practices enables us to generate a positive impact across economic, social, environmental, and governance (ESG) areas, positioning us as a leader in the energy sector.



## Board of Directors

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GOV -1]

### Charle Gamba



2008

**President and CEO**  
*Director*

#### Previous experience:

- Over 30 years of international experience in the oil and gas industry.
- Held strategic positions at Imperial Oil, Canadian Occidental Oil and Gas, and Alberta Energy Company, among others.
- Experience as a member of the Board of Directors of several publicly listed and private oil and gas companies, where he held positions on the ESG, audit, reserves, health and safety, and compensation committees.

#### Studies:

- B.Sc., M.Sc., and PhD in Geology.

#### Other public boards:

- Horizon Petroleum Ltd.

### Michael Hibberd



2008

**Chairman of the Board of Directors**  
*Independent Director*

#### Previous experience:

- Over 40 years in the Oil & Gas sector in senior management positions.
- Former Chairman of Heritage Oil Plc, Heritage Oil Corporation, and Greenfields Petroleum Corporation; and former director of Montana Exploration Corp., Avalite Inc, Can Asia Energy Corp., Challenger Energy Corp., Deer Creek Energy, Iteration Energy Ltd., Pan Orient Energy Corp.
- Expert in risk management, corporate governance, and strategic planning.

#### Studies:

- BA and MBA (University of Toronto), and LLB (Western University).

#### Other public boards:

- PetroFrontier Corp.
- Sunshine Oilsands Ltd
- D2 Lithium Corp.

### Valentina Garbarini



2023

*Independent Director*

#### Previous experience:

- Over 10 years leading finance and legal affairs at the Cisneros Blavia Family Office.
- Board member of the Universidad Iberoamericana in Bogotá.
- Ambassador for the Sino PLPE Federation in Macao, the Unidos en Red Foundation, and GEN Global.

#### Studies:

- Graduated with honors in Business Management, Marketing, and International Studies from Bentley University
- M.Sc

### David Winter



2009

*Independent Director*

#### Previous experience:

- Over 38 years of international experience in technical, management, and leadership roles in Latin America, the Middle East, Southeast Asia, and the UK North Sea.
- Founder and CEO of Excelsior Energy Limited.
- Worked at BP, Sun Oil, Nexen, Calvalley Petroleum, among others.

#### Studies:

- B.Sc. in Geology (with honors) from the University of London.
- M.Sc. in Structural Geology from Imperial College, University of London, and a PhD in Structural Geology from Edinburgh University.

#### Other public boards:

- Horizon Petroleum Ltd.
- Nevada Lithium Resources Inc.

#### Committees



Audit Committee



Compensation Committee



Corporate Governance and Nominating Committee



Reserves Committee



ESG Committee

## Board of Directors

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-12] [GOV -1]

### Francisco Diaz



2015

*Independent Director*

#### Previous experience:

- Over 30 years as an International Executive and CEO.
- Former president of Organización Corona SA and leader at Monsanto Company.
- Expert in ESG, risk management, and investor relations.

#### Studies:

- Chemical Engineer (Northeastern University), postgraduate degrees from Northwestern University and Hult International Business School.

### Gustavo Gattas



2021

*Independent Director*

#### Previous experience:

- Over 20 years in banking for oil & gas and power companies.
- Was an energy and electricity analyst for several years and led the Latin America division of the IDB.
- Former member of the Board of Directors of Petrobras and BR Distribuidora.
- Expert in capital markets, financing, and corporate governance.

#### Studies:

- B.A. in Economics (PUC of Rio de Janeiro).

#### Other public boards:

- Prio S.A.
- Serena Energía S.A.
- Sabesp S.A.

### Silvestre Tovar Leopardi



2024

*Independent Director*

#### Previous experience:

- Over 33 years in the banking, telecommunications, and automobile industries.
- Specialist in international mergers and acquisitions, banking regulation, and capital markets.
- Mr. Tovar Leopardi is currently Managing Partner at Escritorio Tovar – Lange S.C.P. and Executive Director of Iveco Group Venezuela, C.A. and Inversiones Popolis, C.A.
- He is a board member of Corporación Digitel C.A. and DP Delta Finance B.V. (Netherlands).

#### Studies:

- Doctor of Law, Specialist in Administrative Law (Universidad Católica Andrés Bello).

#### Other public boards:

- Corporación Digitel C.A.
- DP Delta Finance B.V. (Netherlands).

#### Committees



Audit Committee

Compensation Committee

Corporate Governance and Nominating Committee

Reserves Committee

ESG Committee

Canacol's corporate governance is led by a Board of Directors with extensive international experience and a strong local track record. Its multidisciplinary approach enables us to drive a sustainable growth strategy rooted in innovation, operational efficiency, and a commitment to the highest ESG standards. Our dedication to creating value for investors, developing human talent, and ensuring transparency in decision-making, positioning us as a key player in the energy transition and the evolution of the oil & gas sector.

## Executive Team

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GOV -1]

### Jason Bednar

*Chief Financial Officer  
(CFO)*

#### Previous experience:

- Mr. Bednar is a Chartered Professional Accountant with over 25 years of experience in financial and regulatory management in the oil and gas sector, with experience in companies listed on the TSX, TSX Venture Exchange, American Stock Exchange, and the Australian Stock Exchange.
- Founder and Chairman of Canacol's Audit Committee in 2008, Mr. Bednar assumed the role of CFO in 2015, after resigning from his position as director.
- He has been CFO at various international oil and gas exploration and production companies, notably as the founder of Pan Orient Energy Corp.

#### Studies:

- Bachelor of Commerce (University of Saskatchewan).
- Chartered Professional Accountant (CPA).

### Ravi Sharma

*Chief Operating Officer  
(COO)*

#### Previous experience:

- With 30 years of experience in the oil and gas industry, he has worked in the Americas, the Middle East, Russia, Australia, and Africa.
- He has held senior positions in global exploration and production companies, including his role as Production and Operations Leader at Afren Plc., Global Petroleum Engineering Manager at BHP Billiton, and Chief Worldwide Reservoir Engineer at Occidental oil & gas Company.

#### Studies:

- B.Sc. in Mechanical Engineering and M.Sc. in Mechanical Engineering (University of Alberta).

### William Satterfield

*Senior Vice President  
of Exploration*

#### Previous experience:

- Former Vice President of New Business and Geosciences at Sanchez oil and gas Corporation.
- His 22-year career at Occidental Petroleum allowed him to gain experience in the Americas, the Middle East, Africa, and Southeast Asia, standing out as Exploration Manager in Bogotá, Colombia.

#### Studies:

- B.Sc. in Geology and M.Sc. in Geology (University of Texas at Austin).

### Anthony Zaidi

*Vice President of  
Business Development  
& General Counsel*

#### Previous experience:

- Lawyer and entrepreneur with notable experience in corporate finance, as well as in the mining and energy sector in Colombia.
- Former President and General Secretary of Carrao Energy Ltd., a company he co-founded and co-managed until its acquisition by Canacol in 2011.
- He has been an executive in several private and public companies and a lawyer at Blake, Cassels & Graydon LLP.
- Currently, he is a member of the Board of Directors of Arrow Exploration Corp.

#### Studies:

- Bachelor of Commerce (Finance) (McGill University).
- Doctor of Jurisprudence (University of Toronto).



## Executive Team

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GOV -1]

### Tracy Whitmore

*Vice President of Tax and Corporate Affairs*

#### Previous experience:

- Over 25 years of experience in finance, mergers and acquisitions, international tax planning, consulting, corporate governance, and ESG.
- Worked at Hemisphere GPS and PricewaterhouseCoopers LLP, where she led the International Tax Services Group, supporting clients in the energy industry with cross-border reorganizations and international acquisitions.

#### Studies:

- Bachelor of Business Administration (graduated with honors), Ivey Business School (Western University).
- Chartered Professional Accountant (CPA).

### Carolina Orozco

*Vice President of Investor Relations and Communications*

#### Previous experience:

- Over 20 years of experience in investor relations and banking.
- Worked at Citibank, managing corporate banking for the infrastructure and pharmaceutical sectors, and as a financial and investment advisor in wealth management.

#### Studies:

- Bachelor of Science in Applied Finance (Macquarie University).

### Aurora Juan

*Vice President of Development*

#### Previous experience:

- Over 20 years of experience in the energy industry, having worked in Canada, Colombia, Ecuador, and France.
- Led reservoir engineering teams at companies such as Vermilion Energy, Acclaim Energy, EnCana, and PanCanadian Petroleum.

#### Studies:

- B.Sc. in Chemical Engineering (University of Calgary).



## Corporate Philosophy and Performance

At Canacol, we recognize that sustainability is key to generating long-term value for all our stakeholders. Every day, we move forward with determination toward a cleaner energy future, integrating environmental, social, and governance

(ESG) principles into all our actions. Our strategy aligns with our corporate values and objectives, which guide our operations and strengthen our organizational culture:



### Honesty:

We act with integrity, transparency, and accountability in every decision we make.



### Collaboration:

We foster teamwork, embracing diversity, empathy, and mutual respect to achieve common goals.



### Commitment:

We take on organizational challenges responsibly, ensuring environmental protection, community well-being, and business sustainability.

## Business Strategy, Business Model, and Connection with the Sustainability Strategy

Canacol plays a fundamental role in Colombia's energy transition, leading the supply of natural gas as a cleaner alternative to support the decarbonization of the country's energy matrix. As the economy shifts toward more sustainable energy sources, natural gas serves as a crucial transitional fuel, enabling emission reductions and improving energy efficiency.

We are the leading independent gas exploration and production Company in Colombia, supplying approximately 16% of the national gas demand and over 50% of the demand in the Caribbean coastal region.

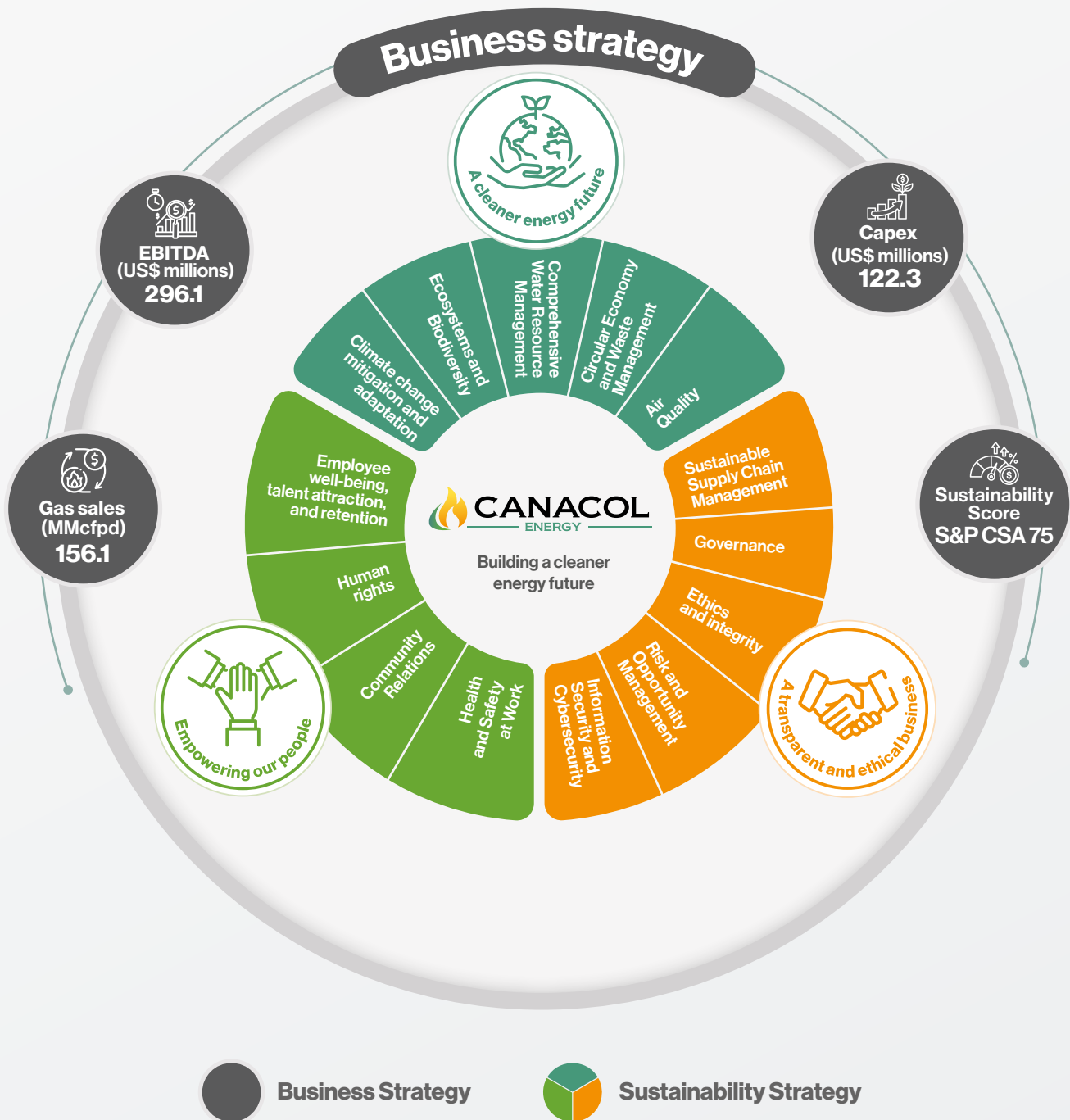
Guided by our latest double materiality analysis, we uphold an ESG strategy designed to ensure responsible, profitable, and sustainable long-term operations. The implementation of this strategy is based on:

- **Exploration and development** of opportunities in high-potential regions to increase our natural gas reserves.

- **Process optimization** to achieve cost-efficient production and improve asset management.
- **Diversification and expansion** of the asset portfolio to consolidate our presence in strategic markets.
- **Technological innovation, integrating advanced solutions** to improve efficiency and reduce environmental footprint.
- **Good relationships** with our local communities and other stakeholders.
- **Value creation for shareholders and stakeholders**, promoting sustainable growth; and
- **Effective integration of sustainability** as the driving force of our Company, ensuring socially and environmentally responsible operations, managed in a timely, conscious, and transparent manner.

Our commitment is clear: "building a cleaner energy future" through efficient, responsible, and sustainable operations that align with the needs of the environment and our stakeholders.

## Corporate Strategy and Integration with the Sustainability Strategy



## Operations Overview

Canacol's value chain is structured into three key areas: upstream (exploration and production), direct operations (processing and storage), and downstream (transportation and commercialization). To optimize our operations, we efficiently manage various types of capital: natural, human, industrial, financial, social, and relational, as well as intellectual capital. These resources drive the six core business activities: exploration, development, processing and production (NG and LNG), processing and storage (LNG), transportation (NG and LNG), and commercialization.

Our gas fields, located in the Ciénaga de Oro and Porquero reservoirs, are connected to our central processing plant in Jobo through more than 169 km of pipelines. We produce high-purity methane (99%), minimizing the treatment process to achieve a more efficient and sustainable operation. This model

enables us to reduce operating costs and maintain a low carbon footprint by using clean combustion gas instead of diesel or coal. Additionally, 99% of the produced gas is utilized without flaring, reinforcing our commitment to emission reduction.

As part of our diversification and sustainable growth strategy, we contributed to the development of a 200 MW electric power generation plant operated by Celsia, which began operations in September 2022. Additionally, in 2023, we expanded our international presence by signing three Exploration and Production (E&P) contracts in Bolivia in partnership with Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), further strengthening our expansion strategy in Latin America.

Leveraging opportunities in an expanding gas market in the Sub-Andean Basin in Bolivia:



**Second largest gas exporter in South America:**  
65% of gas production is destined for export to Brazil and Argentina.



**Available export capacity:**  
Existing pipelines have approximately 35% unused capacity.



**High export prices:**  
Gas export price range between US\$10-15/mmscfd.



**Redevelopment of mature fields:**  
Low risk with significant gas exploration potential.







## Comprehensive Risk Management

At Canacol, we understand that comprehensive risk management is crucial for environmental protection, operational safety, and long-term value creation. To ensure business continuity and a proactive response to potential contingencies, we conduct annual reviews of our risk management plans.

Canacol's risk management framework is overseen by the executive team, which is responsible for reviewing policies and processes to identify, assess, and manage the Company's risk profile. The Board of Directors, through its Audit and ESG Committees, provides oversight to ensure effective risk management. These committees play a significant role in guiding risk management strategies and ensuring the integration of risk criteria in the development of new products or services.

In 2024, we updated our Risk and Opportunity Management Policy, incorporating three strategic action lines:

- **First line:** Vice presidencies, management teams, and area managers are responsible for identifying and managing risks in their respective processes.
- **Second line:** Managed by the ESG Management and Quality and Risk Coordination, which supervises risk management, ensures compliance with standards, defines controls, and keeps senior management informed.
- **Third line:** Internal audit, which independently evaluates the effectiveness of the risk management system.



Scan me

For more information on our risk and opportunity management policy, please consult the following

**Policy of Management of Risks**

In 2024, the principal strategic risks were identified and updated as shown below:

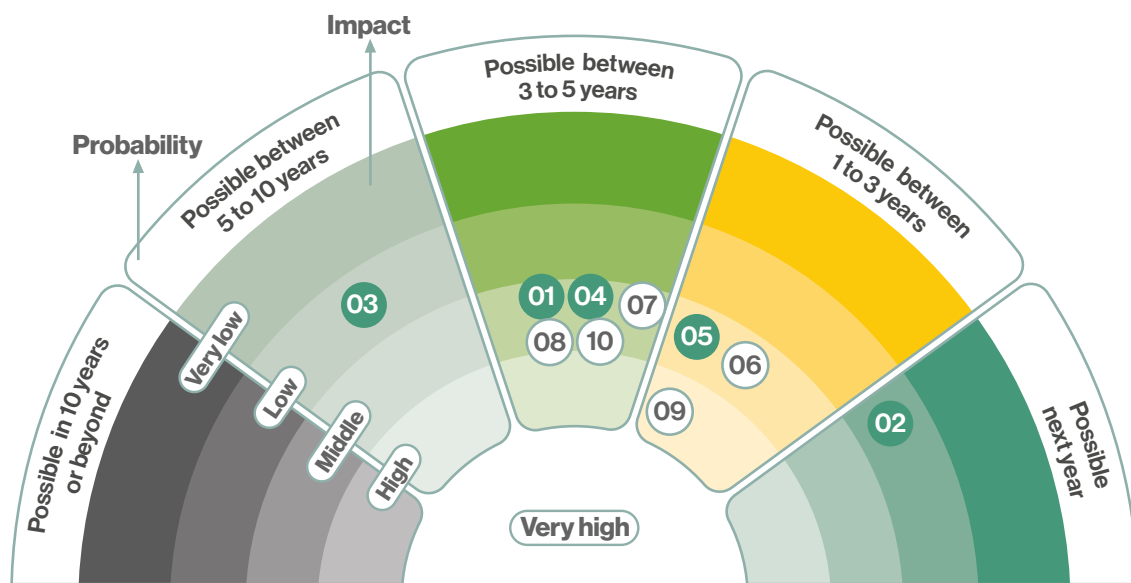
## Corporate Risk Map

### Strategic risks

- 01 Reserve replacement rate <100%
- 02 Competition from imported gas in Cartagena
- 03 Increase in the supply of alternative energies with an impact on gas sales
- 04 Ability to adapt to environmental issues due to changes in project planning, delays in obtaining approval of applications, licenses and management plans with government entities
- 05 Availability of financial resources for the fulfillment of the Commitments/obligations with the ANH and/or additional exploratory activities

### Emerging risks

- 06 Social discontent
- 07 Unexpected extreme weather events
- 08 Materialization of critical vulnerabilities
- 09 Shortage of goods and services in operations
- 10 Government discouragement of hydrocarbon production



Presentation of the assessment (impact X likelihood of occurrence) for residual risk (analysis after applying controls or mitigation measures).

- I. Strategic: associated with the Company's strategic planning and its relationship with the environment;
- II. Emerging: new or unexpected risks that may have a long-term impact on the Company and its operations.

In summary, Canacol stands out as a solid and sustainable organization, positioning itself as a leader in Colombia's energy transition. Through strong corporate governance and a strategy focused on operational efficiency, technological

innovation, and adherence to ESG standards, we generate value for our investors while contributing to the country's economic, social, and environmental development, always committed to a cleaner energy future.







# 10

A cleaner  
energy  
future



3 GOOD HEALTH  
AND WELL-BEING7 AFFORDABLE AND  
CLEAN ENERGY9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE13 CLIMATE  
ACTION15 LIFE  
ON LAND

## A cleaner energy future

At Canacol, the protection and preservation of the natural environment are integral to both our Environmental Management System and corporate strategy. We recognize the dependencies and externalities linked to our operations, and as such, we adopt a comprehensive approach aimed at minimizing our environmental impact and risk profile. This approach focuses on efficient resource use, waste management, responsible water stewardship from source to discharge, continuous air quality monitoring, the conservation and restoration of ecosystems in our operational areas, and the implementation of climate change mitigation and adaptation measures.

Through high operational efficiency and concrete environmental actions, we actively contribute to a circular economy model and support energy transition in Colombia.

As a leading natural gas exploration and production company, we reaffirm our commitment to a cleaner energy future, in alignment with Colombia's

national energy transition roadmap, which projects an annual increase in natural gas consumption of 3% to 6% through 2030 and 30% by 2050. Our strategy is centered on decarbonization, technological innovation, and the adoption of responsible energy solutions, positioning natural gas as a key enabler of the country's long-term sustainability.





## Definition of material issues from the environmental dimension



### Climate change mitigation and adaptation

Implement actions to reduce greenhouse gas emissions through the design and implementation of energy efficiency and decarbonization strategies. This includes technological conversion and portfolio diversification, alongside innovation, development, and the use of alternative energies, both renewable and non-conventional. In doing so, we actively participate in the just transition to a low-carbon economy.

Furthermore, we aim to identify and efficiently manage climate-related risks and opportunities, working to reduce vulnerabilities and strengthen corporate resilience in the face of evolving environmental challenges.



### Air quality

Implement measures to monitor, evaluate, and control atmospheric pollutants, ensuring compliance with standards that protect human health and the environment. Additionally, we focus on developing strategies that promote the use of clean fuels and the conversion to efficient combustion technologies.



### Ecosystems and biodiversity

Manage the Company's impact on ecosystems and biodiversity in regions of operation and strategic interest by establishing policies, analyzing externalities, implementing mitigation measures, and taking conservation and restoration actions. We collaborate with local communities, governments, and other stakeholders to ensure comprehensive management. Additionally, we identify and efficiently manage dependencies, risks, and opportunities related to biodiversity and ecosystem services, reducing vulnerabilities and strengthening corporate resilience.



### Comprehensive water resource management

Promote comprehensive water resource management through the design and implementation of policies, strategies, and practices that ensure sustainable water use by protecting aquatic ecosystems from pollution while maintaining water quality. We guarantee equitable access to drinking water for communities within our sphere of influence and encourage the efficient use of this resource. Additionally, we identify dependencies on water as well as related risks and opportunities, reducing vulnerabilities and strengthening corporate resilience.



### Circular economy and waste management

Develop and implement circular economic strategies, enabling efficient material and resource management throughout their lifecycle. These strategies promote the reduction and generation of operational waste, which is managed in line with the Colombian Zero Waste program guidelines.

## Summary main management material issues environmental dimension

### Material issue

### Management Approach

### Progress

[GRI 3-3]

[GRI 3-3]



#### Climate change mitigation and adaptation

- › Reduce GHG emissions, including methane emissions.
- › Strengthen resilience and adaptive capacity to climate change through impact, risk, and opportunity management.
- › Promote investment in low-carbon energy to accelerate decarbonization.
- › Manage climate change with a life cycle approach, extending the strategy to the value chain.
- › 4.5% reduction in GHG emissions in our operations compared to 2023.
- › Reduction of 9,602.2 MWh in our total energy consumption. Our electricity consumption decreased by 7.4% compared to 2023.
- › Scope 3 emissions were reduced by 8% compared to 2023.
- › Initiated the Methane Zero Project for GHG emissions reduction. In 2024, methane emissions were reduced by 12.1% compared to 2023.
- › Strengthened Canacol's climate change strategy by adopting a value chain approach.
- › Third-party independent verification of GHG emissions quantification for scopes 1, 2, and 3.
- › Investment of \$507,500 USD in climate change actions.
- › Development of the Climate Change and Energy Efficiency Policy.



#### Air quality

- › Third-party monitoring and verification of emissions and air quality in operations.
- › Compliance with environmental targets and established limits for emissions and air quality levels.
- › 100% compliance with emission and air quality limits for NOx, SOx, particulate matter (PM<sub>10</sub>), and volatile organic compounds (VOCs).
- › More than 50% reduction in NOx emissions.



#### Ecosystems and Biodiversity

- › Development of strategies for biodiversity mitigation, conservation, and restoration.
- › Minimization of negative impacts on biodiversity through responsible management of water discharges.
- › Conservation of 55.5 ha of tropical dry forest through voluntary conservation agreements.
- › 2,500 native trees planted with the participation of communities and educational institutions in environmentally important community areas.
- › Reforestation of 13 hectares in the La Carranchina Reserve and maintenance of reforested areas established in previous years.
- › One nursery established for the production of native forest and fruit species with a production capacity of 1,500 seedlings.
- › Adoption of the Task Force on Nature-Related Financial Disclosures (TNFD) framework, using the LEAP methodology (Locate, Evaluate, Analyze, and Prepare) to identify impacts, risks, dependencies, and opportunities associated with nature at five operational sites.
- › No hydrocarbon spills recorded in operation.

## Material issue

## Management Approach

## Progress



### Comprehensive water resource management

[GRI 3-3]

- › Promote the efficient use of water resources.
- › Prevent discharges into surface water bodies.
- › Implement risk management measures related to water availability and quality.
- › Ensure access to water for local communities in our areas of operation and prevent any events that could compromise its quality or availability.

[GRI 3-3]

- › 31% reduction in freshwater consumption.
- › No water consumption in water-stressed areas.
- › No spills in water bodies or the environment.
- › No industrial water consumption for cooling equipment.
- › No surface water consumption.



### Circular economy & waste management

- › Develop strategies aimed at obtaining ICONTEC Zero Waste certification.
- › Implement comprehensive strategies for managing generated waste, including utilization, reduction, reuse, recycling, and proper disposal.
- › Ensure proper management of production sands and construction and demolition waste (CDW).

- › Certified under the "Zero Waste" Standard in Colombia, awarded by ICONTEC in the "Gold Category."
- › Achieved utilization rates exceeding 70% of total waste generated.
- › Reduced total waste generation by 5% compared to 2023.
- › Reached 83% utilization of direct waste, driven primarily by optimized management of Construction and Demolition Waste (CDW), which recorded a 20% increase in recovery compared to the previous year.
- › Formulated and implemented the Circular Economy and Waste Management Policy.



## Risks, Opportunities, and Future Outlook

[GRI 3-3]

### Risks and opportunities

In a world increasingly vulnerable to environmental, geopolitical, and economic crises, the risks associated with the transgression of planetary boundaries are becoming ever more apparent. The acceleration of climate change and biodiversity loss are now widely recognized as critical environmental threats. Scientific evidence confirms that several planetary boundaries—such as rising GHG emissions and the disruption of vital natural cycles<sup>17</sup>—have already been exceeded, contributing to a progressively volatile and fragile global environment. This reality is reflected in the increasing frequency of extreme weather events and recent shifts in environmental regulation.

The World Economic Forum's (WEF) *Global Risk Report* underscores that for the oil and gas sector, climate-related risks—including extreme weather events and ecosystem instability—are heightening the urgency to reduce emissions and implement robust mitigation and adaptation strategies. At the same time, the potential for a global economic recession and ongoing geopolitical conflicts may undermine the stability of energy markets. In Colombia, growing pressure on water resources and the degradation of biodiversity introduce additional challenges, threatening not only business continuity but also the sector's ability to comply with increasingly stringent regulatory requirements.

To address these challenges and seize emerging opportunities, Canacol has aligned its strategy with international frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD). This integrated approach has

strengthened our ability to identify, assess, and manage a broader range of risks with the potential to impact our operations.

Key physical climate-related threats identified include heatwaves, wildfires, and prolonged droughts, all of which could pose corporate risks in the short, medium, and long term. These events may disrupt operational continuity, threaten the well-being of personnel, and compromise the integrity of infrastructure. Similarly, nature-related risks such as reduced water availability and regulation, evolving environmental legislation, loss of critical habitats, and disruption of ecosystem services also represent significant challenges for the Company.

In this context, the transition to a cleaner energy future is not only a response to the climate emergency but also a strategic lever for reinforcing long-term sustainability. For Canacol, this involves the adoption of low-emission technologies, the sustainable management of the value chain, and the implementation of operational efficiency measures. Collectively, these efforts enhance business resilience and facilitate access to global markets that increasingly prioritize environmental responsibility.

Moreover, the convergence of climate policy and circular economy trends is creating new incentives for green financing and fostering the development of strategic partnerships. These opportunities not only strengthen operational capacity in the face of emerging risks but also support the diversification of our service and product portfolio, reinforcing Canacol's competitiveness in an increasingly stringent regulatory landscape.

<sup>17</sup> It refers to changes in natural cycles such as the water, carbon, or nitrogen cycles, which are essential for maintaining the balance of ecosystems.



## Future outlook

In a global context marked by increasing regulatory pressure and the ongoing transformation of the energy sector, Canacol faces the dual challenge of reducing its environmental footprint while maintaining its competitive edge. Achieving decarbonization objectives requires a comprehensive strategy that integrates the deployment of low-carbon technologies with nature-based solutions focused on protecting and restoring ecosystems. The efficient management of resources and waste will be crucial to ensuring operational continuity and meeting the growing expectations of investors, regulators, and local communities. In response, we have defined strategic actions to guide our environmental management in the coming years.

### Climate change mitigation and adaptation

- We reaffirm our commitment to climate change mitigation through our decarbonization master plan, with a central objective to reduce the intensity of scopes 1 and 2 emissions by 50% by 2035, using 2022 as the base year.
- We aim to achieve *net-zero methane emissions* by 2026.
- Our goal is to achieve carbon neutrality by 2050.

- We plan to increase energy efficiency per unit of production by 25% by 2035, optimizing resource use with innovative technologies to maximize productivity and minimize environmental impact.
- We will integrate 50% renewable energy into our energy matrix by 2050, accelerating our transition to a cleaner and more sustainable matrix.
- We will implement an internal carbon price to drive investment in decarbonization processes within our operations.

### Comprehensive water resource management

- We will apply water footprint analysis strategies across all our operations to enhance water use efficiency. This includes developing a water footprint measurement in line with the ISO 14046 standard.
- We will establish measurement metrics that include a water balance of the Company's operations, analyzing it to identify critical consumption points.
- We will strengthen our water strategy by leveraging the water footprint to set specific goals for reducing water consumption and optimizing its reuse, thereby contributing to the conservation of this vital resource.



### **Circular economy and waste management**

- We are committed to ensuring that at least 34% of the waste generated in our operations is utilized, promoting an effective circular economy.
- We will develop the first solid waste management center at the Jobo Station to manage waste and ensure compliance with zero waste certification, as well as other requirements within the waste management framework.
- We will design a comprehensive circular economy strategy that involves our suppliers and strategic partners, ensuring efficient and sustainable waste management.

### **Biodiversity and ecosystems**

- We will reinforce our commitment to biodiversity by updating our policies and defining quantifiable progress toward achieving a net positive impact by 2030.
- We will publish mitigation actions aimed at reducing our dependence on ecosystems and minimizing our ecological footprint.
- We will implement reports under the TNFD framework to assess risks and opportunities related to nature, strengthening our transparency and accountability in environmental matters.

### **Air quality**

- We will continue to monitor our emissions to ensure compliance with the highest environmental standards, annually verifying NOx, SOx, PM10, and VOC levels.
- We will implement corrective actions and emission reduction strategies to maintain air quality in our operational areas.

These actions consolidate our strategy for an efficient operational model, adapted to environmental challenges, and align our future outlook with corporate goals while effectively managing risks and opportunities.





## Best Practices and Recognitions

### Leadership in the Adoption of TNFD: A Milestone in Managing Nature-Related Risks and Opportunities

In 2024, Canacol positioned itself as a pioneer in managing environmental risks and opportunities by becoming one of the first companies globally to adopt the TNFD framework. As early adopters, we reinforced our commitment to sustainability and transparency by integrating the TNFD approach into our corporate strategy.

Using the LEAP methodology (Locate, Evaluate, Analyze, and Prepare), we made significant progress in identifying nature-related risks, dependencies, and opportunities across five operational contracts. This analysis has strengthened the resilience of our operations, aligning them with international best practices in both environmental and financial management.

For more information, see our [TNFD report](#).



### Zero Waste Certification: Towards the Circular Economy of Our Operations

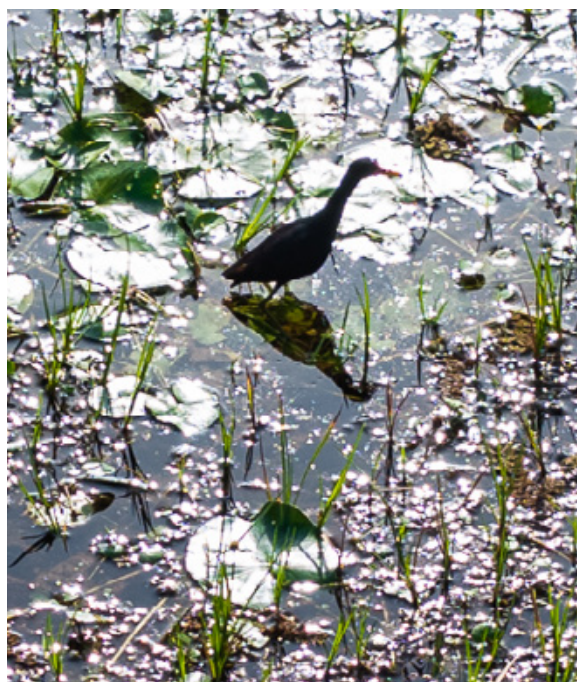
In 2024, Canacol reaffirmed its commitment to responsible waste management by achieving Zero Waste Certification – Gold Category, awarded by ICONTEC. This recognition highlights a utilization rate of over 70% of the waste generated in our operations, underscoring our strategies aligned with the life cycle and circular economy approach.

As part of our initiatives, we optimized material reuse by prioritizing construction and demolition waste and formation sands, achieving a 20% increase in their utilization compared to the previous year. Additionally, we formed strategic alliances to reincorporate waste into production processes, such as refining used oil and bioremediating drilling muds through landfarming.

In collaboration with our casino provider, we implemented a program to minimize food waste by converting surpluses into markets for communities in our areas of influence.

## Improvement in S&P CSA Assessment - Environmental Dimension

Canacol has improved its performance in the environmental dimension of the S&P CSA assessment, rising to 8th place in this category—an increase of three positions compared to 2023. In 2024, we also achieved a score of 89/100 in environmental policy and management, placing us in the 98th percentile for the entire industry (and the 95th percentile in the overall environmental dimension). This progress reflects the successful implementation of more efficient and sustainable environmental practices, including the reduction of greenhouse gas emissions and more responsible water management.



## Methane Zero Program 2026

In 2024, Canacol launched its “*Methane Zero 2026*” program, a flagship initiative under the Company’s Decarbonization Master Plan, aimed at achieving *net-zero methane* emissions across all operations by 2026. The program is anchored in the comprehensive enhancement of leak detection and repair systems and establishes a clear roadmap for reducing GHG emissions. Its strategic pillars include:

- **Leak Detection and Correction:**  
Optimization of systems for the identification and timely repair of methane leaks.
- **Temporal Analysis and Monitoring:**  
Structured around defined time horizons (2026, 2030, and 2035), enabling consistent progress tracking and course adjustments.
- **Baseline Survey and Analysis:**  
Measurement and comparison of current on-site emissions against the 2022 baseline.

Through these actions, Canacol reaffirms its commitment to GHG emissions reduction and responsible environmental stewardship. Progress and outcome will be detailed in the next Sustainability Report.

For more information, see the section on **Climate change mitigation and adaptation**.





## Efficient and responsible water resource use

Canacol prioritizes the responsible use of water resources and has significantly improved efficiency through infrastructure upgrades and the adoption of advanced technologies. In 2024, key achievements in water consumption management include:

- **Monitoring and Management:** Intervention at the Jobo Station led to zero industrial water consumption for equipment cooling, reducing operational demand.
- **Recirculation and Reuse:** Achieved 12.97% water recirculation in drilling activities and hydrostatic tests, minimizing the need for new water intake and maximizing resource efficiency.
- **Surface Water Consumption:** Reached zero surface water consumption, prioritizing groundwater use to reduce pressure on natural water bodies and safeguard access for communities and other sectors.

- **Real-Time Measurement System:** Implemented to enable early leak detection, optimize the distribution network, and support consumption reduction through continuous trend analysis.



## Friends of the Tropical Dry Forest: Conservation and Sustainable Development

The Friends of the Tropical Dry Forest program consolidated its impact in 2024, reinforcing the protection of strategic ecosystems through conservation efforts, environmental education, and sustainable production. Key achievements included:

- Preservation of 55.5 hectares of tropical dry forest.
- Planting of 2,500 native trees in priority conservation areas.
- Implementation of a forest nursery with a capacity of 1,500 seedlings, ensuring resources for future reforestation initiatives.

Aligned with our HSEQ Policy, the program also strengthened the adoption of sustainable agricultural practices, benefiting more than 200 families through training and clean production initiatives. As part of our environmental education strategy, we installed roadside information points and trained 300 students in waste management and biodiversity conservation.

Our efforts were recognized by the Corporation for Sustainable Development of Mojana and San Jorge

in the department of Sucre (CORPOMOJANA), which acknowledged our contributions to environmental preservation. These included civic-environmental days focused on solid waste collection and native tree planting in collaboration with local schools.

In terms of water management, we collected over 800 kg of post-consumer waste, preventing pollution of water sources, and organized community cleanup events to reinforce environmental stewardship. Through this comprehensive approach, Canacol continues to advance sustainability across its areas of influence, integrating conservation, community development, and environmental education to strengthen the resilience of both ecosystems and local communities.





## Climate Change Mitigation and Adaptation

[GRI 3-3]

At Canacol, we recognize that reducing and offsetting residual GHG emissions are key priorities in addressing climate change. As such, we have set ambitious targets to reduce our carbon footprint and actively contribute to Colombia's climate commitments, the Paris Agreement, and the United Nations 2030 Agenda for Sustainable Development.

In alignment with the Colombian government's goal to reduce GHG emissions by 51% by 2030 and global targets for a low-carbon economy, we have established a strategic objective to achieve carbon neutrality by 2050. This includes reducing our scope 1 and 2 GHG emissions intensity by 50% by 2035 (using 2022 as the baseline) and achieving *net-zero* methane emissions across all operations by 2026.



In 2024, we achieved a 4.54% reduction in scope 1 and 2 GHG emissions, driven by lower energy resource consumption, reduced electricity use, and a decrease in fugitive emissions.

Beyond our mitigation efforts, we are also focused on strengthening our adaptive capacity through a comprehensive approach to impact, risk, and opportunity management. Our updated double materiality assessment consolidated key issues based on the Company's risk management methodology and aligned with the European CSRD Directive, identifying climate change as a critical material issue due to its potential financial impact on the business.

### Detail of the Material Issue

#### *Climate Strategy*

With a deeper understanding of our climate-related Impacts, Risks, and Opportunities, in 2024 we began strengthening our climate strategy to ensure alignment with the TCFD framework, the Comprehensive Climate Change Management Plan for the Mining and Energy Sector (PIGCCE, for its initials in Spanish), emerging trends and regulations, and the expectations of our stakeholders. This process also considers the priorities outlined in our corporate strategy at both the financial and operational levels [CCE-1].

The structure of our action roadmap is organized into integrated levels, ranging from the most strategic (external) components to the most tactical (internal) ones. Each component is visually represented and color-coded to correspond with the four core pillars of the TCFD framework:

## General Structure of Canacol Energy's Climate Strategy





### **Higher Purpose:**

Our higher purpose, “Building a cleaner energy future”, defines the essence of Canacol and transcends the objective of wealth generation. This guiding principle shapes our climate strategy and lies at the heart of our business vision, charting a clear and purposeful path toward sustainable development.

### **Governance**

#### ■ **Sustainability Governance Model:**

Canacol has developed a sustainability governance model that integrates climate change and energy efficiency management within a double materiality framework. This model establishes a governance structure encompassing both executive and operational levels, with clearly defined roles and responsibilities for the design and execution of processes, controls, and procedures. Through this structure, the Company ensures effective oversight, management, and monitoring of climate-related impacts, risks, and opportunities.

#### ■ **Climate Change and**

#### **Energy Efficiency Policy:**

The Climate Change and Energy Efficiency Policy outlines the corporate guidelines and commitments that must be upheld by employees, suppliers, contractors, and strategic partners. Its purpose is to maximize long-term value for all stakeholders while actively contributing to the transition toward a low-carbon economy. For more information on our policy, see the following [Link](#).

### **Strategy**

Canacol's climate change strategy centers on the management of climate-related impacts, risks, and opportunities. To this end, the Company implements ongoing processes to identify, assess, manage, and monitor both physical and transition risks, as well as their associated impacts and opportunities. These processes are informed by scenario-based analysis that considers both current and projected events.

Since 2023, we have conducted a detailed assessment of physical and transition risks and opportunities, evaluating the exposure of key assets to six



material climate threats: extreme heat, extreme cold, water stress and drought, intense precipitation and landslides, wildfires, and river flooding.

This assessment was carried out using climate modeling across four-time horizons, aligned with the maximum term of our strategy: i) baseline (1990–2022); ii) short term (until 2030); iii) medium term (until 2040); and iv) long term (until 2050). The analysis considered multiple climate scenarios, including SSP1-2.6, SSP3-7.0, and SSP5-8.5 (optimistic, neutral, and pessimistic<sup>18</sup>) [CCE-2].

#### ■ Climate Investment Plan

Since the formulation of our Corporate Climate Strategy in 2022, Canacol has integrated an investment plan focused on achieving its strategic goals related to climate change mitigation, risk reduction, and the promotion of more sustainable energy sources. This plan encompasses capital investments in technological development, applied research, innovation, and active participation in strategic alliances that reinforce climate action—such as our engagement with industry associations like Naturgas. (For more information on climate associations, lobbying policies, and related topics, see the section on *Lobbying and Trade Associations – Climate Change*.)

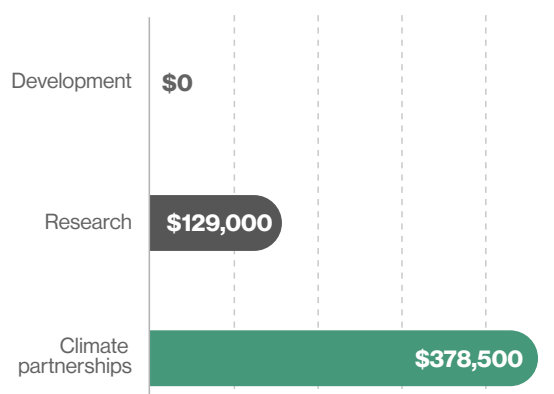
In 2024, we allocated a total of \$507,500 USD to climate and sustainability initiatives. Of this amount, 25.4% was directed toward research activities, focusing on: i) identifying solutions for methane leak elimination, increasing flare efficiency, and managing venting in operations; and ii) enhancing the process of identifying and managing climate change risks and opportunities, in line with the TCFD Framework and the Company's

Comprehensive Risk Management System (CRMS) [EM-EP420a.3]. The remaining funds were invested in climate-related associations, where key sector topics were discussed, including the analysis of new low-carbon technologies and the feasibility of establishing science-based targets aligned with the Paris Agreement [CCE-3].

These investments not only reinforce our climate commitments but also enhance our risk profile against the impacts of climate change, thereby increasing the Company's operational resilience and adaptive capacity. In this context, technological transformation and innovation are central pillars to ensuring more efficient, sustainable, and competitive operations in the long term.

In line with market best practices, Canacol is also assessing green financing mechanisms—such as sustainability bonds and other fixed-income instruments—to support strategic projects with environmental, social, and governance (ESG) impacts, thereby amplifying the reach of our decarbonization efforts.

#### Climate Action Investment for 2024 (\$USD)



18 SSP1-2.6 ("Sustainability"): Low population growth, high economic growth, high levels of education, good governance, a globalized society, international cooperation, technological development, and environmental awareness. Under these assumptions, this scenario represents low levels of mitigation and adaptation challenges.  
 SSP3-7.0 ("Fragmentation"): High population growth and low economic development, lower levels of education, and a regionalized society with little environmental awareness, which represent a high level of challenges for adaptation and mitigation.  
 SSP5-8.5 ("Fossil-fuel-based development"): This scenario assumes a very high dependence on fossil fuels, with low population growth, high economic growth, and high human development; therefore, it represents a significant challenge for mitigation.

In 2024, Canacol invested \$507,500 USD in climate-related initiatives, reflecting a 9.38% increase compared to 2023, in alignment with the company's decarbonization efforts and energy transition agenda.

■ **Lobbying and Trade Associations - Climate Change**

Canacol reaffirms its commitment to decarbonization and the energy transition through active participation in sector initiatives.

Through these efforts, we contribute to initiatives that promote essential training for a successful energy transition, as well as strategies for green energy projects.

- We continue to be a part of the Natural Gas Sector Alliance: Road to Carbon Neutrality, collaborating with NATURGAS and the Ministries of Environment, Mines, and Energy of Colombia. Additionally, we remain a member of the Colombian Petroleum Association (ACP). In 2024, our contribution to NATURGAS and ACP totaled \$378,500 USD.
- We are also progressing in our alignment with international standards, assessing our adherence to the Oil and Gas Methane Partnership (OGMP 2.0), and strengthening our membership with IPIECA, ensuring our efforts are guided by global best practices.
- We reaffirm that our strategy and actions are aligned with the Paris Agreement and the United Nations 2030 Agenda. We also explicitly declare our stance on public policies related to climate change, ensuring alignment with the Paris Agreement.
- We periodically review our affiliations with trade associations and lobbying groups to ensure they align with our sustainability objectives.
- All lobbying activities, climate-related donations, and sponsorships are approved by Canacol's highest governing body and properly recorded in our accounting books, ensuring transparency. These activities must also be in alignment with

our corporate objectives and undergo executive approval.

- We implement a process to regularly assess whether our participation in public policies and lobbying activities (both direct and through trade associations) remains aligned with the Paris Agreement.
- We have established clear responsibilities at the executive level for all lobbying and advocacy activities, ensuring a governance framework for public policy participation.
- We also maintain a clear framework to identify and address any misalignment between the climate policy positions of trade associations and our own stance.

**Climate Risk Management** [CCE-2]

Canacol's CRMS is based on the ISO 31.000 standard and follows a cyclical five-step process. On a quarterly basis, the Company conducts assessments to identify, evaluate, manage, and disclose potential risks, including climate-related risks, that may impact the business.

In developing methodologies to identify, evaluate, and manage climate-related physical and transition risks and opportunities, the ESG Management team, with support from the Sustainability Management Committee, integrated these processes into Canacol's CRMS. These efforts were aligned with the TCFD reporting framework and climate scenario models that are widely accepted by the international scientific community.

The methodologies used incorporate vulnerability analysis exercises, enabling Canacol to assess its resilience and adaptive capacity to climate change over short-, medium-, and long-term horizons. Furthermore, our recent double materiality assessment allowed us to determine the relative importance of climate-related risks and opportunities compared to other ESG issues, meeting one of the TCFD requirements related to the "Risk Management" pillar.

The diagram below outlines the general methodology used to manage climate-related risks and opportunities, which is fully integrated into the Company's Comprehensive Risk Management System:

### Canacol's Comprehensive Climate Risk and Opportunity Management Process



In response to the key opportunities and risks identified, the following initiatives have been proposed for their management, which are an integral part of our climate change strategy:

■ **Decarbonization and Energy Efficiency Master Plan**

[EM-EP-110a.3] [CCE-1]

Our decarbonization master plan focuses on reducing Scope 1 and 2 greenhouse gas emissions across the entire operation, as well as offsetting residual emissions. This plan is designed with a time horizon extending to 2050, aligning with the first-level strategic objective and the second-level objectives of the strategy.

In 2024, we advanced the development, evaluation, and proposal of initiatives aligned with our corporate climate goals either by reducing fuel and electricity consumption or through specialized projects aimed at achieving cost-effective GHG emissions reductions. These initiatives are currently undergoing technical and financial feasibility assessments, and we expect to share the key results, as well

as the projects selected and approved by the Board of Directors, in 2025:

- Improving the energy efficiency of compressors.
- Electrifying compression equipment.
- Reducing emissions in pneumatic systems operating with gas.
- Reducing fugitive emissions.
- Expanding and improving the efficiency of the solar farm for self-consumption in operations.
- Gradually and partially substituting natural gas with hydrogen.
- Optimizing the use of glycol as a natural gas dehydrator.
- Replacing diesel and gasoline trucks and vans with hybrid vehicles.
- Minimizing natural gas flaring and venting in our operations.
- Reducing fugitive emissions through the immediate detection and repair of leaks in gas treatment, production, and transportation facilities.

During the reporting year, we highlight the following milestones in decarbonization processes:



Expansion of renewable energy projects as part of the sustainable energy transition, in addition to installing solar energy systems in wells and satellite facilities.



Frequent inspections of our systems and facilities to identify and correct leaks through internal actions and with the help of third parties.



Incorporation of ESG criteria in supplier selection, conducting sustainability assessments, and prioritizing those with active emission reduction, energy efficiency, and responsible practices.

To improve transparency and provide a more comprehensive assessment of GHG emissions throughout our value chain, we continue to use Wood Mackenzie's emissions benchmarking tool. This tool is essential for analyzing our emissions, comparing them

with those of other companies in the sector, and strengthening our reduction strategies.

Additionally, in 2025, we will design a GHG emissions recalculation policy that provides clear guidelines for adjusting and/



or recalculating Canacol's GHG emissions inventory. This Policy will ensure that decarbonization and emissions quantification reports remain consistent, comparable, and accurate over time, reflecting significant changes in operations (e.g., investments and/or divestments) or in calculation methodologies (e.g., changes in emission factor values or quantification formulas).

#### ■ Plan to Achieve Net Zero Balance

##### **Methane Emissions**

Our methane reduction strategy is part of our decarbonization master plan and aligns with our strategic goal of achieving *net-zero balance methane* emissions<sup>19</sup> across all our operations by 2026. In 2024, we made progress in planning this strategy, establishing the following criteria:

1. **Operations included in the methane reduction plan:** Jobo Station, Plant 1A, Plant 1B, Plant 2, Plant 3, and the Betania, Aguas Vivas, Pandereta, Clarinete, Nispero, and LNG Plant substations. Additionally, the water injection plant, Rancho Hermoso block, and exploratory wells active at the end of 2025 will be included.
2. **Baseline survey:** In 2024, we began measuring our methane emissions baseline through on-site detection and quantification, particularly of: i) fugitive

emissions in equipment and components, ii) venting emissions (storage tanks, boilers, etc.), iii) flare emissions, iv) motor-generator emissions, v) emissions in workover operations, maintenance, well services, and vi) combustion emissions in tractor-trailers, trucks, and vans supporting the operation.

Our on-site baseline will be compared with the theoretical 2022 baseline (scope 1), calculated using the methodology suggested by the GHG Protocol Corporate Accounting and Reporting Standard.

Based on this analysis, the Company will review whether to modify the base year of the strategic goal.

3. **Temporal analysis (time horizons):** The methane reduction plan is structured with a time horizon extending to 2035 (maximum term), and intermediate analysis objectives for 2026 and 2030. Based on the results, we will make decisions about our commitment to the methane emissions reduction timeline and the timeline for compensating residual emissions of this greenhouse gas.

In our next ESG report, we will share the full details of our methane emissions reduction and compensation plan with our stakeholders, including any adjustments to our strategic goals and measurement metrics, if applicable.



<sup>19</sup> Net zero balance refers to methane emissions neutrality, achieved through the significant reduction of such emissions and the compensation of any residual emissions that cannot be eliminated through decarbonization initiatives

### ■ **Neutrality Plan**

This plan spans the 2035–2050 time horizon and complements the Decarbonization Master Plan. It focuses on offsetting residual emissions that cannot be reduced through the strategic actions proposed and implemented by Canacol. The roadmap to emissions neutrality outlines a set of medium- and long-term measures and is included in the PIGCCE. Aligned with our mitigation strategy, the PIGCCE also incorporates the corporate climate change adaptation plan, which offers a detailed analysis of risks and opportunities across ecosystems within our area of influence under various climate scenarios, along with the corresponding adaptation measures.

### ■ **Capacity Building in the Value Chain**

As part of our strategic objective to "strengthen action in the value chain", Canacol is developing a climate change capacity-building program. This program includes a comprehensive training and awareness strategy targeting strategic and tactical suppliers, contractors, and business partners. Through this initiative, we aim to drive emissions reduction and ensure compliance with climate-related commitments that fall outside our direct operational control.

### ■ **Internal Carbon Price**

As a special measure for managing climate-related opportunities and risks, Canacol is in the process of establishing its internal carbon price. The Company is currently evaluating two methodological approaches to assign a monetary value to GHG emissions, which will guide internal decision-making regarding climate impacts, risks, and opportunities:

- a. **Shadow price:** This assigns a hypothetical carbon cost to each ton of CO<sub>2</sub>e, helping to uncover hidden risks and opportunities throughout operations and

supporting strategic decision-making for future capital investments.

- b. **Implicit price:** This mechanism will be calculated by dividing the cost of reducing or acquiring equipment by the tons of CO<sub>2</sub>e reduced, in alignment with our decarbonization master plan.

### ■ **Financial Implications of Climate Change**

[GRI 201-2] [EM-EP-420a.4]

For Canacol, the financial implications of climate change are becoming increasingly significant. From an opportunity perspective, emissions reduction remains a key focus, particularly the elimination of fugitive emissions, which could yield savings estimated at over USD \$5 million by 2050. Additionally, implementing low-carbon technologies and optimizing processes contribute to improving operational eco-efficiency and cost-effectiveness.







Regarding physical risks, extreme weather events such as water stress, floods, and other phenomena evaluated in our climate scenario analyses could affect critical infrastructure and disrupt long-term operational continuity. Furthermore, evolving environmental regulations and growing sustainability commitments may lead to higher capital requirements for clean technologies and mitigation strategies. In this context, Canacol adopts a strategic approach that balances cost reduction with managing operational risks and regulatory compliance in its transition to a low-carbon economy. The Company also continues to leverage its gas sales and transportation contracts, securing a competitive advantage to meet Colombia's growing energy demand, thereby reducing exposure to oil price volatility.

### ***Metrics and Objectives***

#### ■ **Management Metrics**

Our sustainability and climate change management model involves measuring, managing, and analyzing the performance of key metrics for the sector, including those requested by the GRI, SASB, and IPIECA standards.

Canacol's climate strategy establishes both strategic (business-specific) and tactical

(business-specific and aligned with the mentioned reporting standards) metrics. These are consistent with the management framework for the "Climate Change Mitigation and Adaptation" issue, as defined in the recent materiality analysis conducted by the Company with the guidance of the consulting firm ERM Colombia. Below, we present some of our strategic metrics that enable the management and analysis of Canacol's performance against its climate change objectives:

- KPI 1: % reduction in absolute scope 1 and 2 emissions (tCO<sub>2</sub>e).
- KPI 2: % reduction in relative scope 1 and 2 emissions (tCO<sub>2</sub>e/BOE).
- KPI 3: % reduction in absolute methane emissions (tCH<sub>4</sub>).
- KPI 4: % increase in energy efficiency per unit of production (MWh/BOE).
- KPI 5: % reduction in absolute scope 3 emissions (tCO<sub>2</sub>e).

Tactical and strategic metrics are provided in further detail throughout the material issue section in this report.

#### ■ **Science-Based Targets**

Canacol is evaluating the possibility of setting a science-based target for its operations, in alignment with the requirements of the Science Based Targets initiative.

Currently, the initiative is **developing a sector-specific standard for establishing science-based targets for the oil and gas industry**, based on the latest climate science. In the meantime, we have decided to preliminarily design our climate targets according to the criteria outlined in the 'SBTi Corporate Near-Term Criteria' document, using the Absolute Contraction Approach (ACA).

For further information:

- Our 2024 Climate Change Management Report (TCFD): [link](#)
- The 2024 CDP Climate Change Questionnaire: [link](#)

## Our Climate Performance

The following indicators reflect Canacol's climate performance in alignment with the proposed strategy. Our 2024 management shows progress toward the objectives set, with notable improvements compared to 2023: energy consumption was reduced, the share of renewable energy sources increased, and significant advances were made in the decarbonization plan, resulting in a reduction of emissions both at the corporate level and across the value chain. Additionally, the management of key indicators was enhanced through the verification of our carbon footprint and the expansion of the published database for Scope 3 emissions calculation.

## Energy Consumption<sup>20</sup>

[GRI 302-1] [GRI 302-3] [GRI 302-4]

By the end of 2024, we achieved a reduction of 9,602.2 MWh in total energy consumption compared to the previous year. As in prior periods, we did not use diesel in our operational processes, ensuring self sufficiency by exclusively utilizing natural gas

produced at our facilities. Additionally, we reaffirmed our commitment to the transition to clean energy sources, achieving a consumption of 226.5 MWh from hydroelectric and solar sources.

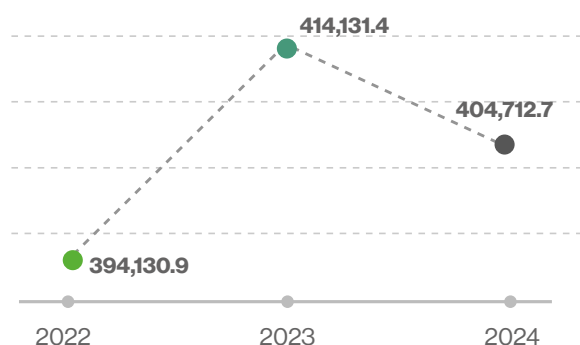
Total thermal energy consumption for our operations and complementary processes reached 404,982.5 MWh in 2024. This report provides detailed information on our operational energy consumption and the processes that complement our production.

Canacol continues to integrate low-emission technologies [CCE-3], including the installation of photovoltaic systems in remote operations and low-consumption infrastructures. These renewable systems provide power for essential needs such as lighting, control, security, and air conditioning.

Simultaneously, the Company consistently optimizes energy consumption [CCE-6] by implementing more precise measurement systems, modernizing equipment that operates on fossil fuels, and exploring new generation technologies. We also foster a culture of energy efficiency among our employees through awareness initiatives, supporting the long-term sustainability of our operations.

## Total Energy Consumption in Operations<sup>21,22</sup>

[GRI 302-1]



20 For all energy consumption and performance calculations, conversion factors from the Metric System and the Imperial System were used, including industry-specific metrics such as boe. For example: a) kscf/boe = 5.7; and b) m<sup>3</sup>/Kscf = 28.32. Similarly, emission factors (EF) and lower heating values (LHV) of fuels produced by the Company were used, as well as EF and LHV of other fuels reported by the UPME 2016 calculator (updated in 2019: [see here](#)).

21 The total energy consumption value (MWh) includes renewable, non-renewable, and electrical energy consumption.

22 In 2024, we carried out corrections to the calculation of non-renewable energy consumption in our operations. These adjustments are reflected in the updated figures presented in the current ESG Report.



**Total Energy Consumption by Source<sup>23</sup>**

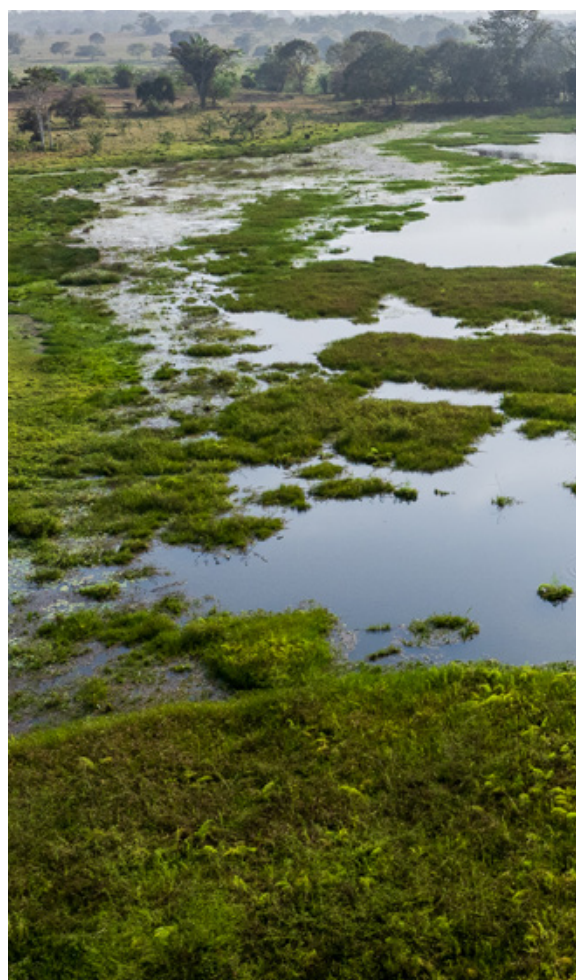
Source	Units	2022	2023	2024
<b>Non-renewable energy</b>	MWh	393,565.5	413,740.7	404,333.0
Natural gas	MWh	393,565.5	413,740.7	404,333.0
Diesel	MWh	-	-	-
<b>Renewable energy</b>	MWh	373	225.3	226.5
Hydraulic + solar	MWh	373	225.3	226.5
Electricity in offices <sup>24</sup>	MWh	192.4	165.4	153.2 <sup>25</sup>
Energy intensity <sup>26</sup>	kWh/BOE	33.3	35.7	39.3
<b>Total operational energy</b>	<b>MWh</b>	<b>394,130.9</b>	<b>414,131.4</b>	<b>404,712.7</b>

Between 2023 and 2024, Canacol reduced its total operational energy consumption by 9,602.2 MWh, from 414,737.9 MWh to 405,135.7 MWh, representing a 2.3% decrease compared to 2023. This reduction was primarily driven by efforts to lower natural gas consumption in operations [GRI 302-4].

We also reinforced our commitment to the energy transition by increasing renewable energy generation. Solar and hydroelectric output rose from 225.3 MWh in 2023 to 226.5 MWh in 2024, marking a 0.51% increase.

In our administrative operations, we achieved a 7.4% reduction in electricity consumption at our Bogotá headquarters, despite relocating to a new office. This reflects the effectiveness of implemented energy-saving measures and a more rational use of resources.

However, energy intensity in our operations rose from 35.7 kWh/BOE in 2023 to 39.3 kWh/BOE in 2024 a 10.2% increase driven by a higher compression demand resulting from the natural decline in production [GRI 302-3].



<sup>23</sup> All relevant calculations for our energy performance indicators were made using direct measurement methods.

<sup>24</sup> The emission factor for electricity in Colombia for 2024 is 0.21742 kgCO<sub>2</sub>e/kWh.

<sup>25</sup> Canacol's electricity consumption in 2024 was 153.2 kWh, which resulted in 33.31 tons of CO<sub>2</sub>e emissions, based on both location-based and market-based approaches.

<sup>26</sup> Energy intensity considers only renewable and non-renewable energy consumed within our operations. Electricity is not included in this indicator.

## Total Energy Consumption in Complementary Processes<sup>27</sup>

Energy consumption in complementary processes is derived from diesel use in the fire protection system (fixed source), as well as diesel used for material transportation related to production activities, and both diesel and gasoline used for employee transportation (mobile sources).



Source	Units	2022	2023	2024
<b>Non-renewable Energy</b>	MWh	594.0	545.8	380.7
Diesel B10 <sup>28</sup>	MWh	491.3	469.9	353.0
Gasoline E10 <sup>29</sup>	MWh	102.7	75.9	27.7
<b>Renewable energy</b>	MWh	66.0	60.6	42.3
Biodiesel and anhydrous ethanol	MWh	66.0	60.6	42.3
<b>Total complementary energy</b>	<b>MWh</b>	<b>660.0</b>	<b>606.5</b>	<b>423.0</b>
<b>Total global energy (Operational + complementary)<sup>30</sup></b>	<b>MWh</b>	<b>394,598.5</b>	<b>414,572.5</b>	<b>404,982.5</b>
Global energy intensity <sup>31</sup>	kWh/BOE	33.4	35.7	39.3

Compared to 2023, the Company reduced its total complementary energy consumption from 606.5 MWh to 423.0 MWh—a 30.3% decrease. This reduction was primarily driven by a decline in non-renewable energy use, which fell by 30.3% in 2024. Within this category, diesel consumption decreased by 24.9%, while gasoline consumption saw a more significant reduction of 63.5%.

In contrast, global energy intensity increased by 10.2% compared to 2023 [GRI 302-3].

## Greenhouse Gas (GHG) Emissions<sup>32 33</sup>

We supply 16% of Colombia's natural gas demand, releasing 106,136 tCO<sub>2</sub>e per year. To ensure rigorous and transparent environmental management, we annually quantify our greenhouse gas inventory, which is verified by an independent third party in accordance with ISO 14064 and the GHG Protocol standards.

Our methodology incorporates emission factors recommended by the Intergovernmental Panel on Climate Change (IPCC)<sup>34</sup>, and takes into account Colombia's energy matrix (UPME). However, for emissions related

27 All calculations related to the energy consumption indicator for processes complementary to our operations were carried out using direct measurement methods.

28 Information is provided regarding the non-renewable energy portion present in Diesel B10 (90%).

29 Information is provided regarding the non-renewable energy portion present in Gasoline E10 (90%).

30 Global energy considers renewable and non-renewable operational and complementary energy, but electricity is not included in this indicator.

31 Global energy intensity considers only renewable and non-renewable energy across our operations. Electricity is not included in this indicator.

32 The GHG emissions inventory and related progress calculations, for each of the years reported in this document, include the quantification of the following gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, and PFCs. Other GHGs such as SF<sub>6</sub> and NF<sub>3</sub> are not generated within the organizational and operational boundaries of the Company.

33 The control approach used for the calculation of Canacol's GHG emissions is 'operational control', accounting for 100% of the GHG emissions from all activities, operations, and processes carried out

34 The emission factors are based on IPCC's Sixth Assessment Report (AR6 - GWP 100 years) [[see here](#)]

to natural gas consumption from our operations, we use a proprietary emission factor derived from annual gas chromatographic analyses, reviewed by the National Hydrocarbons Agency (ANH). For 2024, the emission factor for natural gas produced in our operations was 1.86 kgCO<sub>2</sub>e/m<sup>3</sup>.

In 2024, corporate Scope 1, 2, and 3 emissions decreased by 7.9% (-316,202.5 tCO<sub>2</sub>e) compared to the previous year. Operational emissions (Scopes 1 and 2) decreased by 4.5% (-5,044.3 tCO<sub>2</sub>e), while value chain emissions (Scope 3) fell by 8.0% (-311,158.2 tCO<sub>2</sub>e) [GRI 305-5]

### Direct Emissions Scope 1

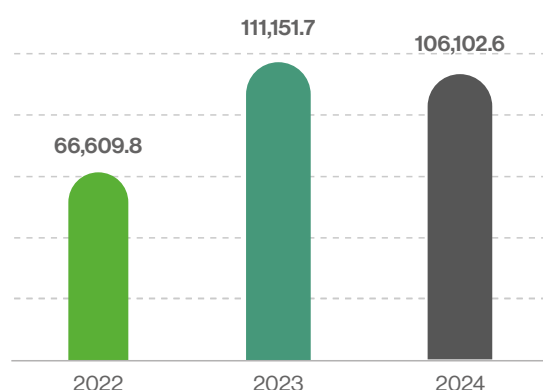
[GRI 305-1] [GRI 305-5] [CCE-4] [CCE-5]

In 2024, our operations generated 106,102.6 tCO<sub>2</sub>e direct emissions (Scope 1), representing a 4.5% decrease compared to the previous year. This

reduction is primarily attributed to lower natural gas consumption for operational needs, improved control of fugitive refrigerant emissions, and a decrease in methane emissions.

An analysis of our carbon footprint intensity is provided in the Emissions Intensity Section.

### Direct Emissions 2024 (tCO<sub>2</sub>e/year)



Source	tCO <sub>2</sub> e	Contribution
Stationary Combustion	87,130.9	82.1%
Mobile Sources Combustion <sup>35</sup>	102.7	0.1%
Industrial processes	-	0.0%
Fugitive Emissions in Refrigerant Systems and Fire Extinguishers	30.0	0.0%
Fugitive Emissions in Gas Production <sup>36 37</sup>	18,839.0	17.8%
<b>Total Direct Emissions</b>	<b>106,102.6</b>	<b>100%</b>

Stationary combustion sources and fugitive emissions from production (refrigerants, fire extinguishers, and natural gas production) accounted for 99.9% of our direct emissions in 2024. Emissions from these sources decreased by 5,007.2 tCO<sub>2</sub>e compared to 2023 (111,007.1 tCO<sub>2</sub>e). In addition, the Company made a significant effort to reduce emissions related to refrigerant use. These

emissions decreased by 82.9% compared to 2023 (176.1 tCO<sub>2</sub>e).

As part of our methane reduction plan, we achieved a 12.1% reduction in methane emissions compared to the previous year. This was driven by the implementation of the best practices in leak detection and repair, as well as a decline in natural gas production.

<sup>35</sup> Biogenic emissions for 2024 were 7.8 tCO<sub>2</sub>e corresponding to the portion of biofuel reported in the Complementary Energy Consumption section.

<sup>36</sup> Fugitive emissions were estimated using the 2006 IPCC Guidelines for National Greenhouse Gas Emissions. [See here.](#)

<sup>37</sup> Methane (CH<sub>4</sub>) emissions for 2024 were 632.99 tCH<sub>4</sub>. Canacol plans to achieve certification from the Oil and Gas Methane Partnership (OGMP) - Gold Standard, to report methane emissions by 2026.

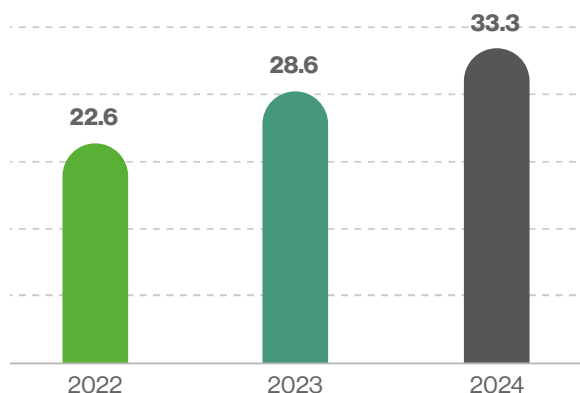
## Indirect Emissions Scope 2

[GRI 305-2] [GRI 305-5] [CCE-4]

Due to our on-site generation business model, our production facilities do not consume electricity from the National Interconnected System. As a result, our Scope 2 emissions are exclusively associated with electricity consumption at our administrative offices.

At Canacol, we are committed to efficient and responsible energy management in these facilities. We achieve this by implementing best operational

practices and fostering a culture of energy conservation across the organization.



## Indirect Emissions 2024 (tCO<sub>2</sub>e/year)

Scope	Source	Consumption [kWh]	Emissions [tCO <sub>2</sub> e]	Percentage Change in emissions [%]
Scope 2	Electricity in offices	153,195	33.3 <sup>38</sup>	16.6%

In 2024, electricity consumption in our offices decreased by 7.4% (see *Energy Consumption*, page 86). However, indirect Scope 2 emissions increased by 16.6%, primarily due to a rise in the national electricity grid emission factor.

This year, the emission factor was 0.217 kgCO<sub>2</sub>e/kWh, representing a 26% increase compared to the 2023 value of 0.1728 kgCO<sub>2</sub>e/kWh. This variation is attributed to climatic and natural phenomena that reduced hydroelectric generation capacity in the country, increasing reliance on thermal sources and consequently elevating the grid's emission factor.

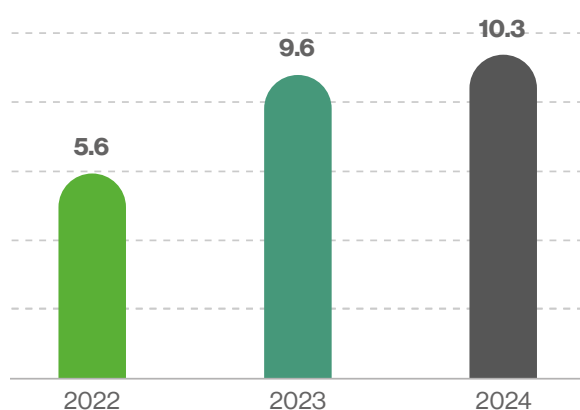
## Emissions Intensity

[GRI 305-4]

In 2024, our field production decreased due to the natural depletion of reservoirs. To ensure continuous gas supply, we increased compression in our operations, which led to a 7.6% increase in Scope 1 and 2 emissions intensity compared to 2023.

## Emissions Intensity 2024 (kgCO<sub>2</sub>e/BOE)

In 2024, production at our fields declined due to the natural depletion of reservoirs. To ensure the continuity of the gas supply, we increased compression in our operations, resulting in a 7.6% increase in Scope 1 and 2 emissions intensity compared to 2023.



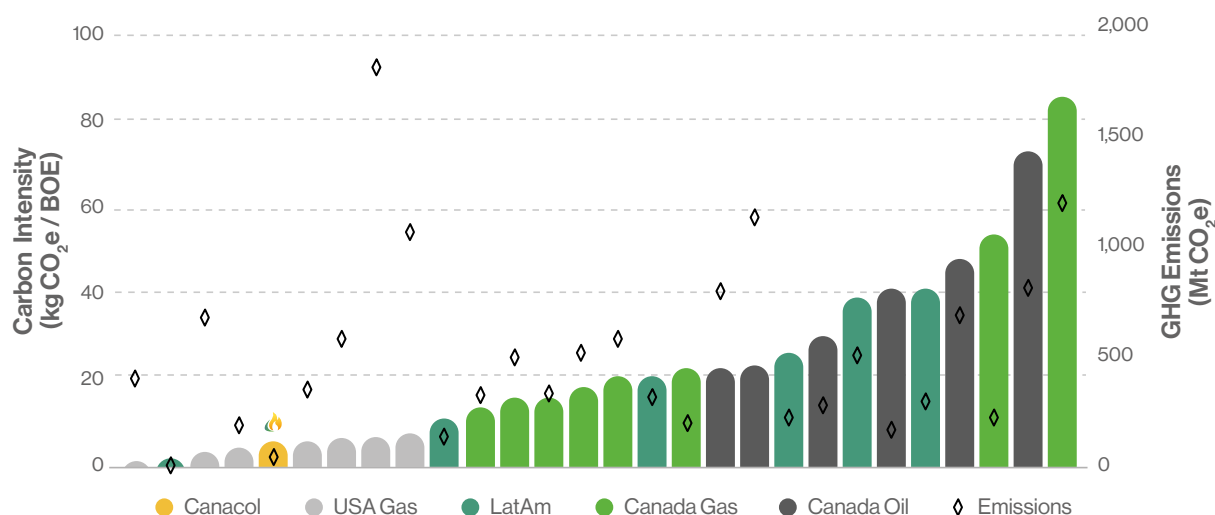
Thanks to the actions implemented to optimize operational efficiency, we successfully mitigated the impact, maintaining a stable trend.

<sup>38</sup> In 2024, Canacol did not purchase renewable energy, so market-based and location-based emissions for Scope 2 are the same, totaling 33.31 tCO<sub>2</sub>e.



Despite this context, Canacol continues to stand out with one of the lowest carbon intensities in Latin America. Our emissions are 75% lower than those of oil producers and 45% lower than those of other

natural gas producers, reaffirming our leadership and commitment to more efficient, clean, and sustainable production.



### Value Chain Emissions - Scope 3

[GRI 305-3] [GRI 305-5]

In 2024, we strengthened our management of indirect emissions by updating and expanding our

Scope 3 analysis. Following our first verification in 2023, we enhanced the accuracy and coverage of the calculation, consolidating the measurement of the nine most relevant categories in our value chain and operations.

Category		Tons of CO <sub>2</sub> e	Contribution
3.1	Goods and services purchased	87,822.3	2.5%
3.3	Fuel and energy	71.3	0.0%
3.4	Upstream transportation	117.4	0.0%
3.5	Waste	152.3	0.0%
3.6	Business travel	177.6	0.0%
3.7	Employee commuting	380.1	0.0%
3.9	Downstream transportation	14,191.7	0.4%
3.11	Use of products sold	3,439,484.0	96.6%
3.15	Investments	18,683.5	0.5%
<b>Total</b>		<b>3,561,080.2</b>	<b>100.0%</b>

This year, we published nine categories, including investments corresponding to 10% of Termotesorito, operated by Celsia near the Jobo Station.

Our strategy for mitigating emissions in the value chain involves the responsible management

of suppliers and contractors. We integrate environmental, social, and governance criteria in the acquisition of goods and services, as well as in the transportation and logistics activities for inputs and products [GRI 308-1] [GRI 308-2].

As part of this approach, Canacol has made progress in developing a comprehensive training and awareness program for strategic and tactical suppliers, contractors, and business partners. This program is designed to strengthen capacities in key areas such as decarbonization, environmental impact management, and climate change

mitigation, promoting more sustainable practices across our supply chain.

Additionally, it is important to highlight that for category 11, "Use of Products Sold," the internal emission factor for natural gas and Castilla crude is obtained from UPME<sup>39</sup>.

### Emission Factor Used for Scope 3 Inventory - Category 11 Use of Products Sold

Fuel	CO <sub>2</sub>	CH <sub>4</sub> e	N <sub>2</sub> Oen	CO <sub>2</sub> e
Castilla Crude	11.28 kgCO <sub>2</sub> /gal	4.35E-04 kgCH <sub>4</sub> /gal	8.70E-05 kgN <sub>2</sub> O/gal	11.32 kgCO <sub>2</sub> e/gal
Jobo Station Gas	1.86 kgCO <sub>2</sub> /m <sup>3</sup>	3.37E-05 kgCH <sub>4</sub> /m <sup>3</sup>	3.37E-06 kgN <sub>2</sub> O/m <sup>3</sup>	1.86 kgCO <sub>2</sub> e/m <sup>3</sup>



## Air Quality

[GRI 3-3]

At Canacol, we are committed to protecting air quality in the areas where we operate. We implement robust emission control strategies and adopt cleaner technologies to minimize our environmental impact. In addition to reducing our GHG emissions, we actively manage and monitor other atmospheric pollutants in line with the guidelines set by the Ministry of Environment and Sustainable Development, in compliance with Resolution 2254 of 2017. Our efforts also align with international reporting standards, including GRI, SASB, and IPIECA. Through process optimization and strict adherence to environmental regulations, we reduce our footprint and safeguard the well-being of nearby communities.

## Detail of the Material Issue

[ENV-5] [GRI 305-7] [EM-EP-120a.1]

We conduct detailed monitoring of the primary atmospheric pollutants associated with our operations, including nitrogen oxides (NOx, excluding

N<sub>2</sub>O), sulfur oxides (SOx), particulate matter (PM10), and volatile organic compounds (VOCs).

In our gas processing plants, we have integrated BTEX retention systems into the dehydration process. These systems allow for the complete capture of VOCs, preventing their release into the atmosphere. As a result, the presence of these compounds in air quality reports has been nil, showcasing the effectiveness of our control measures and our commitment to protecting air quality.

In 2024, we achieved a 53% reduction in nitrogen oxide (NOx) emissions, primarily due to the update of the technical assumptions used in emission modeling. This methodological improvement involved incorporating 100% of the equipment into the analysis and verifying and adjusting the reference calorific value. These changes allowed for a more accurate and representative estimation of our emissions, reflecting Canacol's commitment to rigorous environmental management based on reliable data.

39 UPME 2016, Emission Factors Calculator for Colombian Fuels. [See here](#) - Updated in 2019.

On the other hand, particulate matter (PM10) emissions increased from 12.03 tons in 2023 to 83.7 tons in 2024. This increase was mainly due to the expanded equipment inventory considered in the modeling. In 2023, 20 units of equipment were included in the analysis, whereas 54 units were accounted for in 2024, significantly improving the accuracy and representativeness of the emissions inventory. Additionally, adjusting the reference

calorific value indicated a higher combustion level, which contributed to the estimated increase in emissions.

Despite this increase, air quality results at all Canacol operational sites remained 100% compliant with the established regulatory limits, highlighting the effectiveness of our environmental management and emission control measures.

### Other Emissions [GRI 305-7] [ENV-5] [EM-EP-120a.1]

	Unit of Measure	2022	2023	2024
NO <sub>x</sub> Emissions	Tons	980	869	412
SO <sub>x</sub> Emissions	Tons	0	0	0.29
Particulate matter Emissions (PM10)	Tons	17	12	84
VOC Emissions	Tons	0	0	0

Our proactive approach to air quality management underscores Canacol's commitment to sustainability, operational excellence, and continuous improvement. We will continue to strengthen

our strategies to reduce emissions, integrate innovative technological solutions, and actively contribute to building a cleaner and more responsible energy future.

### Gross Global Scope 1 GHG Emissions to the Atmosphere (tCO<sub>2</sub>e)

[EM-EP-110a.1]

Additionally, we monitor gross Scope 1 GHG emissions, including CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O, to strengthen our efforts in controlling and reducing environmental impact.

GHG	Units	2022	2023	2024
Carbon Dioxide (CO <sub>2</sub> )	tCO <sub>2</sub> e	48,129	89,470	87,202
Methane (CH <sub>4</sub> )	tCO <sub>2</sub> e	18,253	21,461	18,867
Nitrous Oxide (N <sub>2</sub> O)	tCO <sub>2</sub> e	24	45	44
Hydrofluorocarbons (HCFs)	tCO <sub>2</sub> e	204	176	30

### Amount of Gross Global Scope 1 GHG Emissions to the Atmosphere (tCO<sub>2</sub>e)

[EM-EP-110a.2]

Source	2024
Hydrocarbons burned from fixed and mobile sources	87,233
Fugitive emissions	18,878
Other combustions	0
Emissions generated during processing	87,131
Other emissions	496

In our operations, no GHG emissions are generated from gas combustion, as gas is primarily used as an energy input within a closed system that does not involve direct combustion processes. This characteristic provides a competitive advantage in terms of efficiency and emission reduction, reinforcing our commitment to maintaining a low-carbon intensity operation. [CCE 7].



## Biogenic Emissions

[GRI 305-1]

According to the GHG Protocol methodology, CO<sub>2</sub> emissions from the combustion of plant-based biomass must be reported separately from the

main GHG inventory. This is because the plants that produce this biomass previously captured an amount of CO<sub>2</sub> equivalent to what is released during combustion through photosynthesis, resulting in a neutral balance from a carbon cycle perspective.

Emission Source	Fuel	Total quantity [gal]	Biogenic emissions [tCO <sub>2</sub> e]	Contribution [%]
Biofuels in fixed sources	Diesel B10	146.4	0.1	1.3%
Biofuels in mobile sources	Diesel B10	11,050.9	7.6	98.0%
Biofuels in mobile sources	Gasoline E10	96.8	0.1	0.7%
<b>Total</b>		<b>11,294.1</b>	<b>7.8</b>	<b>100.0%</b>







## Ecosystems and Biodiversity

[GRI 3-3]

We embrace our responsibility to conserve ecosystems and protect biodiversity in the areas where we operate. We actively manage nature-related risks and opportunities to support a clean and responsible energy transition in Colombia, aligning with the United Nations Sustainable Development Goals.

### Detail of the Material Issue

Since adopting our environmental policy, we have focused our efforts on conserving local ecosystems and their biodiversity [ENV-3], reinforcing our commitment to sustainability and environmental management. We strictly adhere to the Colombian environmental legal framework, ensuring the protection of natural habitats where we operate.

At Canacol, our operations are driven by a strong commitment to environmental conservation and biodiversity preservation. As such, we refrain from conducting activities in protected areas classified under categories I to IV by the International Union for Conservation of Nature (IUCN), nor in UNESCO World Heritage Sites. This approach minimizes our impact on sensitive ecosystems and contributes to the preservation of natural capital, aligning with international best practices in sustainability. Additionally, we avoid the use of or disturbance to tree species classified as endangered (EN) or critically endangered (CR) by the IUCN Red List, supporting our Net Zero Deforestation approach.

### From “Early Adopters” to TNFD References

[GRI 304] [GRI 101]

As part of our transparency and sustainability strategy, in 2024, we published the results of our first

TNFD pilot assessment. This pilot exercise utilized the LEAP methodology (Locate, Evaluate, Assess, Prepare), as recommended by the TNFD framework, to identify nature-related impacts, dependencies, risks, and opportunities across five prioritized operational contracts: Esperanza, SSJN-7, VIM33, VIM5, and VMM45<sup>40</sup>.

This analysis provides valuable insights that support the enhancement of our Biodiversity Management and Conservation Program, which is structured around four key strategic action lines:

- Promotion of biodiversity conservation.
- Green initiatives.
- Environmental education for life.
- Protection of water sources.

### Ecological Sensitivity in Operational Sites

[GRI 101-5] [GRI 304-1]

The TNFD pilot allowed us to identify the ecological sensitivity of the five prioritized operational sites through a detailed geospatial analysis. This study assessed various environmental and biodiversity attributes, revealing that Canacol's assets are situated in ecologically sensitive areas. These include the RAMSAR wetlands, crucial for the country's water regulation, the Tropical Dry Forest, a strategic ecosystem that shelters threatened species like the white-headed titi monkey, and areas of high biodiversity, significantly transformed by anthropogenic activities.

40 For further information, refer to our 2024 [TNFD report](#)

## Sensitivity Rating by Site

Site	Ecoregions	Hotspots	Tree Cover and Water Bodies	MSA	CR Species	EN Species	VU Species	Protected areas	IBAs	Wetlands and/or RAMSAR Sites	WVI	Total	Sensitive classification
SSJN-7	2	1	1	3	5	4	4	1	1	2	3	27	1
VM-33	2	2	2	3	1	2	2	1	1	3	3	22	2
Esperanza	2	1	1	3	2	2	2	1	1	2	3	20	3
VMM-45	2	1	2	3	2	1	1	1	1	3	2	19	4
VIM-5	2	1	2	3	1	1	1	1	1	5	3	21	5

## Ecosystem Services Analysis

[GRI 304-2] [GRI 101-8]

Through an ecosystem services assessment at the prioritized sites during the pilot, we identified the following dependencies for Canacol's operations:

- **Water regulation and provision:** Canacol heavily depends on ecosystem services related to water, as it is essential for development and extraction activities. Current legislation imposes penalties for improper use or contamination, creating reputational and market risks associated with water management. Additionally, from a social perspective, water is vital for the survival of local communities and the sustenance of their livelihoods.
- **Soil retention and quality:** Canacol's operations rely on the soil's ability to retain and control erosion, representing significant financial, operational, and social dependencies.
- **Local and global climate regulation:** Canacol has a high dependency on climate regulation. Sudden climate changes, such as excessive rainfall or drought, can negatively affect operations and infrastructure, leading to increased costs for the company.

- **Disaster control:** Ecosystems help mitigate damage caused by floods, landslides, and other disasters. The operations, infrastructure, and well-being of workers and nearby communities depend on the provision of this ecosystem service.
- **Food provision:** The supply of food for local workers relies on the availability of food in the area. A lack of local food sources can lead to operational costs, potential health impacts for workers, and issues within local communities.
- **Biological control:** Without biological control, there is a risk of epidemics and outbreaks of zoonotic diseases, which can negatively impact workers, reduce productivity, increase costs, and lead to delays in product delivery.
- **Habitat maintenance:** Biological diversity plays a crucial role in maintaining ecosystem services and goods. The loss of biodiversity would result in the loss of these services, which would negatively affect Canacol's operations.

Effective management of these dependencies is essential for ensuring the Company's operational, financial, and social sustainability. By understanding these dependencies, we can identify how our actions might pose risks, not only for nature but for our operations, and how we can create opportunities to enhance ecosystem service provision and contribute to societal well-being.

## Impact of Operations on Areas of Environmental and Biodiversity Importance

[GRI 101-4] [GRI 101-6]

We identified 10 drivers of change that represent the main impacts of Canacol's activities on ecosystems. These drivers are associated with the exploration, development, and well closure stages, and affect various forms of natural capital. Each driver was categorized based on the TNFD-recommended scale (Very High, High, Medium, and Low):

- **Land use change:** *Very high*. This is the most significant risk for Canacol. Operations require large land areas, potentially leading to the loss of natural habitats and limiting native vegetation regeneration, with direct consequences for biodiversity and ecosystem services.
- **Soil contamination:** *High*. Operations could create risks of spills and leaks that degrade soil quality, negatively affecting biodiversity and the ecosystem's ability to provide essential services.
- **Water use:** *High*. Canacol's dependence on water could impact the availability of this resource, leading to competition with local communities and affecting the sustainability of aquatic ecosystems.
- **Climate change:** *Medium*. Canacol's activities contribute to greenhouse gas emissions, having a moderate impact both locally and globally.
- **Water contamination:** *Medium*. The potential release of contaminants into water sources poses moderate risks to water quality and aquatic biodiversity.

- **Air pollution (non-GHG gases):** *Medium*. Emissions of non-GHG pollutants present a moderate impact, potentially affecting both ecosystems and the health of local communities.
- **Use of other resources:** *Medium*. The consumption of non-renewable and auxiliary materials can lead to overexploitation and pressures on biodiversity.
- **Disturbances:** *Medium*. Operational disturbances, such as noise and light pollution, affect local biodiversity and can alter species behavior.
- **Waste:** *Medium*. The generation of hazardous and non-hazardous waste has a medium impact on soil, water, and biodiversity.
- **Invasive species:** *Low*. While the impact is relatively low, the introduction of invasive species through material importation can affect local biodiversity and alter ecosystems.

These results reinforce our commitment to the impact mitigation hierarchy [GRI 101-2], where we prioritize avoiding and minimizing environmental impacts, and compensate for residual impacts that are considered unavoidable. At Canacol, our sustainability strategy drives us to continuously evaluate the impact of our operations on the natural environment [EM-EP-160a.1] and actively pursue voluntary agreements with local communities [GRI 101-3]. This in-depth analysis allows us to identify critical areas of ecological vulnerability and implement both preventive and corrective measures to ensure biodiversity conservation and minimize our environmental footprint.

## Biodiversity Assessment [GRI 101-7] [GRI 304-1]

Sites used for operational activities	62
Total area of operational zones (ha)	87.4
Number of biodiversity impact assessments conducted at operational sites in the last five years (#)	62
Number of sites assessed near critical biodiversity areas (#)	5 <sup>41</sup>
Total area of sites assessed near critical biodiversity areas (ha)	247,382.43 <sup>42</sup>
Number of sites near critical biodiversity areas with biodiversity management plans (#)	0
Land area covered by biodiversity management plans for sites near critical biodiversity areas (ha)	0

41 Reference is made to the 5 Company assets assessed in the Locate stage of the TNFD pilot

42 Reference is made to the total area of the Company's 5 assets assessed in the Locate stage of the TNFD pilot.

Canacol's operations include one Important Bird Area (AICA) and nine protected areas for biodiversity preservation.

### Overlap of Environmental and Biodiversity Important Areas with Operational Blocks

[GRI 304-1] [EM-EP-160a.1]

Block	Overlapping Area (ha)	Area Type
VIM-10-1	48,323	DRMI Serranía de los Yariguies
VMM-49	2,506	DRMI of the mining river and its surrounding areas
VMM-49	411	AICA Serranía de las Quinchas
VMM-49	163	RNSC Las Pampas Porvenir
VIM33	341	DRMI Cenagoso de Zapatosa Complex
SSJN7	999	DRMI Shrub Savannah Ecosystem and Associated Systems in the Municipality of Galeras
SSJN7	719	RFPR Serranía de Coraza and Montes de María
SSJN7	247	RNSC Los Charcos
SSJN7	67	RNSC La Carranchina
VIM-5	52	
VIM-5	27	RFPR Santa Inés Forest

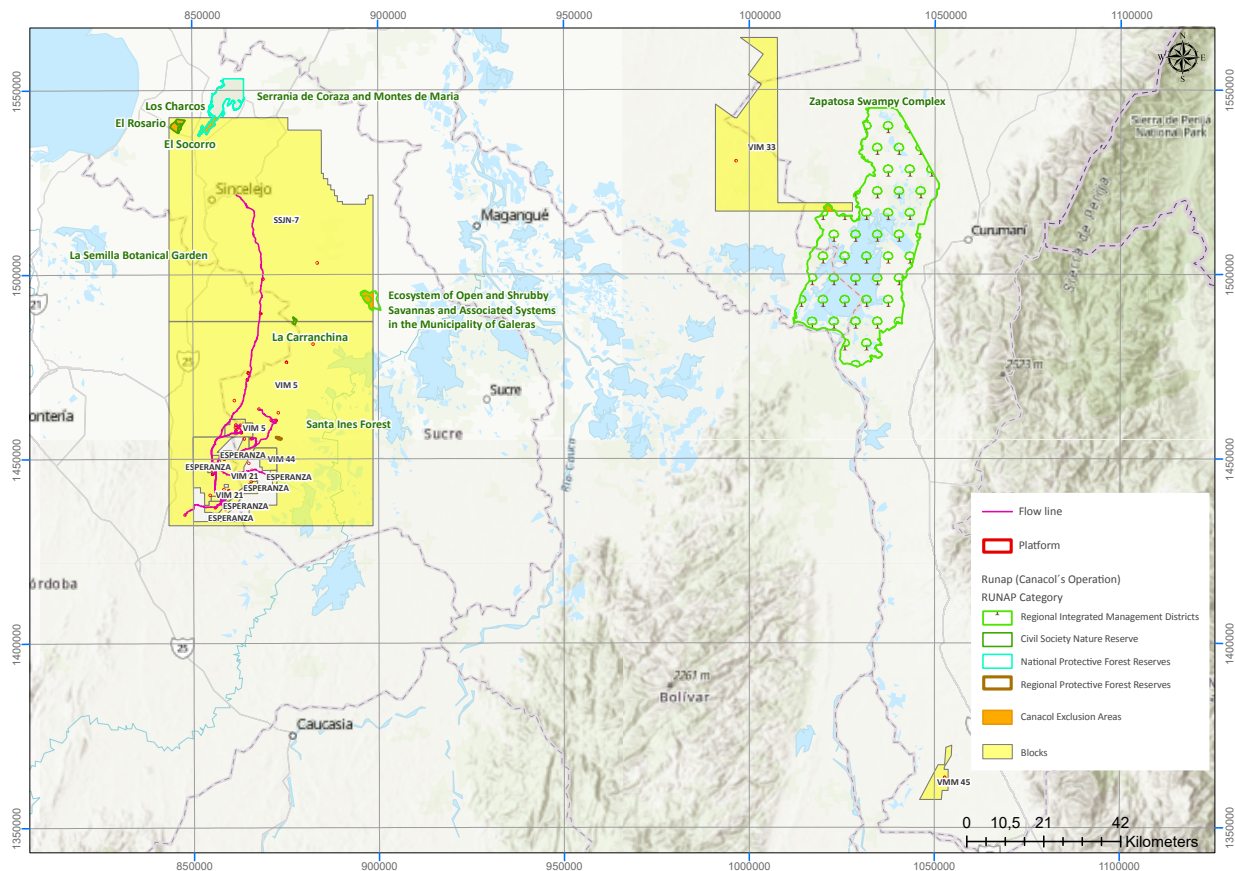
We recognize the importance of protecting areas of high biodiversity that overlap with our operational blocks. While these areas coincide with land assigned to Canacol, we do not conduct activities or maintain infrastructure within them, designating them as exclusion zones to ensure their conservation [ENV-4]. In this regard, the VIM-5 block overlaps with 24 areas of significant biodiversity

conservation value, followed by the SSJN-7 block with 11, VMM-3 with 4, and the Esperanza and VMM-49 contracts with 3 each. Additionally, the VMM-2 and VMM-45 blocks each have 2 overlaps, while the VIM-44, VMM 10-1, and VMM-53 blocks have 1 each. Near VMM-53 is the Cabildo Verde II Civil Society Natural Reserve (RNSC), a highly relevant protected area.





## Map of Protected Areas



**Canacol does not conduct intervention activities in protected or critical habitat areas [EM-EP 106a.3], and guarantees this through:**

- Environmental zoning to delimit ecologically important areas and establish them as non-intervention areas.
- Use of horizontal directional drilling to avoid alterations in water bodies and their associated ecosystems.
- Programs for deterring, rescuing, and relocating fauna and flora before the start of civil works in any type of project.
- Conservation agreements with land-owners hosting remnants of tropical dry forest, a priority ecosystem.

### Impact Mitigation Measures

To reduce and compensate for environmental impacts, Canacol has implemented various strategies, including:

- **Reforestation and conservation:** restoration of degraded areas and establishment of conservation agreements with local communities. [GRI 101-3]
- **Education and sustainable development:** implementation of environmental awareness programs and promotion of agroforestry projects that encourage sustainable practices.

- **Strategic alliances:** cooperation with the National Hydrocarbons Agency (ANH) to ensure compliance with contractual commitments and strengthen environmental management.

In 2024, Canacol signed an agreement with the Wildlife Conservation Society (WCS) for the reforestation of 13 hectares in the La Carranchina Reserve [GRI 304-3] [GRI 101-2]. Additionally, we successfully completed 7 conservation agreements in collaboration with local communities and environmental authorities. These efforts were further complemented by restoration activities carried out in partnership with regional authorities and the National Army.

### Protection and Reforestation Actions

[GRI 101-2] [GRI 304-3]

In our projects, we ensure the protection of sensitive areas through environmental zoning, identifying and designating ecologically significant areas as non-intervention zones. Additionally, our biodiversity conservation program safeguards 55.5 hectares of tropical dry forest in the municipalities of San Marcos and La Unión (Sucre), through nine active agreements.

Canacol also leads the restoration of 44.5 hectares across various properties, contributing to the preservation and recovery of regional ecosystems. Furthermore, we support five sustainable agricultural production units in partnership with the SENA Emprende Rural (SER) program, promoting food sovereignty through ecological practices, the planting of 2,500 native trees, and active collaboration with local communities.



Indicator	2022	2023	2024
Reforested areas (ha)	44.5	44.5	13
Maintenance hours worked	4,800	2,400	1,800
Investment (1% Compensation) (USD)	\$228,490	\$75,784	\$91,894
Protected areas	60	55.5	55.5
Protection hours worked	59	121.5	72
Investment in area protection (USD)	\$1,074	\$6,930	\$2,112

In 2024, Canacol continued to support conservation agreements focused on landowners within areas of tropical dry forest. As part of these efforts, training sessions were held on forest fire prevention and green business practices, promoting environmental awareness and sustainable livelihoods.

Furthermore, Canacol provided technical assistance, ongoing support, and capacity building to seven sustainable production units throughout the year. These initiatives ensured that the units were effectively aligned with the Company's broader sustainability and biodiversity conservation goals.

Additionally, all conservation agreements were successfully completed, further reflecting Canacol's

long-term commitment to ecosystem preservation and collaborative environmental stewardship.



*The Company achieved the reforestation of 13 hectares in the El Indio property and carried out maintenance on reforestations established in previous years.*



### **Fauna and Flora Monitoring: Biodiversity Risk Management**

[GRI-107] [ENV-6]

In line with our commitment to biodiversity conservation, Canacol conducts annual monitoring

of fauna and flora in all areas where we operate [GRI 101-3] [GRI 304-4]. This process enables us to identify and document the species present, providing updated information that supports more effective, evidence-based environmental management.

Item	2022	2023	2024
<b>Total protected fauna species identified</b>	<b>650</b>	<b>731</b>	<b>731</b>
Non-threatened fauna species	623	717	717
Threatened fauna species	27	14	14
<b>Total protected flora species identified</b>	<b>237</b>	<b>237</b>	<b>237</b>
Non-threatened flora species	218	218	218
Threatened flora species	19	19	19

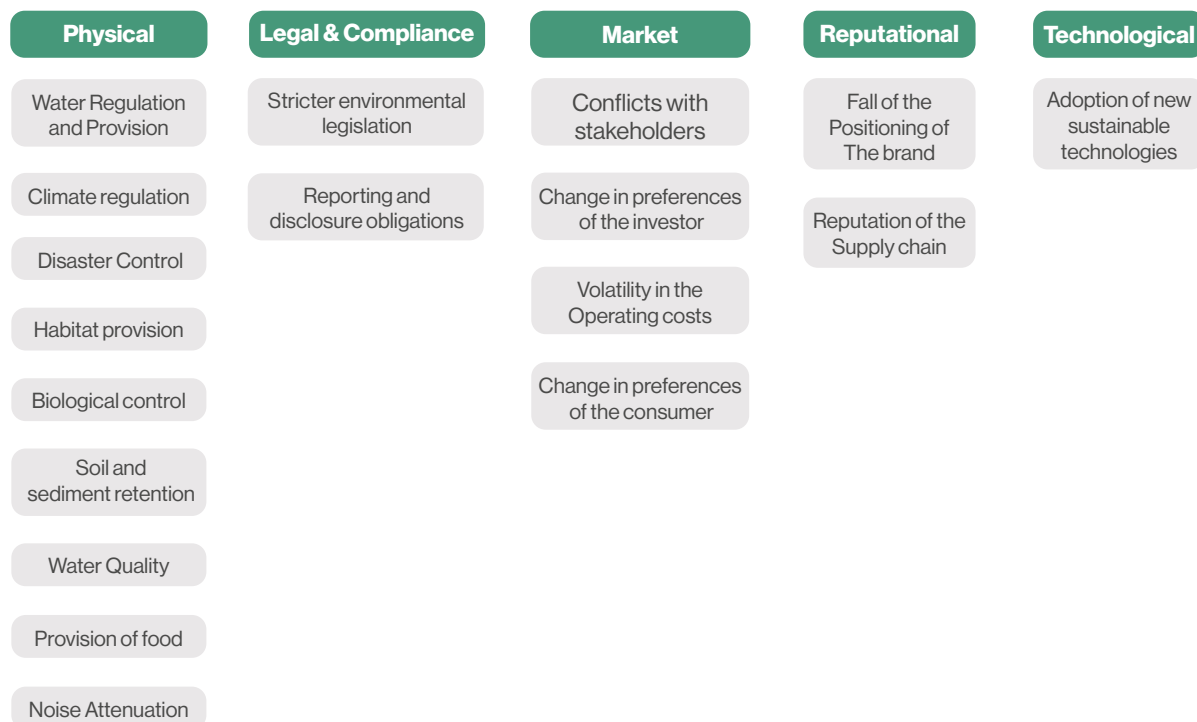
This approach provides us with valuable information on the biological diversity within our operational areas, enabling us to implement targeted measures to protect and conserve these species. Conservation agreements are developed by specialized contractors and approved by the National Environmental Licensing Authority

(ANLA), which also conducts annual audits to ensure compliance with environmental obligations and current regulations.

Moreover, the TNFD pilot allowed us to identify 18 nature-related risks, which we are integrating into our management system:







For the selection of contractors and suppliers, we apply rigorous environmental criteria by adopting standards and conducting regular controls, including compliance audits and weekly performance monitoring. We measure key metrics such as water and resource consumption, ensuring that contractors and suppliers align with our commitment to biodiversity protection through responsible and respectful practices that support our sustainability objectives. [GRI 308-1] [GRI 308-2].

#### Access and Participation in Benefits [GRI 101-3]

Through the “Friends of the Dry Forest” program, we have signed voluntary conservation agreements with families owning forest remnants in the municipalities of San Marcos and La Unión (Sucre). These agreements focus on:

- **Forest Ecosystem Restoration:** Creation of a community nursery at the Buenavista Educational Institution to produce seedlings of forest and fruit species. In 2024, we planted 2,500 native trees in environmentally important community areas.
- **Food Security Gardens:** Promotion and support for the adoption of cleaner production practices that align with the protection of

local ecosystems and the sustainable use of ecosystem services, benefiting 130 families.

#### ■ Protection and Restoration of Water

**Sources:** Conservation of both surface and groundwater ecosystems to ensure water supply and the ecosystem services they provide to local communities. We advanced the installation of 3 ecological points in educational institutions and organized waste collection days, preventing waste from reaching aquatic ecosystems.

#### Zero Hydrocarbon Spills

In 2024, no oil spills were recorded across our operations [EM-EP 106a.2], underscoring our strong commitment to environmental management and incident prevention. To ensure operational safety, we continuously monitor wells, collection systems, and facilities, enabling us to detect anomalies early and implement corrective measures before a spill occurs.

Additionally, we maintain a robust mechanical integrity and preventive maintenance system, ensuring the optimal operational condition of our infrastructure. These actions reinforce our prevention and response strategy, minimizing environmental risks and ensuring safe and sustainable operations.





## Comprehensive Water Resource Management

[GRI 303-3]

At Canacol, we recognize water as a vital resource for sustainable development and environmental conservation. Its responsible management is a key strategic priority across our operations. We are committed to minimizing our impact, promoting efficient use, and contributing to the preservation of water sources for the benefit of local communities and ecosystems.

To achieve this, we implement strategies focused on monitoring, reducing, and reusing water, establishing supply baselines before initiating any project. These measures enable us to optimize industrial processes and promote the responsible use of water resources.

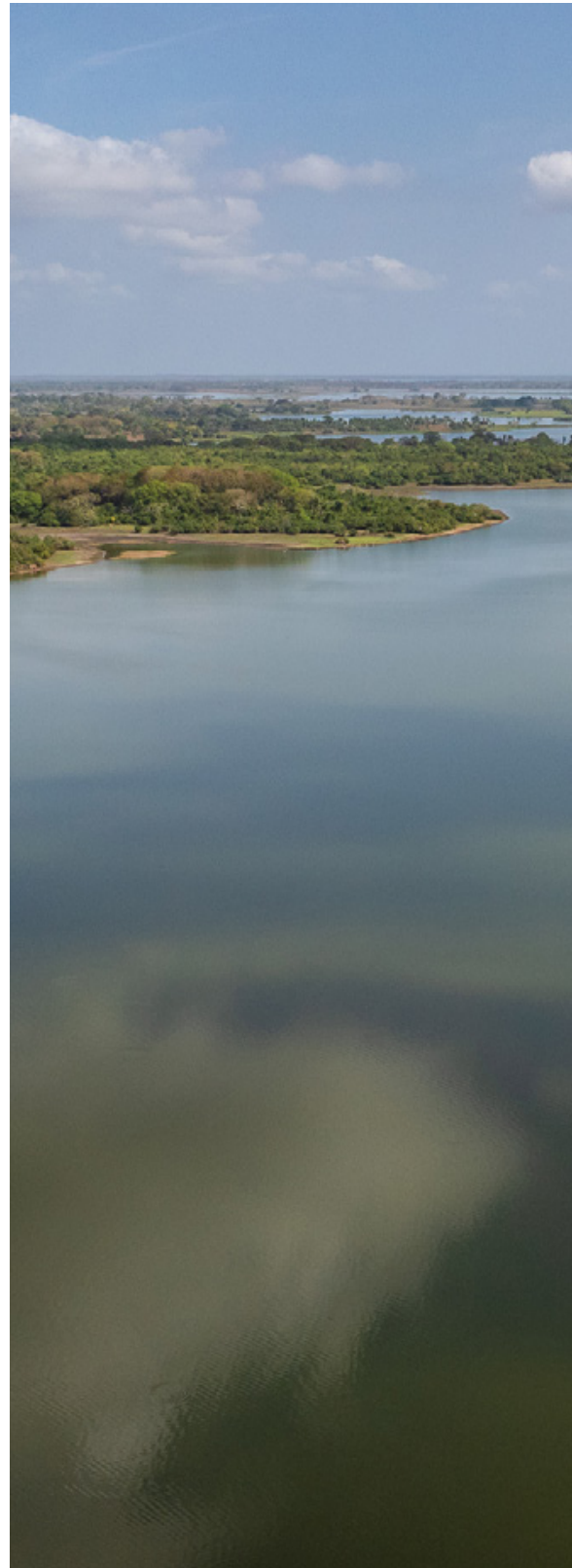
Furthermore, we foster a culture of environmental stewardship through training and awareness programs aimed at employees, contractors, communities, and strategic partners. Our goal extends beyond regulatory compliance, striving to embed long-term sustainability principles into every aspect of our water management practices.

### Detail of the Material Issue

#### **Water Resource Management Strategy**

According to the IPCC (2023), nearly half of the world's population experiences water scarcity at some point during the year. Additionally, 25% of the global population, spread across 25 countries, faces extreme water stress<sup>43</sup>. In Colombia, water scarcity is especially critical in regions like the Magdalena basin, where climate variability and growing demand put significant pressure on water resources.

43 Extracted from Kuzma et al., 2023.



To minimize our impact on water availability, Canacol has set specific goals to optimize freshwater consumption and ensure compliance with strict licensing controls that regulate the amount of water extracted. We also conduct ongoing monitoring of water sources to ensure our operations do not compromise water quality, sharing the results with the communities in our area of influence.

In 2024, demonstrating our commitment to efficient and sustainable water management, we optimized our distribution network and implemented advanced data-driven decision-making tools. These initiatives have allowed us to reduce our environmental impact while significantly enhancing water use efficiency.

[GRI 303-3] [GRI 303-4] [GRI 303-5]

“

- ***Canacol does not employ hydraulic fracturing techniques.***
- ***During 2024, Canacol did not extract, discharge, or consume water from water-stressed areas.***

”

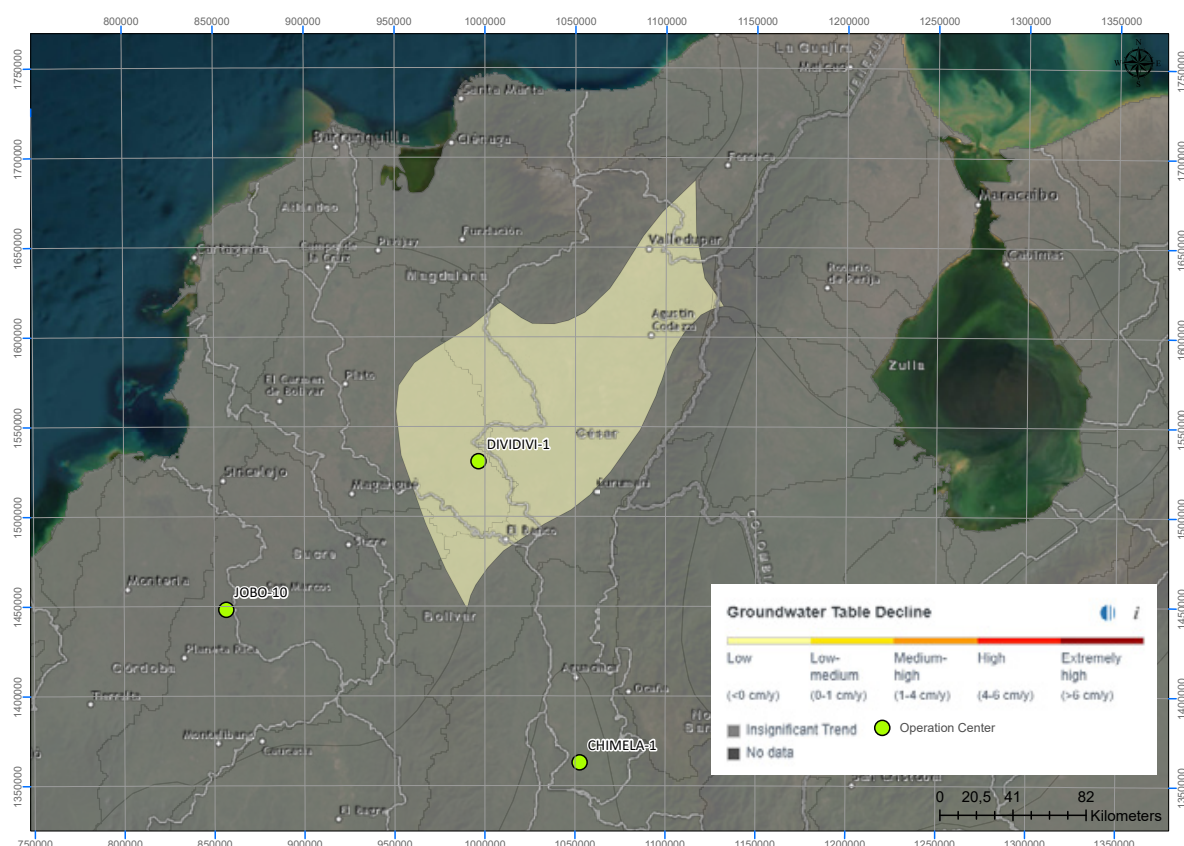
At Canacol, water management follows a technical approach that guarantees the sustainable use of this vital resource throughout all stages of operation. Our exploration, drilling, and extraction activities are supported by environmental licenses and management plans, which are based on detailed hydrological and hydrogeological studies to assess the availability and dynamics of water in the operational areas. These studies allow environmental authorities to regulate water extraction, ensuring its preservation by restricting usage to specific periods and locations.

We are dedicated to the responsible use of water, guided by a comprehensive sustainability strategy. As part of this commitment, we do not engage in exploration or hydrocarbon production using hydraulic fracturing in any reservoir.

To further optimize our water management, we utilize tools like the World Resources Institute (WRI) Water Risk Atlas, a reference endorsed by IDEAM, ensuring that our operations are conducted in areas with low water stress. Additionally, we implement a hybrid supply model, combining groundwater extraction with external acquisitions, which helps reduce pressure on aquifers and aligns with water sustainability principles.



## Overall Water Risk



Our operational sites in the departments of Sucre and Córdoba have been assessed for water stress and global water risk. According to the water stress analysis for VIM-33, these areas show no or low groundwater level decline, indicating a stable situation regarding resource availability. Furthermore, the global water risk analysis places both departments in the low-medium risk category, confirming

the moderate impact of water-related risks on our operations.

Effective water resource management not only optimizes production and ensures reserves but also guarantees the sustainability of supply for current and future projects. In line with this, we have established specific goals for managing water resources over various time horizons:

Short-Term	Medium-Term	Long-Term
<ul style="list-style-type: none"> <li>Maximum annual water consumption limit for production of 27.7 ML.</li> <li>Maximum annual water consumption for all activities (Production and Exploration) 60.7ML.</li> <li>Strengthen the measurement network by installing new meters.</li> <li>Identify opportunities for water optimization and reuse.</li> <li>Conduct a water-related risk analysis considering future scenarios based on a consolidated baseline.</li> </ul>	<ul style="list-style-type: none"> <li>Certify the water footprint of the Jobo Station under the ISO 14046 standard.</li> <li>Establish a water neutrality strategy.</li> <li>Conduct a water quality-related risk analysis.</li> <li>Implement additional water optimization and reuse actions according to operations.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve water neutrality.<sup>44</sup></li> </ul>

<sup>44</sup> The target year will be established once the complete water neutrality strategy is developed.

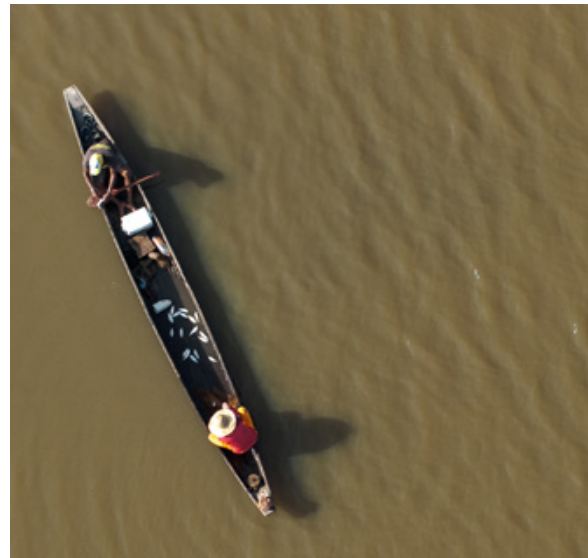


### *Advances in Water Management Strategy in 2024*

- The year 2024 marks significant progress in optimizing water use with the adoption of real-time monitoring and management technologies. Among the key achievements are:
  - **Reduction of industrial water consumption:** Water use in the cooling systems of the Jobo Station was eliminated, optimizing the compression process and reducing consumption to zero liters in this area.
  - **Optimization of water monitoring:** Meters were calibrated and updated to improve accuracy in the distribution network. Additionally, an automated reporting system was developed, allowing real-time data visualization and facilitating the identification of consumption trends and potential leaks.
  - **Proactive leak detection strategy:** In collaboration with the maintenance team, an early detection and repair system was implemented, minimizing water losses throughout the operation.
  - **Recirculation and Reuse:** Recirculation practices in drilling and reuse in hydro-static tests have been consolidated, minimizing the need for new water source extraction. These strategies reinforce the commitment to reducing the water footprint and improving operational efficiency.

### *Future Outlook*

For 2025, Canacol will advance toward certification under the ISO 14046 standard, consolidating a management system aligned with international water footprint standards. This process will enable a more accurate assessment of the impact of our operations and the development of more effective mitigation strategies.



With these advances, water management not only addresses current challenges but also positions the company on a path of continuous improvement, aligned with industry best practices and growing regulatory demands in sustainability.

### *Water Risk Management and Sustainability Commitments*

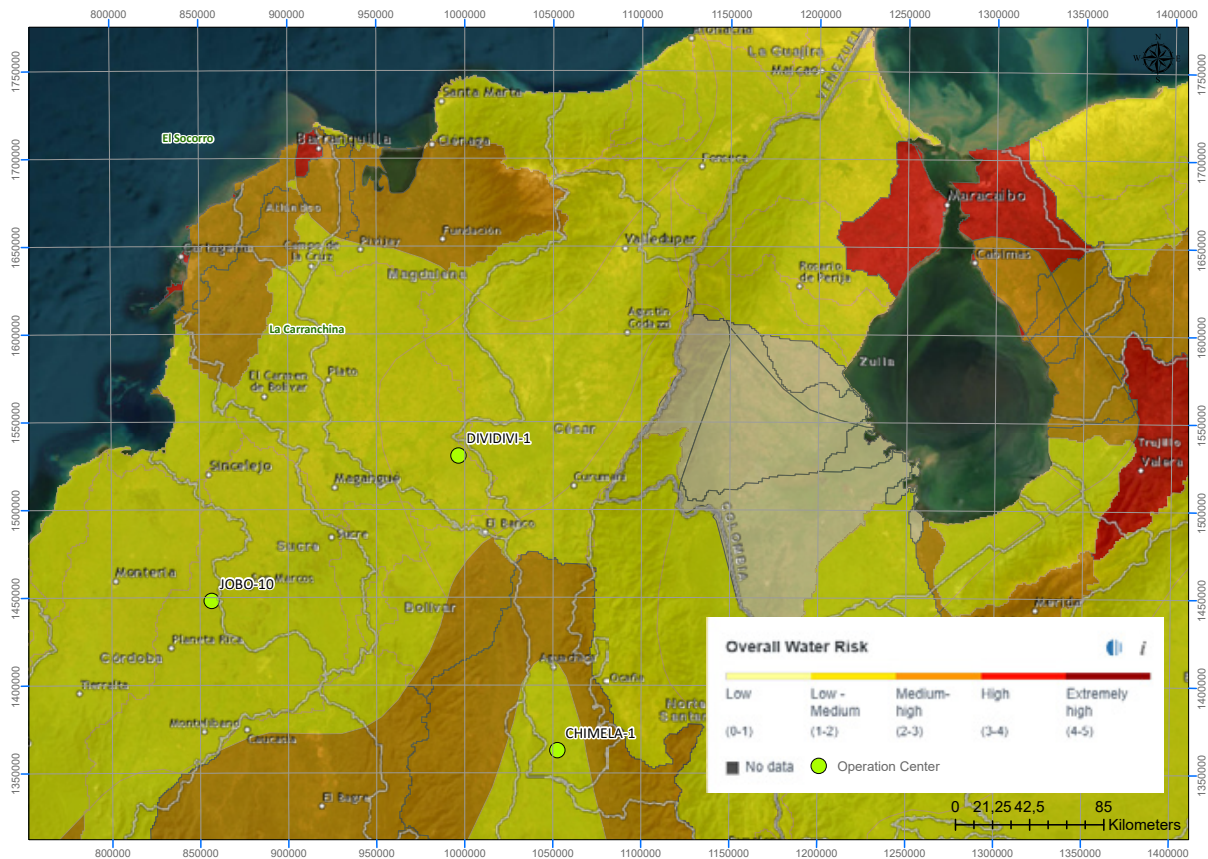
Water risk management has been a central pillar of our environmental strategy, evolving toward a more efficient and sustainable approach. Since 2021, we have maintained the suspension of surface water extraction, prioritizing supply through groundwater and authorized providers. This measure not only reduces pressure on sensitive ecosystems but also enhances operational resilience to extreme weather events.

In line with our Sustainability Policy, we have optimized industrial water monitoring and consumption processes, incorporating advanced availability and seasonality analyses. As part of this commitment, we have implemented new methodologies to ensure the responsible and efficient use of resources at all operational stages.

Additionally, Canacol has developed and published the TNFD report, a tool that enables the assessment of water stress and analysis of risks and opportunities related to watersheds in our areas of influence.



## Overall Water Risk



## Water Management in Communities

Canacol reaffirms its commitment to water security in the communities within its areas of influence [GRI 303-1]. To ensure access to water in the localities where we operate, we promote groundwater extraction projects that use renewable energy and treatment systems for water potabilization.

Additionally, we develop training campaigns focused on the protection of water sources and waste management, contributing to the conservation of water recharge areas. As part of our collaboration with local communities, we carry out well drilling and aqueduct expansion projects, ensuring safe and sustainable access to drinking water.

## Optimal Water Management

In line with Canacol's Environmental Management System, we implement the Water and Liquid Waste

Management Program, which aims to expand the scope and coverage of water measurement to continuously improve resource use. Several processes have been established to manage the water footprint:

- Reviews of water distribution systems to identify leaks.
- Reviews of distribution systems to detect consumption anomalies and implement controls for efficient use.
- Improvements in treatment systems, such as the implementation of reverse osmosis to reuse water in drilling and the establishment of an artificial wetland to enhance the treatment of gray water at the Jobo Station.
- Training for employees and contractors on efficient water use and savings.
- Training for communities and educational institutions on the conservation of water sources.

The total amount of freshwater [ENV-1] used by the organization, excluding any recycled or reused water, was limited to 0.06 MMm<sup>3</sup>, meeting our 2024 goal. This objective reflects our commitment to sustainable resource management, ensuring that consumption remains at minimal levels and is used efficiently.

### Commercial Impacts

[EM-EP-140a.4] [EM-EP-140a.3]

In 2024, Canacol did not record any water-related events with financial impacts exceeding USD \$10,000 [ENV 6]. Additionally, our policy of not using hydraulic fracturing significantly reduces water demand across our operations.

This approach not only mitigates operational and environmental risks but also enhances our financial competitiveness by avoiding costs associated with water restrictions, stricter regulations, and potential conflicts over water access.

## Our Water Performance

### Water Consumption by Source of Extraction

[GRI 303-5] [GRI 303-3] [GRI 303-2] [EM-EP-140a.1] [ENV-6]

In 2024, total water use across our operations was 60.1ML representing a 29.4% reduction compared to the previous year, when 85.2 ML were recorded. This decrease is mainly attributed to the implementation of reverse osmosis treatment, lower water intensity, and water recirculation at wells, which reduced the rig's water requirements.

Additionally, of the total water use, 53.2 ML corresponds to extracted or procured freshwater, a 31% decrease from 2023. This improvement was driven, in part, by the increased internal use of recycled and reused water, which accounted for 13% of total water consumption. Finally, the total consumption of water within our productive processes was 27.9 ML.

As part of our strategic planning, we set an annual freshwater consumption target that serves as a maximum threshold. For 2024, this target was 60 ML.

“

***Our water intensity in 2024 was the lowest in the past three years, at 5.2 L/BOE, compared to 6.7 L/BOE in 2023 a 23% reduction. Likewise, total freshwater consumption in 2024 was 33% lower than in 2023.***

”



### Water Consumption by Source of Extraction <sup>45 46 47</sup>

	Unit of Measure	2022	2023	2024
<b>Supply: total municipal water supply (or other public water services) <sup>48</sup></b>	<b>ML</b>	<b>51.9</b>	<b>51.5</b>	<b>25.4</b>
Extraction: surface water (lakes, rivers, etc.) <sup>49</sup>	ML	0.0	0.0	0.0
<b>Extraction: groundwater <sup>50</sup></b>	<b>ML</b>	<b>10.2</b>	<b>26.1</b>	<b>27.8</b>
Rainwater	ML	0.9	0.0	0.0
Marine water	ML	0.0	0.0	0.0
<b>Total net freshwater consumption</b>	<b>ML</b>	<b>62.1</b>	<b>77.6</b>	<b>53.2</b>

### Water Consumption indicators

	Unit of Measure	2022	2023	2024
Barrels equivalent	BOE	11,819,853	11,608,089	10,294,426
Water consumption intensity	L/BOE	5.26	6.69	5.17
Total water expense paid	USD	\$0.0	\$0.0	\$0.0
Total water recycled or reused percentage	%	15.2	9.7	12.97
Total net water consumption <sup>51</sup>	ML	53.7	58.9	27.9

### Water Use by Activity <sup>52</sup>

	Unit of Measure	2022	2023	2024
Drilling	m³	44,545	46,376	28,581
Platform modifications	m³	1,892	41	64.8
Civil works for improvements	m³	288	49	126
Flowline construction	m³	1,334	1,438	99
Platform construction	m³	3,786	1,326	0
Production	m³	20,775	35,979	31,055
Facility optimization	m³	62	4	181
<b>Total</b>	<b>m³</b>	<b>72,682</b>	<b>85,213</b>	<b>60,107</b>

<sup>45</sup> Water consumption is calculated through direct measurement. For areas under water stress, hydrological studies from IDEAM are used.

<sup>46</sup> There was no change in water storage that represents a significant impact related to the resource.

<sup>47</sup> All extracted water corresponds to freshwater (total dissolved solids  $\leq 1,000$  mg/l).

<sup>48</sup> Municipal water suppliers, municipal wastewater treatment plants, public or private utilities and other organizations involved in the supply, transportation, treatment, disposal or use of water and effluents (as described in the GRI Standard).

<sup>49</sup> Water that is naturally present on the Earth's surface in the form of ice sheets, polar ice caps, glaciers, icebergs, marshes, ponds, lakes, rivers and streams (Water Security Reporting Guide, 2018, CDP, as described in the GRI Standard).

<sup>50</sup> Aquifers. Water stored in a subterranean formation, from which it can be extracted (ISO 14046:2014), as described in the GRI Standard.

<sup>51</sup> The total water consumption refers to extraction minus discharge and water supplied to third parties

<sup>52</sup> The information refers to the water used for each operational activity, including recirculated water.

### Water Use by Category

	Unit of Measure	2022	2023	2024
Domestic use	m <sup>3</sup>	7,974	17,455	14,054
Industrial use	m <sup>3</sup>	64,617	67,757	46,054
<b>Total</b>	<b>m<sup>3</sup></b>	<b>72,591</b>	<b>85,212</b>	<b>60,107</b>

In 2024, the geological conditions of the producing wells led to an increase in the volume of formation water compared to the previous year. As a result, the Water Injection Plant exceeded its processing

capacity, and the surplus water was managed by authorized third-party providers in accordance with environmental regulations.

### Discharges

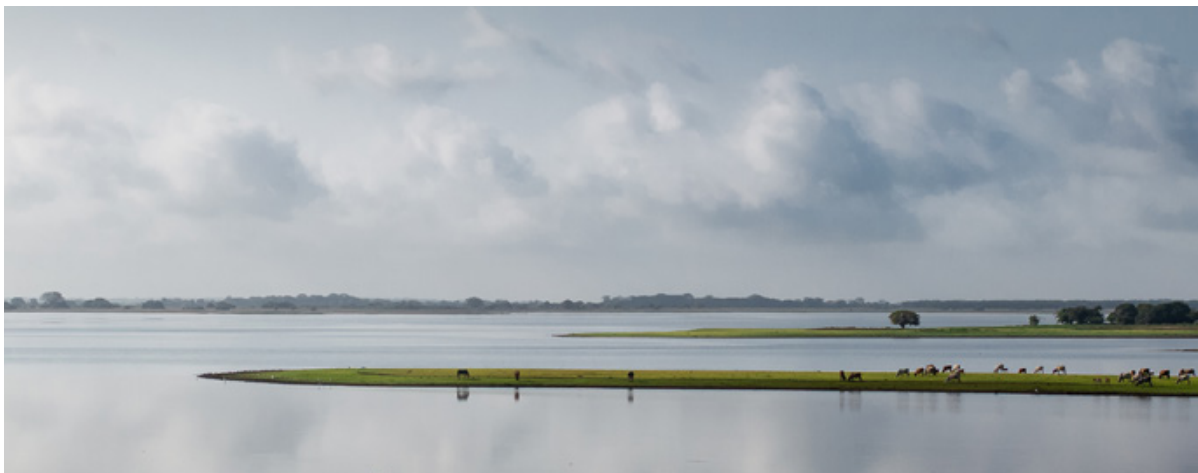
[GRI 303-4] [EM-EP-140a.2]

Discharges	Unit of Measure	2022	2023	2024
Soil	Thousand cubic meters	2.6	4.2	7.5
Contractors for treatment and subsequent discharge	Thousand cubic meters	5.9	14.6	17.7
<b>Total</b>	<b>Thousand cubic meters</b>	<b>8.5</b>	<b>18.8</b>	<b>25.2</b>

Water percentages	Unit of Measure	2022	2023	2024
Percentage discharged	%	1	5	4
Percentage injected	%	99	95	96
Percentage of hydrocarbons in discharged water	%	0	0	0

### Total water reinjected<sup>53</sup>

	Unit of Measure	2022	2023	2024
Injected, treated, and re-injected formation water	Thousand cubic meters	47.2	155.8	404.6



<sup>53</sup> These figures correspond to water effluents managed by Canacol. Applicable to Rancho Hermoso and the gas fields, and its an internal indicator at Canacol within our comprehensive water management strategy.



The increase in effluents during 2024 was driven by a combination of operational and logistical factors. Notably, the number of personnel—both employees and contractors—at the Jobo Station rose due to the implementation of new strategic projects. Additionally, unforeseen contingencies in November required the extended presence of staff at the facilities, temporarily increasing resource demand and, consequently, discharge volumes.

The soil discharge in the infiltration field—carried out exclusively at the Jobo Station—complies with the parameters established in Resolution 1501 of 2017 by ANLA [GRI 303-2], as well as Resolution 699 of 2021, which defines permissible limits for the point discharge of treated domestic wastewater into the soil [GRI 303-4]. For the injection of water production, Canacol adheres to Resolution 01295 of 2019 by ANLA, which includes the monitoring of key parameters such as chlorides, fats, oils, BOD5, TSS, coliforms, and heavy metals.

“

***It is important to note that in 2024, no industrial water was generated as soil discharge; all were recirculated for the preparation of cuttings and fluids.***

”

Regarding water reinjection, Canacol has prioritized production from existing wells which, due to their operational conditions, have generated higher volumes of formation water. As a result, it has been necessary to increase

water injection. In cases where the injection plant exceeded its processing capacity, the surplus was managed by authorized third parties—resulting in a 146% increase in externally managed volumes compared to 2023.

“

***As in 2023, Canacol did not have hydrocarbon spills in the environment in 2024.***

”





## Circular Economy and Waste Management

[GRI 3-3]

At Canacol, we proactively manage waste through a circular economy approach. Recognizing the importance of minimizing our environmental impact, we implement innovative and responsible practices that promote the principles of reduction, reuse, and recycling across all our operations. These efforts strengthen our commitment to sustainability and reflect our alignment with leading environmental practices.

### Detail of the Material Issue

#### **Circular Economy Strategy**

Canacol aspires to lead natural gas production through a commitment to sustainability excellence, integrating circular economy principles and responsible waste management practices. This vision aligns with our dedication to the 2030 Agenda, Colombia's National Circular Economy Strategy, international initiatives such as the Ellen MacArthur Foundation's proposal, and the International Zero Waste Management Systems Standard. It is also guided by our internal Circular Economy and Waste Management Policy<sup>54</sup>. The Company promotes actions aimed at optimizing the use of materials, water, and energy.

Our strategic approach prioritizes ecosystem and biodiversity preservation, the circularity of material flows, and the extension of their useful life through technological innovation, strategic partnerships, and sustainable business models that support a just energy transition.

Canacol's circular economy and waste management strategy is designed to efficiently address the most relevant impacts, risks, and opportunities for

the Company and its stakeholders. This strategy is guided by medium- and long-term objectives and supported by a comprehensive action plan that allocates the necessary resources—material inputs, technological capabilities, human talent, and financial investment—to achieve its goals.

We conduct periodic reviews and performance evaluations to ensure the strategy remains effective and aligned with industry trends, reinforcing our competitiveness, resilience, and long-term value creation.



54 Please refer to our Circular Economy and Waste Management Policy [here](#).

## Strategic Objective

Each year, we will repurpose at least 34% of the waste generated across our operations, in alignment with our Zero Waste certification and management program, our waste management commitments, HSEQ policies, and the Circular Economy and Waste Management Policy.

Specifically, our commitments are:

### Operation:

- **Operational and resource efficiency:** We are committed to using resources responsibly by implementing processes that conserve and regenerate water, energy, and other inputs. We also adopt practices to reduce, reuse, and recycle waste across all our operations. As part of this commitment, we recycle drilling water through reverse osmosis systems to minimize environmental and social impact.
- **Material, waste, and by-product management:** We will implement the Zero Waste System and its hierarchy to reduce, valorize, and extend the useful life of materials, with the support of strategic alliances. Additionally, we will manage the closure of the biological cycle of organic waste through composting or other recycling processes, avoiding disposal in landfills.
- **Sustainable design and maintenance for circularity:** We will promote modular and sustainable designs that facilitate the dismantling and reuse of infrastructure. This will be complemented by preventive and predictive maintenance practices that extend equipment lifespan, minimize waste generation, and improve operational safety.
- **Energy efficiency and GHG emission reduction:** We are committed to reducing greenhouse gas emissions by integrating circular economy principles into our energy efficiency and decarbonization strategies, utilizing technological innovations,

sustainable infrastructures, and new low-carbon technologies.

- **Innovation in products and services:** We actively seek innovative solutions to transform by-products and unused materials into new resources, generating value that can be reintegrated into the industry and local communities.
- **Impact, dependency, risk, and opportunity management:** We strategically identify and manage the impacts, dependencies, opportunities, and risks associated with our operations in line with circular economy principles.

### Value Chain

- We cultivate an organizational culture that emphasizes “producing while conserving and conserving while producing.”
- We provide training to employees, suppliers, contractors, and business partners on the risks associated with a linear economy for both Canacol and its surrounding environment, as well as the opportunities presented by a circular economy system.
- We collaborate with local communities to develop projects that contribute to waste management and promote the principles of the circular economy in the areas where we operate.
- We encourage the adoption of circular economy practices among our contractors, suppliers, and business partners, focusing on waste valorization, resource optimization, and improving efficiency throughout the entire life cycle of their operations.
- We work to identify solutions for our customers that optimize energy use, thus supporting a more sustainable demand for energy resources.

### Governance

Canacol has a sustainability governance model that incorporates waste management and the circular

economy through a double materiality approach. This model establishes a clear structure, including both executive and tactical positions. Based on this structure, roles and responsibilities have been defined to design and implement processes, controls, and procedures. These actions ensure effective supervision, management, and monitoring of the impacts, dependencies, risks, and opportunities related to waste management and the circular economy.

### Metrics and Objectives

In line with our strategy and management framework, we establish metrics that include both tactical and strategic indicators. These metrics help us measure our performance and track progress annually, as well as cumulatively over the short, medium, and long term. This includes monitoring our advancements toward achieving the strategic objectives outlined in our Circular Economy and Waste Management Policy.

As part of our management approach, we actively participate in external evaluations and rankings

each year to assess the Company's performance in circular economy and waste management.

This provides valuable insights, enabling us to continuously improve our operations, processes, and strategies.

### Our Circular Economy Performance

In 2024, we achieved certification under the Zero Waste Standard in Colombia, awarded by ICONTEC. We are proud to have received the highest rating, GOLD category, thanks to achieving a utilization rate of over 70% of the waste generated. The inputs acquired for our direct operations and those of our contractors are carefully selected to minimize environmental impact. This is done through a life cycle analysis approach, which evaluates their environmental impact from extraction to final disposal, prioritizing sustainable options.

We are committed to waste management [\[ENV-7\]](#) [\[GRI 306-2\]](#), conducting measurements and establishing indicators that allow us to identify new utilization alternatives and improve existing ones.



#### Reduction

Through awareness campaigns, we seek to educate employees and contractors on the importance of reducing consumption and minimizing waste generation. Additionally, we promote the proper separation of waste to prevent contamination of recyclable and reusable materials, thus preserving their quality and utilization potential.

Canacol also leads an initiative, in partnership with our casino contractor, to reduce food waste. This initiative includes an incentive system that converts grams of non-wasted food into markets, which are then delivered to families in the Company's areas of influence.



#### Reuse

In our operations, we prioritize the reuse of materials, focusing particularly on construction and demolition waste and formation sands extracted during well activities. These are repurposed for civil works. Thanks to these practices, we achieved a 20% increase in waste utilization compared to the previous year.



#### Recycling

We maximize the utilization of waste by recycling both ordinary and hazardous waste, with some being incinerated for energy recovery. Drilling muds are treated using bioremediation through land treatment, and used oils are refined for new production processes.

Furthermore, Canacol has established strategic agreements to incorporate certain waste into new industrial processes, such as used oil with high hydrocarbon content.

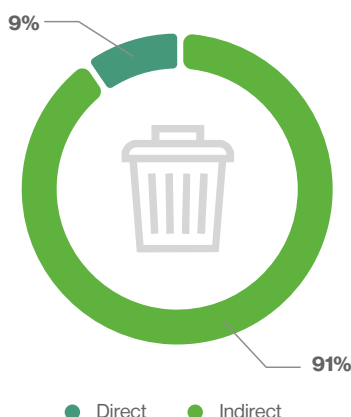


The Company has implemented the FHSEQ-109 form for waste delivery to the supplier, who then presents final disposal certificates to the environmental auditor. Additionally, contractors keep a

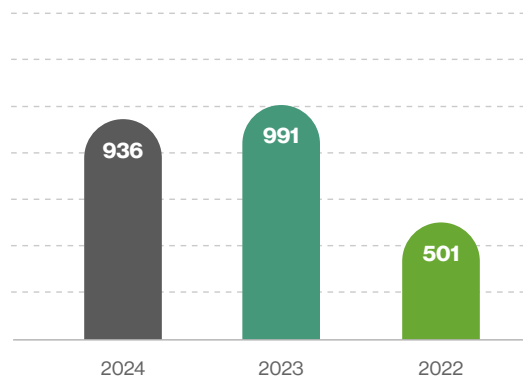
daily record of solid waste generation and control, detailing its weight by classification, storage, and final disposal. This record is submitted weekly to the Environmental Audit for review.

## Waste Generated

Percentage of waste Generated by Type



Total waste generated (tons)



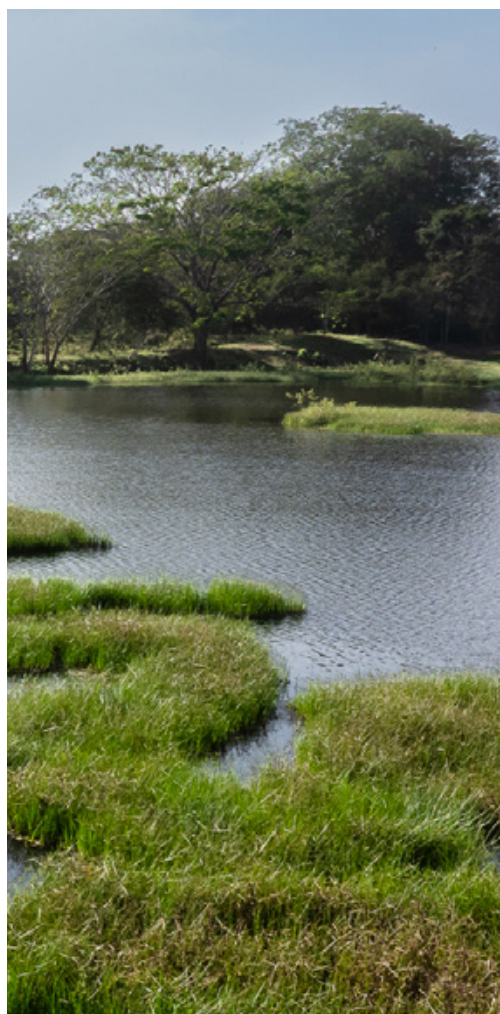
## Waste Generation and Number of Wells

Year	Waste Generated (tons)	Number of Wells
2022	501	12
2023	991	14
2024	936	11

“  
In 2024, Canacol achieved a 5.5% reduction in total waste generation [GRI 306-3], reaching 936 tons compared to 991 tons recorded in 2023.  
”

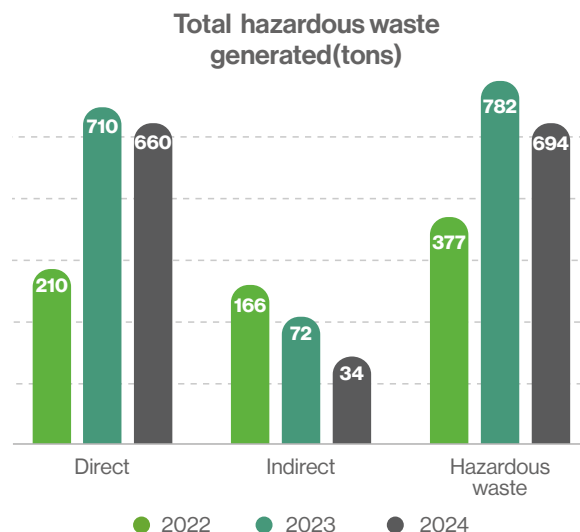
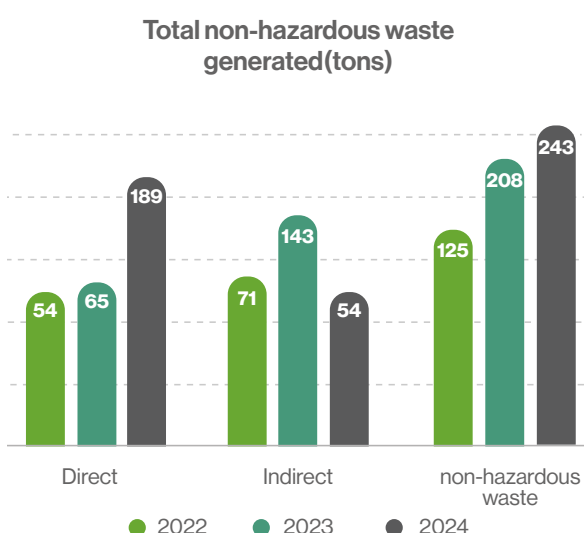
Regarding non-hazardous waste, this type of waste experienced a 16.8% increase, associated with an increase in the production of construction and demolition waste and production sands.

“  
Thanks to the optimization of waste management and valorization processes, the utilization rate increased from 62% in 2023 to 83% in 2024, reflecting progress in the circular economy within our operations.  
”



Construction and demolition waste and generated sands have been reused in internal construction activities, contributing to greater material use efficiency and reducing the need

for final disposal. These actions reaffirm our commitment to responsible waste management and the transition to a more sustainable model in the energy industry.



### Waste Management<sup>55</sup>

[GRI 306-4] [GRI 306-5] [GRI 308-1] [GRI 308-2]

As part of our waste management strategy, we closely monitor the volumes of waste generated—both

direct and indirect—and ensure that our contractors comply with all applicable regulations [GRI 308-2].

In 2024, the total waste generated amounted to 936 tons, with 26% categorized as non-hazardous waste and 74% as hazardous waste.

“  
*During this period, we achieved an 11% reduction in hazardous waste generation compared to 2023, thanks to the optimization of our processes and the adoption of better operational practices.*  
”

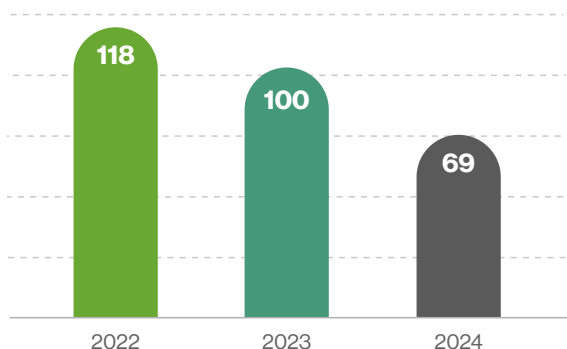
Additionally, the increase in non-hazardous waste was due to the enhanced reuse of materials, which contributed to greater waste valorization in our operations.

We apply recycling, reuse, and efficient disposal techniques, prioritizing a circular economy model that maximizes resource utilization. These actions not only ensure regulatory compliance but also reinforce our commitment to sustainability, promoting responsible practices across our value chain.

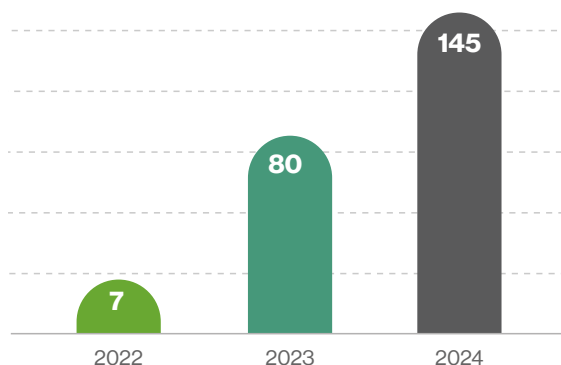


<sup>55</sup> All waste intended for recovery and disposal is managed off-site through authorized third parties.

### Nonhazardous waste sent To landfill (tons)



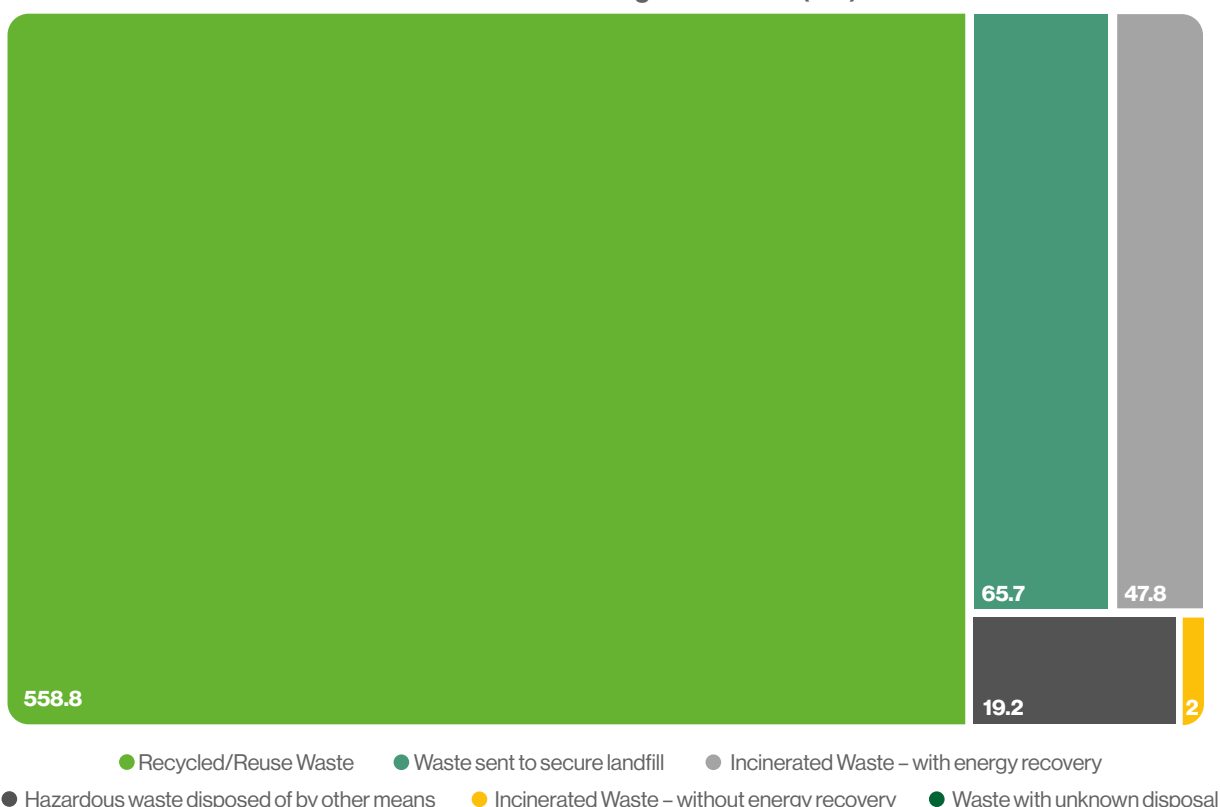
### Nonhazardous waste Recycled/reused (tons)



At Canacol, we have implemented strict strategies for the selection and contracting of suppliers [GRI 308-1]. We collaborate with suppliers who possess the technical and operational capacity to efficiently

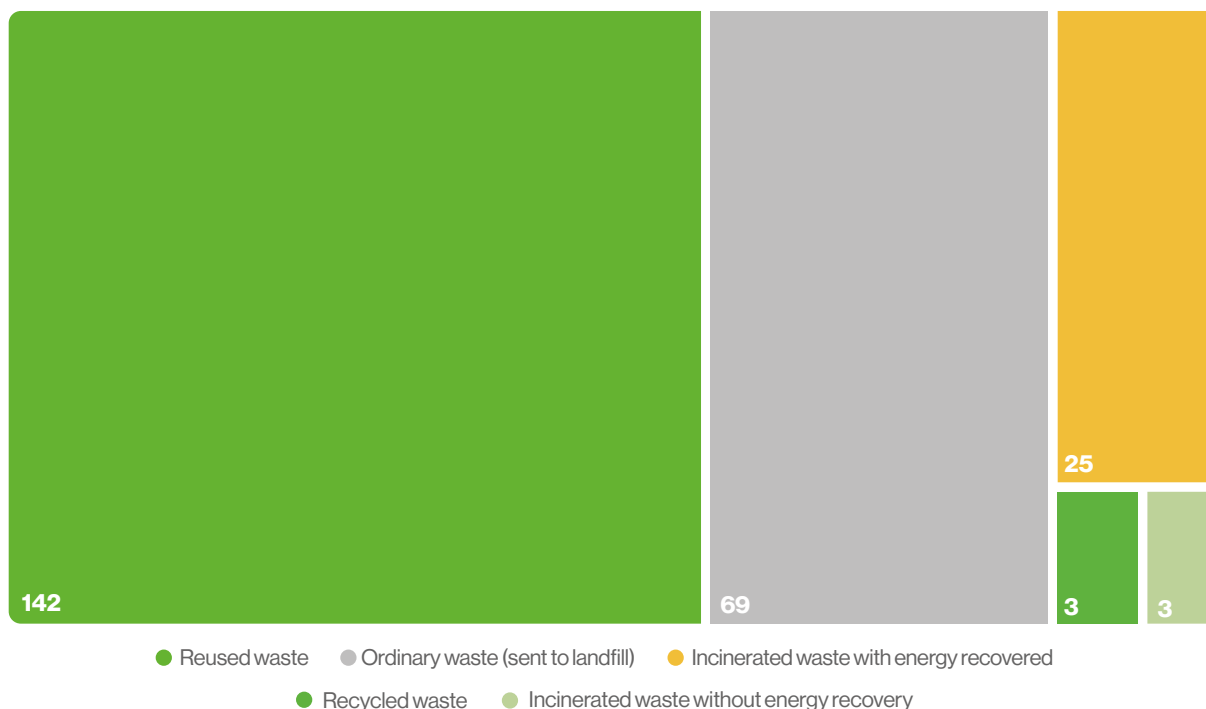
manage waste. Our preference is for suppliers that provide sustainable waste utilization solutions, such as incineration with energy recovery, used oil refining, and bioremediation.

### Hazardous Waste Management 2024 (ton)<sup>56</sup>



<sup>56</sup> For the management of hazardous waste, hydrocarbon-contaminated water and sludge with a proportionally higher water content are handled. These wastes are treated at a wastewater treatment plant and subsequently managed through an authorized third party for final disposal. It is important to note that, in accordance with Decree 4741 of 2005 in Colombia, these wastes, even if semi-solid or aqueous, are considered solid waste as long as they are properly packaged. The waste intended for disposal corresponds to that sent to secure landfill cells and incineration.

### Non-hazardous waste management 2024 (tons)<sup>57</sup>



At Canacol, we responsibly manage the waste generated by our operational activities, both direct and indirect. Among the most significant waste types are soils contaminated by spills, oily drilling muds, and oily waters [GRI 306-1], all of which require careful management to prevent negative environmental impacts.

Our waste management strategy focuses on reducing the generation of these materials and implementing optimized treatment and final disposal processes. Through these actions, we aim to minimize environmental risks, promote circular economy principles, and enhance the sustainability of our operations.

### Non-Hazardous Waste by Direct and Indirect Activities (kg)

	2022	2023	2024
<b>Direct activities</b>	<b>55,776</b>	<b>132,249</b>	<b>188,562</b>
Production	55,776	132,249	188,562
<b>Subcontracted activities</b>	<b>69,099</b>	<b>75,315</b>	<b>53,879</b>
Drilling	61,100	65,019	49,480
Platform modifications	131	936	553
Civil works of improvement	764	1,723	210
Flowline construction	2,639	1,751	565
Platform construction	3,923	5,332	0
Facility optimization	542	554	3,071
<b>Total (Direct and subcontracted activities)</b>	<b>124,875</b>	<b>207,564</b>	<b>242,4414</b>

<sup>57</sup> The reused waste mainly corresponds to construction and demolition waste used in civil works activities. The recycled waste primarily includes cardboard, plastic, and metal in good condition, managed through third parties.



**Hazardous Waste by Direct and Indirect Activities (kg)**

	2022	2023	2024
<b>Direct activities</b>	<b>251,408</b>	<b>711,561</b>	<b>659,796</b>
Production	251,408	711,561	659,796
<b>Subcontracted activities</b>	<b>125,123</b>	<b>70,480</b>	<b>33,731</b>
Drilling	114,138	63,846	31,463
Platform modifications	2,746	1,090	213
Civil Works of improvement	1,146	425	218
Flowline construction	1,287	1,924	109
Platform construction	4,963	2,756	0
Facility optimization	843	438	1,728
<b>Total (Direct and subcontracted activities)</b>	<b>376,531</b>	<b>782,041</b>	<b>693,527</b>

Total Waste	Unit of Measure	2022	2023	2024
Total waste eliminated	ton	501	990	936
Total waste destined for disposal.	ton	-	259.2	212.6
Total waste not destined for disposal	ton	-	729.8	723.4
Waste management	%	11	62	83

Total hazardous waste	Unit of Measure	2022	2023	2024
Total hazardous waste eliminated	ton	377	782	649
Waste management	%	19	64	81

For more information, visit our website:  
**Waste Management**



## Environmental Management Rancho Hermoso

Canacol has a collaboration agreement with Hocol, a subsidiary of the Ecopetrol Group, for the operation of the Rancho Hermoso crude oil field. Under this agreement, Hocol holds the primary environmental license under the contract with the National Hydrocarbons Agency, while Canacol is responsible for ensuring compliance with all applicable environmental regulations.

This block represents only 2% of our total production and is currently in an advanced exploitation phase, with no immediate plans for new exploration or development activities.

### Energy

[GRI 302-1] [GRI 302-3] [CCE-6]

The total energy consumption at Rancho Hermoso for the years 2022, 2023, and 2024 is derived from non-renewable energy sources, which comes from the use of natural gas and crude oil for power generation, as well as diesel used for equipment start-up in operations.

Thanks to our resource efficiency management, we achieved a 2.8% reduction in energy consumption compared to 2023.

### Total Non-Renewable Energy Consumed in Rancho Hermoso

[GRI 302-1]

	Units	2022	2023	2024
Non-Renewable Energy Consumption <sup>58</sup>	MWh	51,391.8	59,197.6	57,534.2

In 2024, total fuel production at Rancho Hermoso reached 741,644.9 BOE. Based on this figure, the energy intensity of this operation during the reporting year was 77.6 kWh/BOE<sup>59</sup> [GRI 302-3].

For the first time this year, we are reporting the amount of energy generated for self-consumption within the Rancho Hermoso operation, shown below.

### Total Electricity Generated for Self-Consumption in the Operation<sup>60</sup>

	Units	2022	2023	2024
Electricity Generation for Self-Consumption in the Operation	MWh	12,688.0	13,743.0	13,522.01

58 During 2024, we carried out a correction process to the calculation of non-renewable energy consumption at the Rancho Hermoso operation. This is reflected in the new figures presented in this year's ESG Report.

59 The energy intensity of Rancho Hermoso considers only the non-renewable energy consumed within this facility. There is no renewable energy consumption in the operation. Electricity consumption is not included, as it is self-generated using natural gas and crude oil in our own thermoelectric generators.

60 The difference between fossil fuel consumption and generated electricity is due to equipment efficiency, which is approximately 25%.

## Scope 1 Emissions

[GRI 305-1] [CCE-4] [CCE-5] [EM-EP-110a.1]

We have conducted a detailed analysis of operational emissions at Rancho Hermoso. In 2024, direct emissions totaled 22,977.7

tCO<sub>2</sub>e, with 65.9% of these emissions resulting from stationary combustion used for electricity generation.

Scope 1	Source	Units	2023	2024	Contribution
Direct Emissions	Stationary combustion	tCO <sub>2</sub> e/year	15,161.2	15,138.7	65.8%
	Mobile sources combustion	tCO <sub>2</sub> e/year	0.0	0.0	0.0%
	Fire extinguishers	tCO <sub>2</sub> e/year	0.0	0.1	0.0%
	Refrigerants	tCO <sub>2</sub> e/year	65.6	63.2	0.3%
	Fugitive emissions	tCO <sub>2</sub> e/year	4,944.2	7,775.8	33.8%
	<b>Total scope 1</b>	<b>tCO<sub>2</sub>e/year</b>	<b>20,171.1</b>	<b>22,977.7</b>	<b>100.0%</b>

Direct emissions (Scope 1) increased by 13.9% (2,806.6 tCO<sub>2</sub>e) compared to 2023, primarily due to an increase in fugitive emissions, which resulted from a 36.5% increase in production at Rancho

Hermoso this year. Conversely, emissions from stationary combustion sources decreased by 0.15% (22.5 tCO<sub>2</sub>e) compared to 2023.

## Amount of Gross Global Scope 1 GHG Emissions to the Atmosphere (tCO<sub>2</sub>e)

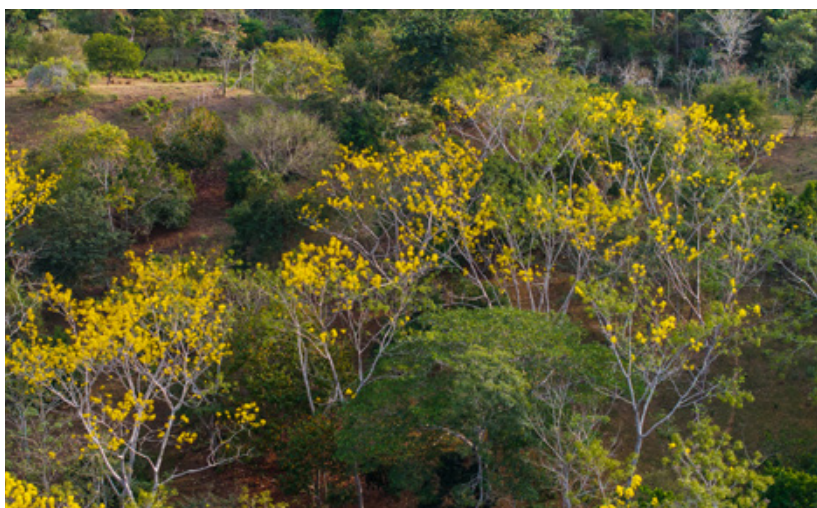
[EM-EP-110a.2]

Source	tCO <sub>2</sub> e/year
Hydrocarbons burned: fixed and mobile sources	15,138.7
Other combustions	0.0
Emissions generated during processing: fixed sources	15,138.7
Other emissions to the atmosphere	0.0
Fugitive emissions	7,775.8

## Scope 2 Emissions

[GRI 305-2]

Rancho Hermoso does not purchase electricity or heat, as all electricity generation is carried out using natural gas and crude oil extracted by Canacol. As a result, Scope 2 emissions for 2024 are zero.



## Emissions Intensity

[GRI 305-4]

Source	Units	2023	2024
Scope 1	tCO <sub>2</sub> e/year	20,171.1	22,977.7
Scope 2	tCO <sub>2</sub> e/year	-	-
<b>Total Scope 1 and 2</b>	<b>tCO<sub>2</sub>e/year</b>	<b>20,171.1</b>	<b>22,977.7</b>
Emissions intensity	kgCO <sub>2</sub> e/BOE	42.9	31.0
Crude oil production	BOE	470,715.5	741,644.9

A significant reduction in emissions intensity is observed at Rancho Hermoso in 2024, with a 27.7% decrease compared to 2023. This reduction is due to the fact that, despite a 36.5% increase in production, energy consumption for the operation remained nearly unchanged.

at the corporate level. These emissions are included in the Company's global inventory and are presented in the *Mitigation and Climate Change* section (see page 76).

## Water Management

[EM-EP-140a.1] [EM-EP-140a.2]  
[GRI 303-5] [GRI 303-3] [GRI 303-4] [ENV-1] [ENV-2]

## Scope 3 Emissions

[GRI 305-3]

Scope 3 emissions are not reported separately for Rancho Hermoso, as their calculation is carried out

We constantly manage processes for the capture, use, and discharge of water used in the Rancho Hermoso operation:

## Amount of Water by Source of Extraction and Total Water Consumption

[GRI 303-5] [GRI 303-3] [EM-EP-140a.1]

Water Extraction and Consumption (ML)	2022	2023	2024
Surface water <sup>61</sup>	0	0	0
Groundwater <sup>62</sup>	2.88	4.48	5.01
Produced water	0	0	0
Third-party water <sup>63</sup>	0.01	0,0	0,1
Total water extraction	2.89	4.48	5.11
Total water consumption	2.79	4.43	3.41

## Amount of Water Discharged by Type of Water Source [GRI 303-4] [EM-EP-140a.2]

Water Discharges (ML) <sup>64</sup>	2022	2023	2024
Surface water discharges	0	0	0
Groundwater discharges	0	0	0
Marine water discharges	0	0	0
Third-party water discharges	0.1	0.05	1.7
<b>Total discharges</b>	<b>0.1</b>	<b>0.05</b>	<b>1.7</b>

61 Water that is naturally present on the Earth's surface in ice sheets, polar ice caps, glaciers, icebergs, marshes, ponds, lakes, rivers and streams (Water Security Reporting Guidance, 2018, CDP, taken from the GRI standard).

62 Water stored in a subterranean formation from which it can be extracted (ISO 14046:2014), extracted from the GRI standard.

63 Municipal water suppliers, municipal wastewater treatment plants, public or private utilities, and other organizations involved in the supply, transportation, treatment, disposal, or use of water and effluents (Taken from the GRI standard).

64 All extracted water corresponds to freshwater (total dissolved solids ≤ 1,000 mg/l).



## Biodiversity

[EM-EP-160a.2]

Canacol recognizes the importance of preserving high-biodiversity areas within its operational blocks. Although these areas fall within the Company's assigned area, we refrain from developing activities or installing infrastructure in them, ensuring their

conservation by designating them as exclusion zones [ENV-4].

We conduct continuous monitoring of flow pipelines, supported by a comprehensive maintenance and integrity plan to prevent potential hydrocarbon spills. Any relevant information regarding such incidents is presented for audit to ANLA and ANH. [ENV-6].

***In 2024, no oil spills occurred at the Rancho Hermoso facilities.***

## Waste

[GRI 306-3] [GRI 306-4] [GRI 306-5]

In 2024, Canacol reaffirmed its commitment to responsible waste management at the Rancho Hermoso operation, with a strong focus on

maximizing waste utilization. Priority was given to reducing waste sent for final disposal, through sustainable alternatives such as incineration with energy recovery, used oil recycling, and bioremediation, alongside other environmentally responsible strategies.

Non-Hazardous Waste (tons)	2024
Reutilization	0
Recycling	0.3
Composting	0.0
Recovery (including energy recovery)	0.0
Incineration	0.0
Deep well injection	0.0
Landfill	5.1
On-site storage	0.0
Other	0.0
<b>Total</b>	<b>5.4</b>

In 2024, the Company generated a total of 397 tons, of which 8.5 tons were sent for disposal and 387.5 tons were recovered through refining and bioremediation.

At the Rancho Hermoso crude oil production plant, the waste generated, primarily sludge from the

Hazardous Waste (tons)	2024
Reutilization	0.0
Recycling	0.065
Composting	0.0
Recovery (including energy recovery)	0.65
Incineration	0.0
Deep well injection	0.0
Secure landfill cell	3.43
On-site storage	0.0
Other	386.4
<b>Total</b>	<b>390.6</b>

hydrocarbon process, is treated through wastewater purification and bioremediation. Following treatment, these materials are repurposed as inputs for additional decontamination processes. This strategy has enabled the achievement of a 97% waste utilization rate, encompassing both hazardous and non-hazardous materials.



# 11

Empowering  
our people





# Empowering our people

Canacol is committed to comprehensive development, the respect for human rights, and the physical, mental, and emotional well-being of its employees, stakeholders, and the communities engaged throughout its value chain. We promote a fair, inclusive, and diverse work culture; encourage preventive approaches and best practices to ensure a safe work environment and foster assertive, respectful, and transparent relationships.

We uphold an inspiring, transparent, and supportive organizational culture that nurtures the holistic development of human capital at all levels of the

Company. This culture drives the creation of mutually beneficial initiatives that promote local development and well-being.

1 NO  
POVERTY3 GOOD HEALTH  
AND WELL-BEING4 QUALITY  
EDUCATION5 GENDER  
EQUALITY6 CLEAN WATER  
AND SANITATION8 DECENT WORK AND  
ECONOMIC GROWTH10 REDUCED  
INEQUALITIES

## Definition of material issues covered in the social dimension



### Occupational health and safety

Promote preventive approaches and best practices to ensure a safe working environment, safeguarding the physical, mental, and emotional well-being of employees while establishing measures and policies to prevent accidents, injuries, and occupational diseases.



### Human rights

Defend, respect, and promote the human rights of employees and stakeholders across the value chain by implementing policies, best practices, and due diligence processes aligned with international standards, as well as local cultures, traditions, and values. Our firm commitment is to prevent any violation of these rights.



### Relationship with communities

Promote timely and effective engagement with communities, grounded in respect, transparency, and compliance. These processes foster mutually beneficial dialogue, support local development and well-being, and help ensure the continuity of our social license to operate.



### Employee well-being, attraction and retention of talent

Consolidate a fair, inclusive, and diverse work culture that promotes well-being, fosters the comprehensive development of human capital, and drives the attraction and retention of top talent.





## Summary of main management of material issues covered in the dimension

### Sustainability issue



#### Occupational health and safety

### Management approach

[GRI 3-3]

Promote preventive approaches and best practices to ensure a safe work environment, safeguarding the physical, mental, and emotional well-being of employees. while establishing measures and policies to prevent accidents, injuries, and occupational diseases.

### Progress

[GRI 3-3]

- ▶ Achieved 100% compliance with corporate objectives in occupational health and safety.
- ▶ Maintained industrial safety indicators below the target threshold of 1.99.
- ▶ LTIFR (Lost Time Injury Frequency Rate): 1.35.
- ▶ TRIFR (Total Recordable Injury Frequency Rate): 1.69: *(Applicable to both direct employees and contractors in 2024.)*
- ▶ We reported no fatalities among employees and contractors.
- ▶ LTIFR for contractors improved from 0.33 in 2023 to 0 in 2024.
- ▶ No days lost due to accidents or occupational diseases among direct personnel.
- ▶ No severe vehicle accidents recorded for over seven consecutive years.
- ▶ No incidences of occupational disease reported.
- ▶ Implemented the Stop Work Authority Policy, empowering personnel to proactively prevent unsafe actions or conditions.
- ▶ Rolled out the “10 Rules to Save Lives” initiative to reinforce critical safety behaviors and reduce risk exposure.



## Sustainability issue

Human  
rights

## Management approach

[GRI 3-3]

The Company has developed and implemented a comprehensive Human Rights Policy aligned with the United Nations Guiding Principles on Business and Human Rights. Using a due diligence approach, the Company identifies, prevents, and mitigates potential adverse impacts across its operations and value chain.

To support this commitment, it has established monitoring and control mechanisms, provided specialized training for employees and contractors, and implemented complaint management procedures to ensure timely and effective response to any violations.

## Progress

[GRI 3-3]

- ▶ Increased the Corporate Sustainability Assessment (CSA) score by 8 points in 2024, achieving 95 points in human rights and positioning the Company in the 98th percentile of the Oil & Gas sector according to S&P Sustainable1.
- ▶ Received the recognition from the Colombian Petroleum and Gas Association (ACP) “Sustainability Facts” for the initiative: “Canacol, a culture focused on respect and guarantee of Human Rights.”
- ▶ Implemented mitigation and monitoring plans for Human Rights in 100% of operations.
- ▶ Reported no cases of human rights violations in the Company’s operations.
- ▶ Trained 503 individuals in human rights, including members of local communities, public forces, private security, employees, and contractors.
- ▶ Developed 687 human rights courses on the C+ Platform.
- ▶ Provided timely responses to 242 CRCC issues (Citizen Complaint System) related to human rights concerns.
- ▶ Incorporated human rights clauses into 100% of investment agreements and contracts, ensuring compliance with ethical and legal standards.



**Sustainability issue****Relationship with communities****Management approach**

[GRI 3-3]

Community engagement at Canacol is rooted in the principles of respect, transparency, and participation, fostering trust and creating shared value. The Company maintains ongoing dialogue with local communities through consultation forums, project socialization sessions, and CRCC (Citizen Complaint System) response mechanisms. Furthermore, Canacol supports social investment initiatives that align with local needs and development plans, contributing to community well-being and environmental sustainability.

**Progress**

[GRI 3-3]

- › Maintained constant and transparent communication through the socialization of activities, holding 193 meetings with 3,976 participants.
- › Provided timely responses to 338 CRCC issues which were successfully managed and closed.
- › Executed 20 social projects in 16 communities within the Company's area of influence.
- › 5,513 people benefited from the Company's social investment projects.
- › Updated of the Intercultural Relationship Protocol to strengthen cross-cultural understanding.
- › Updated and communicated the Involuntary Resettlement Policy to ensure compliance with ethical and legal standards.

**Employee well-being, attraction and retention of talent**

Canacol promotes a fair, inclusive, and diverse organizational culture, ensuring excellent working conditions and opportunities for professional development. The Company implements training programs, well-being initiatives, and work-life balance policies to enhance employee satisfaction and engagement. Additionally, we offer professional growth plans, competitive benefits, and safe, motivating work environments to attract and retain top talent.

- › Achieved the Equipares Gold Seal certification, demonstrating the Company's commitment to diversity, equity, and inclusion.
- › Launched the Beneflex Portfolio 2024 focused on enhancing employee benefits.
- › 82.7% of skilled labor and 100% of unskilled labor were hired locally, contributing to regional employment and community development.
- › Annual performance evaluation cycle achieved 99% coverage of employees, strengthening strategic alignment and effective talent management.
- › 43% of employees participated in transformational leadership programs focused on strategic decision-making and organizational culture enhancement.
- › Invested a total of USD \$212,400 in training, providing 18,489 hours of development (7,848 hours for women and 10,641 hours for men).





## Risks, opportunities, and future outlook

[GRI 3-3]

### Risks and opportunities

The current business environment is shaped by a series of global challenges and trends that significantly impact talent management and community engagement. Issues such as climate change, digitalization, evolving social expectations, regulatory frameworks in human rights, diversity, equity, and inclusion, as well as fair working conditions are transforming how companies operate and position themselves in the market. In this context, organizations' ability to identify and mitigate risks while leveraging strategic opportunities is crucial for their long-term sustainability.

Among these challenges, employment volatility in the energy sector remains a key concern, driven by fluctuations in oil and gas prices and the growing pressure to move towards a more sustainable energy matrix. These dynamics not only affect job stability within the industry but also create uncertainty in communities that economically rely on these activities. However, the energy transition also presents new opportunities such as developing technical skills, fostering economic diversification in production regions, and creating jobs in emerging sectors. These opportunities promote development models that integrate technological innovation, energy efficiency, and social and environmental sustainability.

In terms of human rights and fair working conditions, both regulatory and social expectations are becoming more stringent. International organizations, governments, and investors are promoting regulatory frameworks that require greater transparency and more robust management of social and labor impacts. In Colombia, the implementation of the United Nations Guiding Principles on Business and Human Rights and the enactment of legislation



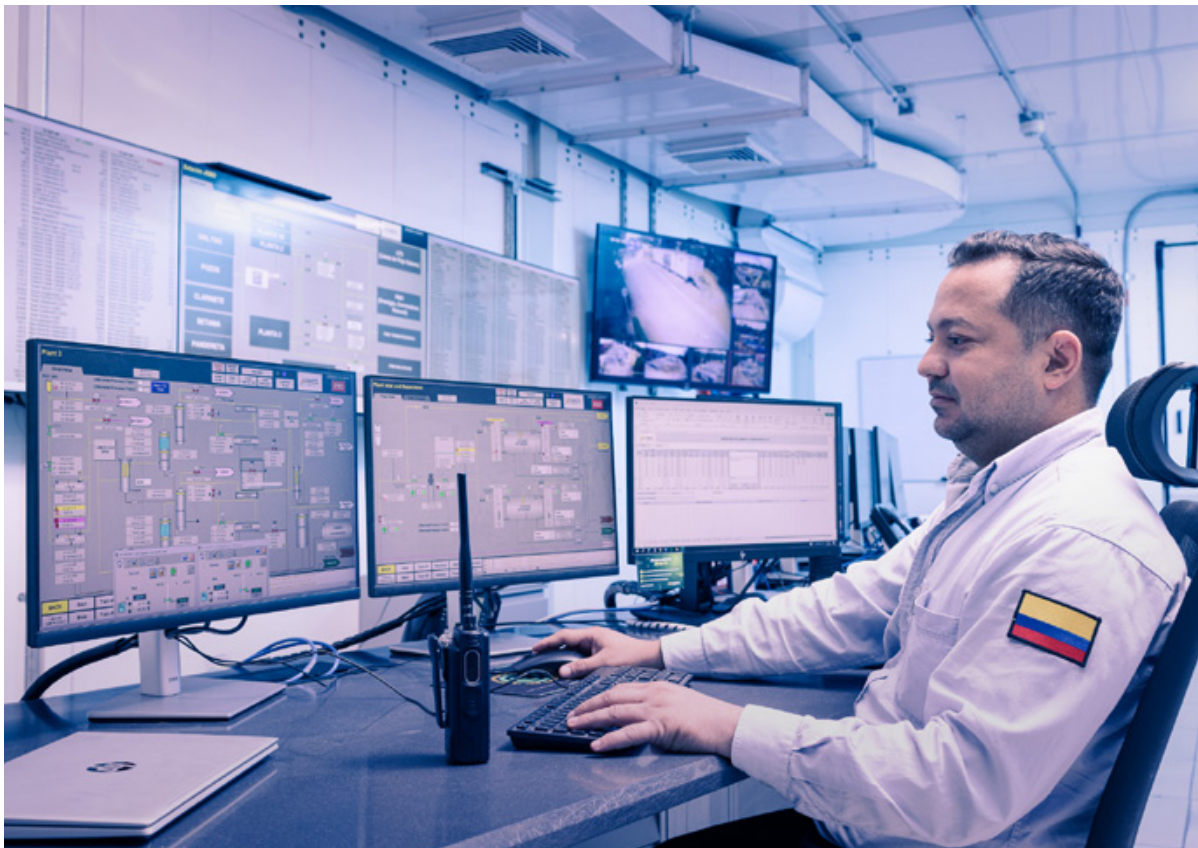
on gender equality and pay equity have shown progress, although challenges persist. Implementing mechanisms to ensure dignified and equitable working conditions, along with creating effective protocols against workplace harassment, have become priorities for corporate reputation and sustainability.

DEI have also gained relevance as strategic factors for business success. Companies that fail to promote inclusive and equitable environments face risks associated with talent attrition, reduced innovation, and reputational damage. Female representation in leadership roles remains limited in many sectors, and wage and opportunity gaps for historically marginalized groups persist. In contrast, organizations that implement effective DEI strategies enhance their competitiveness, attract diverse talent, and strengthen relationships with customers, investors, and communities.

Digital transformation is redefining talent management, creating both challenges and opportunities.

Automation and artificial intelligence are improving employee recruitment, training, and development processes, fostering more agile and efficient management. However, digitalization also introduces risks, such as the exclusion of workers with limited access to technology or the need for continuous skills development to adapt to a changing labor market. Companies that address these challenges proactively will be better positioned to remain competitive.

In this landscape, corporate commitment to occupational health and safety, human rights, equity, and employee well-being is not only a matter of social responsibility but a strategic imperative. By implementing policies and programs that address these challenges, organizations can mitigate risks, enhance their reputation, and strengthen relationships with their stakeholders. A corporate culture rooted in respect, inclusion, and sustainable development will ultimately foster resilience and drive long-term growth.



## Future outlook

Canacol will further strengthen its sustainability strategy in human talent management and community engagement, aligning with global trends and emerging regulations. Regarding human rights and fair working conditions, the Company will advance the implementation of mechanisms that ensure dignified and equitable work environments. Workplace harassment protocols will be reinforced, creating safe and respectful environments for all employees. Additionally, the Company will continue to enhance its transparency and social impact management systems, in line with the United Nations Guiding Principles on Business and Human Rights as well as regulations on gender equality and pay equity.

Diversity, equity, and inclusion will continue to be a cornerstone of the corporate strategy. To mitigate talent risks and enhance organizational innovation, Canacol will implement programs aimed at increasing the representation of women and other underrepresented groups in leadership positions. Additionally, initiatives will be developed to ensure fair and equitable conditions for all employees.

Canacol will uphold its commitment to occupational health and safety, integrating new practices that minimize risks and ensure the well-being of its workforce. Monitoring and control systems for working conditions will be strengthened, ensuring compliance with the highest safety standards across all operations.

We will focus on reinforcing our social investment strategies, risk management practices, and transparency across operations, ensuring active participation from communities and other stakeholders. A key priority will be the development of systems to monitor and measure the impact of social programs. As part of the energy transition, the Company will continue to promote projects that support national and regional sustainability

through strategic alliances with government entities, community organizations, and the private sector. Social investment will remain aligned with the Sustainable Development Goals and decarbonization targets, fostering innovative solutions for the social and environmental well-being of the regions where we operate.



## Outstanding practices and recognitions

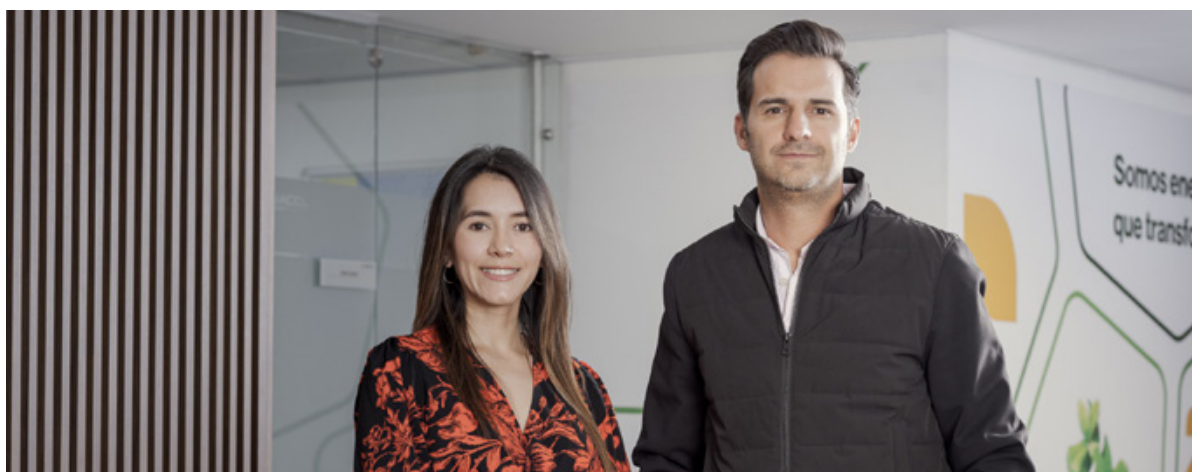
In 2024, Canacol reaffirmed its commitment to sustainability and human rights by advancing innovative, high-impact initiatives throughout its operations. With a strong focus on due diligence, risk management, and stakeholder well-being, the Company implemented strategies aligned with international best practices.

These efforts reflect a proactive and transparent approach, reinforcing Canacol's leadership in responsible business conduct.

The following highlights present the most relevant practices and recognitions achieved during the year.

### Outstanding practices

- Updated the Human Rights Policy and the Security and Human Rights Procedure aligned with the United Nations Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.
- Updated the Due Diligence Process to identify, evaluate and mitigate human rights risks within operations and the value chain.
- Implemented a comprehensive human rights training program for employees, contractors, communities, public security forces, and private security personnel.
- Maintained a human rights complaints and grievances mechanism with structured management and effective response processes.
- Updated the Intercultural Relationship Protocol including a structured approach for prior consultation and intercultural relationship with ethnic communities in compliance with ILO Convention 169.
- Social investment strategy aligned with the Sustainable Development Goals (SDGs) focusing on infrastructure projects, access to basic services, and community strengthening.
- No cases of human rights violations reported in the Company's operations in 2024.
- Implemented human rights risk mitigation plans with monitoring through a control panel.
- Implemented an indicator management system to measure the impact of social initiatives in communities.
- 100% of investment agreements and contracts included human rights clauses and sustainable purchasing criteria, ensuring compliance with ethical and legal standards.





- Invested a total of USD \$212,400 in the development of a total of 18,489 hours (7,848 and 10,641) in the training of women and men, respectively.
- Implemented the 10 rules to save lives: aware of safety as a corporate value and as an implicit purpose in each of our operations; the Company launched the campaign “OUR LIFE-SAVING RULES: Know them, Apply them, Live them”.
- Implemented the Stop Work Authority Policy: This initiative integrates industrial safety supervisors into the evaluation and development of key programs that require legal updates to procedures. It includes diagnosing the application of procedures in the field, verifying personnel competencies, identifying training needs, and proposing reinforcement campaigns or workshops aligned with the Annual Work Plan.
- Thematic leaders: This activity allows integrating industrial safety supervisors to study different programs that require legal updates of procedures, diagnosis of procedure application in the field, verification of personnel competencies, training needs verification and proposals for reinforcement campaigns or workshops aligned with the Annual Work Plan.
- Tracking of findings and/or deviations using a matrix (Power BI App): The findings matrix, developed using the Power BI application, is a critical tool for organizing, analyzing, and communicating the results of evaluations within the Occupational Health and Safety Management System (OHSMS). It offers a clear and concise overview of deficiencies and areas for improvement, supporting risk identification and informed, corrective decision-making.

## Recognitions and achievements

- Awarded the Equipares Gold Seal by the Ministry of Labor and the United Nations Development Program (UNDP), recognizing Canacol's strong commitment to diversity, equity, and inclusion.
- Received the “Sustainability Facts” recognition from the Colombian Petroleum and Gas Association (ACP) for the practice “Canacol, a culture focused on respect and guarantee of human rights”.
- Active member of the Voluntary Principles Initiative, reaffirming the Company's commitment to upholding human rights and responsible security practices.
- Women represent 37% of the total workforce, exceeding the national Oil & Gas industry average by 10 percentage points.
- 24% of senior management positions are held by women, reflecting progress in gender equity at leadership levels.
- Executed 20 social investment projects that benefited more than 5,513 community members in 16 municipalities.
- 82.7% of skilled labor and 100% of unskilled labor were hired locally, strengthening local economies and promoting inclusive development.







## Occupational health and safety

### Details of the material issues

Under the premise of promoting preventive approaches and good practices that ensure a safe work environment and safeguard the physical, mental, and emotional well-being of employees, Canacol continues to strengthen its Occupational Health and Safety Management System (OHSMS). In 2024, the system maintained its certification under the ISO 45001:2018 standard, reinforcing the Company's commitment to accident and risk prevention.

The achievement of OHSMS goals is based on a comprehensive approach that includes:

- Strengthening the culture of occupational health and safety across all levels of the organization.
- Effective identification, assessment, and communication of risks associated with all operational activities.
- Execution of internal inspections and independent external verifications to ensure full regulatory compliance.
- Training and awareness programs designed for employees, contractors, and other relevant stakeholders.
- Emergency preparedness and response strategies, enhancing the organization's ability to manage incidents.
- Integration of occupational health and safety criteria into procurement and hiring

processes, ensuring that suppliers and contractors align with corporate safety standards.

The leadership and commitment of senior management have been fundamental in consolidating these advances and ensuring their continuity.

As a result of the implemented strategies, Canacol achieved significant progress in occupational health and safety during 2024. The following milestones stand out:

- 100% compliance with corporate objectives in occupational health and safety.
- No days lost due to accidents or occupational diseases among direct personnel.
- More than seven consecutive years without severe vehicle accidents.
- No reported cases of occupational disease across all operations.
- Reduction of the Lost Time Injury Frequency Rate (LTIFR) for contractors from 0.33 in 2023 to 0 in 2024, reflecting the complete elimination of lost-time accidents among contractor workers.
- Consolidation of safe work practices for risk control in operational environments.

These achievements reflect Canacol's ongoing commitment to occupational health and safety and its dedication to maintaining safe, healthy work environments as part of its broader sustainability strategy.

For more information, visit our website:  
**Health and safety Management**



Scan me

## Hazard identification and risk assessment

[GRI 403-2] [GRI 403-3] [GRI 416-1]

Health and safety risks are evaluated through a structured process involving the hazard identification, evaluation, and risk assessment matrix, applied across both direct operations and contractor activities. This methodology enables a comprehensive understanding of risks associated with the Company's operations and supports the implementation of preventive measures based on the control hierarchy, with a focus on mitigating, reducing, and/or eliminating identified hazards.

Risk prevention management in occupational health and safety is overseen by the Audit Committee and the Joint Occupational Health and Safety Committee (COPASST, per its Spanish acronym). These bodies play a key role in ensuring regulatory compliance and monitoring the effective implementation of preventive actions across all operational areas.



In line with this approach, we apply the control hierarchy to mitigate identified threats and foster a safe work environment focused on preventing and controlling risks that may affect the physical integrity of our direct employees and contractors. Additionally, contractors maintain the commitment to report any unsafe condition or act that represents a risk to their safety and integrity.

As part of our preventive strategies, we conduct occupational medical examinations to identify adverse health conditions early. We also perform regular workstations inspections, both in person and virtually, and evaluate psychosocial and fatigue risks, strengthening the prevention of hazards associated with stress and burnout.

## Health and safety training and prevention

[GRI 403-5] [GRI 403-6] [GRI 403-7] [SHS-1] [SHS-2]  
[EM-EP-320a.1.] [EM-EP-320a.2.]

One of the fundamental pillars of Canacol's OHS management is the development and strengthening of competencies at all levels. In 2024, the Company achieved 100% compliance<sup>65</sup> with the Annual Training Plan, which included the successful completion of the competency enhancement program for safe work authorities, covering both direct employees and contractors. Additionally, first aid training for brigade members, general services personnel, and drivers was successfully conducted, with training sessions provided by the National Red Cross both in Bogotá and in the field.

The Annual Training Plan also included training and workshops on defensive driving, working at heights, electrical risk under the requirements established in the Technical Regulation of Electrical Installations (RETIE, per its Spanish acronym), emergency brigade training, prevention of psychoactive substance consumption, prevention of musculo-skeletal disorders, biosafety protocols, handling of chemicals under the globally harmonized system, and control of hazardous energies. These training

<sup>65</sup> Includes FTE's in Colombia

programs were specifically designed to enhance knowledge, reduce risks, and prevent accidents in the work environment, contributing to a safer and more compliant workplace.

As a result of these initiatives, in 2024, 396 direct employees and 894 contractors were trained, totaling 6,316 work hours dedicated to training in industrial safety and emergency situations.

### ***Training in industrial safety and emergency situations***

Year	2022	2023	2024
Direct employees trained	350	450	396
Contractors trained	4	972	894
Training hours for direct employees	325	11,226	509
Training hours for contractors	30	24,618	5,807

During 2024, a total of 381 direct employees and 49 contractors were trained, with a total of 4,256 work hours dedicated to training in occupational health topics.

### ***Training in occupational health***

Year	2022	2023	2024
Direct employees trained	345	371	381
Contractors trained	4	66	49
Training hours for direct employees	320	2,226	3,810
Training hours for contractors	25	396	446

As part of the epidemiological surveillance systems, Canacol implemented specialized training courses in risk prevention and health promotion, both in e-learning and in-person modalities:

- **E-learning courses:**
  - "Prevention of Musculoskeletal Disorders".
  - "Auditory Risk".
  - "Prevention of Psychosocial Risk in the Workplace".
  - "Best Occupational Practices for Teleworkers".
- **Other courses focused on risk exposure:**
  - Immobilization and patient transfer.
  - Psychological first aid.
  - Food handling course.
  - Training in the use of breathalyzers.

In addition to training workshops, during 2024, Canacol offered informative talks to its employees on well-being and prevention topics, such as:

- Cancer prevention (uterus, breast, testicle, and prostate).
- Prevention of psychoactive substance consumption.
- Sexual education.
- Healthy eating.
- First aid at home.
- Diabetes prevention.





## Integrated health and safety management

[GRI 403-1] [GRI 403-8] [SHS-6] [SHS-7]

In alignment with the guidelines outlined in Canacol's Sustainability Policy, the Occupational Health and Safety Management System adheres to international standards, including NTC-ISO 45001:2018, as well as current Colombian legislation (Decree 1072 of 2015 and Resolution 0312 of 2019). The primary objective of the OHSMS is to ensure a safe and healthy work environment across all Company activities and operations. This system protects 100% of direct employees, contractors, and mission personnel involved in operations.

In 2024, Canacol's OHSMS achieved a 100% score in the self-assessment of Minimum Standards, as required by Resolution 0312 of 2019. Furthermore, audits conducted by international certification bodies confirmed the system's compliance with the stringent requirements of ISO 45001:2018.

A key milestone in 2024 was the implementation of the Stop Work Authority Policy, which empowers any employee—whether direct or contractor—to halt any activity if they identify conditions that pose risks to people, the environment, or assets. The application and widespread promotion of this Policy have played a crucial role in achieving the Company's safety goals.

The following are some of the outstanding activities developed within the framework of the OHSMS to meet the objective of preventing accidents and occupational diseases:

- Implementation of 24/7 psychology service virtually and in person once a month.
- Medical check-ups for executives and personnel with cardiovascular risk.
- Optometric assessment of 100% of field personnel, with delivery of safety glasses formulated according to their needs.

- Measurement of hygienic factors in field workplaces.
- Monitoring the health status of workers through 301 occupational medical examinations.

Vaccination days at Jobo station and Bogotá offices, with the application of 164 doses of vaccines for preventable diseases, extending the benefit to employees' families.

## Accidents and occupational injuries

[GRI 403-9] [GRI 403-10] [SHS-3]

The planning of the OHSMS begins with the identification of hazards, risk assessment, and determination of controls, to prevent accidents and occupational injuries. This process is continuously updated in the OHS risk matrix, ensuring compliance with applicable legal requirements and aligning the OHS Work Plan with the Company's operational needs.

In terms of risk management for contractor employees, Canacol implements controls from the outset of the commercial relationship, starting with a prequalification process for bidders. Throughout the execution of activities, continuous monitoring is conducted, which includes:

- Compliance verification on the OUTSAFETY platform.
- Performance monitoring by H&S supervisors or Company representatives.
- Periodic evaluations on OHS management.

As a result of the implementation of Occupational Health and Safety (OHS) management programs and the commitment of both direct employees and contractors, in 2024 the number of occupational diseases and fatalities due to work accidents remained at No (0). Additionally, the lost time injury frequency rate for contractors decreased from 0.33 in 2023 to 0 in 2024.

Below are the results of the OHSMS performance indicators, which reflect their evolution and effectiveness throughout 2024. These

indicators have been calculated in alignment with legal requirements and standards established by GRI and S&P.

**Consolidated indicators** (GRI 403-9 y GRI 403-10)

Indicator	2022		2023		2024	
	Direct	Contractors	Direct	Contractors	Direct	Contractors
Number of recordable cases of occupational illnesses and diseases	0	0	1	0	0	0
Number of fatalities due to work accidents	0	0	0	0	0	0
Fatality rate due to work accidents	0	0	0	0	0	0
Number of work accidents with major consequences	0	0	0	0	0	0
Number of recordable work-related incidents	11	3	2	5	1	5
Recordable injury rate	1.86	1.86	2.1	2.15	1.01	2.52
Lost Time Injury Frequency Rate (LTIFR)	0.91	0.8	0	2.1	0	2.19
Total Recordable Injury Frequency Rate (TRIFR)	1.86	1.86	0	2.08	0	2.74
Near Miss Frequency Rate (NMFR)	0.000002		0.000006		0.000003	

\*The calculations are based on 1,000,000 hours worked and include 100% of the Company's direct employees.

**Company Accident Severity Index (per million hours worked) for employees, contractors, and outsourced personnel.**

	2022	2023	2024
Days lost due to work accidents	343	230	227
Number of hours worked (HHT)	4,870,054	3,337,636	2,964,743 <sup>66</sup>
Lost Time Accident Severity Index	70.43	68.91	76.57
Serious Vehicle Incident Frequency Rate (VIFR)	0	0	0.19
Total vehicle mileage (Km traveled)	8,397,261	4,937,435	5,217,938

<sup>66</sup> Hours worked by direct employees: 985,080  
Hours worked by contractors and temporary workers: 1,979,663



Regarding the objectives established for 2025 in Occupational Health and Safety management, Canacol, through its Senior Management, reaffirms its commitment to:

- Reduce the frequency of disabling work accidents for direct employees and contractors to 1.95.
- Maintain the incidence rate of occupational diseases at zero.
- Provide safe and healthy working conditions aimed at protecting the integrity of all employees through continuous improvement of the Occupational Health and Safety Management System, with corrective and preventive action closure rates above 92%.
- Identify hazards, assess risks, and establish respective mitigation controls at work sites by updating the hazard matrix at least once a year.
- Comply with 100% of current national regulations applicable to Occupational Health and Safety.
- Promote consultation and participation in prevention and promotion activities in Occupational Health and Safety through a reporting frequency exceeding 10,000 cards and compliance with the H&S training plan above 80%.

### **Participation and communication on health and safety at work**

[GRI 403-4]

The Joint Committee on Safety and Health at Work (COPASST, for its initials in Spanish) is made up of representatives from both the Company and its personnel, with the responsibility of coordinating and supervising actions related to occupational health and safety. Among its main functions are:

- Organizing meetings to analyze and resolve suggestions.

- Conducting safety inspections and accident investigations.
- Monitoring compliance with epidemiological surveillance systems.
- Supervising physical and mental health care programs.
- Documenting agreements, action plans, and corrective measures monthly.

COPASST representatives were elected by employees, ensuring 100% representation.

The “Safety Target” program enables the reporting of good practices, suggestions, unsafe acts, and hazardous conditions by employees and contractors. Its goal is to facilitate the implementation of preventive and corrective measures to mitigate risks to individuals, the environment, and Company infrastructure. In 2024, the program successfully met the target outlined in the Health and Safety Plan, reaching a reporting frequency of over 10,000 submissions.

To reinforce a culture of prevention and continuous improvement, mechanisms for participation and consultation are actively promoted. These include digital platform forms and thematic surveys on occupational health and safety. In addition, the monthly bulletin *Together We Take Care of Health* is disseminated, featuring preventive content focused on physical, mental, and emotional well-being.

### **Transportation Safety**

[SHS-4]

Canacol has a mandatory compliance safety policy and strategic plan for suppliers and contractors. In 2024, Canacol continued with OHS audits and developed awareness campaigns focused on promoting compliance with traffic regulations and self-care. These initiatives are targeted at both employees and communities in the areas of influence to strengthen road safety culture and prevent incidents.

## Process Safety

[SHS-6]

At Canacol, our commitment to process safety management and the prevention of major accidents remains a top priority. We are actively progressing in the design and implementation of a comprehensive Major Accident Prevention Management Program. This program encompasses the identification and evaluation of potential risks, the deployment of preventive and mitigation measures,

and ongoing training to strengthen our team's safety competencies.

Our strategy is built on industry best practices, the integration of advanced technologies, and strict adherence to applicable regulations. We also promote a proactive safety culture in which every employee plays an active role in identifying and reporting potential hazards. Through this program, we strive to ensure a safe working environment and safeguard our employees, local communities, and the environment from major incidents.

*In 2024, no major accidents were reported across Canacol's operations.*



## Human rights

### Details of the material issues

In 2024, Canacol advanced its commitment to the promotion and protection of human rights by fostering a proactive culture grounded in international best practices. The Company's Human Rights Policy is aligned with the United Nations Guiding Principles on Business and Human Rights, the UN Global Compact, the Voluntary Principles on Security and Human Rights, the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights, as well as the core conventions of the International Labor Organization (ILO).

In addition, we have developed specific guidelines related to security and human rights, land management with a human rights-based approach, and human rights risk management. These instruments ensure that our operations are carried out with integrity, respect, and accountability toward all stakeholders.

Our Human Rights Policy is based on the following principles:

- Rights and freedoms without distinction; race, color, gender, language, religion, opinion.
- Right to life, security, and freedom.
- Right to health.
- Right to work in a healthy and safe environment.
- Elimination of forced and child labor.
- Right to quality of life, leisure time, and rest.
- Right to freedom of thought, conscience, and religion.
- Collective and environmental rights.
- Protection of special groups: women; children and adolescents; people with disabilities; ethnic communities; migrant workers, among others.
- Elimination and fight against forced labor.
- Elimination and fight against human trafficking.
- Promotion and right to freedom of association.
- Right to collective bargaining.
- Equal remuneration.





In 2024, our human rights management focused on strengthening three strategic axes:

- **Due diligence in human rights:** We implemented processes to identify, prevent, and address potential or actual risks in this area.
- **Culture of education and respect:** We developed training initiatives aimed at our employees and communities, promoting the knowledge and application of human rights principles in our operations and areas of influence.
- **Identification of risks and opportunities:** We improved our evaluation processes to ensure a proactive approach to managing risks related to human rights.

To ensure the effective implementation of these commitments, Canacol has key documents including the Human Rights Policy, Human Rights Due Diligence, the Human Rights Manual, and the Security and Human Rights Procedure, which establish guidelines to prevent, mitigate, and address potential violations.

In 2024, the Human Rights Policy and the Due Diligence process were updated. To further enhance transparency and accountability, the public disclosure of the risk mapping in this area was also implemented.

For more information on  
our Human Rights Policy,  
please refer to the  
following link:  
**Human rights policy**



### **Human rights due diligence**

[GRI 2-23] [GRI 2-24] [GRI 412-1] [GRI 411-1]  
[SOC-1] [SOC-3] [EM-EP-210a.3] [EM-EP-210a.1]

Canacol implements due diligence processes focused on identifying risks and opportunities throughout its operations, value chain, and commercial relationships. This strategy helps prevent potential human rights violations and establish effective mitigation measures when necessary.

The due diligence process includes:

1. Identification of risks in operations, value chain, and commercial relationships.
2. Evaluation of human rights impacts resulting from operations and commercial activities.
3. Implementation of mitigation and prevention plans, with control and monitoring tools.
4. Follow-up and evaluation through workshops and socializations with operational areas.
5. Mechanisms for reparation and remediation if negative impacts materialize.

In 2024, the Company's department updated the risk and opportunity identification and association maps related to human rights, identifying a total of 295 risks, with 113 directly linked to the hydrocarbon sector. As part of the commitment to continuous improvement and strengthening internal processes, the Risk and Opportunity Management Format was updated to include three new specific categories for evaluating potential human rights impacts within the identified risks.

- As a tool for monitoring risks, the human rights Risks and Opportunities Control and Monitoring Dashboard was designed in 2023. In 2024, this Dashboard was enhanced to improve its functionality, incorporating the following elements:
- Observation of processes and sub-processes involved.
- Criticality assessment for identified risks and opportunities.
- Quarterly follow-up on prevention plans.
- Effectiveness measurement of prevention plans and progress evaluation.
- Identification of risk materialization during the evaluated quarter.
- Monitoring and evaluation of mitigation plans in case of risk materialization.

- Quarterly strategy and commitment development with each involved process and subprocess.
- Assignment of responsible parties for plan execution and follow-up.

Canacol has implemented mitigation and monitoring plans in 100% of its operations, ensuring the prevention of adverse human rights impacts. Additionally, suppliers are subject to rigorous evaluations and must comply with the Company's Human Rights Policy.

As part of its commitment to respecting communities, Canacol has conducted evaluation processes in conflict zones and implemented land and human rights management procedures. The Company does not operate in conflict zones where proven or probable reserves have been identified.

***In 2024, no cases of human rights violations were recorded in its operations, a historic record since the Company's inception.***

This achievement reaffirms the effectiveness of its prevention, monitoring, and mitigation strategies.



## Human rights Training and Awareness

[GRI 2-23] [GRI 410-1] [GRI 412-2] [SOC-4]

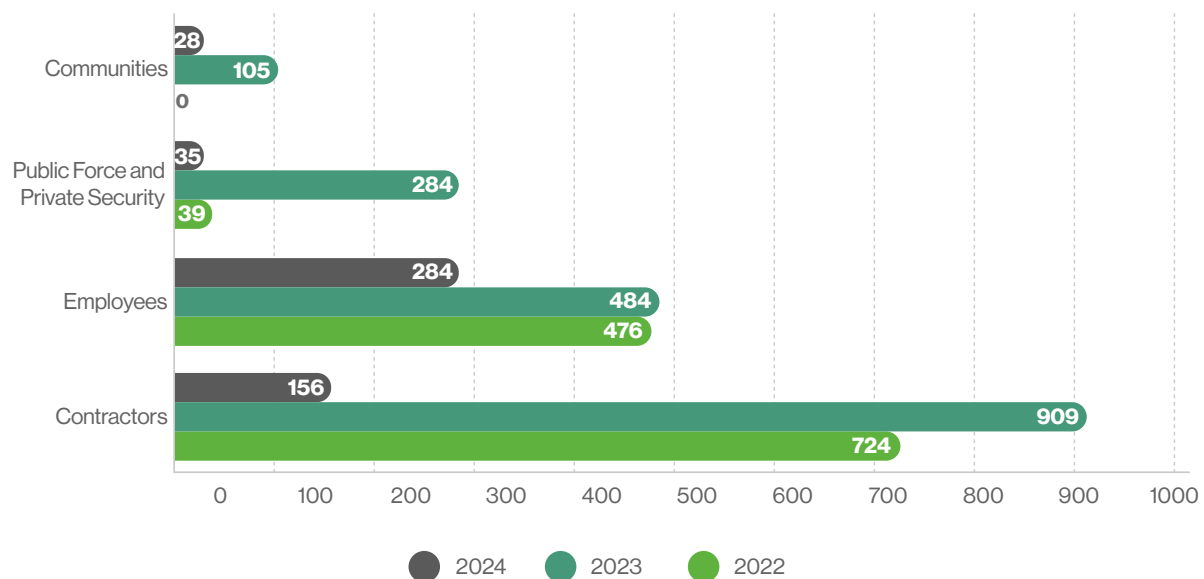
Human rights training is designed to strengthen understanding and application of these principles within the Company, ensuring that our policies and values are consistently reflected in our actions and stakeholder interactions. In 2024, we developed a communication and training strategy to raise awareness and train our employees in human rights, structured into four thematic axes per quarter:

- **Diversity, Equity, and Inclusion** – Analysis of the fundamental concepts of diversity, equity, and inclusion, differentiating between discrimination and affirmative actions, and exploring existing gaps in the implementation of inclusive policies in the workplace.
- **Climate Change and Environment** – Reflection on the relationship between

human rights and the environment, highlighting the need for sustainable economies, climate vulnerability, and the impact of global warming on communities.

- **Security** – Security approach from a human rights perspective, emphasizing the importance of physical security, information protection, and the creation of a safe and risk-free work environment.
- **Social** – Analysis of essential topics such as access to education and health, as well as the promotion of conditions that guarantee a dignified life for all.

Canacol carried out a human rights training program, training 503 people among communities, public forces, private security, employees, and contractors. Additionally, 687 courses were held through the C+ Platform, a digital tool designed to ensure continuous training.



Training	Number of people	Number of hours per person	Total hours
Corporate reinduction	24	0.7	17
Workplace harassment C+	68	0.7	48
Corporate induction	201	1.6	322
Diversity, Inclusion, and Equity Program	394	0.6	236

Among the training sessions, the following stand out:

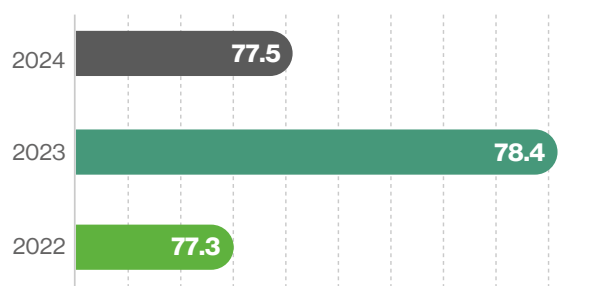
- Human rights and voluntary principles training (July 2024): 17 employees trained in compliance strategies and risk mitigation.
- Human rights training for field liaisons (August 2024): 26 liaisons trained in practical tools for risk identification.
- Santo Domingo v. Colombia case analysis (October 2024): 20 human rights liaisons analyzed its impact on the extractive industry.
- Gender and corporate policies training (October 2024): 114 employees sensitized on gender equity in the workplace.
- Women's empowerment and human rights (November 2024): 27 single mothers trained in entrepreneurship strategies and access to opportunities.

## Freedom of Association

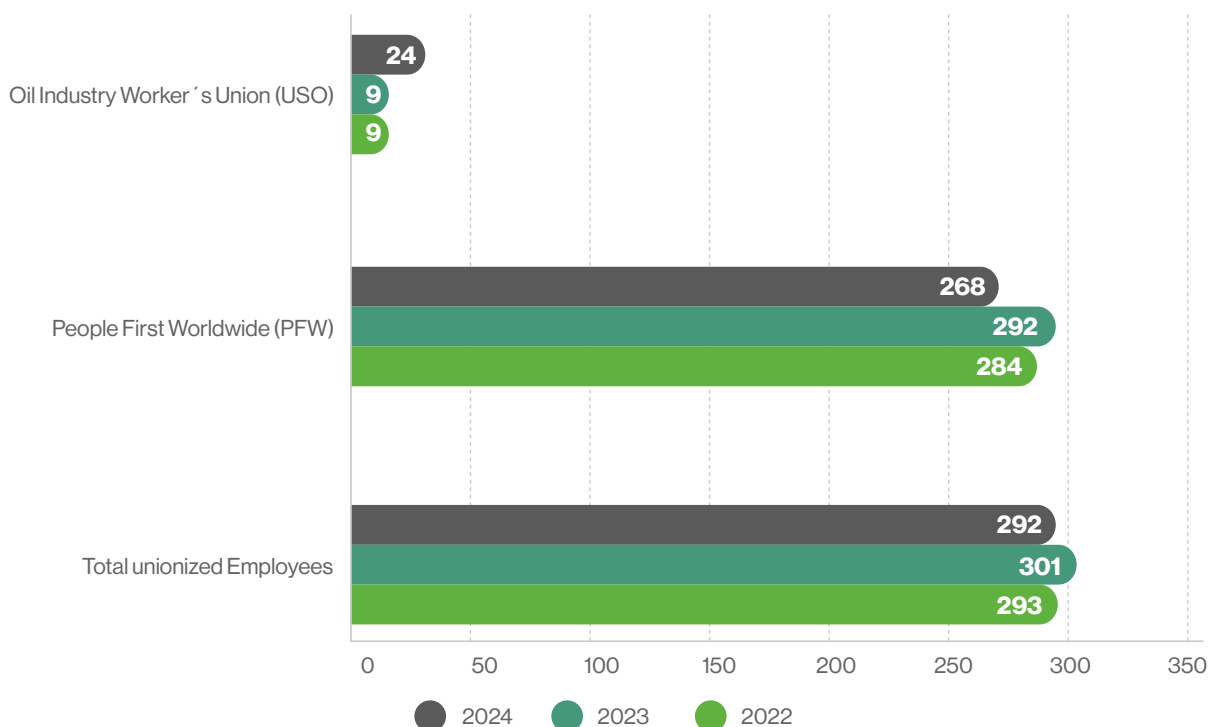
[GRI 407-1] [GRI 2-30]

The Company guarantees and protects the right to freedom of association for all employees and contractors involved in its operations<sup>67</sup>. As part of its commitment, the Company provides clear and detailed information about freedom of association during induction processes, allowing new employees to make informed decisions. In 2024, 77.5% of the workforce was unionized.

## Unionized Employees (% of total)



## Employees covered by an independent union or collective bargaining agreements



<sup>67</sup> While Canacol operates in both Colombia and Canada, unionization and collective bargaining processes are exclusively implemented within its Colombian operations.



Canacol develops initiatives both externally and internally to promote and protect freedom of association across its operations.

### External Promotion:

- Good Labor Practices (GLP) audit process to verify compliance with workers' labor rights involved in operations linked by contractor companies.
- Awareness and communication to our contractors of best labor practices, highlighting the free right of association as a fundamental pillar in labor relations.
- Business conversations, holding the Canacol Contractors Meeting, where the importance of the right of association in the workplace is discussed.

### Internal Promotion:

Dialogue with union organizations:

- Permanent meetings with the majority union PFW, with which the Company has signed Collective Labor Agreements.
- Dialogue tables with the minority union USO, with the aim of effectively resolving collective conflicts.

- "Canacol Listens to You" Program: Constant training aimed at all employees, addressing topics such as the right of association, collective bargaining, and conventional benefits.

### Human rights Complaint Management

[GRI 2-23] [GRI 2-25] [GRI 2-26] [SOC-10]

Canacol has implemented a Procedure for the Management of Independent Human Rights Complaints, operated by the RESGUARDA platform. During 2024, we continued to promote the Complaint Line as an independent, anonymous, confidential, and secure channel that allows employees, customers, contractors, and other stakeholders to report potential human rights violations that may affect Canacol and/or its stakeholders. This mechanism considers:

- Classification of complaints by severity.
- Engaged with complainants and initiated investigations.
- Implementation of corrective actions and continuous monitoring.
- Complaint closure and case documentation.

In 2024, Canacol received 60 petitions regarding human rights, mainly related to prior consultation processes.

**Additionally, 242 human rights requests were registered, reflecting a 71% decrease compared to 2023.**

Registered Human Rights Requests	2022	2023	2024
CPCASA	0	412	121
Human rights Concerns	4	6	0
Human rights Petitions	110	338	60
Human rights Complaints	19	58	0
Human rights Responses	0	0	60
Human rights Suggestions	0	10	0
Human rights denouncement	0	0	1 <sup>68</sup>
<b>Total</b>	<b>133</b>	<b>824</b>	<b>242</b>

68 Throughout 2024, one complaint was received, which was addressed in accordance with the Human Rights Complaint Management Procedure. After the corresponding analysis, it was determined that it was not a human rights violation, and the case was closed.



Our complaint channels are governed by a non-retaliation framework [SOC-8], ensuring the protection of those who report irregularities.

- Intranet: Online reporting channel for employees to report acts of corruption, violations of business ethics, or any unusual or suspicious actions.
- Email: Platform for employees and other stakeholders (suppliers, contractors, community leaders and members, and others) to report violations of business ethics or unusual or suspicious actions.
- Ethics Line: Independent online reporting channel managed by third parties that complements the Code of Ethics and Business Conduct and other compliance systems.

### ***Optimal Accommodation Conditions during On-Site Work Practices***

[SOC-4]

Canacol ensures appropriate living conditions for employees during on-site work through two accommodation modalities that meet quality, health, and safety standards:

- Direct accommodation in our facilities: Coordinated by the Company's administrative staff, this type of accommodation ensures adequate physical and environmental conditions, including the necessary health standards for employee well-being.
- Accommodation with third parties: Provided through hotels registered in the National Tourism Registry (RNT for its initials in Spanish), contracted under specific conditions that guarantee the quality and coverage of services. These contracts are evaluated annually by the procurement area, which verifies compliance with agreements and the quality of accommodation.

In case of any dissatisfaction with the accommodation, immediate evaluation processes are activated, and timely corrective actions are implemented. To address situations related to coexistence and social interaction in accommodation areas, Canacol relies on the effective functioning of the Labor Coexistence Committees, the Equity and Gender Committee, and the CRCC System, ensuring effective responses and protection of employee rights.

### Human Rights in the Value Chain

[GRI 2-23] [GRI 408-1] [GRI 412] [GRI 414]

Canacol recognizes the strategic role of its value chain and reaffirms its commitment to respecting human rights in all its commercial relationships. To this end, it requires its suppliers to comply with national and international regulations in this area, as well as adherence to its Corporate Human Rights Policy. Relationships with suppliers are subject to risk assessments and periodic audits focused on verifying:

- Compliance with labor regulations, including fair and safe working conditions.
- Prevention of children and forced labor.
- Non-discrimination in hiring and promotion of employees.
- Protection of the rights of migrant workers and vulnerable groups.
- Responsible use of resources and environmental management aligned with the Company's standards.

In 2024, 814 investment agreements and contracts were signed, all of which included provisions related to the respect and promotion of human rights. 100% of the agreements were subject to human rights evaluation prior to formalization.

Additionally, Canacol conducted compliance audits on 100% of its critical suppliers, ensuring their alignment with the Code of Ethics and Conduct for Suppliers. These actions reinforce the Company's commitment to sustainability, business ethics, and protection of fundamental rights throughout its value chain.

### Security and Human Rights

[GRI 2-23] [GRI 410] [SOC-2]

Canacol adopts a structured approach to security management in its operations, aligned with the Voluntary Principles on Security and Human Rights. The Company recognizes that responsible security management is essential to enhance the protection of its personnel, assets, and communities in the areas of influence of its operations.

To mitigate risks associated with its operations, Canacol contracts private security services that fully comply with the requirements of the Superintendence of Surveillance and Private Security and applicable Colombian legislation. These services include:

- Specialized security consulting.
- Operational supervision and surveillance.
- Technological media operators.
- Protection of strategic locations.

This model aims to minimize operational risks in the Oil and Gas sector and ensure strict compliance with health, safety, environment, and quality (HSEQ) regulations.

Canacol maintains regular coordination meetings with the Public Force in its areas of operation to assess risk levels and manage potential security threats. These interactions support the development of prevention strategies and mitigation measures for risks that could impact public order and, in turn, affect the continuity of operations.

Additionally, the Security Management team conducts weekly assessments in coordination with local authorities, identifying and mitigating potential threats. This analysis helps minimize operational impacts and strengthen the security of employees and surrounding communities.

In 2024, the Company conducted internal audits to evaluate contractors' performance in the areas of human rights and security. The results

demonstrated satisfactory compliance with corporate policies, with no critical findings that compromised operations.

As part of its transparency approach, Canacol publicly discloses its mitigation and remediation measures in human rights. These include:

- Risk mitigation processes in security and human rights.
- Corrective action plans implemented in operations.
- Systematic evaluations of security providers' compliance.

***In 2024, no incidents of human rights violations were recorded in the context of private security.***

For more information on the Human Rights and Security Procedure, please refer to the following link:  
**Security and Human Rights Procedure**



## Community Relations

### Details of the material issues

As part of our project development process, we implement a variety of socialization mechanisms to ensure effective and transparent communication with the communities within our area of influence. Through periodic meetings, we share information related to:

- The environmental commitments made.
- The specific activities of each project.
- The permits granted for the use and exploitation of natural resources.

This approach enables direct dialogue with the communities, helps address their concerns, and contributes to building trust in our operations.

Canacol has a Social Welfare Policy that outlines the social investment strategy as a key mechanism for managing social impacts its areas of influence. All social investment projects are executed in

compliance with the requirements established by the National Hydrocarbons Agency (ANH in Spanish) and other relevant regulatory standards.

The guiding principles of the Policy are:

- Honesty: Coherent and responsible communication mechanisms that foster credibility and trust.
- Transparency: Clear and timely information to promote citizen participation.
- Participation: Collaboration among the Company, communities, and local governments to structure, develop, and evaluate projects aligned with actual needs.
- Sustainability: A balance in our operations, that ensures long-term social and environmental benefits.

The objective of this Policy is to contribute to sustainable and inclusive economic and social development in our areas of influence, with a focus on:



- **Management of social activities:** We ensure compliance with the highest industry standards, as well as national and international regulations that protect communities and the environment.
- **Respect for cultural and environmental diversity:** All Company actions are carried out in harmony with local cultural diversity and ecosystems.
- **Equitable and transparent relationships:** We seek to establish strong, fair and transparent relations with communities, local authorities, and other stakeholders, fostering sustainable development.
- **Sustainable social investment projects:** We implement long-term initiatives that align with our corporate strategy and the United Nations Sustainable Development Goals.



To achieve these objectives, the Company has defined a [Social Responsibility Plan](#) structured into five strategic lines:

- 1. Information and communication:** We comply with environmental guidelines and management plans, ensuring effective communication with authorities and communities. Each project has a Communications Plan to ensure the dissemination of information before, during, and after each activity, in accordance with ANH Circular 04 of 2010.
- 2. Attention to Concerns, Complaints, and Claims (CRCC):** We maintain a centralized system for receiving and managing CRCC from the community and other stakeholders. In 2024, we registered 338 CRCC addressed across the SSJN-7, Rancho Hermoso, VIM5, VIM21, and Esperanza blocks.
- 3. Job opportunities:** We prioritize the recruitment of local talent, promoting employment within the communities where we operate.
- 4. Acquisition of goods and services:** We promote the procurement of local goods and services as part of our commitment to regional economic development.
- 5. Social investment strategy:** We design and implement projects that respond to the real needs of communities, aligning with municipal development plans and working in partnership with public and private entities.

Canacol works collaboratively with communities and local authorities to strengthen dialogue and trust.

“

*In 2024, the Company held a total of 193 informational meetings with communities and local authorities to present and discuss ongoing activities and projects. These meetings were attended by 3,976 participants.*

”

Block	Number of meetings	Number of participants
VIM 5	82	1,615
Esperanza	39	586
Rancho Hermoso	22	266
SSNJ 7	19	425
VIM 21	19	618
VIM 33	12	466
<b>Total</b>	<b>193</b>	<b>3,976</b>

“

*At Canacol, we are committed to leaving a positive legacy in neighboring communities and ensuring that our operations are a driver of sustainable development.*

”

We follow an Intercultural Relationship Protocol that guides our engagement with ethnic communities, ensuring respect for their culture and traditions. We are committed to complying with the legislation on Free, Prior, and Informed Consent (FPIC).

“

*In 2024, we collaborated with 20 rural communities and 23 indigenous communities in the municipalities of Pueblo Nuevo and Sahagún in Córdoba, and La Unión, El Roble, and San Marcos in Sucre.*

”

For more information on our Intercultural Relationship Protocol, please refer to the following link:  
**Protocol for Intercultural Relations**



In 2024, we conducted seven community consultation processes in the executed projects.





### Areas Where Canacol Operates

[EM-EP-210a.1.] [EM-EP-210a.2.] [EM-EP-510a.1.]

Canacol operates in strategic regions of Colombia, prioritizing the responsible and sustainable management of the environment. Our activities take place in areas inhabited by diverse communities, reinforcing our commitment to relationships grounds in respect, transparency, and mutual benefit.

We maintain ongoing dialogue with neighboring communities, to ensure compliance with current environmental and social regulations. Particular attention is given to operations near indigenous communities and their territories, with a focus on respecting their culture and rights.

We do not carry out activities in protected areas or zones of high biodiversity value, thereby supporting

the conservation of sensitive ecosystems. Additionally, our operations are located in regions with low water stress and in municipalities that are not classified as priorities within the country's post-conflict programs.

Canacol operates in a regulated and stable environment, with a strong commitment to ethics and transparency. According to Transparency International's 2024 Corruption Perceptions Index, neither Colombia nor Canada ranks among the 20 countries with the highest perception of corruption. As a result, our operations are not conducted in territories identified with the highest corruption risks, reaffirming our commitment to best business practices and responsible corporate governance.

For more information on the Corruption Perceptions Index, visit:  
**Corruption Perceptions Index**



### Impact and Management of Operations in Local Communities

[GRI 413-1] [GRI 413-2] [SOC-12] [EM-EP-210b.1]

Our impact and risk management approach aligns with internationally recognized standards, including the Global Reporting Initiative (GRI), the Principles for Responsible Investment, the Carbon Disclosure Project, the Dow Jones Sustainability Index, the United Nations Global Compact Principles, the Sustainable Development Goals (SDGs), the International Finance Corporation (IFC) Performance Standards, and the World Bank Group Environmental, Health, and Safety Guidelines. These frameworks ensure a structured, transparent, and responsible approach to managing environmental and social impacts.



Canacol recognizes that its operations may affect neighboring communities. In response, we have implemented a comprehensive social management strategy focused on continuous dialogue, risk prevention, and the implementation of mitigation measures.

Through rigorous analysis, we identify the primary social risks associated with our activities, assessing their likelihood of occurrence, potential operational impact, and corresponding mitigation strategies.

Among the most relevant risks are:

- **High expectations of social investment by communities:**
  - **Likelihood:** High.
  - **Operational impact:** Medium.
  - **Mitigation strategy:** We engage communities through informational sessions to explain the regulatory framework governing social investment, as stipulated in our contract with the National Hydrocarbons Agency. Additionally, we implement communication plans to clearly outline the scope of our projects and the application of current regulations.
- **Expectations for local hiring (skilled and unskilled labor):**
  - **Likelihood:** Medium.
  - **Operational impact:** Medium.
  - **Mitigation strategy:** We organize informational meetings with communities and local authorities, while also utilizing the Public Employment Service as a transparency mechanism for job offers, ensuring fair and transparent recruitment processes.
- **Claims for environmental impacts (particulate matter and noise):**
  - **Likelihood:** High.
  - **Operational impact:** Medium.
  - **Mitigation strategy:** We hold socialization sessions with communities to review the

environmental licenses governing our operations. To reduce environmental impacts, we promote the use of noise-reduction technologies and implement road wetting procedures to minimize particulate matter during load mobilization.

In addition to social risks, we have also identified environmental and socioeconomic impacts resulting from our operations:

- **Environmental Impacts**
  - Landscape change.
  - Increase in particulate matter due to vehicle traffic on the road.
  - Temperature increase during flare operation.
  - Noise pollution.
- **Socioeconomic Impacts**
  - Increase in the cost of living in the area.
  - Displacement of traditional economic activities.
  - Population migration to project development areas.

We mitigate environmental and social impacts and risks through regulatory awareness, the implementation of preventive measures, and the proactive management of potential impacts. We carry out the following activities:

1. Identification of potential risks and impacts associated with our operations.
2. Coordination with responsible departments within the Company to ensure the development of intervention strategies aimed at risk mitigation.
3. Implementation of improvement actions based on identified risks and impacts.
4. Monitoring and verification of the effectiveness of implemented measures.
5. Ongoing monitoring and communication with stakeholders, ensuring open dialogue throughout the process.

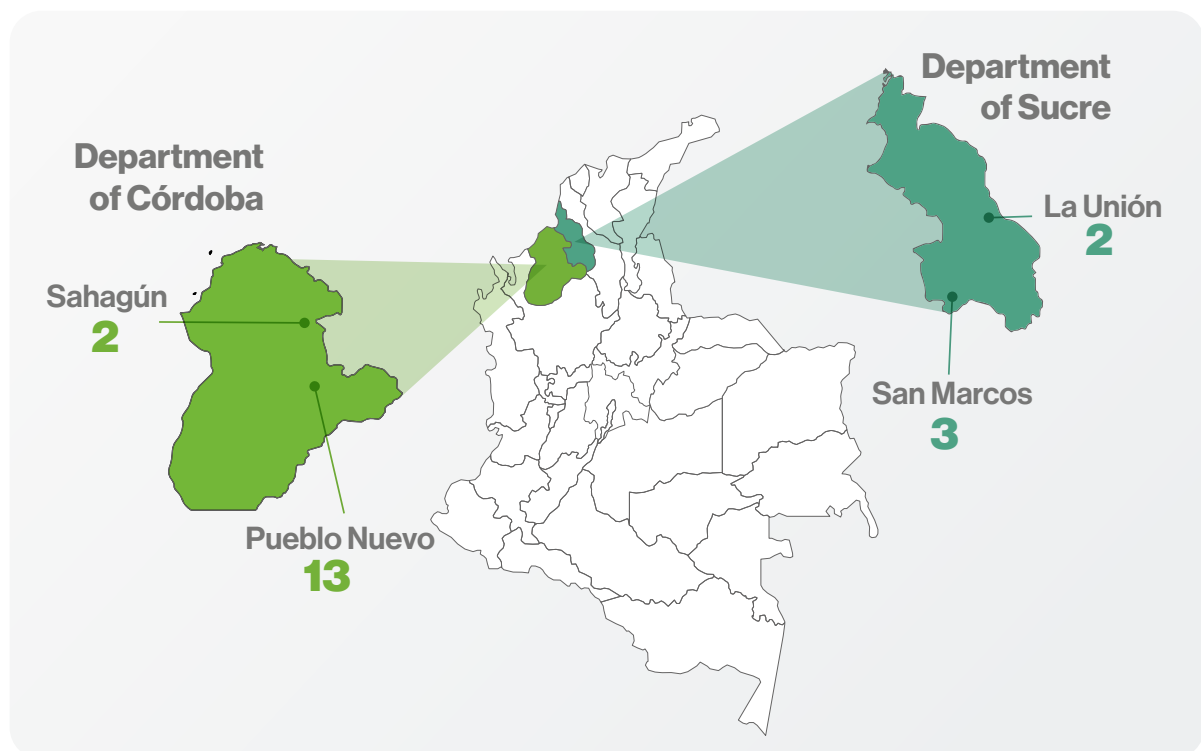


All of Canacol's social investment projects are aligned with the Company's corporate objectives and address the specific needs identified within its areas of influence. In 2024, the Company implemented 20 community-strengthening initiatives aimed at supporting government institutions and civil society organizations in reinforcing the social fabric and improving local and regional governance.

These initiatives were designed to improve the quality of life of the surrounding communities by addressing key development needs, including:

- Connection to natural gas.
- Upgrading and expansion of aqueduct systems.
- Improvement of rural infrastructure.
- Housing refurbishment and adaptation.
- Enhancement of local road networks.
- Construction and/or renovation of community centers.

All projects executed by the Company are agreed upon and socialized with the different communities. The 20 projects were developed in the following municipalities:



**Canacol's commitment to social development has been reflected in the execution of 20 initiatives in 2024, benefiting a total of 5,513 people in our areas of influence.**

**100% of our operations have programs in place that involve local community participation, as well as impact and development assessments.**

## Social Impact and Investment

[SOC-9] [SOC-13]

Canacol has structured its social investment strategy in alignment with current regulations, as well as departmental and municipal development plans, alongside social, economic, and demographic assessments. This approach ensures the accurate identification of community needs.

Our social investment is organized into four strategic pillars, ensuring a comprehensive and long-term approach to the sustainable transformation of communities:

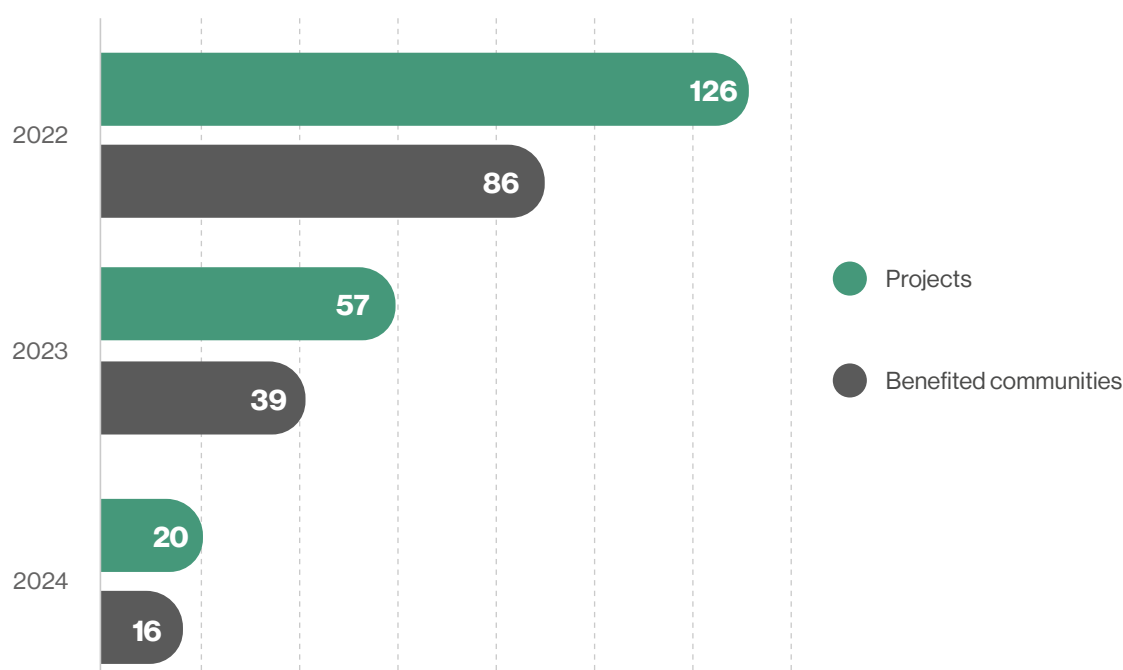
- Productive and business development: Promoting productive capacities and supporting entrepreneurship initiatives.
- Human development: Focusing on education, health, and the overall well-being of the population.
- Community and institutional promotion: Enhancing local governance and improving community infrastructure.
- Strengthening ethnic minorities and the environment: Implementing projects with a

differential approach to protect rights and environmental stewardship.

Under the “Community and Institutional Strengthening” pillar, in 2024, we implemented 20 initiatives across 16 communities, strengthening institutional support and improving community infrastructure in collaboration with local government development plans.

While the number of initiatives and communities benefited under the “Community and Institutional Strengthening” pillar has decreased in recent years, Canacol remains committed to generating long-term social value in its areas of influence. In 2024, despite the challenging economic context, the Company focused on high-impact, territorially relevant projects that go beyond regulatory requirements. These initiatives aimed at reinforcing local capacities, improving community infrastructure, and promoting governance processes. Carried out in coordination with local authorities and aligned with territorial development plans, these efforts reflect a strategic shift toward optimizing resources to maximize sustainability and social return.

### Projects and benefiting communities



In 2024, Canacol updated its Indicator Battery to assess the impact of social projects. 70% of the executed projects were evaluated, with key results highlighted for the Housing Improvement and Domestic Gas Service-GLP initiatives:

### Housing Improvement Project

Location: Betania district, Pueblo Nuevo, Córdoba.

Number of beneficiaries: 108 homes

Main results:

- 60% reduction in overcrowding in surveyed homes.
- 80% of homes achieved better space distribution.
- 27% improvement in hygienic conditions, thanks to easier-to-clean materials.
- 36% improvement in roofs, reducing leaks and drastic temperature changes.

### Domestic Gas Service Project – GLP

Location: El Orgullo village, Sahagún, Córdoba.

Number of beneficiaries: 65 homes

Main results:

- 100% of the population connected to the domestic gas service.
- 30% reduction in the monthly cost of gas supply.
- Coverage expansion to two additional villages.
- 66% of beneficiaries stated that the project improved their quality of life.

**“**  
*In 2024, Canacol invested \$1.88 million in social projects, generating a positive impact on 5,513 people.*  
**”**

	2022		2023		2024	
	Millions of dollars	%	Millions of dollars	%	Millions of dollars	%
Cash contributions	\$0.0	0%	\$1.57	37.14%	\$0.41	22%
Donations	\$0.12	0.02%	0.0	0%	\$0.0	0%
In-kind donations	\$ 2.65	43.70%	\$ 0.24	5.70%	\$0.15	8.14%
Community investment	\$2.52	45.80%	\$1.76	41.40%	\$0.57	30.10%
Investment in Entretejiendo Foundation	\$0,0	-	\$0.0	-	\$0.00	-
General management and administration expenses	\$ 0.47	0.08%	\$ 0.66	15.60%	\$0.75	39.70%
<b>Total</b>	<b>\$ 5.76</b>	<b>100%</b>	<b>\$ 4.23</b>	<b>100%</b>	<b>\$1.88</b>	<b>100%</b>

In 2024, a total of 332 surveys were conducted with beneficiaries of 13 executed projects. The results revealed that 100% of the beneficiaries of the housing improvement project reported an improvement in their quality of life.

Additionally, 68% of beneficiaries of the domestic gas service project reported a 52% reduction in the time spent cooking, considering that many previously spent over an hour preparing food.



## Land Acquisition and Involuntary Resettlement

[SOC-11]

As part of its commitment to sustainability and respect for human rights, Canacol has developed an Involuntary Resettlement Policy. This policy establishes principles and guidelines for the ethical and responsible management of population relocation processes. Its primary objective is to mitigate and compensate for the impacts of mandatory displacement, ensuring that affected individuals achieve equal or improved socioeconomic conditions, while also ensuring the participation of all relevant stakeholders.

In line with international standards, such as the World Bank Guidelines and national regulations set by the National Environmental Licensing Authority (ANLA), Canacol adopts a preventive approach to involuntary resettlements. We prioritize alternatives that minimize the need for displacement. During the project planning phase, we conduct alternative analyses to identify technically and economically viable solutions that reduce potential impacts on local communities.

In cases where resettlement is unavoidable, a structured Resettlement Plan is developed and implemented. This plan is based on environmental impact assessments, population censuses, and socioeconomic diagnostics, ensuring that the process is both ethical and aligned with the rights and needs of affected communities.

The Resettlement Plan must be based on the following pillars:

- Restoration of living conditions.
- Recovery of income sources.
- Participation of stakeholders.
- Social support and integration.
- Document management and traceability.

Under this framework and in compliance with best international practices, Canacol is committed to

ensuring that individuals affected by resettlement processes:

- Achieve living standards and access to resources equivalent to or better than those they previously had.
- Receive fair compensation and adequate rehabilitation to offset the economic and social losses caused by the relocation.
- Experience minimal impact on their social networks, employment opportunities, and access to essential public services; and
- Have opportunities for their social and economic development in the new environment.

To date, Canacol has not recorded any cases of community resettlement as a result of its operations.

However, the Company remains firmly committed to the rigorous application of its Resettlement Policy, should future activities require it—always ensuring an ethical, participatory, and sustainable approach.

For more information on our Involuntary Resettlement Policy, please refer to:

**Resettlement Policy**



Scan me

## Commitments with Ethnic Communities

[SOC-10]

The Corporate Social Responsibility and Prior Consultation Policy is grounded in the development of plans, models, and projects that foster shared value and enhance community well-being within a framework of transparent and mutually beneficial relationships. Operating in territories inhabited by ethnic communities, Canacol has established an Intercultural Relationship Protocol aligned with Presidential Directive No. 10 of 2013 and ILO Convention 169, ensuring respect, inclusion, and cultural sensitivity throughout its operations.



Canacol's engagement with ethnic communities follows a structured, respectful process composed of the following stages:

- **Request for certification of the need for prior consultation:** The Directorate of the National Authority for Prior Consultation (DANCP, per its Spanish acronym) of the Ministry of the Interior certifies whether the right to prior consultation applies.
- **Opening and preliminary dialogue:** Meetings are held with representatives of ethnic communities to define the methodological route of the process and ensure its ethno-cultural focus.
- **Consultations with stakeholders:** Meetings are held between the State, the Company, and the communities to ensure their effective participation in decisions that may affect their social, cultural, and economic integrity.
- **Formalization of agreements:** Commitments are established in terms of social development, organizational strengthening, and guarantees for the protection of ethnic rights.

In 2024, Canacol engaged in stakeholder relations and prior consultation processes with 23 Indigenous communities and 2 community councils, as part of the following projects:

- Modification of Esperanza License - VIM21: Caivar El Varal, Santiago Abajo, San Carlos.
- APE Mangle SSJN7: Becarpigar, Calle Larga, Capirra, Chorrillo, Sabanas de La Negra, Nuevo Oriente, Santa Rosa, Pan Señor, Piedras Blancas, Sabanalarga Palito.
- Timbal 3D Seismic - VIM-5: Community Council of Black Communities of the San Isidro District, Cabildo Lomas de Palito, Community Council of Black Communities of the San Isidro La Olaya District.
- Macao 3D Seismic: Caivar El Varal, Cebolla Blanca, Peniel El Campano, San Andresito, La Padilla.

- Modification of Environmental License Development Area F2: Los Angeles, Santiago Abajo, Santo Domingo Vidal.
- APE Fandango VIM-5: Montegrande, Villafatima.

The Company formalized four collaboration agreements with the Indigenous Council of the Santiago Abajo Community, the La Olaya Community Council, the Zenú San Matías Indigenous Community, and the San Isidro Community Council.

These agreements have enabled the development of high-impact projects aimed at: basic sanitation, food security, housing improvement, and ethnic and cultural organizational strengthening.

As part of its commitment to transparency and accountability, the Company held 193 informational meetings to share updates on projects and operations and address CRCC presented by communities. These meetings engaged 3,976 participants from our community stakeholders' group.



## Employment and Local Development

[GRI 2-8] [GRI 202-2] [GRI 204-1] [SOC-14] [SOC-15]

Our Local Employment Policy establishes clear guidelines to prioritize the hiring of talent from communities near our operations. This Policy is aligned with the Public Employment Service (SPE) and the current regulatory framework in Colombia, including Decrees 1072 of 2015 and 1668 of 2016, as well as Resolutions 145 and 555 of 2017.

In addition to prioritizing local hiring, Canacol, actively promotes the participation of local companies in our supply chain. We focus our efforts on strengthening their technical, economic, and administrative capacities fostering knowledge transfer that contributes to competitiveness and growth in both regional and national markets.

Local employment has a positive impact on the quality of life in neighboring communities and plays a key role in their economic development. Canacol has implemented a hiring model based on equity and the promotion of regional talent, ensuring that both skilled and unskilled labor have access to job opportunities in our operations.

Indirect Hiring	2022	2023	2024
Local	212	259	163
Not-local	0	0	0
<b>Total</b>	<b>212</b>	<b>259</b>	<b>163<sup>69</sup></b>

In 2024, 100% of indirect hiring was sourced from local personnel, reaffirming Canacol's commitment to supporting regional economies and creating opportunities in the communities where it operates. Although there was a 37% reduction in the number of unskilled workers hired indirectly compared to 2023, the decision to maintain exclusively local hiring reflects a strategic focus on territorial development and labor inclusion.

<sup>69</sup> In 2024, Canacol indirectly hired a total of 163 employees (121 skilled employees and 42 unskilled employees) and a total of 490 employees directly (484 skilled and 6 unskilled).





**Non-Technical Delays**

[EM-EP-210b.2.]

The Company experienced non-technical operational delays in 2024 due to community blockades within its area of influence. These disruptions were primarily linked with concerns over road conditions,

labor-related demands, and perceived non-compliance or delays in the execution of social agreements.

Despite these challenges, Canacol achieved a 5% reduction in the number of blockades compared to 2023, along with a 25% decrease in the total number of blockade days, reflecting ongoing efforts to strengthen dialogue, trust, and timely responsiveness to community concerns.

Non-Technical Delays			
	2022	2023	2024
Number of community blockades	29	40	38
Number of days of blockades	54	44	33
Number of blockades by communities in the operation area due to labor issues	5	4	12
Number of days of blockade in the operation area due to labor issues	5	19	9
Number of blockades by communities in the operation area due to poor road conditions	5	6	3
Number of days of blockades in the operation area due to poor road conditions	2	12	7
Number of blockades by communities in the operation area due to alleged non-compliance with agreements / other causes	19	30	23
Number of days of blockades in the operation area due to alleged non-compliance with agreements/other causes	47	13	17

To manage and mitigate these events, Canacol has implemented a strategy based on open, respectful dialogue with communities, prioritizing the construction of responsible agreements within the framework of the law.

As part of our commitment to social risk management, we conduct quarterly monitoring of blockades and other non-technical delays. This ongoing analysis enables the implementation of corrective actions and promotes continuous improvement in our relationships with communities within our area of influence.





## Employee Well-being, Attraction, and Retention of Talent

### Details of the material issues

At Canacol, we continue to implement policies and programs focused on diversity, equity, and inclusion (DEI) to foster a fair and equitable work environment. Below are some of the key initiatives we have in place:

- **Diversity, Equity, and Inclusion Policy:** Canacol promotes participation without any discrimination, ensuring the inclusion of people regardless of their sex, ethnicity, race, nationality, culture, age, marital status, political affiliation, or religion. This policy is embedded into all Company processes and guidelines.
- **Equipares Gold Seal Certification:** In recognition of our commitment to gender equality and inclusion, Canacol holds the Equipares Gold Seal. This certification acknowledges companies that promote and consolidate gender equality in the workplace.
- **Gender Equity Committee:** We continue to support and oversee the work of our Gender Equity Committee, which is tasked with ensuring the implementation of best practices that promote equity within the organization. The Committee also provides

guidance for executing the Company's broader DEI strategy.

- **Inclusion Program for People with Disabilities:** Canacol runs the Best Buddies Program, which is dedicated to the inclusion of people with disabilities. This program contributes to creating an inclusive environment for all employees.
- **Organizational Climate and Culture Measurements:** We use surveys and focus groups to monitor perceptions and opinions inclusively, respecting the diversity of thoughts, tastes, and preferences, which helps us understand and work for our employees.
- **Training and Awareness in Diversity, Equity, and Inclusion:** Canacol provides transversal training programs for all employees, aiming to raise awareness and reinforce its corporate culture on DEI topics.

### Employee Diversity

[GRI 2-7] [GRI 405-1] [SOC-5]

Canacol is composed of a total of 480 employees, with 94% located in Colombia and 6% in Canada. In Colombia, women represent 37% and men 63% of the workforce, while in Canada, 26% are women and 74% are men.

### Distribution of employees by gender and region

Country	Total Employees	Number of Women	% Women	Number of Men	% Men
Colombia	453	166	37%	287	63%
Canada	27	7	26%	20	74%
Total	480	173	36%	307	64%

We have adopted strategies to increase the representation of women in leadership positions, which remains a priority for the Company. Currently, 25% of leadership positions in Colombia and 17% in Canada are held by women, while 75%

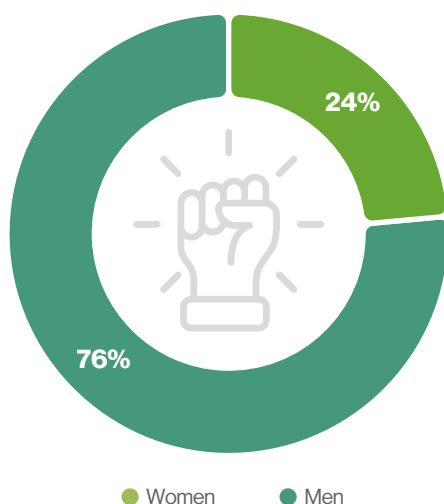
of leadership positions in Colombia and 83% in Canada are held by men. While these data show significant progress, the Company continues to strengthen its initiatives to promote women's participation in leadership roles.



### Distribution of leadership positions by gender and region

Country	Total Leadership Positions	Women in Leadership Positions	% Women	Men in Leadership Positions	% Men
Colombia	71	18	25%	53	75%
Canada	18	3	17%	15	83%
Total	89	21	24%	68	76%

### Percentage of men and women in leadership positions



In operational positions (professional and administrative), female participation is higher, with 39% of positions held by women in Colombia and 44% in Canada, while 61% in Colombia and 56% in Canada are held by men.

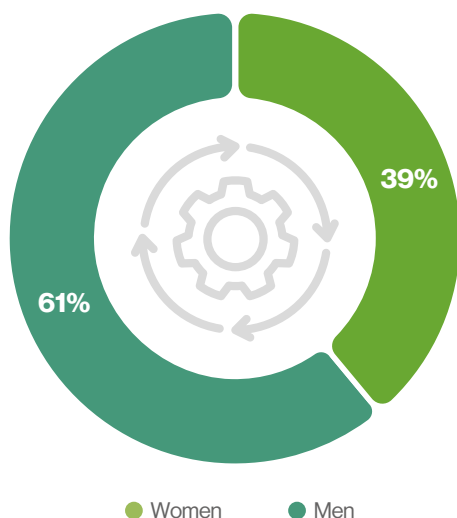


### Distribution of operational positions by gender and region

Country	Total Operational Positions	Women in Operational Positions	% Women	Men in Operational Positions	% Men
Colombia	382	148	39%	234	61%
Canada	9	4	44%	5	56%
Total	391	152	39%	239	61%



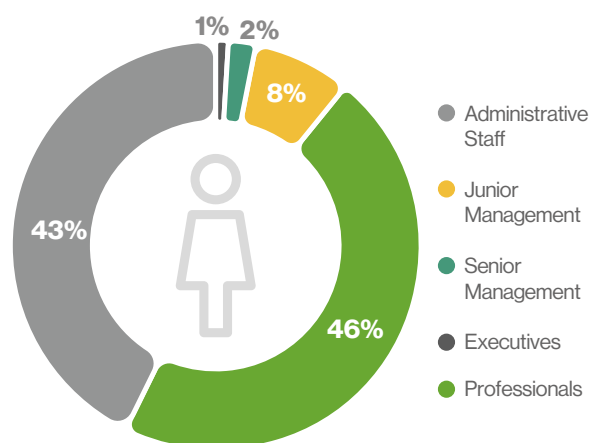
### Percentage of men and women in operational positions



### Women - Colombia

Women's participation at Canacol spans various job categories. While 1% of women hold executive roles and 2% are in senior management, 8% are represented in junior management positions. The majority of women work in administrative and professional roles, accounting for 43% and 46%, respectively.

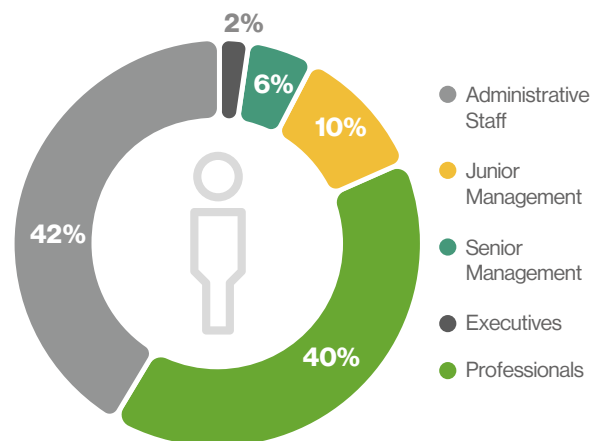
### Distribution of female employees by job category - Colombia



### Men - Colombia

In contrast, the distribution of male employees in Colombia shows different trends: 2% hold executive positions, 6% are in senior management, and 10% occupy junior management roles. Additionally, 40% work in professional positions and 42% in administrative roles. Notably, male representation in senior management is higher than that of women, with 6% compared to 2% of women.

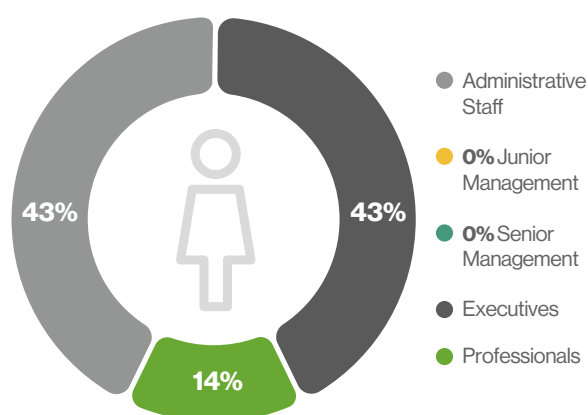
### Distribution of male employees by job category - Colombia



### Women - Canada

In 2024, there was no female participation in junior management or senior management positions. However, 43% of women held administrative positions, another 43% were in executive roles, and 14% of the women hired were in professional positions.

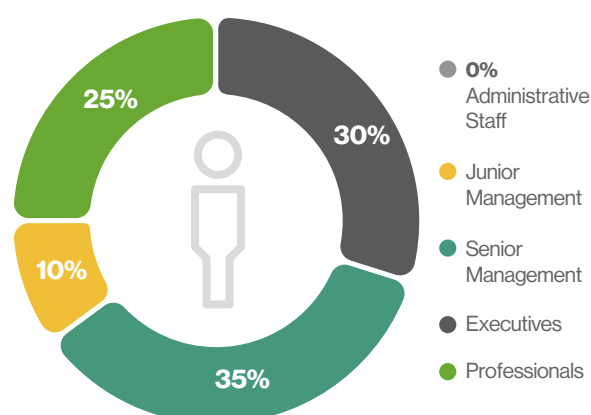
#### Distribution of female employees by job category - Canada



### Men - Canada

The labor distribution of men in Canada shows a strong presence in leadership levels. 35% hold senior management roles, while 30% are in executive positions. Additionally, 25% of men hold professional positions, and 10% are in junior management. Notably, there is no male participation in administrative roles.

#### Distribution of male employees by job category - Canada



### ***Distribution of employees by job category, gender, and age in Colombia***

The distribution of employees in Colombia, based on their position and age group, shows that the majority belong to the 31 to 50 age range, represented by

42% of administrative and 42% of professional positions. Senior management represents 4%, while junior management represents 9% in the under-30 age range. Finally, the executive category is held by 2% of both men and women.

### **Total Employees by Gender, Age, and Job Category – Colombia 2024**

Job Category	< 31 years - Female	< 31 years - Male	> 50 years - Female	> 50 years - Male	31-50 years - Female	31-50 years - Male	Total	Percentage
Executives	0	0	1	4	0	3	8	2%
Senior Management	0	0	0	6	4	10	20	4%
Junior Management	0	1	2	9	11	20	43	9%
Professionals	5	7	8	15	64	93	192	42%
Administrative	33	30	4	13	34	76	190	42%
<b>Total</b>	<b>38</b>	<b>38</b>	<b>15</b>	<b>47</b>	<b>113</b>	<b>202</b>	<b>453</b>	<b>100%</b>

The distribution of employees by job category shows a relatively stable organizational structure between 2023 and 2024. The professional category has remained steady at 42%, while the administrative category has increased from 40% to 42% during the same period. Senior management and executive positions have seen a decrease in their percentage representation. While junior management remains at 9%.

### **Percentage of employees by job category (total) in Colombia**

	2022	2023	2024
Executives	3%	3.4%	2%
Senior Management	4%	5.2%	4%
Junior Management	10%	9.1%	9%
Professionals	46%	42%	42%
Administrative	36%	40%	42%

***The female representation in STEM areas (science, technology, engineering, and mathematics) corresponds to 59% of the total women in the Company, surpassing industry averages. This achievement has been promoted by inclusive recruitment programs, professional development, and technical training, ensuring access to greater opportunities.***





### Distribution of employees by job category, gender, and age in Canada

The distribution of employees in Canada, based on position and age group, shows that

the majority belong to the over-50 age range, represented by 33% of administrative and 26% in senior management. Professionals represent 22%, while administrative positions represent 11% in the 31-50 age range, and the remaining 12% are concentrated in junior management.

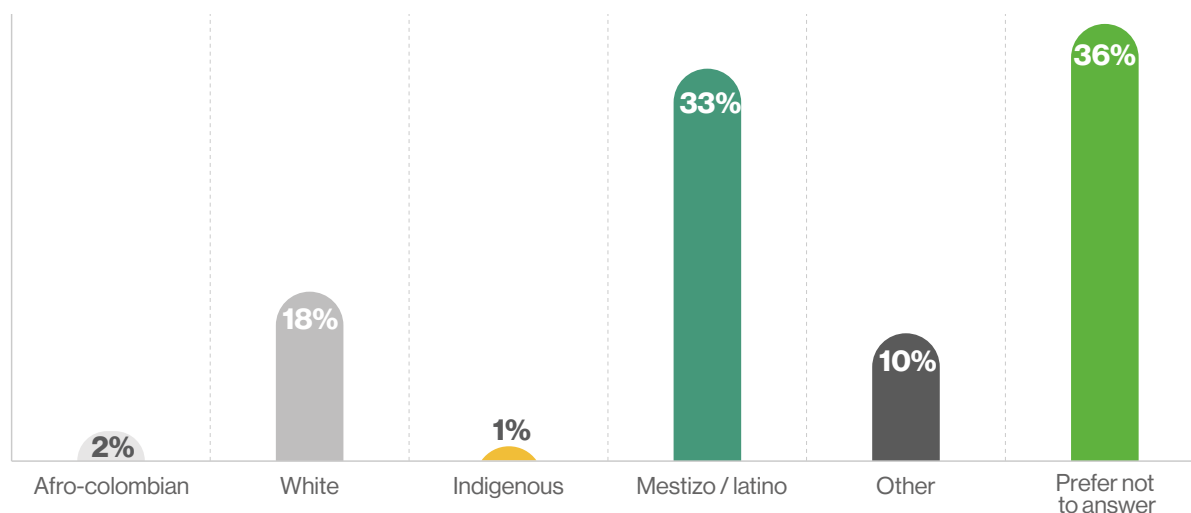
### Total Employees by Gender, Age, and Job Category – Canada 2024

Job Category	< 31 years - Female	< 31 years - Male	> 50 years - Female	> 50 years - Male	31-50 years - Female	31-50 years - Male	Total	Percentage
Executives	0	0	1	5	2	1	9	33%
Senior Management	0	0	0	4	0	3	7	26%
Junior Management	0	0	0	1	0	1	2	7%
Professionals	0	0	0	2	1	3	6	22%
Administrative	0	0	2	0	1	0	3	11%
<b>Total</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>12</b>	<b>4</b>	<b>8</b>	<b>27</b>	<b>100%</b>

### DEI Survey<sup>70</sup>

At Canacol, we regularly assess our organizational climate and culture to ensure that our diversity and inclusion policies are effective and reflect the perceptions of our employees.

In 2024, Canacol conducted a survey with its 453 employees in Colombia to understand the diversity within the Company. The results showed that 33% of respondents identify as mestizo or Latino, 18% as white, 2% as Afro-Colombian, and 1% as indigenous.



Between 2023 and 2024, there was a slight increase in the number of people with cognitive disabilities within the organization, rising from 0.21% to 0.22%. These figures highlight the ongoing need to promote labor inclusion initiatives for people with disabilities, ensuring equitable access to opportunities within

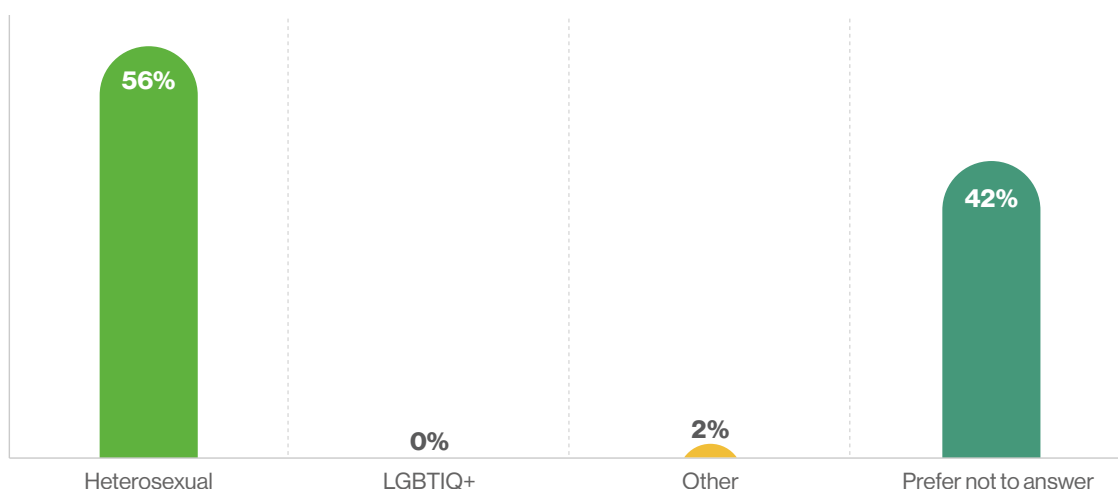
the Company. Currently, we support the inclusion of individuals with disabilities through the **Best Buddies program**, which fosters employment opportunities and encourages full participation in the work environment.

<sup>70</sup> The DEI survey is not part of the information disclosed in GRI 405-1 Diversity of Governance Bodies and Employees. It is considered an independent exercise for the Company's employees in Colombia.

### Distribution of employees by declaration of disability

Disability	Number	%
Cognitive disability	1	0.22%
None / prefer not to respond	452	99.8%
<b>Total</b>	<b>453</b>	<b>100%</b>

Regarding gender identity, 56% of employees identify as heterosexual, while 2% recognize themselves in another category, and 42% preferred not to respond.



At Canacol, we are committed to fostering a work environment where diversity, equity, and inclusion are fundamental principles that shape our organizational culture.

We continue to strengthen initiatives that promote ethnic and cultural diversity, respect for sexual orientation and gender identity, and the inclusion of people with disabilities. Our goal is for Canacol to be recognized not only for its economic performance but also as a leader in upholding human rights within industry.

### Ratios between Basic Salary and Remuneration of Women and Men

GRI 2-21 [GRI 405-2] [GRI 202-1]

At Canacol, pay equity is a cornerstone of our talent management strategy. In alignment with our Diversity, Equity, and Inclusion (DEI)

Policy and the Corporate Human Talent Manual, we are dedicated to ensuring fair and equitable treatment across our entire workforce. To uphold this commitment, we regularly monitor performance and compensation using the Mercer methodology. The following processes are implemented to support this commitment:

- Selection: We attract the best talent.
- Recruitment: We offer competitive remuneration packages.
- Remuneration: We ensure that our salary and benefits packages are among the best in the oil and gas sector in our region.
- Development: We provide personalized technical training, team and leadership skills, as well as career options for our workforce with personalized plans for each employee.
- Well-being: We offer benefits tailored to the professional and personal needs of employees.

Annually, we conduct salary analysis for all levels and areas of the organization, covering more than 75% of full-time employees (FTE). This analysis allows us to strengthen our compensation practices, ensuring equitable remuneration based on experience, performance, and the value each role brings to the Company.

In 2024, the average annual salary for women in the initial category was 18% higher than that of men, with a ratio of 1.2. Compared to 2023, the average salary for women increased by 24%, while that of men grew by 6%.

### Average Salary for Men and Women in Initial Category in Colombia

Average Salary Initial Category	Unit of Measure	2022	2023	2024
Average annual salary women	USD	\$3,616.6	\$4,329.6	\$5,363.7
Average annual salary men	USD	\$3,524.7	\$4,161.1	\$4,420.8
Ratio Average Salary Women / Men	Ratio	1.0	1.0	1.2

In Colombia, at the executive level, the average salary for women exceeds that of men, both with and without incentives, with a ratio of 1.27. This means that female executives earn approximately 20% more in base salary and 21% more when incentives are included.

At the managerial level, the trend is reversed: women receive 44% less in base salary than men, although with incentives, their remuneration is 4% higher.

### Average Salary for Men and Women at Executive Level in Colombia

Level*	Average Salary** Women (USD)	Average Salary Men (USD)	Ratio	Average Salary Women with Incentives (USD)	Average Salary Men with Incentives*** (USD)	Ratio
Executive	\$ 179,139	\$143,850	1.24	\$274,212	\$216,336	1.27
Managerial	\$96,300	\$100,308	0.96	\$145,620	\$140,508	1.04

\* The exchange rate used for conversion is: 1 USD = \$4,071 COP

\*\* Salaries in Colombia correspond to the net annual cost.

\*\*\* Cash bonuses.

For non-managerial positions, a salary gap persists in which women earn, on average, 16% less than men. On the other hand, the indicator regarding the

establishment and publication of goals for women's participation in the Company's workforce and managerial positions for 2024 shows 100% compliance.

### Average Salary for Men and Women at Non-Managerial Level in Colombia

Level*	Average Salary** Women (USD)	Average Salary Men (USD)	Ratio <sup>71</sup>
Non-Managerial	\$21,962.7	\$24,259.9	0.91

\* The exchange rate used for conversion is: 1 USD = \$4,071 COP

\*\* Salaries in Colombia correspond to the net annual cost.

<sup>71</sup> The information reported for GRI 405-2, the ratio of base salary to remuneration for women and men, includes only information on average salaries; no incentives of any kind are included.

In Canada, at the executive level, women earn an average salary without incentives of \$272,000 USD, which represents 56% of the \$423,000 USD earned by men. In the managerial team, there are no women,

so no average salary or incentives are reported for them. Men, in turn, earn an average salary of \$186,000 USD, increasing to \$254,000 USD with incentives.

### Average Salary for Men and Women in Canada

Level	Average Salary* Women (USD)	Average Salary Men (USD)	Ratio	Average Salary Women with Incentives (USD)	Average Salary Men with Incentives*** (USD)	Ratio
Executive	\$272,000	\$423,000	0.64	\$489,000	\$738,000	0.66
Managerial	-	\$186,000	0	-	\$254,000	0

\* Salaries in Canada are associated with the net annual cost.

In non-managerial roles, women have an average salary of \$105,000 USD, which represents 78% of the average salary of men, which is \$135,000 USD.

Level	Average Salary* Women (USD)	Average Salary Men (USD)	Ratio
Non-Managerial	\$105,000	\$135,000	0.78

\* Salaries in Canada are associated with the net annual cost.

### Employee Benefits

[GRI 401-2]

We have designed a comprehensive benefits package that caters to the diverse needs of our workforce, encompassing health, financial security, work flexibility, and professional development.

Canacol offers the following benefits to all employees with indefinite-term contracts:

- Food and health allowances to support access to essential services.
- Corporate extra-legal bonus as an additional incentive.
- Health insurance, life insurance, and funeral insurance.

For union members, additional benefits are offered, such as:

- Transportation, food, education (including children with disabilities), and health allowances.

- Extra-legal bonuses, vacation bonuses, and seniority bonuses, recognizing the trajectory in the Company.
- Sports incentive bonuses and annual Christmas bonuses.
- Employee Savings Fund (the Company contributes 22% of the monthly savings).

Canacol has implemented a fixed benefits scheme, which includes connectivity, mobility, and furniture allowances. Additionally, it has a set of initiatives designed to improve the quality of life, including:

- Flexible work hours and the possibility of working from home, promoting work-life balance.
- Health and sports incentives, fostering an active lifestyle.
- Paid parental leave, exceeding the legal minimum established, for both primary and non-primary caregivers.
- Psychological support for stress management.
- Part-time work options.



### ***Beneflex: Flexible Benefits***

Through the Beneflex program, employees can select the benefits that best suit their needs, including

savings in Colfondos, Sodexo Canasta, and Sodexo Gasolina. In 2024, 72.1% of the workforce received fixed benefits, while 10.6% opted for Beneflex.

### ***Percentage of Employees Covered by Benefits in the Company - Colombia***

	2022		2023		2024	
Fixed Benefits	284	74.9%	334	87.2%	272	72.1%
Flexible Benefits: BENEFLEX	56	14.8%	49	12.8%	40	10.61%
Union Benefits	296	77.3%	301	78.6%	292	77.4%
Corporate Benefits	332	87.6%	313	81.5%	308	81.7%

In 2024, we increased our investment in corporate benefits to \$2,112,124 USD, representing an 18% increase compared to 2023.

### ***Investment in Dollars Made by the Company for Employee Benefits - Colombia***

	2022	2023	2024
Fixed Benefits (USD)	\$60,206	\$62,786	\$55,205
Flexible Benefits: BENEFLEX (USD)	\$203,010	\$185,398	\$135,721
Union Benefits (USD)	\$937,263	\$1,059,051	\$1,028,016
Corporate Benefits (USD)	\$1,582,091	\$1,786,036	\$2,112,124

In 2024, 100% of employees in Canada received health and wellness benefits.

### ***Investment in Dollars for Health and Wellness Benefits for Employees in Canada***

Year	2022	2023	2024
Total USD	\$ 493,166	\$ 571,949	\$546,428



## Commitment to Workers

[SOC-6] [GRI 404-3]

Through a comprehensive approach that includes strategic workforce planning, performance evaluation, skills gap identification, and talent retention, the Company fosters an environment that enhances individual growth and enables employees to reach their full potential.

The Company has established a performance management process considering three phases:

- Alignment of objectives: An initial discussion between the leader and the employee to define performance goals.
- Continuous feedback: A session to review performance goals, track progress, and identify areas for improvement.
- Final evaluation: The employee completes a self-evaluation on the performance management platform, followed by an assessment from their immediate leader.

This process is supported by coverage indicators that reflect the broad implementation of key evaluation practices.

### Performance Management Practices (% coverage)

	2022	2023	2024
Management by objectives: systematic use of measurable objectives agreed upon by the top line	99.5%	98.7%	99%
Multidimensional performance assessment (e.g., 360-degree feedback)	99.5%	98.7%	99%
Formal comparative classification of employees within a category of employees	99.5%	98.7%	99%

Additionally, Canacol develops an annual strategic talent plan to anticipate and manage workforce needs. This planning process consists of three phases:

- Structure evaluation: Reviewing personnel movements and identifying potential hiring needs to ensure an efficient organizational structure.
- Projection and budget: Calculating payroll costs in alignment with the Company's objectives.
- Attraction and retention strategies: Designing initiatives to attract top talent and retain high-performing employees.

- Strategic meetings with areas: At the start of each year, transversal training needs are assessed and incorporated into the annual training plan.

Canacol stays ahead in talent management by leveraging competitive intelligence tools, including market studies on benefits and compensation, organizational climate surveys, and collaborations with universities and certification programs.

To ensure the workforce possesses the necessary skills, Canacol has implemented two core strategies:

- Annual performance cycle: Using the General Educational Development (GED) platform, employees identify gaps in their technical and soft skills, enabling constructive feedback sessions with their leaders.



## Training and Development

[GRI 404-1] [GRI 404-2] [SOC-7]

The Human Talent department prepares an annual corporate training matrix, shared with employees in the first quarter. It includes:

- Specific technical training aligned with the Company's operational needs.
- Soft skills training, focused on leadership, teamwork, change management, and shared responsibility.

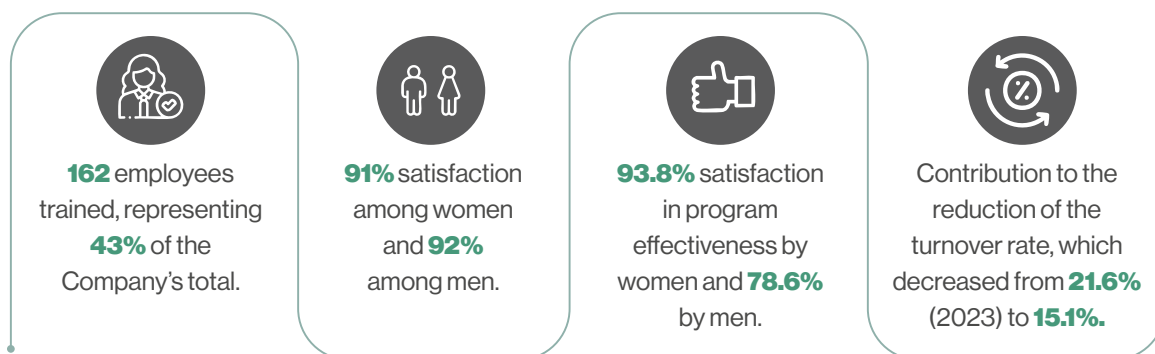
- Mandatory compliance courses that ensure the technical development of employees.

### Highlighted Programs 2024

Canacol has implemented several development programs aimed at enhancing leadership, negotiation, and talent management skills within the organization. These initiatives are designed to foster the growth of employees and prepare them for key roles, ensuring a strong pipeline of leadership and management talent.

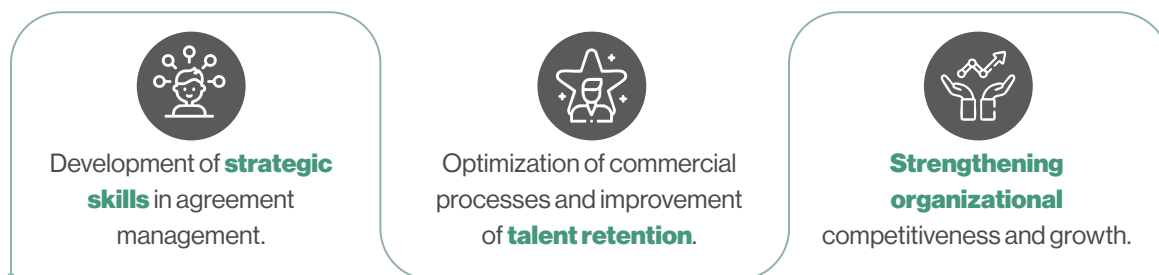
#### Leadership with Purpose Program

Based on principles of generative leadership, with responsibility and transformative focus:



#### Negotiation and Value Creation Program

This program aims to optimize commercial relationships, improve employee performance in negotiation situations, and strengthen the Company's competitiveness and profitability, generating:



The program had the following results:



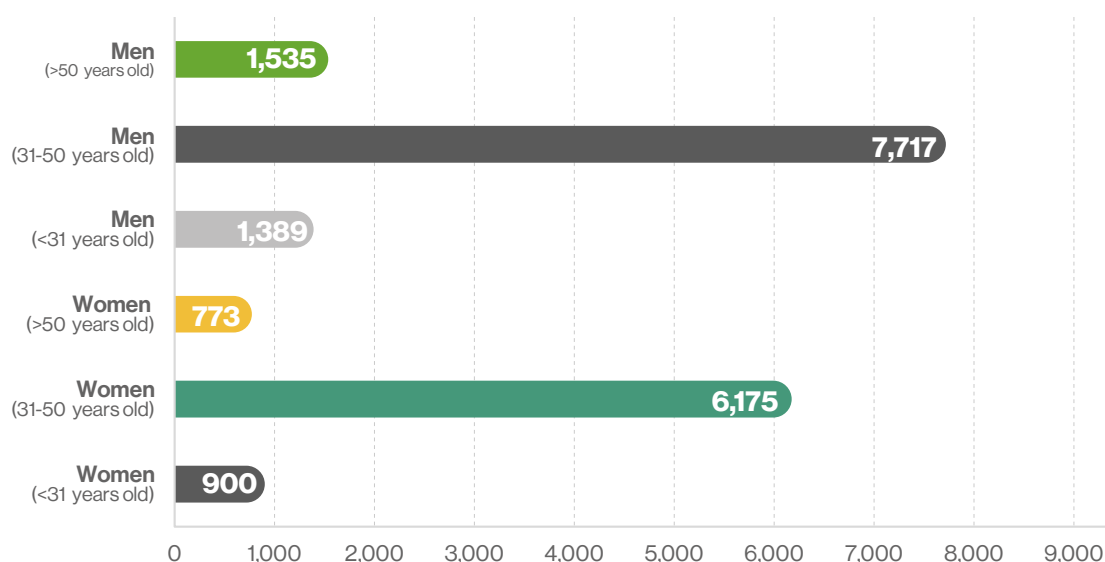
In 2024, Canacol demonstrated a strong commitment to employee development, with a total of 18,489 hours dedicated to training across the organization in Colombia. Of this, 7,849 hours were assigned to women, reflecting an active effort to support gender diversity in skill development, while 10,640 hours were allocated to men. This allocation highlights the Company's dedication to fostering a balanced and inclusive work environment, with a particular focus on continuous growth for all employees.

### Average Training Hours by Gender and Job Category - Colombia 2024

Level	Average Hours - Women	Average Hours - Men
Executive	39	19.2
Senior Management	38.2	53.7
Junior Management	42.3	61.8
Professionals	59.9	49.3
Administrative	35.2	19.2
<b>Total</b>	<b>47.3</b>	<b>37.1</b>

Regarding age range distribution, employees between 31 and 50 years invested 13,892 hours in training, with a participation of 6,175 hours by women and 7,717 hours by men.

### Average Training Hours by Age and Gender - Colombia 2024



During the year, 282 employees were trained, of which 162 participated in technical programs and

120 in strategic programs, thus strengthening key capabilities for achieving corporate objectives.



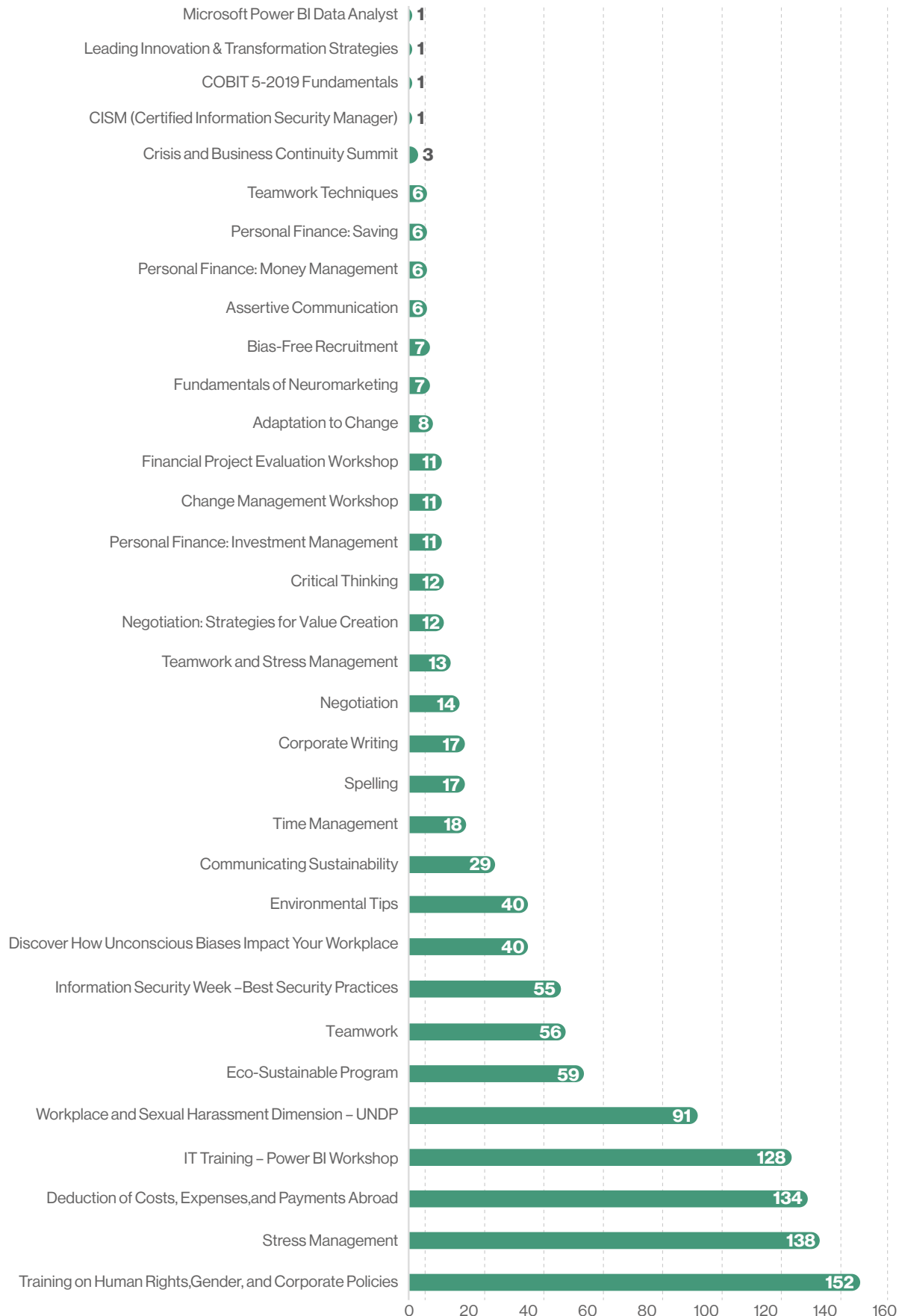


**Type of Training and Number of Benefited Employees**

Typology	Training Topic	Number of Employees
Strategic Training	Leadership	6
	Leadership with Purpose	75
	Generative Leadership and Accountability	60
	Transformational Leadership	21
Total		162
Typology	Training Topic	Number of Employees
Technical Training	Safe Load Handling for Mechanical Lifting Equipment and Hand Signals	2
	Electrical Isolation Authority	4
	Electro-Submersible Pumping	2
	Single-Person Platform Handling Training	5
	Bridge Crane and Gantry Crane Training	6
	Main and Booster Compressors	10
	Contract Law Specialization	1
	Gas Well Deliquification	8
	Critical Task Inspector	6
	Introduction to Instrumentation and Multiphase Measurement, Standards and Norms	7
	Hydrocarbon Static Measurement	26
	Unconventional Operations – Fracking	6
	Electrical Risk	13
	Rig Inspection Oriented to Drilling Operations	6
	Simulation Leadership Forum	3
	Control Loop Tuning and Optimization	2
	Effective Supervision in Load Lifting	2
	Advanced Control Techniques, Fuzzy Control Applications with Rockwell Automation Technology	1
	SCADA Technologies	10
Total		120

In 2024, Canacol's training programs reflected a strong emphasis on key topics that align with the Company's values and operational needs. The program with the highest participation was focused on human rights, gender, and corporate policies, with 152 attendees underlining the Company's commitment to fostering a culture of respect and inclusion. This was closely followed by stress

management sessions, which saw 138 participants, highlighting the Company's attention to employee well-being. The cost deduction, expenses, and payments abroad workshop also garnered significant interest, with 134 attendees demonstrating a focus on enhancing technical financial knowledge within the workforce.

**Number of Participants by Course – Colombia 2024**



*The average investment in training and development per full-time employee in Colombia was USD \$468.8.*



In Colombia, 41 employees participated in individual training initiatives, mainly focused on strengthening language skills.

#### Number of Employees Trained in Languages - Colombia

Individual Training Strategies - Colombia	Description	Number of Employees	% <sup>72</sup>
Number of people with individual English licenses (Open English)	Program aimed at Canacol employees in Colombia with the goal of learning a second language and strengthening their professional profile	35	7.72%
Number of people in English classes		6	1.32%

<sup>72</sup> The percentage is calculated taking into account the participation of 453 collaborators in Colombia.

### Number of Training Hours by Job Category and Gender – Canada

In 2024, Canacol Canada invested a total of 1,191 hours in training, of which 546 hours were assigned to women and 645 hours to men, reaffirming the

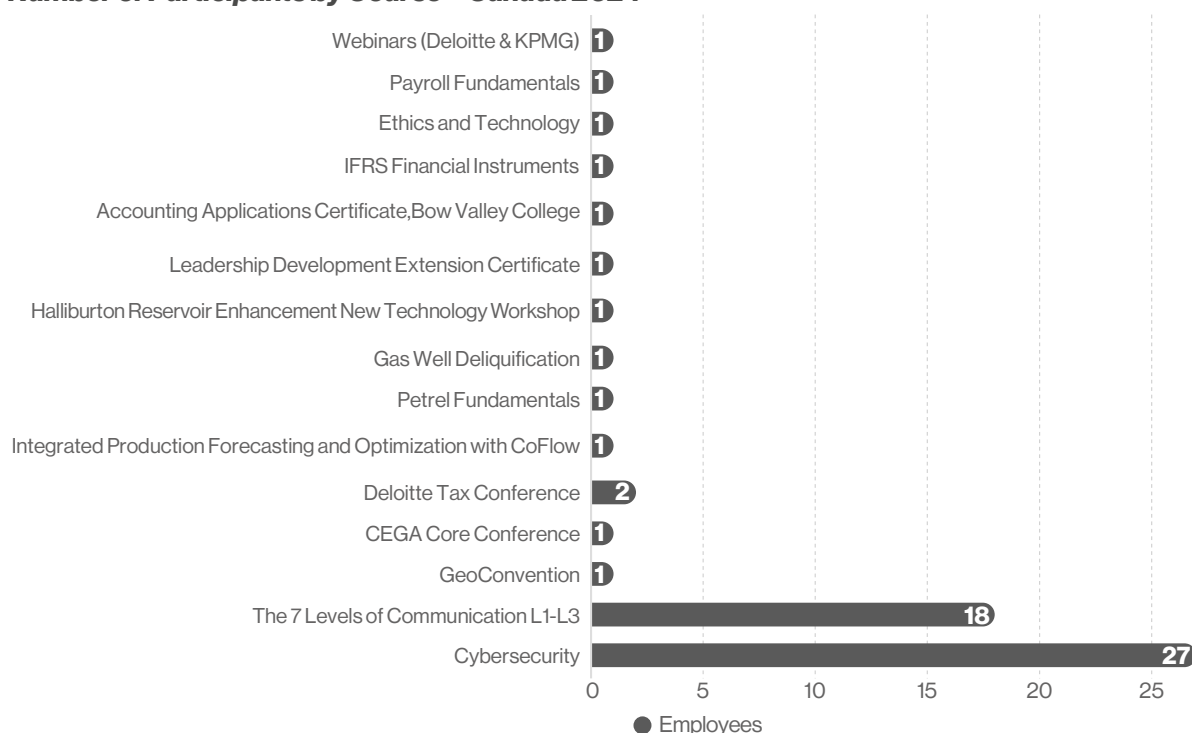
Company's commitment to skill development and equity in all its operations.

Level	Average Hours - Women	Average Hours - Men
Executive	78.3	1.3
Senior Management	0	51.1
Junior Management	0	44.5
Professionals	1	38
Administrative	103.3	0
<b>Total</b>	<b>78</b>	<b>32.3</b>

In 2024, the Canacol Canada office focused on enhancing employee skills through targeted training programs. The most attended program was Cybersecurity Training, with full participation from all 27 employees, reflecting the growing importance of cybersecurity in the modern workplace. The

second most popular program was “The 7 Levels of Communication”, with 18 participants, indicating a strong interest in improving communication skills. Other programs, while still valuable, had lower participation, with attendance ranging between 1 and 2 people, suggesting a more specialized or niche focus.

### Number of Participants by Course – Canada 2024



*In 2024 in Canada, the average hours dedicated to training and development per full-time employee was 44.1 hours.*

*The average investment in training and development per full-time employee in Canada was USD \$1,028.4.*



During 2024, Canacol Canada trained 15 employees (56%) in Spanish, with an estimated total of 635 training hours. This initiative

aimed to promote bilingualism and improve cultural integration within the organization.

### ***Number of Employees Trained in Languages - Canada***

Course	Description	Number of Employees	%
Spanish	Program aimed at Canacol employees in Canada with the goal of learning a second language and strengthening their professional profile	15	56%

### ***Number of employees who participated in Communications Training – Canada***

Course	Description	Number of Employees	%
Communications Training “7 levels of communication”	Program aimed at Canacol employees in Canada with the objective of exploring seven levels of communication to develop more effective communication.	18	67%

### ***Minimum Notice Periods for Operational Changes***

GRI 2-30 [GRI 402-1]

At Canacol, effective communication is prioritized to ensure employees are well-informed about significant operational changes that could affect their working conditions. The Company adheres to all legal requirements regarding notice periods as outlined in labor laws and collective bargaining agreements, ensuring transparency and respect for employees' rights.

In addition to complying with these regulations, Canacol emphasizes the importance of maintaining open communication channels. These channels are designed to provide clear information about upcoming changes and to address any concerns raised by the workforce. This approach fosters an environment of trust and collaboration, helping employees navigate changes with clarity and confidence.



## Hiring New Employees and Staff Turnover

[GRI 401-1]

At Canacol, talent retention is a top priority, as it directly contributes to organizational stability and the reinforcement of our corporate culture. We take a comprehensive approach to maintaining a low turnover rate while fostering the growth, development, and well-being of our employees.

Our Human Talent strategy is centered around attracting, training, and retaining skilled personnel. We regularly conduct salary competitiveness analysis, ensuring internal equity and aligning with market trends. This enables us to offer competitive and fair compensation, which plays a key role in enhancing employees' sense of recognition and belonging.

*By offering growth opportunities, providing competitive compensation, and focusing on the holistic well-being of our employees, Canacol reinforces its commitment to people-centered talent management and its innovative approach to creating a fulfilling workplace.*

In line with this strategy, in 2024, new hires in Colombia represented 10.1% of the total employees, showing a 41% reduction compared to the previous year.

### Number of New Hires by Age and Gender - Colombia

	2022 <sup>73</sup>	%	2023 <sup>74</sup>	%	2024 <sup>75</sup>	%
Women (<31 years)	5	1	12	2.6	8	1.8
Women (31-50 years)	17	3.4	19	4.1	8	1.8
Women (>50 years)	4	0.8	0	0	1	0.2
Men (<31 years)	5	1	7	1.5	7	1.6
Men (31-50 years)	14	2.8	36	7.7	19	4.2
Men (>50 years)	4	0.8	5	1.1	3	0.7
Total Women	26	5.2	31	6.7	17	3.8
Total Men	23	4.6	48	10.3	29	6.4
Total New Employees	49	9.8%	79	17%	46	10.1



<sup>73</sup> The percentage is calculated based on the number of new hires out of the total of 498 employees employed in Colombia by the end of 2022.

<sup>74</sup> The percentage is calculated based on the number of new hires out of the total of 465 employees employed by the end of 2023 in Colombia.

<sup>75</sup> The percentage is calculated taking into account the number of new hires out of the total of 453 employees employed by the end of 2024 in Colombia.

### Number of New Hires by Age, Gender, and Job Level for 2024

Age Filter	General Data Category	Female	Male	Total
< 31 years	Administrative	6	4	10
	Junior Management	0	1	1
	Professionals	2	2	4
> 50 years	Junior Management	0	2	2
	Professionals	1	1	2
31-50 years	Administrative	2	6	8
	Junior Management	1	2	3
	Senior Management	0	2	2
	Professionals	5	9	14
<b>Total</b>		<b>17</b>	<b>29</b>	<b>46</b>

In 2024, Canacol's hiring efforts were primarily focused on the 31 to 50 age range, aligning with the existing workforce structure. The majority of new hires were in professional and administrative roles, which directly contribute to strengthening the Company's operational capabilities. Additionally, management-level hires played a critical role in reinforcing internal leadership and ensuring the long-term sustainability of the business.

Notably, 18 out of the 46 total new hires were internal promotions, showcasing Canacol's commitment to professional development and internal talent mobility. This strategy not only supports employee career growth but also strengthens the overall organizational culture and continuity.

### Hiring New Employees - Colombia

Hiring	Unit of Measure	2022	2023	2024
New hires	#	49	79	46
Vacancies filled by internal candidates	#	14	12	18
Total number of hires	#	49	79	46
Total percentage of new hires	%	10	17	10
Percentage of vacancies filled by internal candidates	%	17	29	39

**The average hiring cost was \$343 USD.**

Regarding staff turnover, it was mainly concentrated in the 31 to 50 age group, with a rate of 4.8% for women and 4.5% for men, showing a slightly higher trend for women.



**Staff Turnover by Age and Gender - Colombia**

Reporting Year	2024					
Age Ranges	<31 years		31-50 years		>50 years	
	Women	Men	Women	Men	Women	Men
Turnover Rate by Gender	1.5%	2%	4%	3.7%	0%	1.4%
Number of Employees by Age Range	7	9	18	17	0	6
<b>Total Number</b>	<b>57</b>					
<b>Turnover Rate</b>	<b>12.6%<sup>76</sup></b>					

In 2024, Canacol Colombia experienced a turnover rate of 12.6%, with 57 employees ending their employment. When disaggregated by level, there was a turnover of 5.3% at the professional level, 5.1% at the administrative level, and 1.1% at senior management. Turnover was lower in junior management (0.9%) and executive level (0.2%). These figures

indicate a higher turnover at the professional and administrative levels, while leadership positions, including senior, junior management, and executive roles, displayed greater stability with lower turnover rates. This suggests that Canacol has been able to maintain a strong leadership team and foster employee retention in higher-level positions.

**Staff Turnover by Gender and Job Category - Colombia**

Job Category	Women	Men	Total	% of Total Workforce
Administrative	12	11	23	5.1
Executive	0	1	1	0.2
Junior Management	2	2	4	0.9
Senior Management	1	4	5	1.1
Professionals	10	14	24	5.3
<b>Total</b>	<b>25</b>	<b>32</b>	<b>57</b>	<b>12.6</b>

Regarding the reasons for departures, 6.6% were due to voluntary resignations, 2.4% to contract expirations, 2.2% to dismissals, and 1.3% to

mutual agreements, indicating a greater share of separations resulting from the employees' own decisions.

**Voluntary Turnover – Colombia**

Reason	Women	Men	Total	% of Total Workforce
Voluntary Resignation	12	18	30	6.6%

**Staff Turnover by Reason - Colombia**

Reason	Women	Men	Total	% of Total Workforce
Voluntary resignation	12	18	30	6.6 %
Dismissal	4	6	10	2.2%
Contract expiration	5	6	11	2.4%
Mutual agreement	4	2	6	1.3%
<b>Total</b>	<b>25</b>	<b>32</b>	<b>57</b>	<b>12.6%</b>

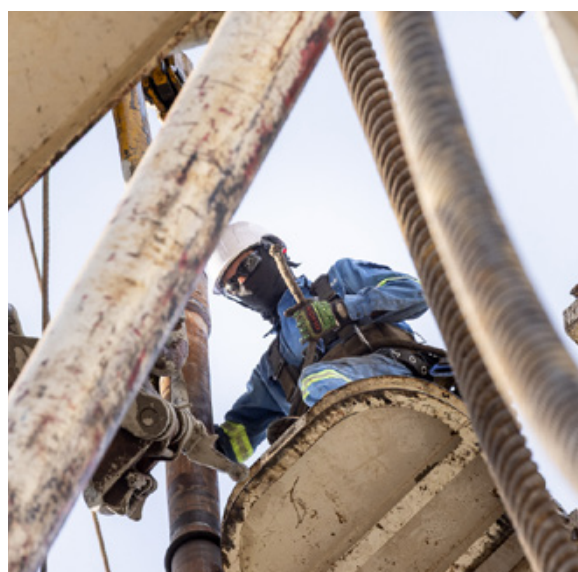
<sup>76</sup> The turnover ratio is calculated based on the 453 employees in Colombia, including full-time employees, temporary workers, and SENA apprentices.



In 2024, Canacol Canada hired 4 new employees, all of whom were men, representing 14.8% of the total workforce in Canada. These new hires were concentrated in the age ranges of 31 to 50 years and over 50 years, maintaining the same hiring distribution as the previous year. This consistent trend in turnover and hiring strategy highlights the Company's stable workforce and its targeted approach to recruitment, focusing on experienced individuals within those specific age groups.

### New Hires Canada

Men	4	14.8%
<b>Total Employees</b>	<b>4</b>	<b>14.8%</b>



### Number of New Hires by Age and Gender - Canada

	2022 <sup>77</sup>	%	2023 <sup>78</sup>	%	2024 <sup>79</sup>	%
Women (<31 years)	0	0	1	3.7%	0	0%
Women (31-50 years)	1	5%	0	0	0	0
Women (>50 years)	0	0	0	0	0	0
Men (<31 years)	0	0	0	0	0	0
Men (31-50 years)	2	10%	1	3.7%	2	7.4%
Men (>50 years)	0	0	2	7.4%	2	7.4%
Total Women	1	0	1	0	0	0
Total Men	2	0	3	0	4	14.8%
<b>Total New Employees</b>	<b>3</b>	<b>15%</b>	<b>4</b>	<b>14.8%</b>	<b>4</b>	<b>14.8%</b>

Staff turnover in Canada during 2024 was mainly concentrated in the 31 to 50 age group with the

departure of 2 employees. The total turnover rate for the Canada office was 14.8%.

### Staff Turnover by Age and Gender - Canada

Reporting Year	2024					
Age Ranges	<31 years		31-50 years		>50 years	
	Men	Women	Men	Women	Men	Women
Turnover Rate by Gender	3.7%	0%	0%	7.4%	0%	3.7%
Number of Employees by Age Range	1	0	0	2	0	1
<b>Total Number</b>	<b>4</b>					
<b>Turnover Rate</b>	<b>14.8%</b>					

<sup>77</sup> The percentage is calculated based on the number of new hires out of the total of 498 employees employed in Colombia by the end of 2022.

<sup>78</sup> The percentage is calculated based on the number of new hires out of the total of 465 employees employed by the end of 2023 in Colombia.

<sup>79</sup> The percentage is calculated based on the number of new hires out of a total of 27 employees employed in Canada by the end of 2024.

During 2024, 4 employees left their jobs in Canada. This corresponds to 14.8% of the total workforce linked to the Company. All the turnover in 2024 was at the senior management and professional levels.

### Staff Turnover by Job Category – Canada

Job Category	Total	% of Total Workforce
Administrative	0	0
Executive	0	0
Junior Management	0	0
Senior Management	2	7.4 %
Professionals	2	7.4%
<b>Total</b>	<b>4</b>	<b>14.8%</b>

In 2024, 14.8% of total employees in Canacol Canada ended their employment. 3 men due to voluntary resignation, and one woman due to dismissal, among those who left. There were no cases of dismissal, contract expiration, or mutual agreements. The turnover was primarily concentrated in the 31 to 50 age group, reflecting the demographic structure of the workforce in the country. This indicates that voluntary resignations were the main reason for departure, with no involuntary separations reported.

### Voluntary Turnover – Canada

Reason	Women	Men	Total	% of Total Workforce
Voluntary Resignation	0	3	3	11.1%

### Staff Turnover by Reason - Canada

Reason	Women	Men	Total	% of Total Workforce
Voluntary Resignation	0	3	3	11.1%
Dismissal	1	0	1	3.7%
Contract Expiration	0	0	0	0
Mutual Agreement	0	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>14.8%</b>

### Parental Leave

[GRI 401-3]

Employee well-being is a priority for Canacol. For this reason, initiatives focused on health, quality of life, and work-life balance are promoted. As part of this commitment, labor leave modalities have been implemented that offer greater flexibility and support to those who are part of the organization.

In 2024, 18 parental leaves were granted, representing a 64% increase compared to 2023. Of the total requests, 84% corresponded to men and 16% to women. Additionally, of the male employees who used this benefit, only one did not return to the Company after the end of the leave and the 12-month follow-up period after their return.

Parental Leave	Men	Women	Total
Number of employees who had the right to parental leave during 2024	15	3	18
Number of employees who returned to work after ending parental leave 2024	15	3	18
Number of employees who returned to work after ending parental leave and continued to be employed 12 months after returning to work during 2024	14	3	17

Another initiative within our well-being strategy is leave for maternity and paternity regulated by Law 2114 of 2021 and Decree 1427 of 2022.

Leave	Days - Colombian law	Days - Canacol	Total days
Maternity	126	7	133
Paternity	15	7	22

This benefit grants seven (7) additional paid working days to the legal leave, promoting family co-responsibility for men and women. These days are granted once the maternity and/or paternity leave granted by law is completed.

### **Policies for the Prevention of Discrimination and Workplace Harassment**

[GRI 406-1]

Canacol's commitment to a safe, fair, and respectful work environment is reflected in its "No Tolerance" policy against discrimination and harassment. This policy is reinforced through the 2024 update of the Diversity, Equity, and Inclusion (DEI) Policy, which explicitly rejects any form of exclusion, discrimination, or violence based on sexual orientation, gender identity, ethnicity, age, disability, origin, or any other condition.

This commitment aligns with key regulatory frameworks, including the Workplace and Sexual Harassment Prevention Policy, the Human Rights Manual and Policy, the Internal Work Regulations, and the Code of Ethics and Business Conduct. These guidelines ensure dignity in labor relations and foster a culture based on mutual respect.

To further strengthen this culture, Canacol conducts awareness and training programs at all levels of the Company. The DEI Committee oversees these initiatives, ensuring equal opportunities for all employees and working to prevent any discriminatory practices.

Additionally, Canacol provides confidential and secure channels for reporting suspected workplace or sexual harassment through the Labor Coexistence Committee or the Independent Complaint Line, which are accessible to all stakeholders. This proactive approach underlines the Company's commitment to maintaining a respectful and inclusive environment for everyone.

***We are pleased to report that during 2024, no cases of discrimination or harassment were reported.***

For more information on the mentioned policies and guidelines, please refer to our **Human rights policy** and our **Workplace & Sexual Harassment Prevention Policy**.







# 12

---

**A transparent  
and ethical  
business**

---





8 DECENT WORK AND  
ECONOMIC GROWTH16 PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS17 PARTNERSHIPS  
FOR THE GOALS

# A transparent and ethical business

At Canacol, we are committed to building a business environment rooted in transparency, integrity, and regulatory compliance. Our governance system is designed to oversee operational performance, identify risks, and capitalize on strategic opportunities that drive the Company's sustainable growth. The trust of our stakeholders is a cornerstone of our corporate strategy, which is why we promote rigorous accountability processes and the safeguarding of our digital assets, ensuring stability and security across our operations.



## Definition of material issues



### Ethics and integrity

Establish a framework of conduct based on ethics, integrity, and transparency, supported by best corporate governance practices, as well as policies, controls, and procedures that foster trust-based relationships for the benefit of shareholders, investors, and other stakeholders, while enhancing reputation, profitability, and corporate resilience.



### Governance

Implement governance processes, mechanisms, and procedures that ensure effective control and management of the operation and its impacts, risks, and opportunities. This includes ensuring transparency in decision-making and efficiently managing the expectations of investors, shareholders, and other stakeholders, in alignment with the guidance of the organization's Board of Directors.



### Risk and opportunity management

Establish a comprehensive risk management system that enables the identification, evaluation, prioritization, monitoring, and effective management of corporate risks and opportunities related to sustainability, with special attention to those that have high potential impact on business operations and strategic objectives. This also strengthens the organization's ability to manage crises effectively.



### Sustainable supply chain management

Ensure business continuity through the integration and management of economic, social, and environmental factors throughout the value chain, with particular emphasis on sustainable sourcing. Additionally, promote local development and employment opportunities, and invest in social initiatives that generate mutual benefits and enhance corporate and environmental resilience.



### Information security and cybersecurity

Develop and implement policies, practices, tools, and measures that ensure the protection of information, computer systems, networks, devices, and organizational data against cyberattacks, unauthorized access, data theft, and other security threats in both digital and non-digital environments—safeguard reputation and ensuring business continuity.

## Summary of main management of material issues covered in the dimension Material issue

### Material issue

### Management approach

### Progress

[GRI 3-3]

[GRI 3-3]



#### Ethics and integrity

**Ethics and Transparency:** Implementation of the Transparency and Business Ethics Program (PTEE) to strengthen a culture of ethics.

**Risk Management:** Application of SAGRILIFT to prevent money laundering and financing of illicit activities, including corruption.

**Reporting Channels:** Secure and confidential mechanisms for reporting irregularities.

**Corruption Prevention:** Continuous training and monitoring through the Anti-Corruption Policy.

**Supervision of contributions:** Oversight of donations and contributions from third parties.

- › Completed and updated codes of conduct and ethics, as well as transparency policies.
- › No cases of corruption or breaches of the Code of Conduct and Ethics by employees or contractors were reported.
- › 100% of our employees, contractors, and suppliers completed training in Codes of Ethics and Business Conduct.
- › Training was provided to 279 employees (63%) on the updates to the SAGRILIFT manuals and the Transparency and Business Ethics Program.



#### Governance

- › Maintain a diverse and inclusive governance structure.
- › Build capabilities through support, supervision, and monitoring of significant sustainability-related issues and impacts.
- › Implement corporate governance practices that comply with current regulations, uphold legality, and transparency, and ensure business continuity.

- › 14% female representation on our Board of Directors.
- › 100% training of the Board of Directors on ESG topics.
- › Annual bonus plan based on corporate and individual objectives, incorporating ESG aspects for all executives.
- › Long-term incentive and remuneration program based on specific ESG measures and performance.



#### Risk and opportunity management

- › Implement processes to diligently identify, evaluate, and govern Canacol's risk profile.
- › Foster a strong risk culture through continuous training of our Board of Directors and employees, integrating risk criteria in the development and approval of products, and establishing risk management KPIs for all employees.
- › Conduct annual stress and sensitivity tests on the organization's most relevant strategic risks.

- › 100% risk management training for all employees.
- › Updated the strategic risk matrix integrating emerging risks.
- › Inclusion of material issues in the Company's Enterprise Risk Management Process.
- › Updated the Risk and Opportunity Management Policy.
- › Selection of 4 strategic risks for stress and sensitivity tests:
  - Social discontent
  - Delays in project development procedures
  - Decrease in cash flow
  - Competition from imported gas



### Sustainable supply chain management

#### Business continuity and maximization of stakeholder benefits

Ensure operational resilience while delivering long-term value for all stakeholders.

#### Equity in business relationships

Promote fairness, transparency, and mutual respect across all business interactions.

#### Sustainable sourcing

- › Apply ESG criteria in the selection and evaluation of suppliers.
- › Support the development of capabilities among current and prospective suppliers.
- › Continuously monitor the ESG performance of suppliers.
- › Manage the availability and price volatility of raw materials and other critical resources.

#### Local development and social investment

- › Invest in initiatives that contribute to community development and social well-being.
- › Prioritize local hiring and procurement to stimulate regional economies.

- › 4.6% of total purchases from local suppliers in municipalities within the direct area of influence, and 47% from regional suppliers in the Caribbean region and surrounding municipalities.
- › 96% of goods and services acquired locally, regionally, or nationally.
- › Conducted an ESG risk assessment for 100% of the Company's strategic and tactical suppliers.
- › Implemented corrective action plans for 96% of high-risk suppliers in environmental, social (labor practices, communities, HSE, human rights), ethical conduct, and transparency issues.
- › Incorporation of ESG criteria into the evaluation and selection process of suppliers for the Company's strategic and tactical services through the Aracnia platform<sup>80</sup>.
- › Developed and implemented an ESG addendum for supplier evaluation and selection.
- › Updated the Purchasing and Contracts Manual, including criteria for sustainable purchases.



### Information security and cybersecurity

- › Ensure business continuity, safeguard digital assets, and preserve the stability and trust of our stakeholders through the implementation of effective cybersecurity measures based on the ISO 27000 standard.
- › Enhance employees' skills in managing potential information security risks.
- › Report semi-annually to the Audit Committee of the Board of Directors on cybersecurity and IT progress and updates.
- › Updated the Information Security Management System in accordance with the ISO 27001:2022 standard.
- › Updated the Information Security Policy to ensure the confidentiality, integrity, and availability of information.
- › Ongoing implementation of the Security Awareness Program, achieving 98% employee participation through targeted training initiatives.
- › Conducted a Information Security Risk Analysis.
- › 100% verified digital infrastructure.
- › Presented the Cybersecurity and IT Strategy to the Audit Committee of the Board of Directors twice during the year.

80 Centralized platform that consolidates information related to supplier selection and evaluation processes.



## Risks, opportunities, and future outlook

[GRI 3-3]

### Risks and opportunities

In the energy sector, strong governance is a key driver of long-term business success. Canacol recognizes that effective risk and opportunity management not only safeguards the Company and its stakeholders but also reinforces its competitive position in the market. Governance plays a fundamental role in shaping strategic direction, managing risks, and generating sustainable value for all stakeholders. Ensuring the integrity of every Company process, from natural gas exploration and production to distribution and marketing, is essential to maintaining the trust of investors, regulatory authorities, and the community at large.

In today's dynamic business landscape, identifying and addressing regulatory, cyber, operational, socio-environmental, and market risks is essential to ensuring the sustainability and long-term success of our organization. These risks can significantly affect profitability and, more importantly, compromise stakeholder trust. Failure to effectively manage them may lead to serious consequences, including legal sanctions, loss of critical data, and conflicts with local communities, all of which can undermine our reputation and credibility in the sector.

To mitigate these risks, it is vital to adopt an innovative and proactive approach that integrates early risk detection with the identification and capitalization of strategic opportunities. In the energy sector, market volatility and constantly evolving regulations demand exceptional agility. Building trust-based relationships and maintaining transparent dialogue with communities are key to preventing socio-environmental conflicts and reinforcing our ethical commitments. This comprehensive approach not only protects our

assets and ensures operational continuity but also positions Canacol as a benchmark for ethics and sustainability in the industry.

The constantly evolving digital landscape presents ongoing challenges in information security. The increasing sophistication of cyber threats such as data hijacking and electronic fraud, grow more sophisticated, we are driven to continually enhance our protection systems through cutting-edge technologies, robust response protocols, and ongoing training for our employees and suppliers. By adopting international risk management standards, such as ISO 31000 and ISO 27001, we proactively anticipate emerging threats, minimize vulnerabilities, and strengthen corporate resilience.

Optimizing our value chain continues to be a key opportunity to consolidate our best business practices across the organization. At Canacol we are committed to incorporating ESG principles into our sourcing processes, ensuring that our suppliers meet the highest industry standards. Likewise, promoting a culture of ethics and integrity in all our operations reinforces the trust of investors, regulators, and communities.

For Canacol, strong corporate governance is a competitive advantage. Facing future challenges and capitalizing on opportunities requires a comprehensive approach based on transparency, security, and innovation in our processes.

### Future Outlook

The future of the energy sector demands increasingly transparent and responsible business models. Canacol reaffirms its commitment to corporate governance aligned with the highest international standards, ensuring the trust of its stakeholders

and the efficient and responsible management of its material issues, both in terms of impact and financial performance.

To strengthen our position, we will focus on:

- Implementing advanced real-time auditing and monitoring tools to optimize transparency and accountability.
- Updating our ethics, compliance, and anti-corruption policies by integrating international best practices.
- Expanding training programs on ethical principles to ensure excellence in decision-making.
- Continuing to train 100% of suppliers in the Code of Conduct and Ethics for Suppliers and Contractors.
- Developing ESG-focused training (Diversity, Equity and Inclusion, Decarbonization) for 100% of Level 1 suppliers.
- Disseminating the sustainable purchasing guidelines included in the Company's Purchasing and Contracts Manual.
- Strengthening ESG criteria in the evaluation and selection of suppliers to align with our sustainability objectives.
- Maintaining training programs for employees and suppliers, specialized in risk management, IT, and cybersecurity to enhance team preparedness.
- Adopting best corporate governance practices to achieve operational excellence at all levels.
- Continuously assessing the effectiveness of our cybersecurity strategies to ensure information protection and business continuity.
- Strengthening our Integrated Risk Management System by incorporating the double materiality analysis conducted in 2024.



## Best Practices and Recognitions

These are the outstanding achievements and recognitions obtained in 2024 for our governance management.

### Strengthen Local Suppliers

Canacol promotes the development of local suppliers by identifying available supply within the areas of influence of its projects and supporting business-strengthening programs. This approach fosters a more resilient and sustainable supply chain. In 2024, 96% of our suppliers received guidance to enhance their management in environmental, social, safety, and ethical aspects.



### Evaluated and Selected Suppliers with ESG Criteria

Priority was given to suppliers demonstrating high sustainability performance. Suppliers that did not meet the established standards were excluded from the selection process.

### Updated the Code of Conduct and Ethics for Suppliers

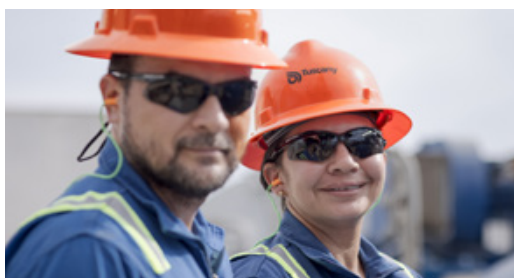
New provisions were added regarding pollution prevention, waste management, and resource efficiency. Training on these updates was provided to 156 suppliers.



### Zero Infractions in Ethics and Compliance

In 2024, there were no reported cases of corruption, bribery, discrimination, harassment, data privacy violations, conflicts of interest, or money laundering.





## Strengthened the Regulatory Framework

The Compliance manuals were updated, to include a new chapter on Criminal Compliance, along with the introduction of a Conflict-of-Interest Reporting Form.

## IR Recognition by the Colombian Stock Exchange (BVC)

Canacol was recognized for transparency and active engagement with shareholders, ensuring accurate and timely information.



## Integrated Strategic Risks into Corporate Management

Monitoring of critical risks was strengthened, along with continuous training for both the Board of Directors and employees.



## Leadership in Business Ethics

Canacol participated in sectoral initiatives such as the Natural Gas Alliance and NATURGAS, contributing to the transition toward carbon neutrality.



## Recognition for Excellence in Governance and Business Ethics

In the 2024 S&P Global Corporate Sustainability Assessment (CSA), Canacol earned a score of 78 points in the economic and governance dimension, surpassing the sector average and placing the Company within the top 10% of globally rated energy companies.



## Updated and Communicated the Risk and Opportunity Management Policy

In 2024, Canacol reinforced its commitment to a risk management culture, ensuring participation across all personnel.





## Ethics and Integrity

[GRI 3-3]

Canacol reaffirms its commitment to ethics, transparency, and regulatory compliance, consolidating a corporate culture rooted in integrity and responsibility. Since its adherence to the United Nations Global Compact in 2017, the Company has aligned its practices with the highest international standards in human rights, labor, environment, and anti-corruption.

Our ESG strategy is based on global reference frameworks such as the SASB Standards, the CDP platform, the TCFD framework (currently IFRS S1 and S2), the TNFD framework, the S&P Global Corporate Sustainability Assessment, the UN SDGs, and the World Economic Forum Guidance, ensuring management practices are aligned with best practices in sustainability and governance.

We continuously strengthen our ethics, compliance, and anti-corruption programs through audits, monitoring, and training for our employees. Additionally, we update our corporate policies and consolidate effective reporting mechanisms. We also reaffirm our commitment to international agreements signed by Colombia in the fight against corruption and transnational bribery.

### Detail of the Material Issue

#### **Culture of Ethics, Transparency, and Compliance**

[GOV-3] [GOV-5] [EM-EP-510a.2] [EM-EP-510a.1]

We continue to strengthen our culture of ethics, transparency, and compliance by incorporating these principles into all our operations. Our philosophy is based on honesty, integrity, and respect, ensuring that our daily policies and practices reflect these values.

Transparency remains a fundamental pillar; we promote the proactive disclosure of relevant information and open dialogue with our stakeholders. Likewise, we strengthen our compliance controls and procedures to ensure strict adherence to national and international regulations.

We have a corporate governance framework that includes:

- Transparency and Business Ethics Program
- Comprehensive Risk Management System for Money Laundering, Financing of Terrorism, and Financing of the Proliferation of Weapons of Mass Destruction (SAGRILAF)
- Corporate Policy Against Money Laundering and Financing of Terrorism
- Whistleblowing Policy, ensuring secure and confidential channels for reporting any non-compliance
- Anti-Corruption Policy, reinforced with training and constant monitoring
- Policy on Donations, Contributions, and Sponsorships, ensuring alignment with our values and ethical principles



## Commitments to International Agreements

Canacol complies with strategic international regulations and agreements in the fight against corruption and transnational bribery, including:

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Inter-American Convention Against Corruption (CICC)

United Nations Convention Against Corruption (UNCAC), endorsed by Law 970 of 2005, FCPA Law of 1977, and US Foreign Corrupt Practices Act (FCPA).

OECD Convention Against Bribery 1997. Convention Against Corruption of Foreign Public Officials in International Business Transactions.

Anti-Corruption Law 1474 of 2011.

Comprehensive Public Policy Against Corruption.

Transparency and Access to Public Information Law.

Law 1712 of 2014 and Law 1778 of February 2nd, 2016, regulating transnational bribery.

Law 412 of 1997 approving the Inter-American Convention Against Corruption in Colombia.

Penal Code Law 599 of 2000. Law 970 of 2005 ratifying the United Nations Convention Against Corruption of Merida 2003.

Decree 830 of 2021 (Politically Exposed Persons - PEP)

External Circular No. 100-000011 of August 9, 2021, adding Chapter 6 to the Basic Legal Circular of the Superintendence of Companies.

## Information on Monitoring Areas

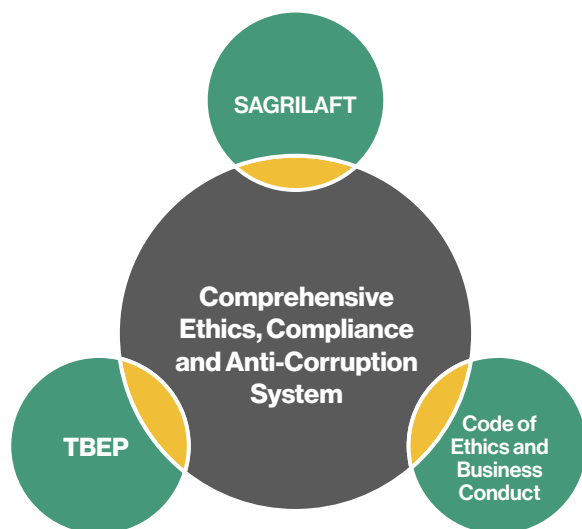
Reporting Areas	Number of Infractions Fiscal Year 2024
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider Trading	0

## Comprehensive Ethics, Compliance, and Anti-Corruption System

[SASB EM-EP-510a.2] [GRI 2-15] [GRI 2-23] [GRI 2-24] [GRI 2-25] [GRI 2-27]

We have implemented a comprehensive system that includes the Transparency and Business Ethics Program, SAGRILIFT, and the Code of Ethics and Anti-Corruption. These guidelines, updated in 2024, demonstrate our firm commitment to the highest standards of integrity and transparency.

Our compliance system is audited annually by an independent third party, certifying its effectiveness and continuous improvement. The participation of our employees is key to strengthening our ethical culture and regulatory compliance.

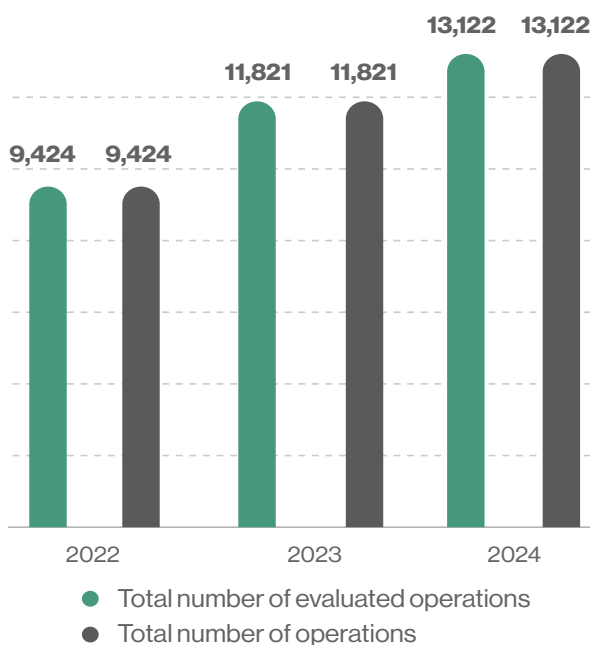


## Corruption Risk Assessments in Operations

[GRI 205-1] [GRI 205-3] [GRI 206-1]

In the S&P Global Corporate Sustainability Assessment of 2024, we ranked in the top 3rd percentile among oil and gas producers worldwide, with an overall score of 75 points, surpassing the score of 69 points obtained in 2023. Over the past year, 100% of our due diligence and compliance operations, - equivalent to 13,122 evaluations- were reviewed with no corruption risks detected. Additionally, by applying the risk matrix of the Transparency and Business Ethics Program (PTEE) to all our counterparties, no evidence of sanctions related to corruption, bribery, unfair competition, monopolistic practices, or any other activity that undermines free competition was identified.

### Operations assessed for risks related to corruption



### Appropriation of Anti-Corruption Policies and Procedure

[GRI 205-2]

In 2024, we updated our policies and manuals, which will be subject to a comprehensive training program for the Company in 2025. Following the launch of the Comprehensive Ethics, Compliance, and Anti-Corruption System, we trained 279 employees

on the updates to the SAGRILIFT and PTEE manuals, which now include a new chapter on criminal compliance and a conflict-of-interest reporting form. Additionally, with the update of our Anti-Corruption Policy, we provided training to all our employees on its fundamental principles.

In 2024, we continued to strengthen the organizational culture through training programs on the Code of Ethics and Business Conduct and the Supplier Code of Ethics and Conduct. As a result, we achieved 100% coverage in communicating our ethical and compliance standards to our employees, contractors, and suppliers, ensuring a comprehensive understanding of our standards.

### Employees Advised of Anti-Corruption Policies and Procedures

Region	Labor Category	Number of Employees	Percentage of Employees
Colombia	Executives	8	100%
	Senior Management	20	100%
	Junior Management	43	100%
	Professionals	192	100%
	Administrative	190	100%

In line with our commitment to ethics and compliance, we made significant progress in delivering targeted training on anti-corruption policies and

procedures. We will continue to strengthen these efforts in 2025 to broaden coverage and reinforce our employees' knowledge on these key topics.

### Employees Trained in Anti-Corruption Policies and Procedures

Region	Labor Category	Number of Employees	Percentage of Employees
Colombia	Executives	2	25%
	Senior Management	17	85%
	Junior Management	33	77%
	Professionals	140	73%
	Administrative	87	46%

### Political Influence

[GRI 11.22.2] [GRI 415-1]

We ensure regulatory compliance in donations and contributions to third parties through our Policy on Donations, Contributions, and Sponsorships, which promotes social welfare and responsibly and

strengthens our operations. Our initiatives align with our social investment strategy, encompassing productive development, training, community empowerment, and support for ethnic minorities. Additionally, we allocate resources for humanitarian actions, reaffirming our commitment to sustainable development.

### Donations, Contributions, and Sponsorships (thousands of dollars) [GRI 415-1]

	2022	2023	2024
Lobbying, interest representation, or similar	\$513.5	\$709.5	\$777.4
Campaigns/organizations/local, regional, or national political candidates	\$500.1	\$23.1	\$0
Trade associations or tax-exempt groups	\$47.1	\$189.4	\$189.8
Others	\$0	\$0	\$0
<b>Total Donations, Contributions, and Sponsorships</b>	<b>\$1,060.7</b>	<b>\$922.0</b>	<b>\$967.2</b>



- GRI 415-1 only includes campaigns, organizations, local, regional, or national political candidates.
- The exchange rate used for conversion is:  
1 USD = 4,071 COP.

### **Main Recipients of Contributions (thousands of dollars)**

	2022	2023	2024	Total
Superintendence of Public Services	\$210.1	\$208.6	\$567.0	\$985.7
Energy and Gas Regulatory Commission	\$206.0	\$245.3	\$0	\$451.3
Superintendence of Companies	\$74.4	\$237.3	\$177.3	\$489.0
Colombian Natural Gas Association (NATURGAS)	\$45.5	\$73.0	\$114.5	\$233.0
Colombian Petroleum Association (ACP)	\$0	\$116.4	\$29.1	\$145.4

### **Lobbying and Trade Associations - Climate Alignment**

[M-EP-420a.1] [CCE-1CCE-2].

Canacol actively participates in the Sectoral Alliance for Natural Gas: Path to Carbon Neutrality, collaborating with the Colombian Natural Gas

Association (NATURGAS) and government entities to promote the decarbonization of the gas sector in line with the Paris Agreement. In Chapter 10, "A Cleaner Energy Future," our associations and memberships are outlined, highlighting our commitment to sustainability and transparency.





## Governance

[GRI 3-3]

Canacol has a well-defined governance structure, with its members appointed by the Company's shareholders. Our corporate governance model ensures compliance with applicable regulations, supervises organizational performance, and facilitates timely decision-making to manage risks, impacts, and opportunities related to sustainability and strategic aspects of the Company. We also promote transparency in information disclosure, demanding the highest standards of integrity and accuracy in accountability from our directors, employees, and contractors.

We have adopted global best governance practices, prioritizing respect for human rights and consolidating an organizational culture based on ethics and integrity. As a result of this commitment, we have once again been awarded the IR recognition by the Colombian Stock Exchange (BVC). This recognition highlights issuers who voluntarily implement best practices in information disclosure and investor relations.

Fundamental aspects of our governance:

- Retirement policy for Directors, aimed at promoting renewal and ensuring the continuity of the Board.
- Reconfirmation of the Succession Plan in May 2024, ensuring stability and continuity in leadership.
- The Audit Committee, the Compensation Committee, and the Corporate Governance and Nominating Committee are composed exclusively of independent members of the Board of Directors.
- Annual evaluation of the Board of Directors by an external consultant.
- Five Board Committees (ESG Committee, Audit Committee, Governance and

Nominating Committee, Compensation Committee, and Reserves Committee).

- The independence rate of our Board of Directors is 86%.
- Short-term and long-term remuneration linked to performance metrics and KPIs related to ESG issues.
- Implementation of corporate governance codes and policies.

## Detail of the Material Issue

### Board of Directors and Committees

[GRI 2-15] [GRI 2-17] [GRI 2-9] [GOV-1]

The Board of Directors is the highest governing body at Canacol and operates under a single-tier system. It is composed of seven members, including the CEO and six non-executive directors. As a fundamental principle of independence, the Chairman of the Board must be an independent member, in accordance with the [Governance Guidelines for Board of Directors](#)



Diversity is a foundational pillar of the Board, enabling a multidisciplinary team with expertise in energy, legal, financial, and operational sectors. We are also committed to fostering diverse representation in terms of gender, backgrounds, beliefs, and cultures, which enhances our strategic perspective and enriches decision-making.

To evaluate and monitor the effectiveness and results of the Board of Directors in relation to fulfilling the long-term interests of our shareholders, we conduct periodic follow-ups of the Board. These follow-ups are based on independent evaluations and

self-assessments of performance, facilitated by an external consultant. The most recent independent evaluation was conducted in May 2024. Additionally, to maintain clear and transparent communication, we annually publish [Notice of annual general meeting of shareholders](#) on our website.

The Board of Directors has adopted a Majority Voting Policy for the annual election of its members. The average tenure of current members is 8 years, and their age range varies between 37 and 69 years. In 2024, the average attendance at meetings was 97%.

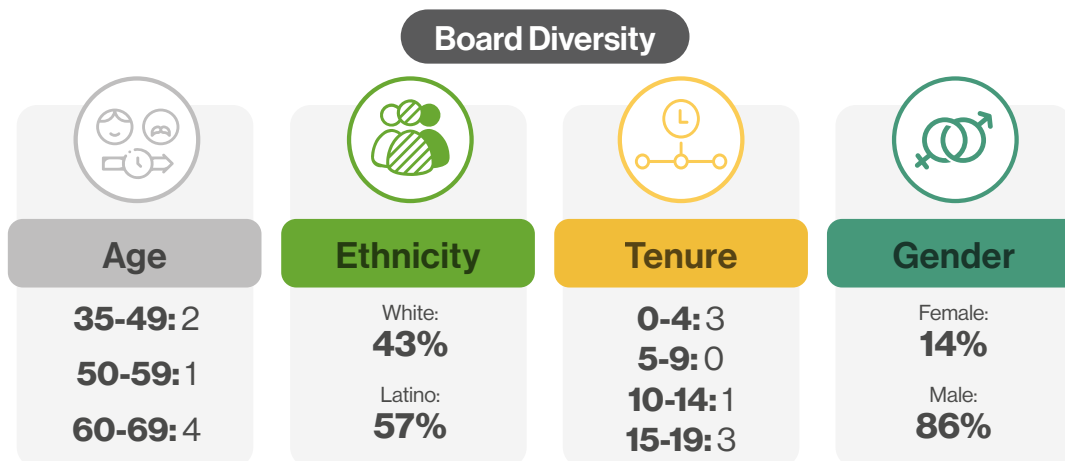
### Key Experience and Knowledge of the Board of Directors

Board Member	Gender	Age	Director Since	Capital Market	CEO	Compensation	Corporate Governance	ESG	Financial	Government Relations	Human Resources	Industry Knowledge	Information Technology	International Operations	Investors Relations	Leadership	Marketing	Mergers and Acquisitions	Oil and Gas Development	Oil and Gas Exploration	Operational	Risk Management	Strategic Analysis	Strategic Planning
<b>Charle Gamba</b> President, CEO and Director	Male	60	2008	x	x	x	x	x	x	x		x		x	x	x	x	x	x	x	x	x	x	x
<b>Michael Hibberd</b> Chairman	Male	69	2008	x	x	x	x	x	x			x		x	x	x	x	x				x	x	x
<b>Valentina Garbarini</b> Director	Female	37	2023				x	x	x		x		x	x		x	x				x	x	x	
<b>David Winter</b> Director	Male	67	2009		x	x	x	x		x	x	x		x		x			x	x	x		x	x
<b>Francisco Díaz</b> Director	Male	63	2015	x			x	x	x	x		x		x	x							x		
<b>Gustavo Gattass</b> Director	Male	49	2023	x		x	x		x		x	x		x										x
<b>Silvestre Tovar Leopardi</b> Director	Male	62	2024	x	x	x			x	x	x	x	x	x		x		x			x			x

The members of our Board of Directors bring extensive experience in the oil and gas industry providing strategic leadership and deep sector knowledge. Notably, five of the seven members possess expertise in risk management, while two bring specialized knowledge in information technology and cybersecurity—a critical asset in today's digital and regulatory environment.

Canacol's Board of Directors is divided into five distinct committees, each dedicated to overseeing specific business functions. These committees are the Audit Committee, the Governance and Nominating Committee, the ESG Committee, the Reserves Committee, and the Compensation Committee. In collaboration with the Board of Directors is Canacol's executive team, responsible for the Company's daily operations. This team is led by the Chief Executive Officer (CEO), who holds the highest-ranking position within the organization.

## Responsibilities of the Board Committees



### ESG Committee: Strategic oversight of sustainability

[GRI 2-17]

The ESG Committee plays a pivotal role in strengthening, supporting, supervising, and evaluating significant issues and impacts, risks, and opportunities related to sustainability, including climate change, cybersecurity, and social impact initiatives. Its responsibilities include:

- Ensuring the alignment between the ESG strategy, corporate values and business objectives.
- Establishing, monitoring and updating ESG-related policies, plans, and practices.
- Overseeing the implementation of appropriate procedures to identify and manage ESG and climate change risks.

- Supervising compliance with sustainability regulations and the adoption of global best practices.
- Reviewing and approving sustainability ratings, the declaration of independence, the commitment, and the performance of third parties selected for the verification of the Integrated ESG Report.
- Reviewing and approving Canacol's annual ESG, Climate, Human Rights, and Emerging Risks Reports.

The ESG Committee convenes on a **quarterly basis**, and its **Chairperson attends the Annual General Meeting** to address any shareholder inquiries related to sustainability, performance and governance.



## Corporate Governance Practices

Canacol's corporate governance policies comply with the regulations of the Canadian Securities Administrators, particularly concerning audit committees and financial information certification.

Our commitment to best practices is reflected in the following certifications:

- ISO 9001:2015 Quality Management Systems
- ISO 14001:2015 Environmental Management Systems
- ISO 45001:2018 Occupational Health and Safety Management Systems
- ISO 27001:2022 Information Security

### Commitment to HSEQ

We focus on sustainability, business excellence, and occupational safety, promoting continuous improvement and regulatory compliance. Our [Sustainability Policy \(HSEQ\)](#), approved by senior management, guides our operations.

To reinforce risk and opportunity management, in 2024, we conducted internal awareness campaigns and specialized training for our contractors. Additionally, we applied a stakeholder identification matrix and annual satisfaction surveys to identify improvement opportunities.

## Executive Compensation Plan

[GRI 2-18] [GRI 2-19] [GRI 2-20] [GRI 2-21]

At Canacol, we are guided by a highly skilled, committed, and forward-thinking team, whose human qualities and strong ethical values nurture an organizational culture grounded in responsibility, integrity, and sustainability. Our approach to compensation is designed to incentivize performance, foster accountability, and ensure long-term

alignment between executives and shareholders. The remuneration scheme includes:

- Base salary: Competitive and benchmarked to attract and retain top talent.
- Short-term incentive bonuses: Cash-based incentives awarded upon the achievement of defined annual corporate and personal goals.
- Long-term compensation:
  - Performance Stock Units (PSUs) – Linked to a three-year performance period based on key corporate metrics.
  - Restricted Stock Units (RSUs) - Tied to annual corporate and individual performance, with a two-year vesting period.

Short-term incentives are granted based on the achievement of strategic performance goals approved by the Compensation Committee of the Board of Directors. The long-term incentive plan strengthens executives' commitment to the Company's sustained growth and value creation, while also reinforcing our ESG and business priorities.

### Compensation of Our Executives

Each year, the Board of Directors approves specific corporate performance objectives aligned with key business metrics widely recognized in the oil and natural gas industry. These objectives are established at the start of the year and serve as a roadmap for driving performance excellence across all operational and strategic areas.

For 2024, the Board approved specific performance targets for each key area of the business, ensuring that our efforts are focused on achieving sustainable growth, operational efficiency, and strategic goals aligned with the Company's long-term vision.

The following table summarizes the key performance objectives for 2024:

Targets						Payout level				
	Weighting	Threshold	Target	High	Result	< Threshold	Threshold	Target	High	Level Achieved
Operational										
2P Reserves Additions (BCF)	17.50%	48	53	80	48.6	0	50	100	150	9.80%
Average Annual Production (mmscfe/d)	17.50%	165	174	183	168.7	0	50	100	150	12.35%
Financial										
Funds From Operations (\$MM)	17.50%	203	218	230	209.4	0	50	100	150	12.48%
Leverage (Debt:EBITDA)	17.50%	2.9		2.4	2.31	0	50	100	150	26.25%
ESG										
Achievement of CSA percentile	3.50%	75		90	98%	0	50	100	150	5.25%
Achievement of key ESG goals	3.50%	9		11	11	0	50	100	150	5.25%
Safety	3.00%	2		1.96	1.35	0	50	100	150	4.50%
Strategic	50									
Growth / Farmout Project / M&A	6.67%	Discretionary			Threshold	0	50	100	150	3.34%
Management of Non-Core Investments, Contract Commitments etc.	6.67%	Discretionary			Threshold	0	50	100	150	3.34%
Financing Initiatives	6.66%	Discrecional			Target	0	50	100	150	6.66%
Total <sup>81</sup>										89.22%

## Shareholding and Salary Ratio

Canacol's common shares are listed on the Toronto Stock Exchange, the OTCQX in the United States, and the Colombian Stock Exchange. In alignment with its commitment to shareholder value and long-term growth, Canacol has established a Share Ownership Policy for executives and directors.

The policy mandates that executives and directors must hold shares equivalent to twice their annual base salary, ensuring that their interests are directly aligned with the Company's performance and sustainable value creation.

Additionally, the Company's top executives actively participate in this policy:

Position	Name	Base Salary Multiple
<b>Chief Executive Officer</b>	Charle Gamba	2x base salary
<b>Average of other Executive Committee members who own shares</b>	Jason Bednar, Ravi Sharma, Anthony Zaidi, Will Satterfield	2x base salary

This policy also influences the ratio between the CEO's compensation and the average employee salary:

Concept	Amount (USD)
<b>Total CEO Compensation</b>	\$1,242,384
<b>Average Annual Employee Compensation</b>	\$315,774
<b>Ratio</b>	4.73

For more information, please refer to our  
**Notice of annual general meeting of shareholders**  
held on June 27, 2024.



Scan me

<sup>81</sup> Corporate performance goals account for 80% of the executive officer's short-term incentive with the remaining 20% attributable to individual performance metrics. The total achieved for corporate performance goals in 2024 was 89.22% which is multiplied by 80% to equal 71.38%. Executive officers received this plus an additional 7 – 15% for their individual performance goal.



## Risk and Opportunity Management

[SASB EM-EP-540a.2] [SASB EM-EP-530a.1] [GRI 207-2] [GOV-2]

### Detail of the Material Issue

Canacol recognizes that effective risk management is critical to ensuring long-term business sustainability. To this end, the Company has implemented a Comprehensive Risk Management System that addresses operational, strategic, and emerging risks related to the exploration, drilling, and production of hydrocarbons.

This system provides a structured approach to identifying and managing risks that may affect the Company's objectives, both positively and negatively. By proactively addressing potential challenges and capitalizing on opportunities, Canacol aims to:

- Optimize strategies for growth and sustainability.
- Ensure efficient resource utilization and operational efficiency.
- Support informed decision-making at all levels of the organization.

Through this approach, Canacol is able to respond effectively to both business and environmental challenges, while seizing opportunities that contribute to the Company's long-term success.

Additionally, this approach promotes the integration of risk criteria into all Company processes, as well as the establishment of risk management indicators for employees, departments, and processes. Managed risks and opportunities are classified according to the methodology established in the ISO 31000 standard and follow a cyclical process of five steps:

### Cyclical Process of Comprehensive Risk Management



The executive team at Canacol is responsible for managing risk and continuously reviewing policies and processes. The Board of Directors, through its

Audit and ESG Committees, oversees and guides risk management efforts, ensuring their integration into the development of new products and services.

Highest Position Responsible for Risk Management	<b>Charle Gamba - CEO- Reporting Line:</b> Audit Committee of the Board of Directors
Highest Position Responsible for Monitoring and Auditing Risk Performance	<b>Michael Hibberd - Chairman of the Audit Committee - Reporting Line:</b> Board of Directors

To ensure that employees are fully involved in risk management processes, each area of the Company conducts quarterly monitoring of specific risks, evaluating their rating and the actions implemented for their management and mitigation.

In 2024, Canacol updated its Risk and Opportunity Management Policy, communicating it to all personnel to reinforce the process of identifying and evaluating risks and opportunities. The Policy establishes a clear three-line action approach to strengthen sustainability initiatives, improve risk management, and enhance transparency in operations:



#### First Line:

This includes the Vice Presidents, Management, and/or highest authorities of each department. They are responsible for identifying, managing, and assuming responsibility for risks within their respective areas of operation. Their primary focus is on day-to-day risk management at the operational level.



#### Second Line:

Led by ESG Management and the Quality and Risk Coordination team, this line ensures oversight of risk management processes. They are responsible for ensuring that the risks are being effectively managed, that compliance with established standards is maintained, and that necessary controls are defined and monitored. Additionally, they keep senior management informed of any risk developments or concerns.



#### Third Line:

Conducted annually through internal audits, this line provides an independent, external assessment of the effectiveness of the risk management process and compliance with policies and standards. This independent review ensures that risk management practices are working effectively across all departments and that the Company's internal controls remain robust.





To further strengthen the Company's ability to anticipate and address risks, Canacol has incorporated several advanced tools into its risk management process:

- **Sensitivity Analysis:** This method is used to evaluate how changes in key assumptions or input variables affect the outcomes. By conducting risk analysis through sensitivity analysis, Canacol can model different scenarios and understand how fluctuations in data might influence overall results, helping to prepare for potential variations in the business environment.
- **Stress Tests:** These are simulation techniques that assess the resilience of assets, portfolios, or positions under extreme or adverse scenarios that are typically outside the scope of traditional risk analysis. Stress tests help identify how stress factors, such as unforeseen events, risks, or megatrends, could affect the Company or sector. This provides insight into how the organization might respond to extraordinary situations and ensures preparedness for rare but impactful disruptions.
- Together, these tools and the structured risk management framework enable Canacol to actively monitor, manage, and mitigate risks while ensuring transparency and accountability in all Company operations.



Scan me

For more details,  
scan the QR code  
and access the  
**Policy of  
Management  
of Risks**



## Strategic Risk Management

We believe that effective risk management is essential to ensure the continuity and success of our Company. As we operate in a constantly evolving environment, it is crucial to identify

potential risks that could impact our operations and develop effective strategies to mitigate them. We have identified the key strategic risks we face. This approach not only protects our interests but also enables sustainable growth. Below are the identified risks:

Risk Name	Description	Mitigation Actions
Regasification of Imported Gas in Cartagena.	The increase in regasification capacity at the Cartagena plant could impact Canacol's sales due to heightened competition from Liquefied Natural Gas (LNG) in the short-term Caribbean coast market—both in terms of volume and price. Additionally, the new interconnection between transporters facilitates greater access to the domestic market, while the government continues to promote flexibility in the marketing of imported gas for both regulated and non-regulated users.	<ul style="list-style-type: none"> <li>Define the commercial strategy in the short-term market based on international LNG price indicators.</li> <li>Storage scenarios at SPEC could influence the sales price, with an El Niño phenomenon in the first half and a La Niña phenomenon in the second half of the year.</li> <li>Maintain updated information on LNG prices and marketing.</li> <li>Adjust the marketing strategy to make Canacol's gas more competitive and minimize its impact.</li> <li>Leverage the natural benefit of the El Niño phenomenon expected in the first half of 2024.</li> </ul>
Reaction Capacity in Environmental Procedures According to Project Planning Changes.	Respond to environmental procedures, adjusting to project planning changes due to delays in obtaining approvals, licenses, and Management Plans from government entities.	<ul style="list-style-type: none"> <li>Establish schedules and timelines that meet the deadlines of authorities and the Company's internal timelines for project viability.</li> <li>Prioritize projects according to the Annual Activity Plan, in collaboration with the Planning area, seeking synchronization with other Company areas.</li> <li>Create a new mechanism to evaluate prospect packages, allowing flexible prioritization adaptable to Company changes.</li> <li>Generate pre-selection and selection reports and implement the Lightship tracking tool.</li> <li>Prepare presentations for operations, planning, and management meetings to advise about project progress.</li> <li>Constant monitoring and presence before state agencies to supervise project approval and request additional information.</li> <li>Ensure the participation of all stakeholders to maintain effective communication with environmental authorities and monitor requests for new public hearings.</li> </ul>

## Risk Culture

At Canacol, we are committed to promoting a risk management culture, starting with continuous training and education of the Board of Directors and all employees in best practices. To achieve this, we incorporate risk criteria into product development and approval processes and establish Key Performance Indicators (KPIs) to evaluate performance.

In 2024, we made significant progress in strengthening our risk management approach:

- We introduced a comprehensive ESG risk assessment framework specifically for our strategic suppliers. This framework helps evaluate and mitigate risks related to environmental, social, and governance factors within our supply chain, ensuring that our partners align with Canacol's sustainability and governance standards.
- Our ESG team held quarterly meetings with various departments to identify emerging risks that could affect the Company's operations. By engaging with different areas of the

business, we ensured that risk management is integrated across all levels and areas of the organization. This proactive approach helped us identify and address potential risks early.

- In response to evolving regulatory and environmental challenges, we updated our Risk and Opportunity Management Policy to ensure it is responsive to current and emerging risks. This update reflects our ongoing commitment to sustainability and regulatory compliance while improving our ability to identify and capitalize on new opportunities.

## Emerging Risks

At Canacol, we focus on effectively managing current risks while also identifying, planning for, and evaluating emerging risks. This approach demonstrates our ability to understand long-term risks and assess their potential impact on the business, enabling us to respond proactively to stakeholders by implementing effective mitigation strategies.

In 2024, Canacol conducted stress tests on identified emerging risks as part of a sensitivity analysis, assessing the potential impact of risk materialization under adverse scenarios and extreme conditions.



## Emerging Risks of Canacol



For the 2024 Emerging Risks Report,  
please visit the following link:  
**Emerging Risks Statement 24**







## Sustainable supply chain management

Canacol recognizes that its supply chain is integral to achieving its sustainability objectives, given its operations' significant social, economic, and environmental impacts. Responsible management of these effects presents an opportunity to strengthen its role as a positive agent of change in Colombia.

Our ESG strategy is centered on creating shared value with all stakeholders in our supply chain, including contractors, employees, communities, and investors. To ensure responsible management, we apply rigorous supplier selection and evaluation criteria aligned with international standards such as

ISO 14001, ISO 45001, and ISO 9001 certifications. In Canacol's Sustainable Purchasing Management, we adhere to the following three principles:

- **Legal Compliance:** Ensuring all suppliers comply with local and international regulations regarding the environment, safety, labor rights, and governance practices.
- **Life Cycle Assessment:** Implementing product life cycle analysis to evaluate environmental impact from raw material extraction to final disposal.

- **Social Responsibility:** Promoting fair labor practices and economic development in the communities where we operate.

To further promote sustainable practices in our value chain, Canacol conducts weekly Service Quality Management (SQM) meetings. These sessions provide a platform for sharing sustainability policies, offering guidance and fostering knowledge exchange with contractors and suppliers.

In 2024, Canacol's supply chain was comprised of 596 contractors and suppliers, with total payments amounting to approximately USD \$240 million. Of this amount, 4.6% was allocated to local suppliers in municipalities within our direct area of influence, while 47% was directed to regional suppliers located in the Caribbean zone and surrounding areas.

## Detail of the Material Issue

### Labor Practices

[GRI 308-1] [GRI 308-2] [GRI 409-1] [EM-EP-210b.1]

As part of its commitment to ethical management and good governance, Canacol maintains its adherence to the United Nations Global Compact, aligning with key principles of transparency, human rights, anti-corruption, and sustainability. Its ESG strategy is built upon internationally recognized standards, ensuring responsible practices across the value chain and strengthening its sustainability performance.

In line with this commitment, Canacol ensures that supplier hiring processes are conducted

within a framework of respect for human rights and compliance with national and international regulations—particularly within local and indigenous communities in its areas of operation. To support this, the Company implements the Good Labor Practices (GLP) Process, which verifies and monitors compliance with Colombian labor legislation and internal guidelines for contractors and subcontractors.

The Labor Relations Coordination leads audits of the GLP Process, verifying regulatory compliance by contractors and subcontractors and providing guidance aligned with internal standards.

These audits cover the workforce, business partners, and contractors. All contracts include clauses that promote responsible labor standards, supported by the Physical Security Annex, the Good Labor Practices Guide, and the Supplier Code of Conduct and Ethics. Through annual evaluations and detailed monitoring, Canacol ensures compliance with both voluntary and legally mandated labor obligations.

Field audits are based on tangible evidence, including interviews, to verify the application of GLP standards. Additionally, the supplier dialogue platform includes a module that tracks progress in implementing labor and sustainability regulations, facilitating ongoing monitoring and continuous improvement throughout the value chain.

In 2024, 90 suppliers participated in Canacol's Good Labor Practices (GLP) processes.

### Labor Compliance and Good Practices

	2022	2023	2024
Levels of labor compliance evolution (overall score)	94.4%	92.5%	95.6%
Number of BPL controls	347	299	354
Number of qualified and unqualified workers evaluated	5,842	5,005	4,948
Number of work hours in BPL processes	7,079	6,100	7,222
Percentage of companies that demonstrated compliance with agreed legal labor and community aspects	84.4%	86.03%	91.1%
Percentage of companies with continuous improvement plans	98.9%	99.26%	100%

## Supplier Selection

[GRI 414-1] [GRI 308-1]

Canacol's procurement management is integrated across all areas of the Company, ensuring that suppliers are advised of corporate sustainability standards from the outset of their commercial relationship. These standards include:

- Occupational health and safety management.
- Environmental management.
- Social responsibility.
- ESG criteria.
- Operational criteria.
- Regulatory compliance.

In 2024, Canacol strengthened its supplier selection process by incorporating additional ESG criteria, requiring that suppliers have the following:

- A Code of Conduct.
- A Human Rights and Due Diligence Policy.
- A Diversity, Equity, and Inclusion Policy.
- A Policy for the Prevention and Management of Workplace Harassment and Sexual Harassment.
- A Climate Management Policy.

The following criteria are used by Canacol to guide the supplier selection process:

### **Environmental Certifications:**

Preference is given to suppliers with ISO 14001 certification (Environmental Management Systems).

### **H&S Certifications:**

Prioritize suppliers with ISO 45001 certification (occupational health and safety) and Occupational Risk Manager (ARL per its Spanish acronym<sup>82</sup>)

certification of the Minimum Standards Self-Assessment in OHS, with a compliance percentage above 60%.

### **Quality Certifications:**

Prioritize suppliers with ISO 9001 certification (quality management system - QMS).

### **Corporate Social Responsibility Practices:**

Evaluation includes the social impact and CSR policies of suppliers, reviewing aspects such as supplier selection procedures, management of inquiries, petitions, complaints and claims, risk management, the existence of social investment programs, ethics and compliance mechanisms, and philanthropic contributions.

### **ESG Practices:**

Evaluation includes the supplier's performance in environmental, social, and governance areas. This includes reviewing policies and programs such as the Business Ethics and Transparency Program, Code of Conduct, Human Rights Policy, DEI Policy, Protocol for the Prevention and Attention of Workplace and Sexual Harassment, and HSEQ Policy.

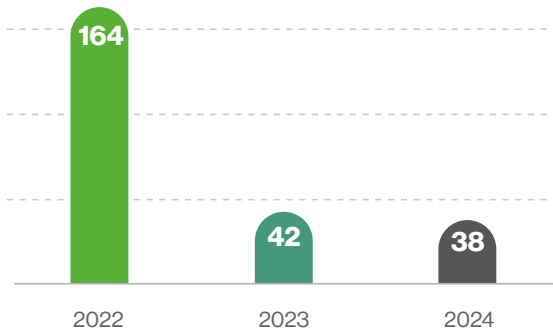
To ensure alignment with these criteria, suppliers must provide documentation supporting their compliance. As part of Canacol's Responsible Procurement Policy, the following measures are applied:

- Exclusion of suppliers who do not meet ESG requirements within the established deadlines.
- Prioritization of suppliers with strong sustainability performance.
- Training for buyers and internal stakeholders on their role in the Company's ESG strategy.

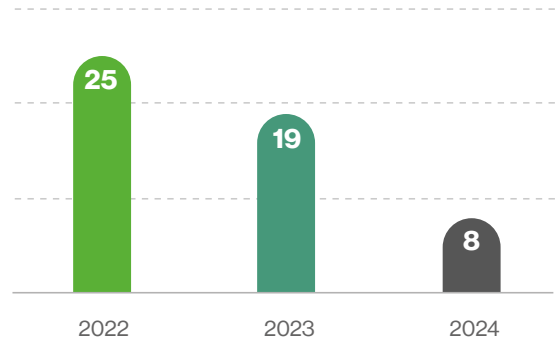
<sup>82</sup> ARL (Administradora de Riesgos Laborales): Entity in Colombia responsible for managing occupational risk insurance and overseeing compliance with occupational health and safety (OHS) regulations.

In 2024, a total of 38 suppliers were evaluated under environmental criteria, of which 8 (21.1%) were selected as new suppliers for Canacol.

**Suppliers evaluated according to ESG (environment) criteria**

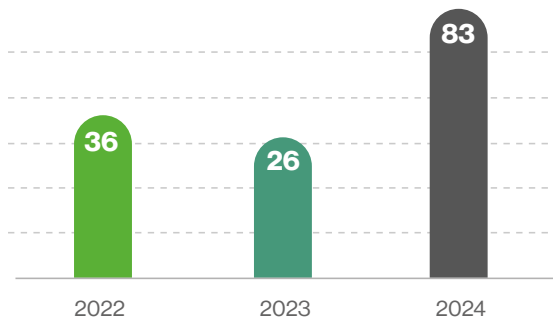


**New suppliers evaluated and selected based on environmental criteria**

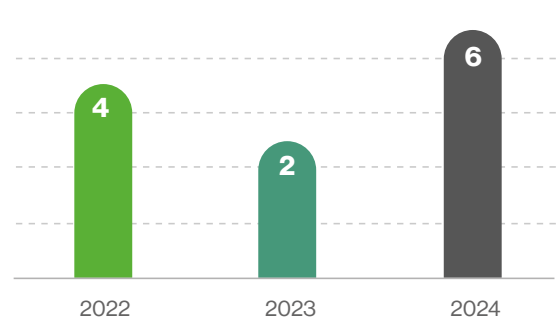


In 2024, a total of 83 suppliers were evaluated under social criteria, of which 6 (7.2%) were selected as new suppliers for Canacol.

**Suppliers evaluated according to ESG (social) criteria**

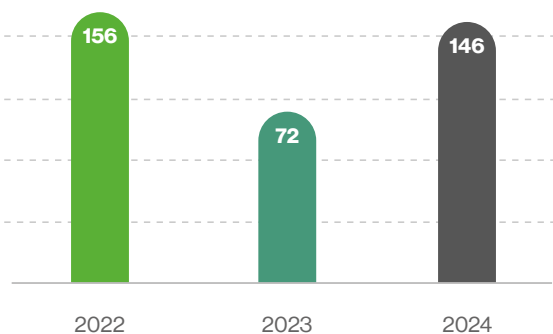


**New suppliers evaluated and selected based on social criteria**

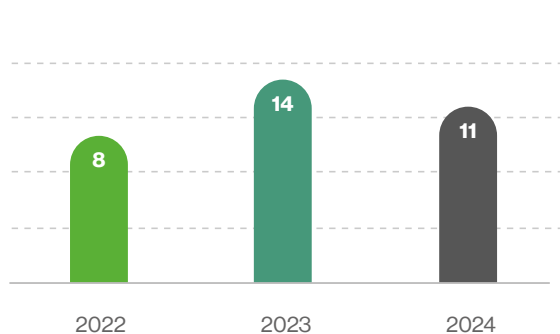


In 2024, a total of 146 new suppliers were evaluated under quality criteria.

**Number of bidders evaluated on quality standards**

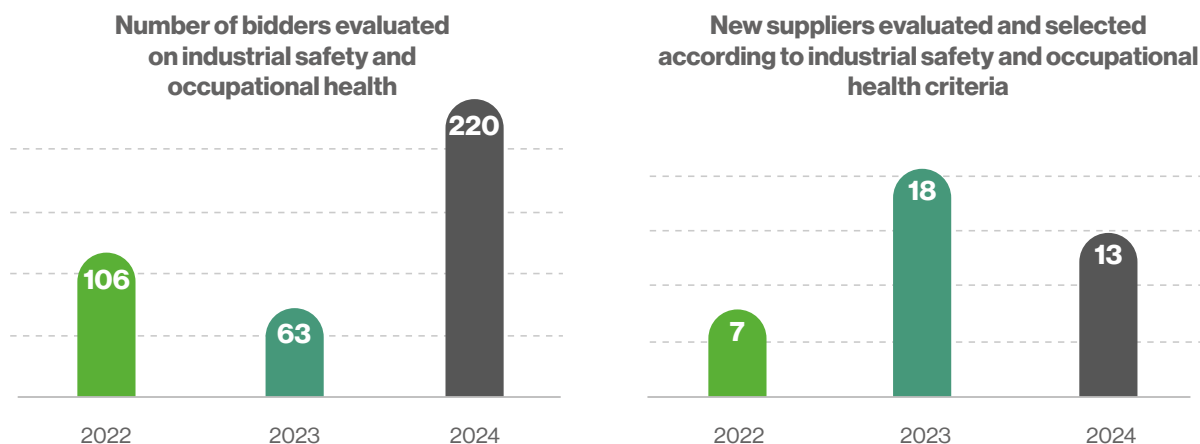


**New suppliers evaluated and selected according to quality standards**

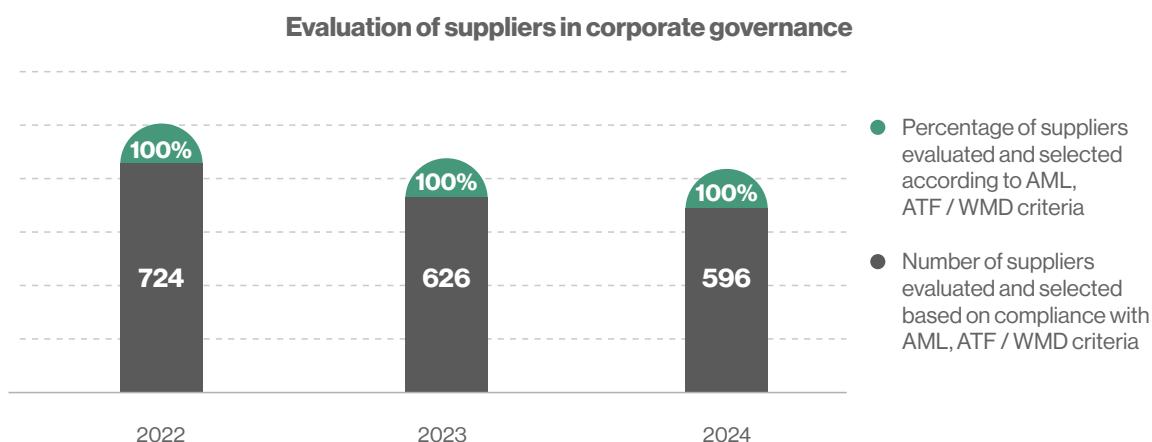




In 2024, a total of 220 suppliers were evaluated under industrial safety and occupational health criteria, of which 13 (5.9%) were selected.



In 2024, 100% of suppliers evaluated under corporate governance criteria were selected, reaching a total of 596 suppliers.



## Supply Chain

[GRI 414-2] [GRI 308-2]

Canacol classifies contractors and suppliers with a significant impact on its sustainability performance as “high risk for sustainability.” To mitigate these risks, the Company conducts continuous monitoring, including at least one annual performance evaluation on environmental, social, safety, and ethical aspects.

The five main priorities in supply chain management are:

1. Ensuring procurement meets cost, quality, compliance, and sustainability criteria.
2. Promoting the participation of local contractors by identifying supply in the municipalities of influence.
3. Driving innovation initiatives to strengthen business sustainability.
4. Implementing control strategies to mitigate contractual risks and ensure the achievement of objectives.
5. Developing training programs in contract management for contract administrators.

To ensure compliance with contractual agreements and sustainability standards, Canacol implements control measures such as:

1. HSEQ Compliance Audits.
2. Labor Audits.
3. Contractual Compliance Audits.
4. Performance Evaluations.
5. Service Quality Meetings (SQM).

Additionally, to strengthen the supervision of key suppliers in terms of sustainability, Canacol developed an audit and evaluation plan for strategic suppliers within the high-risk operations category. To assess their sustainability performance, the following types of evaluations are applied:

- **Documentary Evaluation:** Conducted through a performance evaluation form, addressing topics such as business integrity,

human rights, labor relations, health and safety, and environmental management systems.

- **On-Site Audit:** For suppliers classified as high risk in sustainability, the ESG team conducts an on-site inspection to verify the results of the documentary evaluation. This audit is carried out in collaboration with an external consultant to ensure an objective and rigorous process.

In 2024, Canacol identified and applied corrective action plans to 96% of its high-risk suppliers in environmental, social, safety, and ethical aspects. Additionally, it strengthened its Ethics and Compliance Program by providing training to suppliers on strategic topics such as human rights, labor conditions, conflict of interest prevention, and fair competition.

### ***Critical and Non-Critical Suppliers Evaluated in Our Performance Management Program***

	2022	2023	2024
Number of suppliers classified as high risk in environmental, social (labor practices, communities, suppliers, human rights), ethical conduct, and transparency issues	36	26	30
Number of high-risk suppliers with whom action plans were applied and gaps related to environmental, social, and ethical conduct, and transparency issues were closed	36	26	29
Percentage of current high-risk suppliers with whom corrective action plans have been identified and applied	100%	100%	96%
Percentage of current suppliers with action plans that have improved their ESG performance within 12 months of implementing the action plan	100%	100%	96%



### Suppliers Classified as High Risk for Sustainability<sup>83</sup>

	2022	2023	2024
<b>Total level 1 suppliers (direct suppliers)</b>	<b>724</b>	<b>624</b>	<b>596</b>
Critical level 1 suppliers	36	26	30
Critical suppliers of other levels (indirect suppliers)	0	0	0
Percentage of purchases from level 1 suppliers (direct suppliers)	100%	100%	100%
Percentage of purchases from critical level 1 suppliers	71.3%	36%	30%
Percentage of purchases from critical suppliers of other levels (indirect suppliers)	0%	0%	0%
<b>Total percentage of purchases from critical suppliers</b>	<b>71.3%</b>	<b>36%</b>	<b>30%</b>
Level 1 suppliers classified as high risk	4.4%	4.1%	5.0%

## Supplier Relationship and Development

[SOC-14]

During 2024, Canacol conducted the following tools to develop relationship practices with its suppliers:

### Supplier and Contractor Management Tools

Tools	Objectives
Supplier and Contractor Census	Identify the supply of local goods and services through suppliers in the municipalities of influence of our projects.
Supplier Evaluation	Measure, control, and propose improvement strategies related to the operational, administrative, and commercial performance of contractors.
Good Labor Practices (GLP)	Establish systematic and documented control and monitoring of labor obligations compliance. Establish direct attention channels at the community, employee, and contractor levels. Involve contractors as strategic partners in our operation within the labor control process. Generate a favorable perception of the Company's and its contractors' labor relations process in the areas of operation influence.
Corporate Service Quality Performance Evaluation	Service Quality Meetings (SQM) - Improve operational and commercial relationships with critical (strategic and tactic) contractors through meetings involving Canacol leaders and their contractors, reaching agreements related to continuous and sustainable improvement.
Contract Management Program	Contract Administrator Training Program - Strengthen contract management skills among Canacol employees to ensure adequate operational and administrative control of activities carried out through contractors.
Annual Procurement and Contracting Plan (PACC)	Plan the strategies for contracting goods and services in the short-term and medium-term aligned with the projects to be developed by the Company.

<sup>83</sup> High-risk suppliers for sustainability: These are suppliers who, based on the evaluation of HS, environmental, operational, social, and ESG criteria, obtain a score between 4.0 and 5.0 on Canacol's Criticality Map.

During 2024, commercial relationships were established with new local suppliers in Barrancabermeja, Santander with 3 suppliers, and Montería, Córdoba with 24 suppliers.

### Departament of Sucre

Sincelejo	Corozal
2022: 9	2022: 1
2023: 7	2023: 1
2024: 11	2024: 0

Sampúes	Tolu viejo
2022: 7	2022: 2
2023: 2	2023: 1
2024: 1	2024: 1

San Benito Abad	San Luis de Sincé
2022: 10	2022: N/A
2023: N/A	2023: N/A
2024: 2	2024: 0

San Marcos	El Roble
2022: 16	2022: N/A
2023: 5	2023: N/A
2024: 8	2024: 0

La Unión	Galeras
2022: 12	2022: N/A
2023: 4	2023: N/A
2024: 8	2024: 0

Caimito
2022: 1
2023: N/A
2024: 0

### Departament of Cesar

San Martín	Chimichagua	Astrea	Aguachica
2022: 8	2022: N/A	2022: N/A	2022: N/A
2023: 19	2023: N/A	2023: N/A	2023: N/A
2024: 10	2024: 0	2024: 0	2024: 0

### Norte de Santander

#### La Esperanza

2022: N/A
2023: N/A
2024: 0

### Departament of Santander

Cimitarra	Rionegro Puerto Wilches
2022: N/A	2022: N/A
2023: N/A	2023: N/A
2024: 0	2024: 0

Bolívar	Barrancabermeja
2022: N/A	2022: N/A
2023: N/A	2023: N/A
2024: 0	2024: 3

#### Sabana de Torres

2022: N/A
2023: N/A
2024: 0

### Departament of Córdoba

Chinú	Pueblo Nuevo	Planeta rica
2022: 4	2022: 9	2022: 1
2023: N/A	2023: 3	2023: 1
2024: 1	2024: 9	2024: 0

Sahagún	Montelibano	Montería
2022: 29	2022: 1	2022: N/A
2023: 23	2023: N/A	2023: N/A
2024: 28	2024: 0	2024: 24

### Departament of Casanare

Yopal	Orocue
2022: 20	2022: 3
2023: 19	2023: 5
2024: 20	2024: 3

Total: 2022: 133 | 2023: 90 | 2024: 129



In 2024, Canacol updated its Code of Conduct and Ethics for suppliers, incorporating new clauses that reinforce our commitment to sustainability. These include pollution prevention, responsible waste management, and resource efficiency. Following this update, we implemented training for our suppliers, on

the principles established in the code. This includes fundamental topics such as respect for human rights, protection of employees, creating a safe, healthy, and adequate work environment, preventing conflicts of interest, and respecting fair and free competition regulations, among other topics.



You can consult our updated code here:  
**Code of Conduct and Ethics  
for Contractors and Suppliers**



Scan me

### Trained Suppliers

	2022	2023	2024
Total number of suppliers	724	626	596
Total number of suppliers trained in the code of conduct and ethics	724	626	596
Total percentage of suppliers trained in the code of conduct and ethics	100%	100%	100%

Additionally, a total of 70 suppliers received training on strategic ESG topics.



## Information Security and Cybersecurity

[SHS-7]

### Detail of the Material Issue

Cybersecurity and information protection are crucial to ensure business continuity, safeguarding digital assets, and maintain stakeholder trust. To this end, we have developed and implemented an Information Security Policy focused on ensuring the confidentiality, integrity, and availability of data, with a zero-tolerance approach towards any illegal or criminal conduct in this domain.

Since 2022, Canacol has strengthened its information security management system in alignment with the ISO/IEC 27001:2022 standard, focusing on the continuous assessment of cybersecurity risks to anticipate emerging threats. As part of this strategy, a strong security culture has been fostered by integrating information protection into employees' annual performance evaluations.

In 2024, strategic plans were implemented to enhance operational capacity and ensure business continuity in case of incidents. This marked the beginning of the regular update of the Business Impact Analysis (BIA), a key element in developing a recovery plan that maintains the continuity of Information Technology (IT) operations in the face of disruptive events. This process is audited annually by an independent third party.

To uphold the effectiveness of our security initiatives, the IT Manager leads the implementation

of the IT security and cybersecurity strategy, reporting directly to the CEO. Additionally, the Audit Committee oversees IT security and receives periodic updates to ensure constant monitoring and informed decision-making.

Through this structured approach, Canacol has developed a resilient and forward-thinking security system, combining technology, training, and risk management. This approach guarantees the continuous safeguarding of information, fortifies the Company's digital infrastructure, and strengthens the trust of stakeholders.

### Strategic Actions to Strengthen the Company's Information Security



During 2024, we achieved several significant milestones in information security and cybersecurity, demonstrating our strong commitment to protecting digital assets and operational security:

- **100% Verified Digital Infrastructure:** We ensured that all our technological infrastructure met the most rigorous security standards, guaranteeing a protected environment against potential vulnerabilities and cyber threats.
- **Prevention of Security Incidents:** No events or incidents related to information security that affected people, the environment, or operations were recorded. This result reflects the effectiveness of our proactive risk management strategies.
- **Cybersecurity Training:** We successfully trained 98% of our critical employees and contractors in cybersecurity awareness. This training is crucial to ensuring that all those involved in our operations are well-equipped to understand and implement best security practices.
- **IT/OT Convergence:** We made significant strides in integrating Information Technology (IT) with Operational Technology (OT), enhancing both operational efficiency and the security of our operations. This integration enables a more agile and effective response to cybersecurity incidents.

Looking ahead, our strategic objectives for 2025 will build on the progress made in 2024 while further strengthening our information security framework:

1. **IT Governance and Management:** We will continue to uphold the highest international standards for IT governance and management, ensuring that our infrastructure and security processes are consistently aligned with global best practices.
2. **Expansion of the Information Security Awareness Program:** Our goal for 2025 is to achieve 95% to 100% participation in the cybersecurity awareness program among our critical employees and contractors. This will ensure that every member of the organization is equipped to address cyber risks proactively.

Canacol remains committed to the ongoing development of its digital infrastructure and the integration of IT/OT systems, reinforcing secure and efficient operations against cyber threats. Through continuous staff training and proactive security measures, we aim to protect our assets and maintain operational continuity. Senior management is dedicated to leading key initiatives and fostering a security-driven culture throughout the organization. This ongoing commitment guarantees the protection of our digital assets and underscores operational resilience as a top priority.





Deloitte Asesores y Consultores S.A.S. Nit.  
Carrera 7 No. 74-09  
Ed. Deloitte  
Bogotá  
Colombia

Phone: +57 (601) 426 2000  
[www.deloitte.com/co](http://www.deloitte.com/co)

## Limited assurance report on the information subject to assurance included in the esg integrated report 2024 of canacol group

### To the Administration of Canacol Group

#### **Limited assurance report on the information subject to assurance included in the ESG integrated report 2024 of Canacol Group**

We have carried out limited assurance engagement on the selected information detailed in Annex A (hereinafter, information subject to assurance), included in the ESG Integrated Report 2024 of Canacol Group for the year ended December 31, 2024. This assurance engagement was conducted by a multidisciplinary team that includes assurance professionals and sustainability specialists.

Our limited assurance engagement was performed only in relation to the selected indicators included in Annex A. Our assurance report does not extend to prior period information or other information included in the ESG Integrated Report 2024, or other information related to such report that may contain images, audio or video.

#### **Criteria**

The criteria used by the management of Canacol Group to prepare the information subject to assurance included in the ESG Integrated Report 2024 were established considering the concepts, requirements and principles set forth in the Global Reporting Initiative ("GRI") Standards.

#### **Management's responsibilities for the information subject to assurance included in the Integrated Report ESG 2024**

Management is responsible for the preparation of the information subject to assurance included in the ESG Integrated Report 2024 in accordance with the criteria established in the GRI Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of information subject to assurance that is free from material misstatement, whether due to fraud or error.

#### **Inherent limitations of the assurance engagement**

The selected sustainability information is subject to inherent uncertainty due to the use of non-financial information which is subject to greater inherent limitations than financial information given the nature of the methods used to determine, calculate, sample or estimate such information. Management makes qualitative interpretations about the relevance, materiality and accuracy of information that are subject to assumptions and judgments.

Deloitte refers to Deloitte Touche Tohmatsu Limited, a private limited liability company in the United Kingdom, its network of member firms and related entities, each as a single, independent legal entity. See [www.deloitte.com](http://www.deloitte.com) for more information on our global network of member firms.



## ***Our Independence and Quality Control***

We have complied with the ethical and independence requirements of the professional Code of Ethics for Public Accountants issued by the International Ethics Standard Board for Accountants (IESBA), which is based on the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Management ("ISQM") 1 and, therefore, maintains a comprehensive quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable law and regulatory requirements.

## ***Responsibility of independent professionals***

Our responsibility is to express a limited assurance conclusion on the integrated report based on the procedures we have conducted and the evidence we have obtained. We carry out our limited assurance work in accordance with the International Standard for Assurance Engagement, other than audits or reviews of historical financial information ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IASSB). This standard requires planning and conducting work to obtain limited assurance about whether selected integrated report information is free from material error.

The procedures we performed were based on our professional judgment and included inquiries, observation of the processes performed, inspection of documents, analytical procedures, assessment of the adequacy of quantification methods and reporting policies, and agreement or reconciliation with underlying records.

Given the circumstances of the engagement, we have carried out the following procedures:

- a. Through inquiries, we obtained an understanding of control environment and relevant information systems of Canacol Group, but we did not evaluate the design of specific control activities or obtain evidence on their implementation, nor did we test their operating effectiveness.
- b. Understanding of the tools used to generate, aggregate and report non-financial information through inquiries with those responsible for related processes.
- c. Substantive testing on selective random basis of assurance information developed by management to determine standards and indicators and corroborate that data have been measured, recorded, collected and reported appropriately through:
  - i. Inspection of policies and procedures established by the Company.
  - ii. Inspection of supporting documents of internal and external origin.
  - iii. Recalculations.
  - iv. Comparisons of the contents presented by the Administration with those established in the criteria section of this report.

Annex A details the sustainability performance standards and indicators included in the scope of our work.

Our limited assurance engagement was made only with respect to the sustainability standards and performance indicators included in Annex A, for the year ended December 31, 2024; and we have not conducted any procedures with respect to prior years, projections and future targets, or any other items included in the ESG Integrated Report 2024 for the year ended December 31, 2024 and therefore do not express a conclusion thereon. Limited assurance engagement involves assessing the appropriateness, in the circumstances, of the company's use of the criteria as a basis for preparation the Integrated report selected information; assess all risks of material errors in reporting

sustainability information subject to assurance due to fraud or error; responding to assessed risks as necessary in the circumstances; and evaluating the overall presentation of the ESG Integrated Report 2024 information. The scope of limited assurance work is substantially less than that of reasonable assurance work in relation to both risk assessment procedures, including an understanding of internal control, as well as procedures performed in response to assessed risks. Therefore, we do not express a reasonable assurance conclusion as to whether the company's integrated reporting information selected has been prepared in all material respects, in accordance with the provisions of the criteria section of this report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion of limited assurance.

### **Conclusion of Limited Assurance**

Based on the work carried out described in this report, the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the information subject to

assurance included in Annex A about of the ESG Integrated Report 2024 of Canacol Group for the year ended December 31, 2024, have not complied in all material aspects, in accordance with the Criteria section of this report.

### **Restriction of Use of Report**

Our report is issued solely for the purpose set forth in the first paragraph and should not be used for any other purpose or distributed to other parties on its own. this report refers only to the matters mentioned in the preceding sections and to the sustainability and identified information and does not extend to any other financial and nonfinancial information included in the ESG Integrated Report 2024 of Canacol Group for the year ended December 31, 2024, nor to its financial statements, taken as a whole.



**JUAN DAVID LOPEZ MONTOYA**

Partner

Bogotá, May 29, 2025

## ANNEX A

The GRI Standards, defined by the Company's Management as the information subject to limited assurance, are detailed below. These evaluation criteria are an integral part of our independent

limited assurance report on the information subject to assurance included in the ESG Integrated Report 2024 of Canacol Group for the year ended December 31, 2024.

Estándar GRI	Descripción
GRI 3-1 (2021)	Process to determine material topics
GRI 3-2 (2021)	List of material topics
GRI 205-1 (2016)	Operations assessed for risks related to corruption
GRI 302-1 (2016)	Energy consumption within the organization
GRI 302-3 (2016)	Energy intensity
GRI 303-3 (2018)	Water withdrawal
GRI 303-4 (2018)	Water discharge
GRI 303-5 (2018)	Water consumption
GRI 304-1 (2016)	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
GRI 305-1 (2016)	Direct (Scope 1) GHG emissions
GRI 305-2 (2016)	Energy indirect (Scope 2) GHG emissions
GRI 305-3 (2016)	Indirect (Scope 3) GHG Emissions
GRI 305-5 (2016)	Reduction of GHG emissions
GRI 305-7 (2016)	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
GRI 306-3 (2020)	Waste generated
GRI 306-5 (2020)	Waste directed to disposal
GRI 308-1 (2016)	New suppliers that were screened using environmental criteria
GRI 401-1 (2016)	New employee hires and employee turnover
GRI 403-9 (2018)	Work-related injuries
GRI 403-10 (2018)	Work-related ill health
GRI 404-1 (2016)	Average hours of training per year per employee
GRI 404-2 (2016)	Programs for upgrading employee skills and transition assistance programs
GRI 405-1 (2016)	Diversity of governance bodies and employees
GRI 405-2 (2016)	Ratio of basic salary and remuneration of women to men
GRI 407-1 (2016)	Operations and suppliers in which the right to freedom of association and collective bargaining may be at Risk
GRI 413-1 (2016)	Operations with local community engagement, impact assessments, and development programs
GRI 414-1 (2016)	New suppliers that were screened using social criteria
GRI 415-1 (2016)	Political contributions





**Integrated  
report**  
2024

