



ESG Report 2020





BOARD OF DIRECTORS IN 2020¹

GRI 102-18 / 102-22 / 102-23

CSA-DJSI 1.1 Corporate governance / DJSI 1.1.2 Non-executive Chairman / Lead Director

MICHAEL HIBBERD,
Chairman, Independent Director

ARIEL MERENSTEIN,
Independent Director

CHARLE GAMBA,
President, CEO & Director

DAVID WINTER,
Independent Director

FRANCISCO DÍAZ,
Independent Director

GONZALO FERNÁNDEZ-TINOCO,
Independent Director

GREGORY D. ELLIOT,
Independent Director

JUAN ARGENTO,
Director

Consulting
DESARROLLO VISIBLE

Design and Layout
TYPO DISEÑO GRÁFICO LTDA

Canacol Energy Ltd.

**Corporate Headquarters: Suite 2650, 585 –
8th Avenue SW, Calgary, Alberta T2P 1G1**

**Branch in Colombia: Calle 113 No. 7-45, Bogotá,
Torre B, Oficina 1501**

May 2021

ESG report 2020

GRI 102-1 / 102-5 / 102-12 / 102-45 / 102-46 / 102-50 / 102-54 / 103-1

- presents information for Canacol Energy Ltd², summarizing economic, social, environmental, and governance outcomes and milestones.
- covers the period from January 1, 2020 to December 31, 2020, unless otherwise stated.
- includes information on Canacol Energy's operations in Canada and Colombia (clarification is made when information is presented separately for the different countries).
- is our Communication on Progress (CoP) for the United Nations Global Compact.
- has been prepared in accordance with the GRI standards: Comprehensive option.
- is aligned with the following standards: GRI's Oil & Gas G4 Sector Disclosures, Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), Corporate Sustainability Assessment-S&P Global, standards suggested by Bloomberg, the United Nations Sustainable Development Goals (SDG) and the World Economic Forum Guide: Measuring Stakeholder Capitalism.
- all monetary amounts are reported in United States dollars unless otherwise stated. The average exchange rate used for 2020 was 3,380 COP/USD, for 2019 was 3,280 COP/USD, for 2018 was 3,000 COP/USD, and for 2017 was 2,950 COP/USD.
- Canacol's largest shareholders are Cavengas Holdings S.R.L with 18.2% of outstanding common shares and Fourth Sail Capital, LP with 16.7%.

POINT OF CONTACT FOR FURTHER INFORMATION

GRI 102-53

For further information about this report, please send an e-mail to esg@canacolenergy.com

1. The information for the Board of Directors is as of March 2021. Mr. Juan Argento replaced Mr. Oswaldo Cisneros, who passed away at the end of 2020.

2. Canacol Energy Ltd., hereinafter: "Canacol Energy", "Canacol", or the "Company" and includes, where the context dictates, its subsidiaries.

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We are the future **we are energy**

GRI 102-12 / 102-14 / 102-15

The 2020 was a remarkable year that has transformed the way businesses are managing risks and opportunities related to environmental, social, and governance (ESG) matters. Being resilient has never been more critical, and companies must step up by offering innovative solutions for the world's problems and responding efficiently to a more demanding context.

The COVID-19 pandemic has been an opportunity for us to demonstrate our ability to deal with critical junctures and quickly adapt. We rose to the challenge and never faltered in our ambition to produce the natural gas needed to improve the quality of life for millions of Colombians in a safe, efficient, and cost-effective way.

Despite the challenging circumstances, we continued to operate under the premise of taking care of the health and well-being of our employees and their families, our contractors, and the communities in which we operate. We generated strong cashflows, maintained a stable dividend, and created value for our multiple stakeholders, with a 16% return on capital invested and solid operating margins averaging 79%.

During 2020, we met several important milestones for gas production growth in Colombia. We increased 20% on realized natural gas sales, achieving 172 MMscfd in 2020 compared to 143 MMscfd in 2019. Despite a reduced drilling program which included only six of our planned twelve wells due to Covid-19 (and only two of those being exploration wells), the Corporation managed to achieve a 122% Reserve Replacement Ratio, totaling 637 Bcf of 2P reserves.

We executed several drilling and seismic activities, which aim to continue expanding our reserve base and de-risking our large resource portfolio, comprised of 188 prospects and leads with an aggregated un-risked mean of 5.7 trillion standard cubic feet of natural gas.

Also, we worked diligently to progress on different future growth projects such as a new gas pipeline from our Jobo gas facility to Medellin and developing a completely new gas sales channel, by participating in a near-field 200 MW power generation plant.

For 2021, we are focused on the following operational objectives: 1) drilling up to 12 exploration, appraisal, and development wells in a continuous program targeting a 2P reserves replacement ratio of more than 200%, 2) the acquisition of 655 square kilometres of 3D seismic on the VIM-5 and SSJN-7 blocks to expand our

exploration prospect inventory, 3) the execution of a definitive agreement to build a new gas pipeline from Jobo to Medellin which will increase our gas sales by an additional 100 MMscfpd, and 4) continue our commitment to strengthen our ESG plan.

This report reflects the progress we have made creating a long-term vision ESG strategy, aligned with our business perspective, external stakeholders' expectations, and industry trends. Our approach encompasses four priorities, and goals to reach over the next six years.

A CLEANER ENERGY FUTURE

A clean energy supply is crucial for successful economic and social development. At Canacol, we aim to thrive throughout the transition to a lower carbon economy, by adopting a gas business model and establishing a climate change corporate strategy. We have set short and medium-term commitments to understand and reduce our operational carbon emissions.

We reduced our carbon emission intensity and our direct carbon emissions by 25% and 11%, respectively, against 2019 baseline. Furthermore, 88% of the energy generated for the Company's operations comes from self-produced natural gas. We have increased the use of solar energy in our operations 140% compared to the previous year. As a reflection of our commitment to water resource management, in 2020 we treated 7.1 mega litres of water (19.3% of total usage) for subsequent recycling and reuse.

A TRANSPARENT AND ETHICAL BUSINESS

Strong corporate governance enables efficiency and transparency. We have adopted corporate governance best practices, and we are promoting respect for human rights while demonstrating ethics and integrity in everything we do.

Our commitment to shareholders and investors is to achieve business success while responsibly fostering sustainable development.

To meet these commitments, the Board of Directors is actively engaged in integrating the company's strategy with the corresponding ESG opportunities and risks. In 2020, we created a Board of Directors' Committee to oversee the ESG work composed of four independent members.

For the fifth year in a row, we received zero human rights violations and zero corruption reports.

A SAFE AND COMMITTED TEAM

Our team members drive our performance, and we are devoted to their well-being and safety. One of our main priorities is to create diverse and inclusive work-environments that foster creativity, growth, and productivity. We aim to be the employer of choice for Colombia's hydrocarbon workforce, and a preferred partner for operators and regulators.

We received 88% satisfaction score in our 2020 work-climate survey. This compares favorably with the regional and Colombian average scores of 72% and 74%, respectively. Our recent efforts have been focused on increasing diversity and inclusiveness, and currently 34% of our workforce are women, including 13% of technical areas, 30% of leadership roles, and 31% of the top management.

In 2020 our workforce's (employees and contractors) Lost Time Injury Frequency Rate was 53% better than target (3.33). With the COVID-19 pandemic, we quickly adapted to prioritize employees' health and safety without negatively affecting business operations.

A SOCIETY GUIDED BY SUSTAINABLE DEVELOPMENT

Working together with our neighbouring communities is essential to our success. We are committed to promoting and maintaining close and transparent relationships that facilitate community development and that improve quality of life in parallel with our growth. We work hand in hand with communities and authorities to identify and implement projects that catalyze growth of economic and social well-being. We are fully committed to leaving a positive legacy.

A leading example of this commitment is our local utility gas distribution project to replace firewood with a much cleaner, healthier, and more efficient cooking fuel. This initiative received an award from the Ministry of Mines and Energy and the National Hydrocarbons Agency for its contribution to SDG 13 - Climate Action.

In 2020, we created opportunities through local employment and development by going above and beyond regulatory requirements. Fifty-nine percent of our skilled labour and 100% of our unskilled labour were hired locally, and we purchased 93.3% of all goods and services locally, regionally, and nationally, representing an economic stimulus of \$173 million dollars. We also joined humanitarian aid efforts to help communities during the pandemic, benefiting approximately 13,000 families.

For the year 2021, we are committed to continuing to create value for all our stakeholders using an approach that is sustainable, cooperative, respectful, and transparent. Our corporate best practices buttressed by our alignment with the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDG) as well as our commitment to the Ten Principles of United Nations Global Compact will guide our course for the years and decades to come. We are determined to succeed as a business and to be recognized as a leader in ESG implementation and results.

CHARLE GAMBA

President, CEO and Director of Canacol Energy Ltd

Canacol Energy



We are the largest independent conventional natural gas exploration and production company in Colombia, with a highly competitive cost structure. We supply approximately 20% of the country's gas needs.

Our goal is to continue to grow our gas production business to maximize return to our shareholders while enabling the energy transition in Colombia and becoming a leader in our commitment to the environment, the communities we work in, and the corporate governance.

Common shares in Canacol Energy Ltd. are listed on the Toronto Stock Exchange (TSX), the OTCQX in the United States of America, and the Colombian Stock Exchange (BVC).

Operations map

GRI 102-4 / 102-6 / 102-7 / 304-1 / 304-4 / OG4

SASB EM-EP-210a.2 / EM-EP-160a.3 / EM-EP-000.A / EM-EP-000.C

CSA-DJSI 2.4.2 Biodiversity exposure & assessment / DJSI 3.8.4 Indigenous peoples & cultural preservation

We currently operate ten gas block licences in the Magdalena Valley basin in the Departments of Córdoba, Sucre, Cesar, Magdalena, and Santander, two shale blocks in the Magdalena Valley Basin in the Department of Cesar, and a crude oil block in the Eastern Llanos Basin in the Department of Casanare.

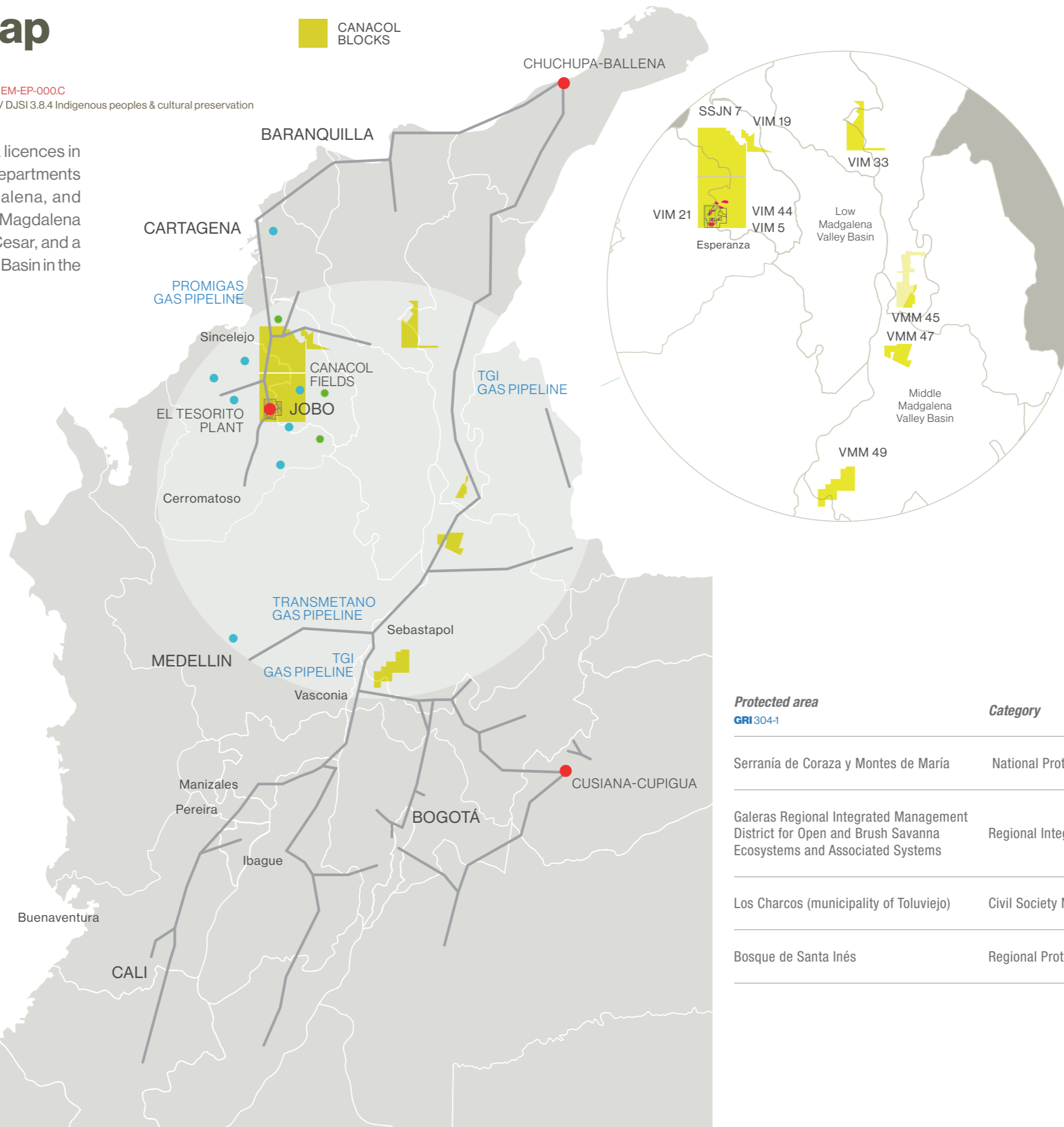
NATURAL RESERVE AREAS NEAR OPERATIONS³

Córdoba Department

- Regional Integrated Management District of the Ayapel wetlands complex
- Bird Conservation Area, Ayapel wetlands
- Civil Society Nature Reserve. Roca Madre Reserve located between Colosó and Toluviéjo

Sucre Department

- The Serranía de Coraza y Montes de María National Protective Forest Reserve. Located in the municipalities of Colosó, Chalán and Toluviéjo, the southern part of this reserve forms part of the SSJN7 block.
- Galeras Regional Integrated Management District for Open and Brush Savanna Ecosystems and Associated Systems. Located in the municipalities of Galeras and San Benito Abad, the western part of this Management District is located in the SSJN7 block.
- Bosque de Santa Inés Regional Protective Forest Reserve. Located in the municipality of San Marcos, the entire reserve is within the VIM5 block.



INDIGENOUS RESERVATION AREAS NEAR THE OPERATIONS

- **Guacharaca 3D seismic survey** (La Esperanza, San Matías, Escobalito)
- **Acordeón** (Montegrande)
- **LF Acordeón - Pandereta** (Montegrande)
- **Ocarina** (Montegrande)
- **LF Clarinete - Jobo** (San Carlos)
- **Installation of piezometers in Pandereta** (Villa Fátima)
- **La Unión Compressor Station** (La Esperanza)
- **Pandereta 5** (Villa Fátima)
- **Cañahuate** (San Carlos)
- **LF Nelson 13** (Los Ángeles)
- **LF Pandereta - Jobo** (Montegrande, Villa Fátima, San Carlos, Montegrande)
- **Nelson 7** (Los Ángeles and Cabildo Santiago Abajo)
- **Palmer 2** (Santiago Abajo)

Protected area	Category	Area of overlap (ha)
GRI 304-1		
Serranía de Coraza y Montes de María	National Protective Forest Reserve	719.64
Galeras Regional Integrated Management District for Open and Brush Savanna Ecosystems and Associated Systems	Regional Integrated Management District	998.73
Los Charcos (municipality of Toluviéjo)	Civil Society Nature Reserve	247.98
Bosque de Santa Inés	Regional Protective Forest Reserve	27.82

³ The areas are registered in the Unique Natural Registry of Protected Areas (RUNAP) are located within 5 km from the blocks licensed by Canacol



Canacol's value proposition

GRI 102-16
SASB EM-EP-510a.2

We improve the quality of life for millions of people through natural gas exploration, production, and supply. We strive to create value for all our stakeholders using a sustainable, responsible, and transparent approach. The energy we produce will help Colombia maintain its energy self-sufficiency in the coming decades while reducing overall emissions.

Meeting Colombia's natural gas demand

GRI 102-15

- Be a leading company in ESG and enable energy transition in Colombia.
- Supply clean, cost-effective, reliable, and abundant energy to millions of Colombians.
- Continue to develop and expand natural gas sales channels to support the country's natural gas demand.

Environmental, social, and governance (ESG) strategy: **sustainability is fundamental to our business**

GRI 102 / 12 / 102-15 / 102-16 / 102-49
 CSA-DJSI 1.3 Risk & crisis management
 SASB EM-EP-510a.2

At Canacol, we believe in the crucial role of natural gas in a fair and equitable energy transition. We enthusiastically support global goals to meet the Paris Agreement objectives as well as Colombia's commitment to a 51% reduction in emissions by 2030. As leaders in natural gas production, we are committed to supplying the growing demand for energy while reducing CO₂ emissions, improving air quality, and catalyzing economic growth and development in the countries where we operate.

Our ESG strategy is derived from and is aligned with our corporate values. These principles frame and direct our actions to benefit all our stakeholders.

We focus on how we do things. Our corporate culture emphasizes transparency, equality, diversity, and the development of our team. We want to be the employer of choice for Colombia's hydrocarbons workforce, the preferred partner for operators and regulators, and a recognized industry leader in ESG. We are committed to the development of local economies and the local workforce in our areas of operation. Our neighbours' quality of life must improve as a result of our presence, and their opportunities must grow apace with ours.

To achieve these goals, in 2020 we put together a six-year strategy based on:

- Canacol's ESG context and performance in ratings & rankings
- ESG standards and frameworks
- Risk and opportunities for long-term planning and organizational flexibility
- The business perspective, external stakeholders' expectations, and industry trends



We structured our ESG strategy, using the following sources: sector trends, analyses of gaps and opportunities in ratings and rankings, global agendas and standards, and internal materiality workshops. The main global standards and agendas that informed our analysis include: Sustainability Accounting Standards Board (SASB), Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), Corporate Sustainability Assessment-S&P Global, standards suggested by Bloomberg, the United Nations Sustainable Development Goals (SDG) and the World Economic Forum Guide: Measuring Stakeholder Capitalism.

ESG PRIORITIES

Our ESG priorities demonstrate our commitment to create value for all stakeholders using a sustainable, collaborative, and transparent approach.

A CLEANER ENERGY FUTURE

Having an efficient supply of clean energy is crucial for society's development and progress. Our objective is to continue to supply the growing demand for natural gas under the highest standards for operational efficiency and the environment, and to support a fair and equitable energy transition in Colombia.

A TRANSPARENT AND ETHICAL BUSINESS

Good Corporate Governance ensures a solid structure, creates the right conditions for strategic decision-making, and guarantees efficiency and transparency. We are committed to adopting best practices, promoting respect for human rights, and guaranteeing ethics and integrity in everything we do.

A SAFE AND COMMITTED TEAM

Our team is our main source of energy. We are committed to the health and safety of our personnel, and to the development of an inclusive and diverse culture that guarantees well-being and growth.

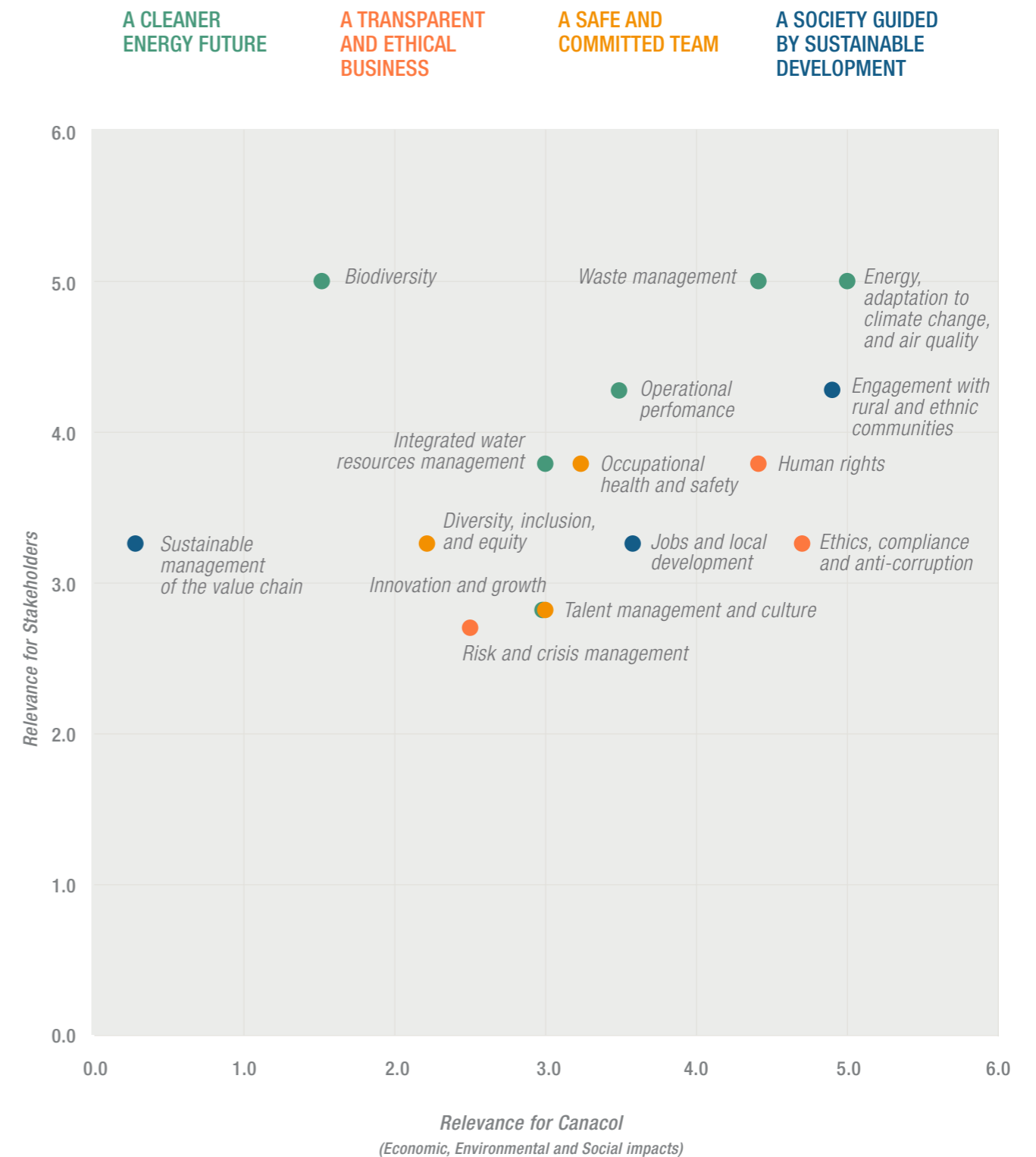
A SOCIETY GUIDED BY SUSTAINABLE DEVELOPMENT

Working with our communities is essential to our business. We are committed to promoting and maintaining close and transparent relationships that guarantee for them development and quality of life.

MATERIAL TOPICS 2020

GRI 102-44 / 102-46 / 102-47
 CSA-DJSI 1.2.1 Material issues / DJSI 1.2.2 Materiality disclosure

The following are the material topics to manage, set goals, and provide robust reporting. In 2021 we will further explore and prioritize in conversation with stakeholders.



STAKEHOLDERS

GRI 102-40 / 102-42 / 102-43

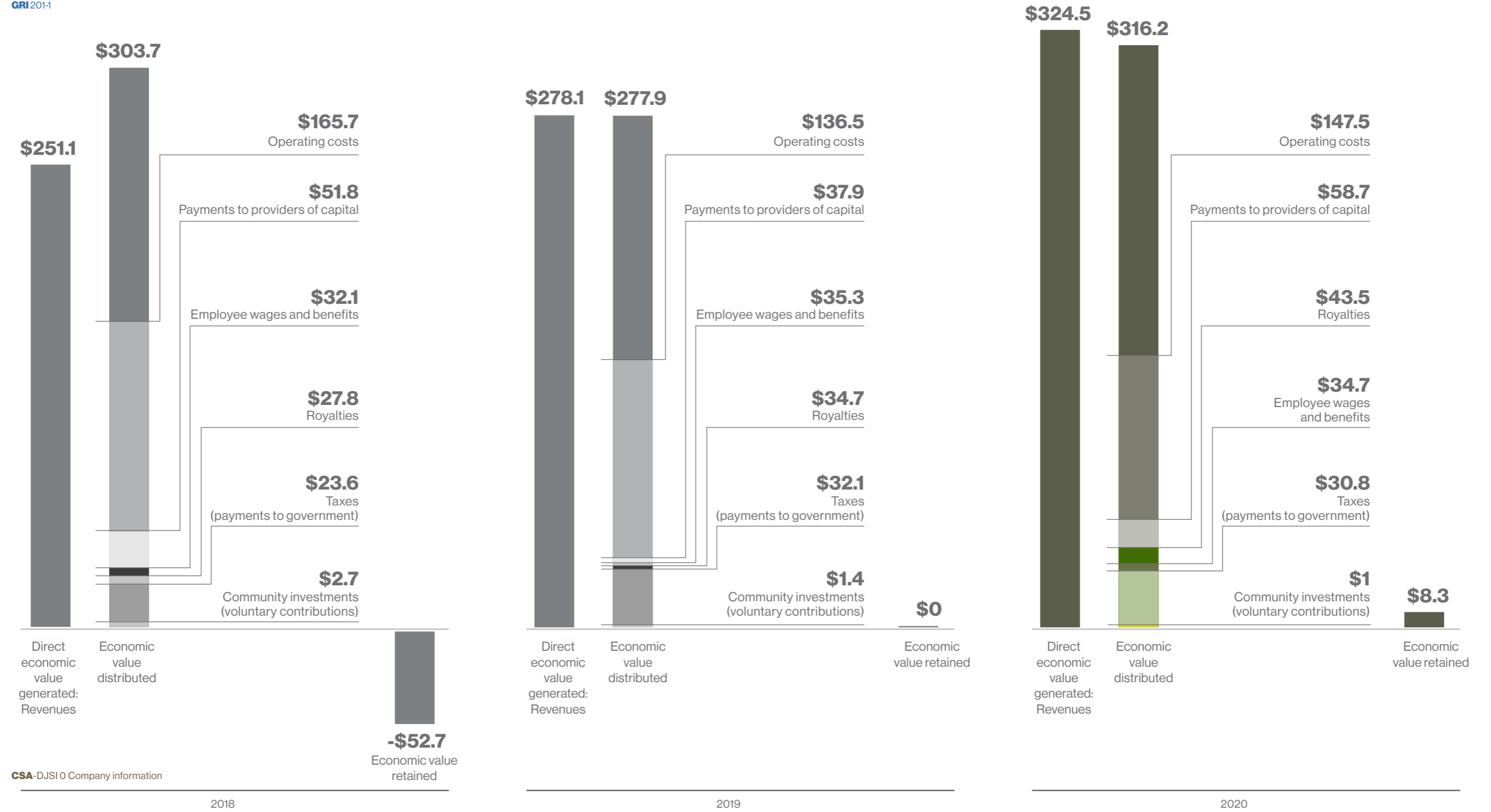
We manage our ESG strategy through effective engagement with our stakeholders by creating arenas for interaction that involve them in defining and working on issues that are strategic for sustainable development.



KEY INDICATORS

Direct economic value generated and distributed (millions of dollars)

GRI 201-1



CSA-DJSI 0 Company information

We increased our gas sales because of our transportation capacity improvement and maintained our plans for return on capital for shareholders. Investments in communities decreased because of activity restrictions caused by COVID-19 although this was partially offset by an increased focus on humanitarian assistance.



A cleaner energy future

	2017	2018	2019	2020
Total use of energy by source in the gas fields / Energy consumption within the organization				
GRI 302-1				
Diesel (GJ)	623	959	1,619	281
Natural gas (GJ)	11,775	13,139	6,756	10,383
Electricity (GJ)	655	805	1,171	995
Solar energy ⁴ (GJ)	0	0	65	156
Energy Intensity (KWh/BBL-eq)	1.38	1.27	0.29	0.30
GRI 302-3				
GHG emissions from operational control				
Direct GHG emissions (scope 1) ⁵ (tonnes CO ₂ e)	21,069	23,441	26,949	24,058
GRI 305-1 SASB EM-EP-110a.1 / EM-EP-110a.2				
Flared gas (tonnes CO ₂ e)				6,033
SASB EM-EP-110a.1				
Stationary sources: fuel combustion in gas fields (tonnes CO ₂ e)				17,964
SASB EM-EP-110a.1				
Process emissions: fugitive emissions in gas fields ⁶ (tonnes CO ₂ e)				60
SASB EM-EP-110a.1				
Indirect GHG emissions (scope 2) ⁷ (tonnes CO ₂ e)		43	52	46
GRI 305-2				
Total annual emissions ⁸ (tonnes CO ₂ e)	21,069	23,484	27,001	24,103
GHG emissions intensity (Kg CO ₂ e/BBL-eq) ⁹	4.08	3.27	2.95	2.21
GRI 305-4 SASB EM-EP-110a.1				
Indirect GHG emissions (scope 3) (tonnes CO ₂ e)				3,329 ¹⁰
GRI 305-3				
Air quality / Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				
GRI 305-6 / 305-7 SASB EM-EP-120a.1				
NOx (Kg NOx / h)			24.2	5.1
CSA-DJSI 2.3.6 EP NOx Emissions				
SOx (Kg SOx / h)		0.29		0
CSA-DJSI 2.3.7 EP SOx Emissions				
PM (Kg PM / H)			0.05	0.2
Gas burned (MSCF)			38,069	56,858
Water management¹¹ / Water withdrawal				
GRI 303-3 SASB EM-EP-140a.1				
Surface water (mega litres)	3.5	1.2	1.7	1.7
Ground water (mega litres)	0	0	2.2	0
Rain water (mega litres)	0.2	0.7	0.2	0.6
Municipal water supplies (mega litres)	6.9	9.3	25.7	27.3
Produced water (mega litres)	4.8	4.5	4.8	7.1
SASB EM-EP-140a.2				

4. The generation of solar energy was not quantified for the years 2017 and 2018.

5. For 2017 Data coverage was 50%, for 2018 Data coverage was 80%, for 2019 and 2020 Data coverage was 100%.

6. Estimated emissions.

7. For 2018 Data coverage was 80%, for 2019 and 2020 Data coverage was 100%.

8. Includes Direct emissions (Scope 1) and Indirect emissions derived from energy purchased (scope 2). Increase in emissions derived from the growth in gas processed and burned in the operation.

9. The emission intensity calculation is made based on Scope 1 and 2 emissions in gas fields / bbl-eq produced in gas fields.

10. In 2020 we calculated scope 3 for the first time. Data coverage was 80%, and included only upstream activities.

11. Water is not extracted from areas suffering from water distress. Produced water is not used; it is associated with the extraction of hydrocarbons. The year 2019 is taken as the base year, covering measurement of water consumption in the Company's operations, and the activities of contractors that have an impact on its life cycle, such as civil works, drilling, operations of compressor stations, construction of flow lines and infrastructure adaptations or expansions.

	2017	2018	2019	2020
Waste water / Water discharge				
GRI 303-4 SASB EM-EP-140a.2 CSA-DJSI 2.3.4 EP Water consumption				
Third-party water				14.3
Leaching field (mega liters)				4.4
SASB EM-EP-140a.2				
Solid waste management and disposal direct operation¹²				
GRI 306-3 CSA-DJSI 2.3.5 EP Waste disposal				
Total waste generated (metric tonnes)	56.34	56.92	82.26	60.69
Hazardous waste (metric tonnes)	32.32	26.91	26.65	24.82
Recycling (metric tonnes)	8.87	7.1	16.17	9.13
Non-recycling (metric tonnes)	15.14	22.9	39.44	26.74
Non-Hazardous waste by disposal method direct operations				
GRI 306-4 / 306-5 CSA-DJSI 2.3.5 EP Waste disposal				
Total (kilograms)			55,610	35,867
Recycling (kilograms)			16,170	9,132
Landfill (kilograms)			39,440	26,735
Hazardous waste by disposal method direct operations				
GRI 306-5 CSA-DJSI 2.3.8 EP Hazardous waste				
Total (kilograms)			26,650	24,822
Recycling (kilograms)			161	5
Recovery (kilograms)			18,623	6,257
Incineration (kilograms)			7,866	392
Incineration with energy recovery (kilograms)				12,962
Waste water (kilograms) / Water discharge				5,205
GRI 303-4 SASB EM-EP-140a.2				
Biodiversity / Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				
GRI 304-1 / 304-4 / OG4 CSA-DJSI 2.4.2 Biodiversity exposure & assessment				
Total identification of protected fauna species (number)			426	426
Protected fauna species on IUCN Red List no threatened (number)			385	385
Protected fauna species on IUCN Red List threatened (number)			8	8
Total identification of protected flora species (number)				553
Protected flora species on IUCN Red List no threatened (number)				145
Protected flora species on IUCN Red List threatened (number)				8
Others				
Hydrocarbon spills (BOED)				
SASB EM-EP-160a.2				
Environmental expenditure (millions of dollars)	7	3.9	2.7	2.4
Environmental fines (millions of dollars) / Non-compliance with environmental laws and regulations	0	0	0	0
GRI 307-1 CSA-DJSI 2.2.4 Environmental violations SASB EM-EP-540a.1				

12. 2019 data represented a higher number due to activities such as civil works, mechanical construction, and drilling activities. The total waste generated from direct operations reported in 2019 Sustainability Report included hazardous waste from indirect operations.

A transparent and ethical business

	2017	2018	2019	2020
Members of the Board of Directors (number) GRI 102-18 / 102-22 CSA-DJSI 1.1 Corporate governance	8	7	7	8
Independent Board Members (percentage) GRI 102-22 CSA-DJSI 1.1 Corporate governance	88%	86%	86%	88%
Committees supporting the Board of Directors (number) GRI 102-18 / 102-22 CSA-DJSI 1.1 Corporate governance	4	3	4	5
Independent Audit Committee Members (percentage)	100%	100%	100%	100%
Independent Compensation Committee Members (percentage)	100%	100%	100%	100%
Taxes, royalties and fines (millions of dollars)	92.6	58.3	61.8	77.1
Ethics Code breaches (number)	0	0	0	0

A safe and committed team

	2017	2018	2019	2020
Number of Canada and Colombia employees GRI 102-8	322	300	405	405
Women employees (number) / Diversity of governance bodies and employees GRI 102-8 / 405-1 CSA-DJSI 3.2.2 Workforce breakdown: gender	122	119	148	137
Men employees (number) GRI 102-8	200	181	257	268
Women employees (percentage)	37.9%	39.7%	36.5%	33.8%
Men employees (percentage)	62.1%	60.3%	63.5%	66.2%
Women in top management ¹³ (percentage)	30.3%	26.9%	33.3%	30%
Men in top management (percentage)	69.7%	73.1%	66.7%	70%
Investment in training (thousands of dollars)	\$46.7	\$159.3	\$377	\$294.3

Health and safety**SASB** EM-EP-320a.1

Lost time injury frequency rate (LTIFR) combined for employees and contractors ¹⁴ (# of lost-time injuries per million hours worked) / Work-related injuries GRI 403-9	0	0.43	0	1.55
Total recordable injuries rate (TRIFR) combined for employees and contractors (# of recordable injuries per million work hours) / Work-related injuries GRI 403-9	2.69	1.08	2.62	1.55
Severe vehicle incident frequency rate (SVIR) (accidents per million km driven) / Work-related injuries GRI 403-9	0.33	0	0	0
Employee's fatalities (number)	0	0	0	0
Contractors' fatalities (number)	0	0	1	0

13. Top management includes CFO, COO and Vice-presidents.

14. Combined indicators for employees and contractors were calculated using a constant of 1,000,000 hours worked. Safety indicators for employees and contractors can be found in A safe and Committed team section.

A society guided by sustainable development

	2017	2018	2019	2020
Procurement of goods and services GRI 102-9 / 204-1 CSA-DJSI 1.6 Supply chain management				
Local (millions of dollars)	0.3	1.8	7.3	3.02 ¹⁵
Regional (millions of dollars)	34.6	12.4	1.7	1.6
National (millions of dollars)	98.2	108.2	155.7	168.1
International (millions of dollars)	14.5	23	5	12.3
Concerns, Claims, Complaints and Requests (CCCR) GRI 102-17				
Concerns (number)	27	14	8	0
Claims (number)	24	6	15	8
Complaints (number)	24	25	25	5
Requests (number)	163	176	171	102
Human rights				
Human rights violations (number) GRI 411-1 CSA-DJSI 3.8.4 Indigenous people & cultural preservation	0	0	0	0

ESG RANKINGS AND RATINGS¹⁶

On a voluntary basis, we have made our measurements in line with the best recognized global sustainability standards. This allows us to track important trends and determine gaps and the resulting goals to continue to move forward with the consolidation of our ESG strategy.

Ratings	2019 score	2020 score	YoY Progress	Rating scale
MSCI ESG	BB	BB	Stable	CCC to AAA
Sustainalytics ESG Risk	56.4	53.5	Better	0 (low risk) - 100 (severe risk)
ISS Governance Quality Score	9	8	Better	0 (low risk) - 100 (severe risk)
Dow Jones Sustainability Index (DJSI): CSA 2020 Benchmarking, OGX Oil & Gas Upstream & Integrated	20	57	Better	0 (low) - 100 (high)
Refinitiv	C+	B-	Better	D- to A+
Bloomberg	54.8	54.8	Stable	1 (low) - 100 (high)

15. As a result of the pandemic, projects that required the participation of local goods and services were not executed.

16. As of January 2021

We quickly adapted

MATERIAL TOPICS: Operational performance / Innovation and growth
GRI 103-1/103-2/103-3
CSA-DJSI 1.9.1 Oil & gas production / DJSI 1.9.2 Oil & gas reserves

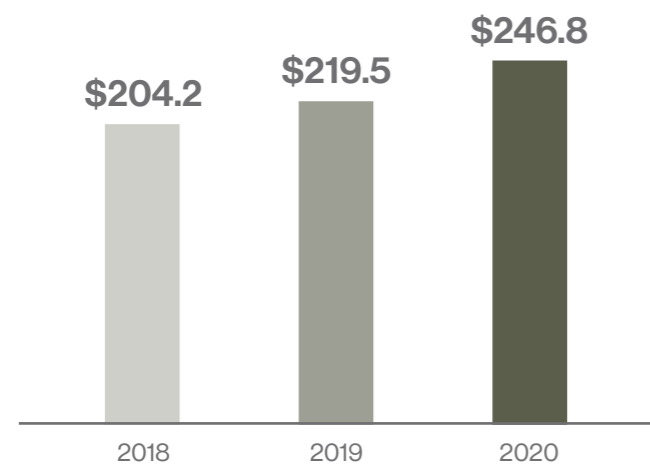
In 2020, we continued to consolidate our position as the leading independent producer and the second largest natural gas producer in Colombia after Ecopetrol.

Due to the COVID-19 pandemic, the Colombian government implemented general lockdowns, impacting gas demand. As a consequence, demand in Colombia decreased through 2020. In consequence, we adjusted 2020 gas sales guidance with a range from 170-197 million cubic feet per day for the year, which we met with an average of 172 MMCFD.

Sales in 2021 will depend on how gas demand recovers, subject to possible impacts from COVID-19, and the country's economic reactivation.

FINANCIAL PERFORMANCE¹⁷

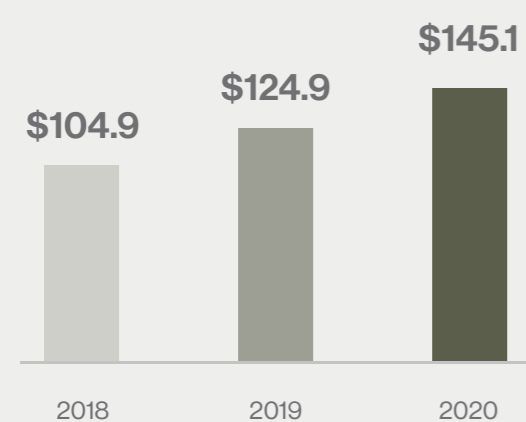
Total natural gas revenues, net of royalties and transportation expense (millions of dollars)



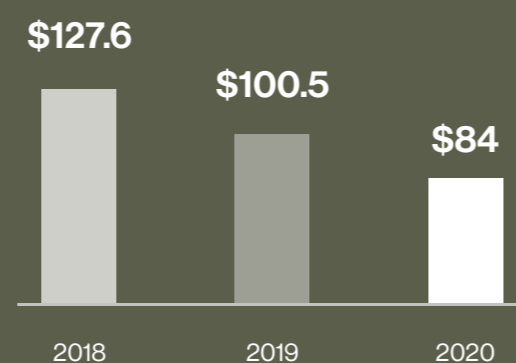
17. Canacol Energy Ltd. Management's Discussion and Analysis Reports for year ended 2018, 2019, 2020. For further information regarding these figures please refer to Canacol Energy's financial reports published in www.canacolenergy.com



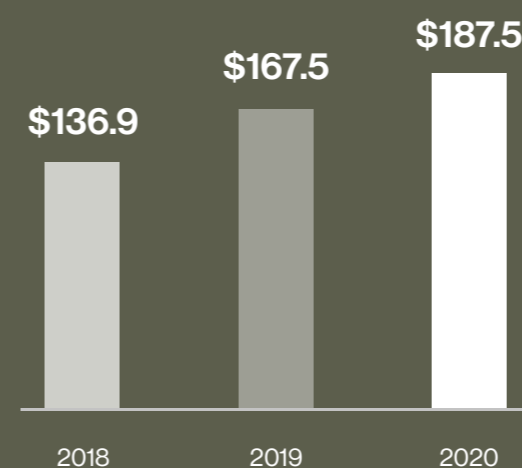
*Adjusted funds from operations
(millions of dollars)*



*CAPEX
(millions of dollars)*



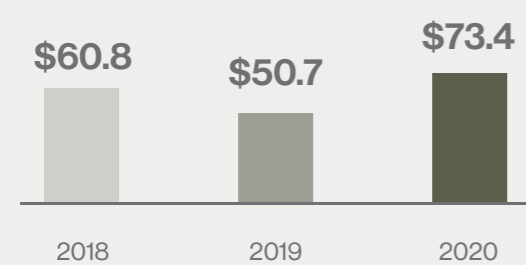
*EBITDAX
(millions of dollars)*



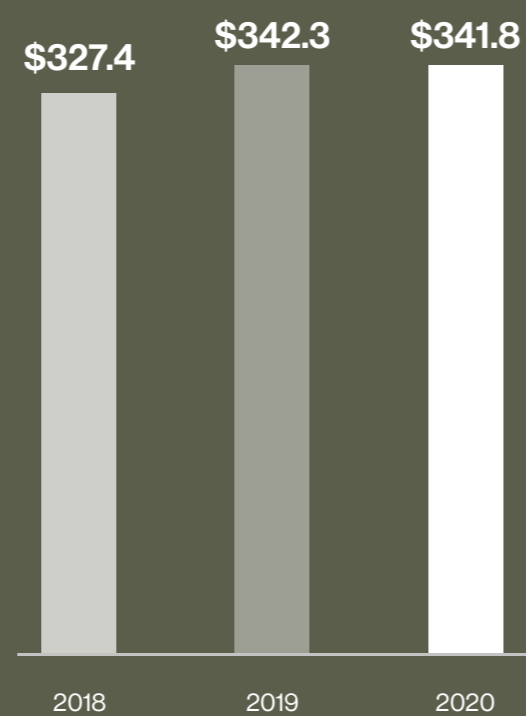
*Cash and cash equivalents
(millions of dollars)*



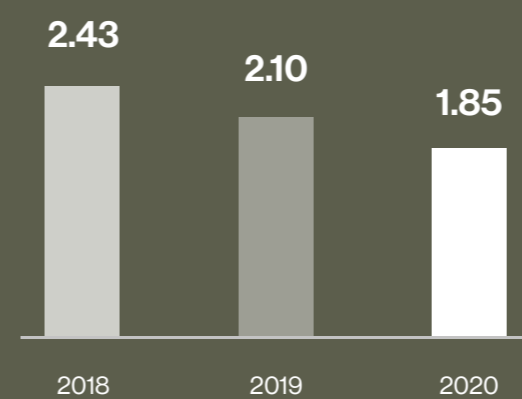
*Working capital surplus
(millions of dollars)*



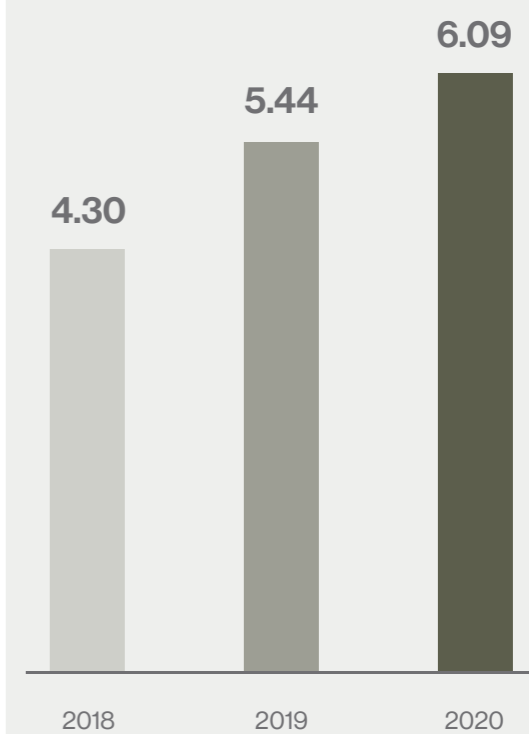
*Net debt
(millions of dollars)*



Consolidated leverage ratio



*Consolidated interest
coverage ratio*





TAX STRATEGY

GRI 207-4
CSA-DJSI 1.7 Tax strategy

Stakeholder interest in tax matters has increased. In consequence, tax strategy is a high priority agenda item for the C-Suite and the board.

Our tax strategy is based on five principles – the respect of jurisdictional law and OECD guidelines, tax responsibility, tax efficiency, transparency, and the minimization of risk.

The Vice President of Tax & Corporate Affairs, along with the CFO and CEO, are responsible for the review and approval of tax strategy. The Board is also consulted during quarterly board meetings.

We are in constant communication with external tax advisors as well as tax authorities in all of the jurisdictions in which we operate. We apply responsible tax policies and are committed to building relationships with tax authorities.

<i>Tax 2020 (millions of dollars)</i>	<i>Canada</i>	<i>Colombia</i>
Revenues from third-party sales	\$0	\$324.5
Revenues from intra-group transactions with other tax jurisdictions	\$19.6	-\$19.6
Profit/loss before tax	-\$35.7	\$113.1
Tangible assets other than cash and cash equivalents	\$127.7	\$553.8
Corporate income tax paid on a cash basis	\$0	\$33.7
Corporate income tax accrued on profit/loss	\$0	\$30.8
Total employee remuneration	\$7.6	\$27
Taxes collected from customers on behalf of a tax authority	\$0	\$9.8
Industry-related and other taxes or payments to governments	\$0 ¹⁸	\$0.4

18. Our operations are located in Colombia.

OPERATIONS AND INFRASTRUCTURE

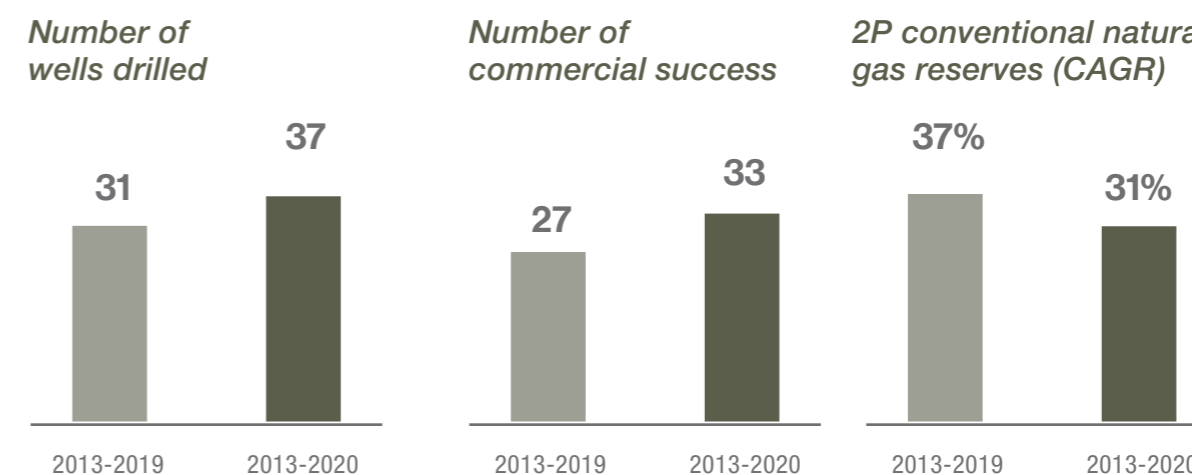
GRI 103-1 / 103-2 / 103-3
CSA-DJSI 1.9.1 Oil & Gas production / DJSI 1.9.2 Oil & gas reserves

In response to the pandemic produced by COVID-19, we took measures to improve safety and reliability, to optimize costs and to adjust operations to meet the challenges while adapting to the new realities of the hydrocarbon industry.

We capitalized on the opportunity to make changes to the operation reducing risks while improving outcomes, costs, and times. We focused on securing the infrastructure required to meet our sales targets, delivering all nominated volumes to our customers within specifications and time constraints. Moreover,

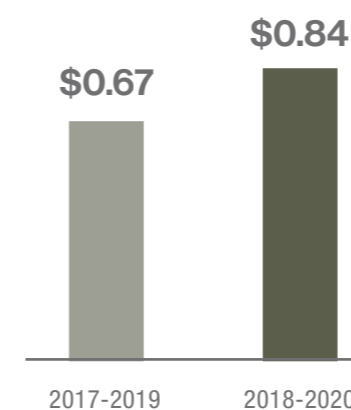
we adjusted processes and controls, modified designs to build platforms in a shorter time and without additional costs, and updated plants to increase their operating capacities and reliability.

We know operations will continue in a challenging environment and we therefore need to ensure continuity, meet our operational and financial objectives, and deliver our value proposition. We are resuming implementation of our growth projects, and, after a year of reduced exploration activity, we have an aggressive program that includes twelve wells, and 655 km² of seismic data collection. Our objective is to achieve a solid growth in reserves volumes and metrics. The 2021 drilling and seismic programs will be the largest exploration investments in our history.



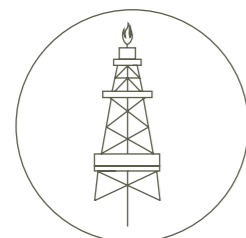
Leading finding and development cost (F&D 2P) (Dollars / Mcf3)

CSA-DJSI 1.9.4 Finding & development and production costs



We are proud of our track record in gas exploration. Since 2013, we have added 771 BCF of 2P conventional natural gas reserves from commercial success in 33 out of 37 drilled wells, representing a 31% Compound Annual Growth Rate ("CAGR") at an industry leading three-year 2P F&D cost of US\$ 0.84 / Mcf (Gaffney Cline & Associates, 2020).

Conventional natural gas exploration and production operations



	2019	2020
Hydrocarbons National Agency (ANH) gas contracts with a 100% stake	7	9
ANH gas contracts with a 50% stake	1	1
ANH new gas contracts / blocks acquired during the year	3	2

Operational delays in exploration caused by pandemic led us to drill 6 out of the 12 wells planned.

Exploration, appraisal, and development

	2019	2020		Goal 2021
		Planned	Executed	
Exploration and appraisal	5	10	3	9
Development	2	2	3	3
Total	7	12	6	12

Acres of land operated (millions)

1.4 2019 **1.53** 2020

Gas exploration and production contracts

8 2019 **10** 2020

Net estimated hydrocarbon reserves

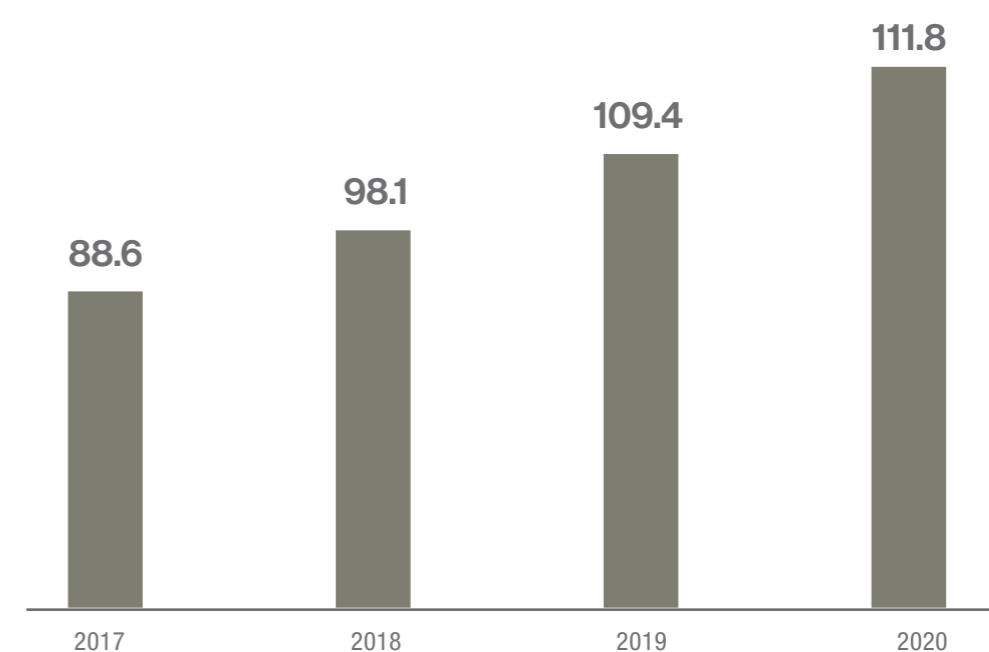
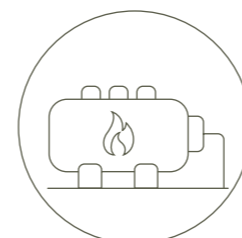
CSA-DJSI 1.9.2 Oil & gas reserves



	Proved reserves (1P)		Proved + probable reserves (2P)	
	2019	2020	2019	2020
Natural gas (Bcf)	394.1	394.8	623.8	637.2
Oil (BOED)	0	0	0	0
Total hydrocarbon production (millions of BOE)	69.14	69.26	109.4	111.8

Evolution in conventional 2P natural gas reserves (BOE)¹⁹

Natural gas



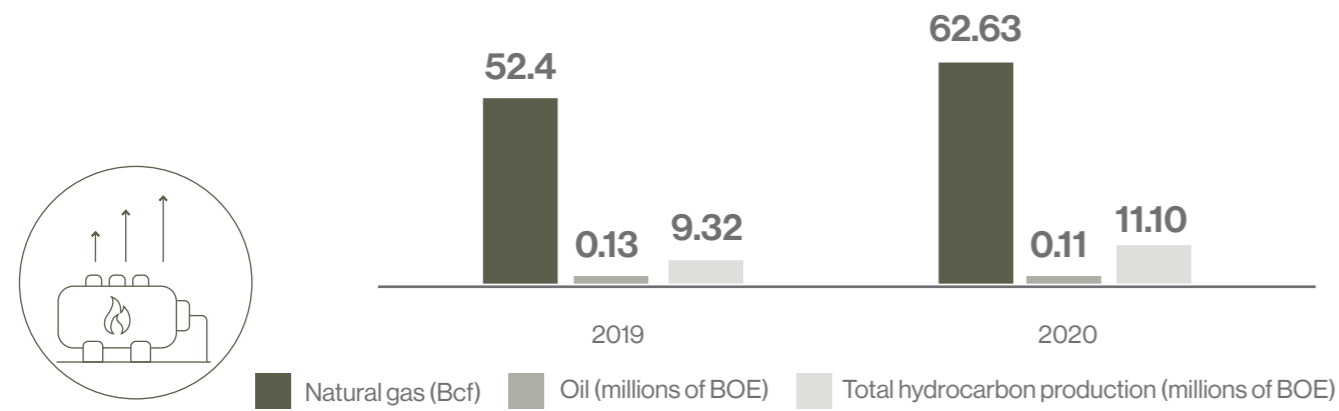
	2019	2020
2P (proved + probable) Reserves NPV -10 before tax (billions of dollars)	2.1 ²⁰	1.7 ²¹
Number of future exploration and development drilling locations identified	162	188 ²²
Mean un-risked prospective natural gas resources (trillion cubic feet)	4.7	5.7 ²³

During 2020, the Exploration and Production contracts VIM-5, VIM-21, and Esperanza, as well as the Rancho Hermoso production sharing agreement operated normally.

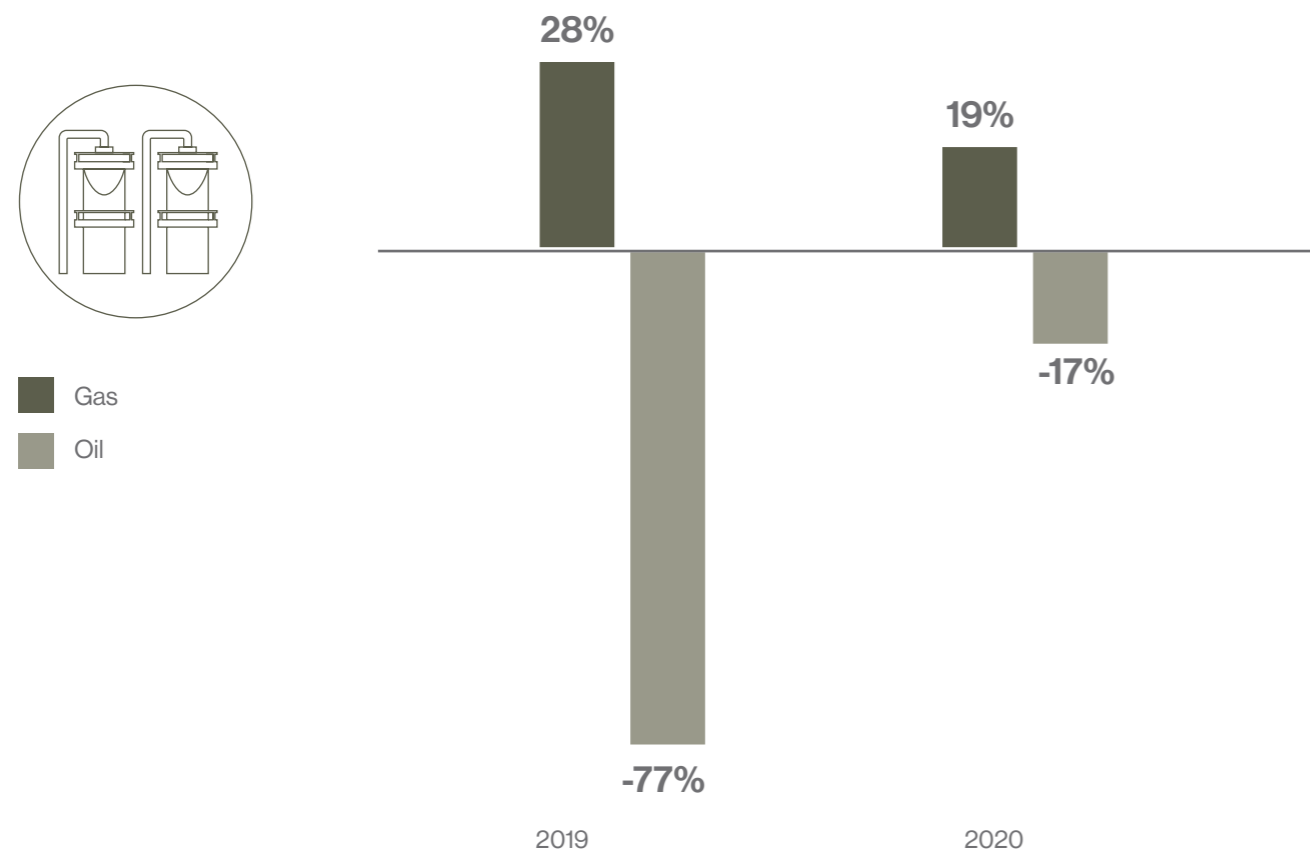
19. Expressed BOE using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia.
 20. Working interest reserves according to the independent reserves report prepared by Boury Global Energy Consultants, as at December 2019.
 21. Independent reserves report prepared by Boury Global Energy Consultants Ltd., effective December 31, 2020. Independent resources report prepared by Gaffney, Cline & Associates, effective December 31, 2020.
 22. Represents gross mean prospective resources for conventional natural gas per the report prepared by Gaffney Cline & Associates, effective Dec 2020.
 23. Represents gross mean prospective resources for conventional natural gas per the report prepared by Gaffney Cline & Associates, effective Dec 2020.

Net annual production volume

CSA-DJSI 1.9.1 Oil & Gas production

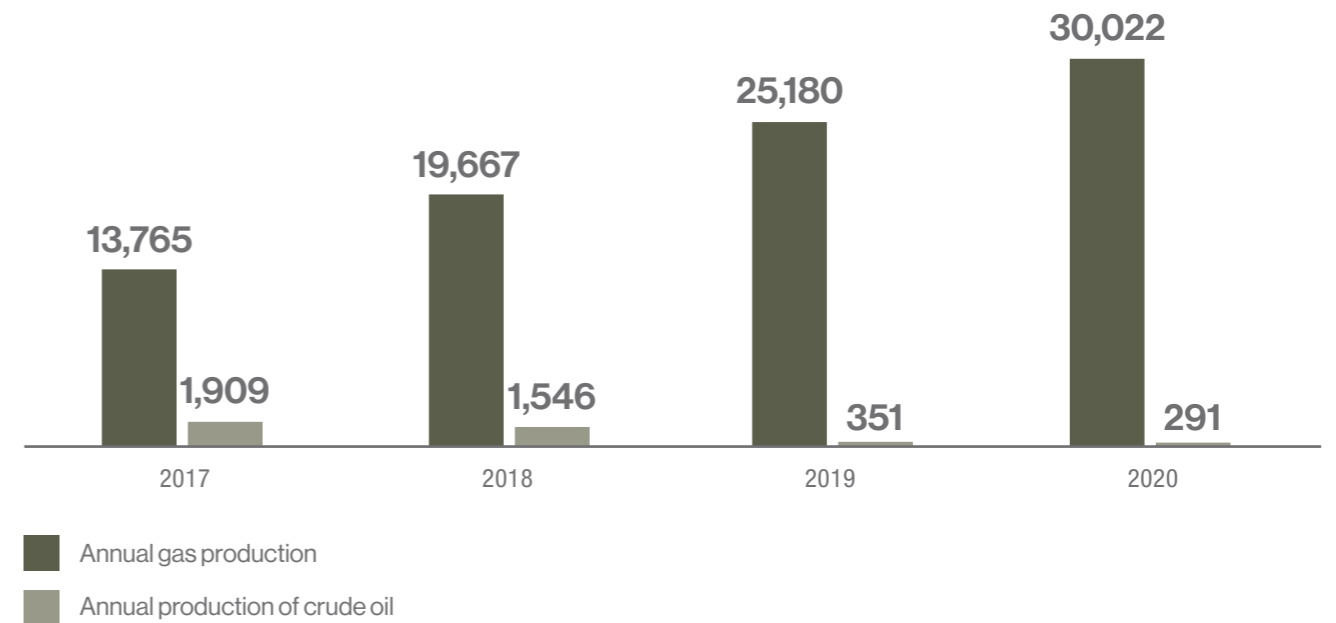


Annual variation in production (BOE/D)



Gas production increased 19% in 2020 over 2019.

Evolution in BOE/day production



EVALUATION OF BLOCKS

In 2020, we began pre-operational planning and execution for a seismic survey located in the SSJN7 block. We also began environmental licensing activities for six newly acquired blocks. Our operational results have been successful. There were no technical delays or accidents (zero LTIs).

We base our work on:

Compliance. We ensure compliance with all of our contractual commitments with the ANH, without delays or penalties.

Intelligent planning. We focus on new operational areas with high chances of technical success as well as access to undersupplied markets. Since 2019 we have participated in two rounds, being awarded five new blocks.

Innovation. We implement technical innovations that produce information of better quality in a shorter time while minimizing environmental and community impacts, resulting in savings of time and money.



Management systems

GRI 103-2

CSA-DJSI 2.2.2 EMS: Certification / Audit / Verification

SASB EM-EP-110a.3

Management systems provide a framework for our actions and their certification helps us stay competitive and compliant.

In 2020 we maintained our ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and OHSAS 18001 (Occupational Health and Safety Management) certifications. In 2021, in addition to re-certifying ISO 9001 and ISO 14000, we will migrate from OHSAS 18001 to ISO 45001.

We carried out three types of audits to ensure compliance with the Company's management system objectives:

- **Internal audits** to ensure the proper functioning of the management systems and identify improvements.
- **Certification audits** with zero nonconformities and certifying entity recognition of our teamwork and our process functionality.
- **Supplier and Contractor Audits:**

- We developed checklists that include quality variables to perform comprehensive HSEQ audits in the field.
- We identified and audited 29 critical suppliers (48.72% of the total spend, 100% high risk/exposure activities) to ensure compliance with the contractual annexes, the environmental addendum, and the HSEQ Annex.

- We organized pre-audit training sessions with selected contractors on the virtual audit methodology.

We began developing a tool to manage the information from the comprehensive systems for use across the entire Company:

- We designed a tool for KPI reporting and monitoring, facilitating analysis and data traceability.
- We aligned the process KPI's with the strategic objectives.

This tool ensures information can be managed and traced, strengthens continuous improvement efforts, and reinforces KPI's as a vehicle for meeting strategic objectives and impacting improvement actions. Each responsible receives information about their actions, records their performance, and performs follow-up.



A Cleaner Energy Future



We embrace the opportunity to be a leader in Colombia's energy transition plan, which pursues reduction of its carbon emissions by 51% by 2030. Our commitment is to deliver the natural gas needed to improve the quality of life for millions of Colombians in a safe, efficient, and cost-effective way.

We aim to thrive in this transition to lower-carbon energy by defining and implementing strategies to adapt our activities to climate change. We have set short and medium-term commitments to understand and to reduce our operational carbon emissions. Our strategy is in line with international standards such as the Task Force on Climate-related Financial Disclosures (TCFD), the Carbon Disclosure Project (CDP), and the Sustainability Accounting Standards Board (SASB), supporting the more ambitious goal to tackle climate change laid out in the Paris Agreement: to limit the global temperature increase to 1.5° Celsius.

GRI 103-1 / 103-3 / 103-3

SASB EM-EP-160a.1 / EM-EP-110a.3

SDG 6 / 7 / 12 / 13 / 15

UNGC Principles 7 / 8 / 9



Our approach

GRI 103-1 / 103-2 / 103-3

SASB EM-EP-160a.1 / EM-EP-110a.3

CSA-DJSI 2.2 Environmental policy & management systems

Our **Sustainability Policy** drives our commitment and approach to environmental management and performance in our exploration, drilling, and production activities. It involves the active participation of employees, partners, customers, suppliers, contractors, and other stakeholders engaged in the development of our activities.

Our **Management System**, certified by ISO 14001, guides the implementation, monitoring, and evaluation of procedures to reduce greenhouse gas emissions (GHG), to promote efficient energy use, to comprehensively manage water resources, to reduce waste, and to safeguard biodiversity through the protection of ecosystems.

We work to strengthen environmental metrics in our direct and outsourced activities. We centralize contractor's and our own information to ensure data quality and consistency, promote the traceability of the information, and achieve comparability.



Climate change strategy

MATERIAL TOPIC: Energy, adaptation to climate change, and air quality

GRI 103-1 / 103-2 / 103-3

SDG 13

SASB EM-EP-110a.3 / EM-EP-160a.1

CSA-DJSI 2.5 Climate change strategy

Task Force on Climate-related Financial Disclosures (TCFD)

Climate change is the result of the human activities of a growing world population that have led to exponential increases in energy consumption as economies and societies develop. In addition to the gases naturally released into the atmosphere, there has been an accelerated concentration of greenhouse gases (GHG). They are produced, mainly, by the combustion of fossil fuels, but also by the deforestation of tropical rainforests, the destruction of marine ecosystems, and an imbalanced consumption of resources.

Global warming impacts all dimensions of life and all regions of the world. Its effects are increasingly evident in extreme weather phenomena, unprecedented temperature increases, stresses on water resources, and adaptation difficulties for plants and animal species. Climate change causes detriments to human health, vulnerability in communities, and socioeconomic repercussions. These impacts urge us to quickly take action to reduce atmospheric emissions and to begin to adapt.



At Canacol, we are committed to reducing our carbon footprint, contributing to global efforts and commitments to counteract climate change.



24. For further information, go to: <http://canacolenergy.com/es/sustainability/our-approach/>

In 2020 we initiated a strategic plan addressing climate issues and setting carbon reduction targets for the following years.

Under this plan, we have set goals, which encompass our contractors' activities as well, related to:

- Identification of climate risks and their incorporation into decision-making and all operational processes.
- A culture of compliance.
- Systematic control and monitoring.
- Goals and objectives for progressively reducing emissions.
- Energy efficiency across the value chain.
- Increases in gas and renewables in our energy matrix.
- Investment in innovation and technology as drivers of change.
- Initiatives to guarantee universal access to clean energy, such as our gas massification project²⁴.
- Alignment with global agendas, standards, and best practices.
- Cooperation to collectively reduce carbon emissions through technology and behavioral changes.

CORPORATE GOVERNANCE STRUCTURE FOR ADDRESSING CLIMATE CHANGE

GRI 102-20

We understand the importance of having a comprehensive climate governance framework that involves the board of directors, executive and senior management, and operational and support teams.

During 2020, we consolidated a governance structure to identify, assess, and manage risks related to climate.



IMPACTS, MITIGATION OR REMEDATION STRATEGIES, AND CHALLENGES

GRI 102-11 / 102-15 / 103-1 / 103-2 / 103-3

SASB EM-EP-110a.3 / EM-EP-160a.1 / EM-EP-540a.2

Our Risk Management Plan covers Canacol's complete operation. It considers different scenarios and establishes strategies to keep them from occurring. In terms of climate change, we have identified two real or potential impacts:

Real or potential impacts	Remediation or mitigation strategy	Goals	
		Short term (1 year)	Medium term (5 years)
Generation of carbon footprint (real impact)	<p>We changed our energy matrix, replacing diesel with natural gas as the primary fuel for power generation in the field.</p> <p>We mitigate the direct release of natural gas into the atmosphere (venting) by having a controlled combustion (flaring).</p>	Analyse Canacol's carbon emissions baselines to set ambitious carbon reduction goals.	<p>Set carbon emissions targets.</p> <p>Increase renewable power capacity (by 2025).</p>
Gas venting (potential impact)	<p>We inspect locations to identify possible gas leaks or venting, and we install detectors at the plants to identify possible large-scale gas leaks that could cause explosions or fires.</p> <p>We proactively conduct thermal imaging review every 6 months and regular onsite inspections for leak monitoring.</p>	<p>Set methane reduction targets.</p> <p>Review national and international literature and identify sector challenges and commitments regarding fugitive emissions and venting.</p>	Reduce fugitive emissions and venting.

ENERGY

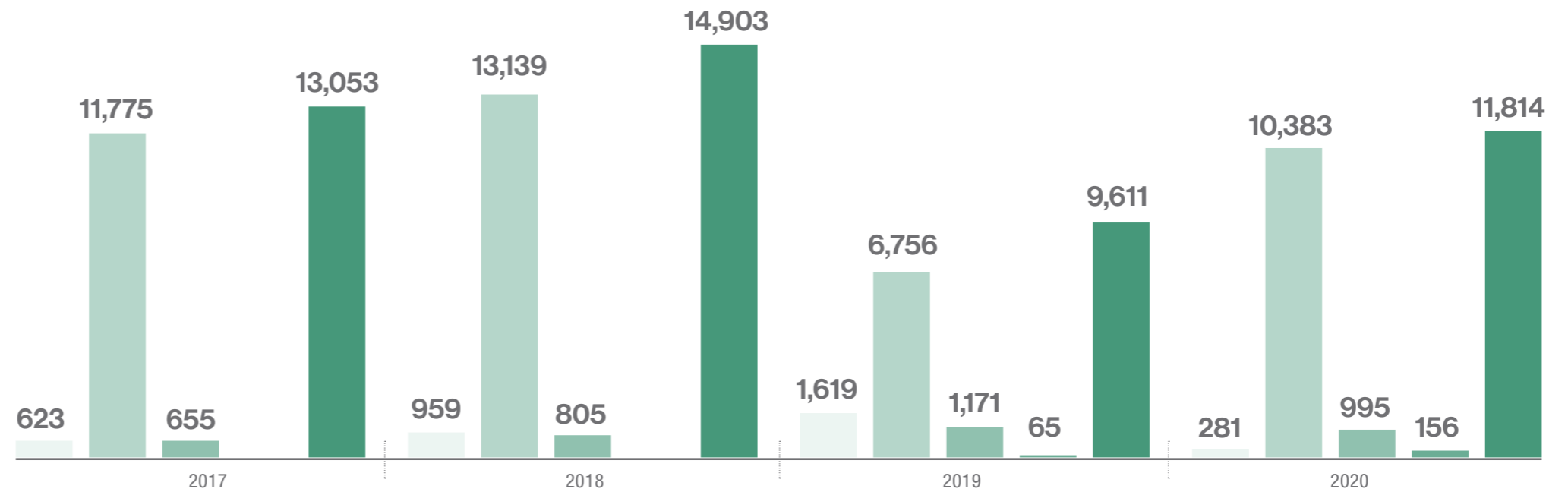
Improving the energy efficiency of our operations and facilities allows us to reduce carbon emissions. Our switch in our main power plant to a gas-fired system, as part of our energy transformation process, has substantially reduced our consumption of fuels with a higher carbon content. Evaluation and coordination of electric loads has allowed us to significantly improve our efficiency as well. Eighty-eight percent of the energy now generated for Canacol's operations comes from self-produced natural gas.

In addition, during 2020, we increased the use of solar energy in our operations by 140% compared with the year 2019.

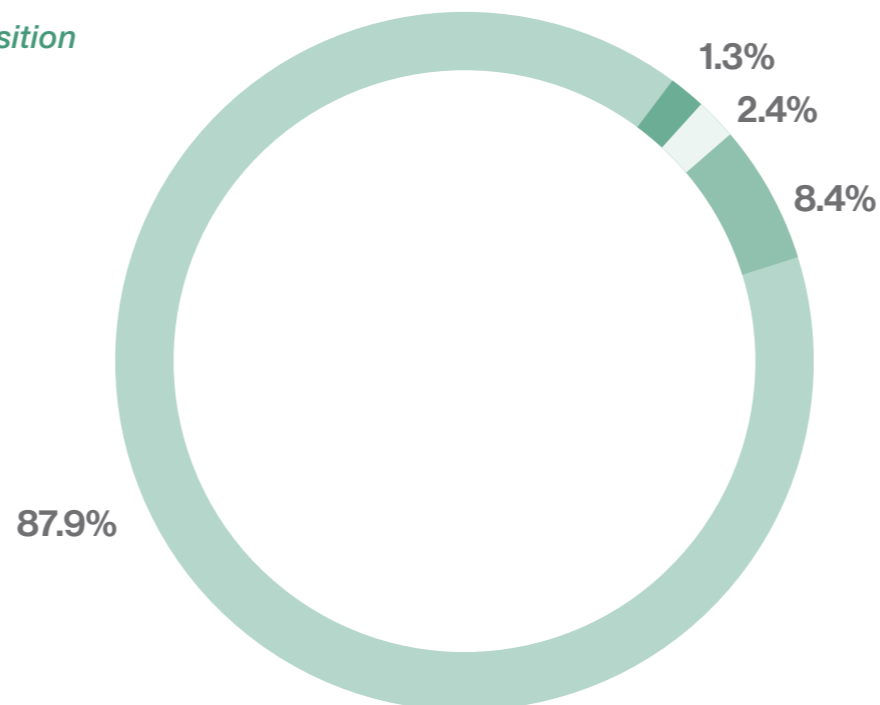
Total use of energy by source in the gas fields (GJ)²⁵






GRI 302-1 / 302-2

CSA-DJSI 2.3.3 EP-Energy consumption / DJSI 1.9.6 Renewable energy production



2020 % composition of energy matrix



-  Diesel
-  Natural gas
-  Electricity
-  Solar energy²⁶
-  Total

IN 2020:

We made our equipment more energy efficient at the Betania substation and 2 plants through technological optimization, reducing carbon emissions from fuel consumption.

Year over year we increased the use of renewable power sources for operations and facilities.

CSA-DJSI 1.9.6 Renewable energy production

Number of wells with solar panels:

18

Installed power per well:

640

Watts

Number of panels in facilities for lighting:

54

Power of panels in facilities:

60

Watts

25. Data includes consumption of energy by our direct operations and administrative activities.
26. Solar energy generation and usage was not quantified for the years 2017 and 2018.

Energy consumption by operative and administrative activities in the gas fields

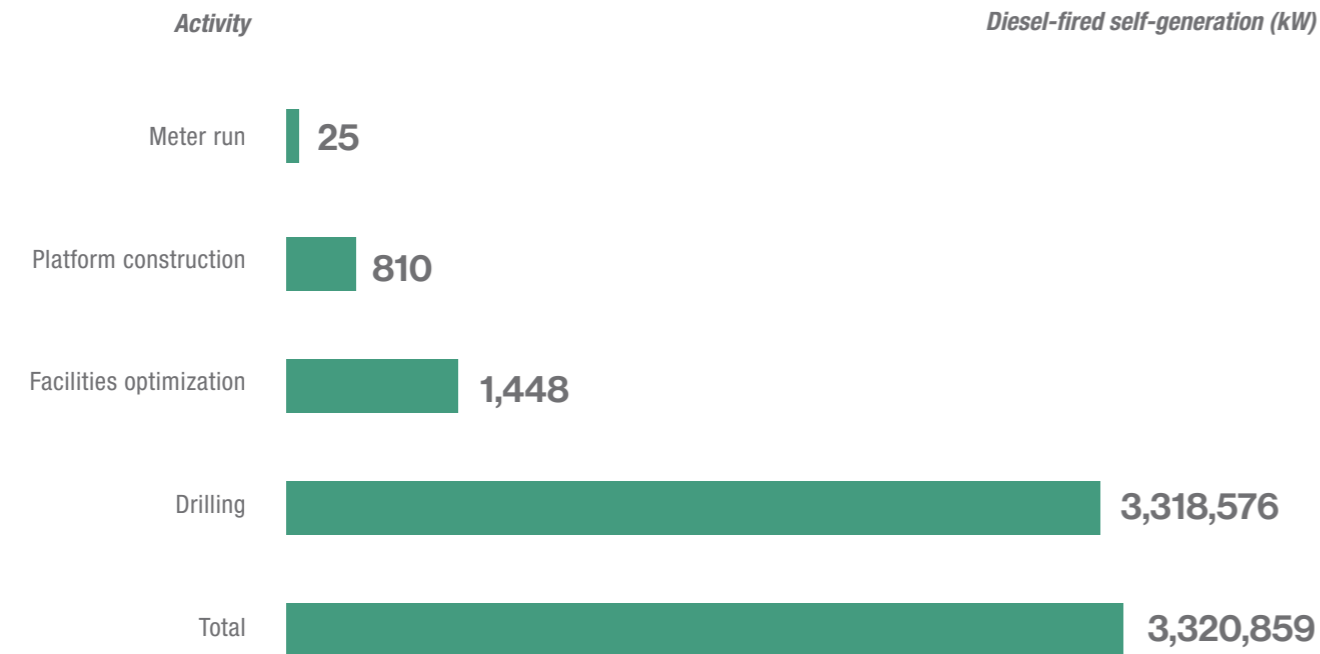
GRI 302-1 / 302-2

CSA-DJSI 2.3.3 EP Energy consumption / DJSI 1.9.6 Renewable energy production

Type of energy source	Administrative activities (kW)	Production (kW)	Extended well testing (kW)	Total (kW)	Total (GJ)	%
Natural gas-fired self-generation		2,884,081		2,884,081	10,383	87.9%
Hydroelectric	276,524			276,524	995	8.4%
Diesel-fired self-generation			77,964	77,964	281	2.4%
Solar		43,217		43,217	156	1.3%
Total	276,524	2,927,298	77,964	3,281,786	11,814	100%

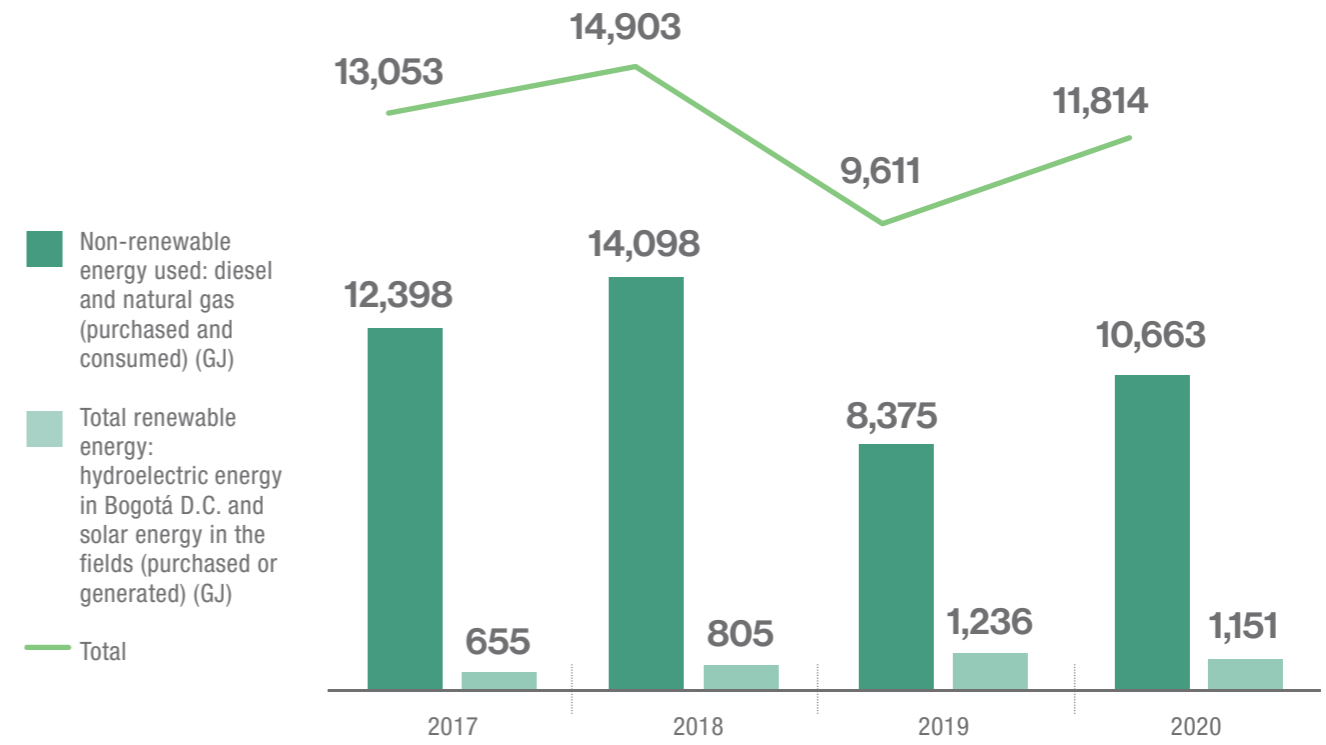
Energy consumption by subcontracted activities in the gas fields

GRI 302-1 / 302-2



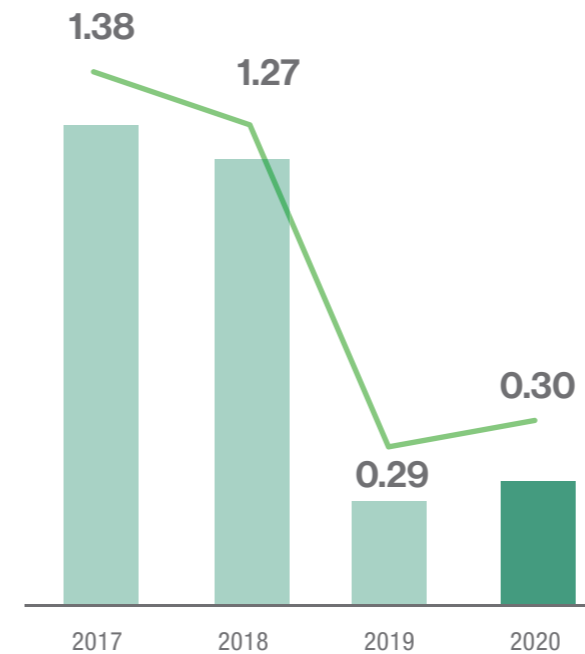
Total non-renewable and renewable energy consumption (GJ)

CSA-DJSI 2.3.3 EP Energy consumption



Energy intensity (kWh / BARREL-E)

GRI 302-3



We have reduced our energy intensity by

78%

since 2017.



MANAGING CARBON EMISSIONS

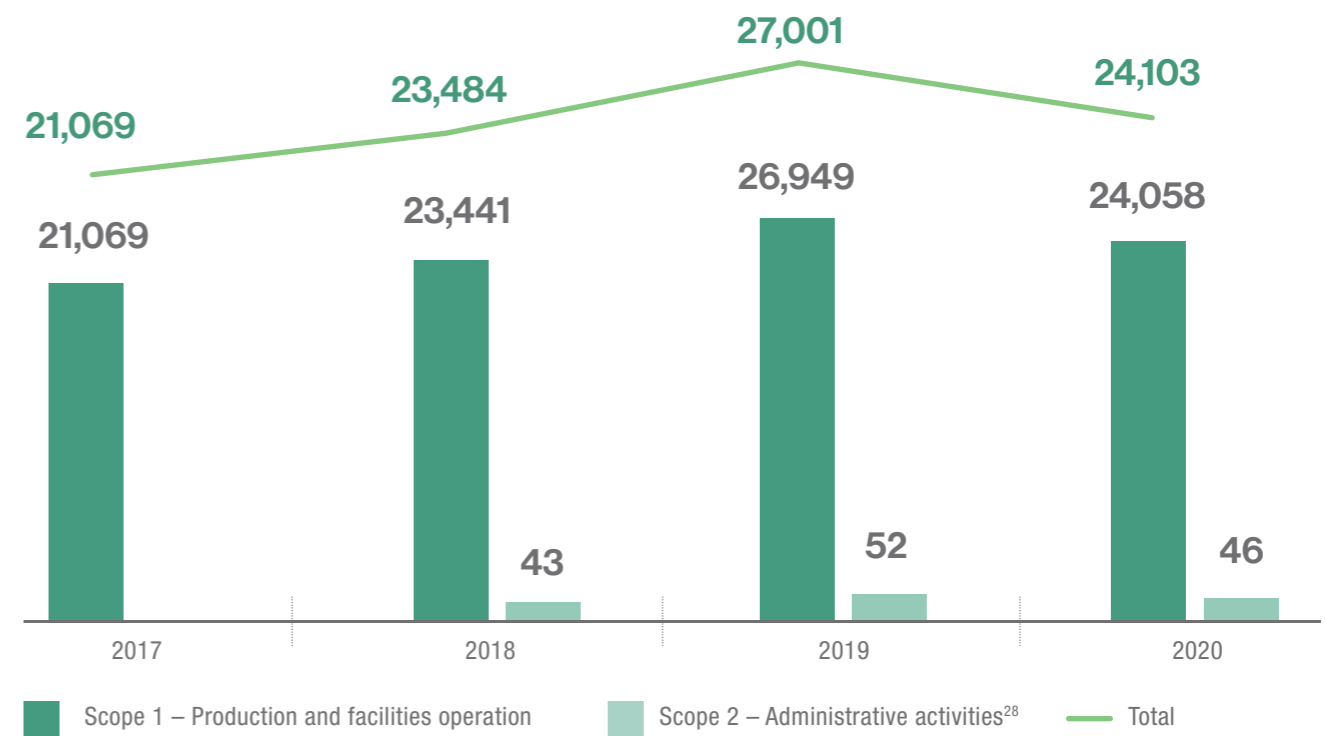
Our GHG emissions inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard from the World Resources Institute (WRI).

Direct and indirect greenhouse gas emissions (GHG)²⁷ (metric tonnes of CO₂ equivalent)

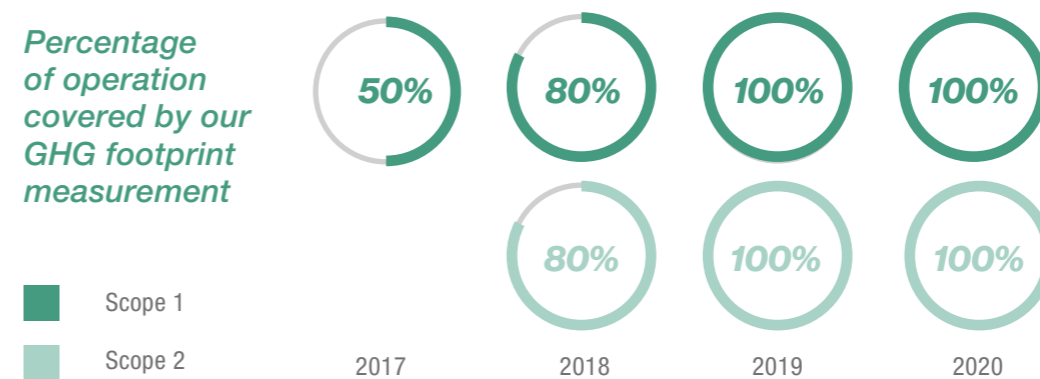
GRI 305-1 / 305-2 / 305-3

SASB EM-EP-110a.1.

CSA-DJSI 2.3.1 EP Direct greenhouse gas emissions (Scope 1) / DJSI 2.3.2 EP Indirect greenhouse gas emissions (Scope 2)



Percentage of operation covered by our GHG footprint measurement



27. Data corresponds to the gas fields.

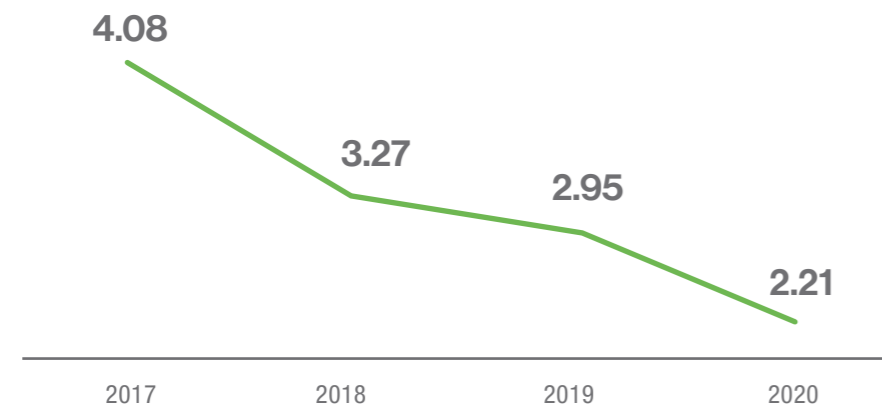
28. We calculated scope 2 emissions using the emission factors for the National Interconnected System stipulated by the Energy Mining Planning Unit (UPME for the Spanish) in Resolution 642 dated December 2019.

We reduced our emission intensity by **25%** with respect to 2019. We have created a significant reduction in our carbon footprint by progressively replacing diesel fuel with natural gas in our operations.

Emission intensity (kg CO₂ eq / BBL-eq)²⁹

GRI 305-4
SASB EM-EP-110a.1

Emission intensity (kg CO₂ eq / BBL-eq)



CANACOL'S INDIRECT EMISSIONS - UPSTREAM ACTIVITIES (METRIC TONNES OF CO₂ EQUIVALENT)

Recording and reporting our indirect emissions from upstream activities is relevant to our business and environmental goals. The inclusion of scope 3 emissions allows us to understand our value chain's impact and to identify potential opportunities for significant GHG emission reductions we can address in the mid-term.

Through a tailored calculation tool and exhaustive work with critical contractors from the most relevant outsourced activities we measured scope 3 emissions for the first time, for 80% of the upstream activities.

Scope 3, upstream activities quantified

Civil works and improvements

81
(metric tonnes of CO₂ eq)

6 drilling activities

2,844
(metric tonnes of CO₂ eq)

Transportation of water

97
(metric tonnes of CO₂ eq)

Transportation of materials

307
(metric tonnes of CO₂ eq)

Total

3,329
(metric tonnes of CO₂ eq)

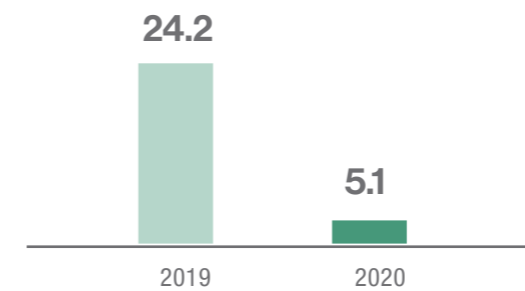


Significant air emissions³⁰

GRI 305-7
SASB EM-EP-120a.1

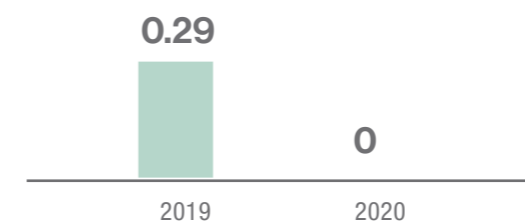
NO_x (excluding N₂O) (Kg NO_x / h)

CSA-DJSI 2.3.6 EP NO_x Emissions

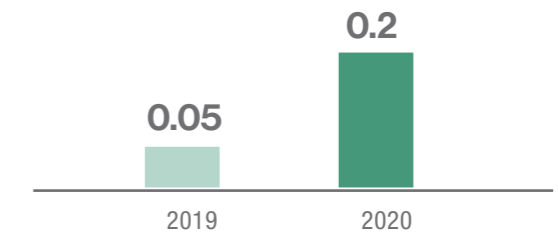


SO_x (Kg Sox / h)

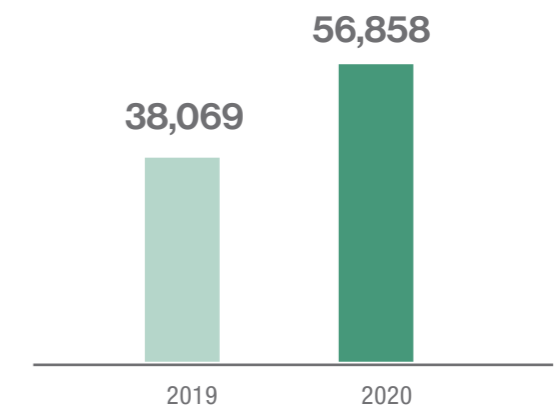
CSA-DJSI 2.3.7 EP SO_x Emissions



Particulate matter (PM₁₀) (Kg PM / h)



Gas combustion (MSCF)

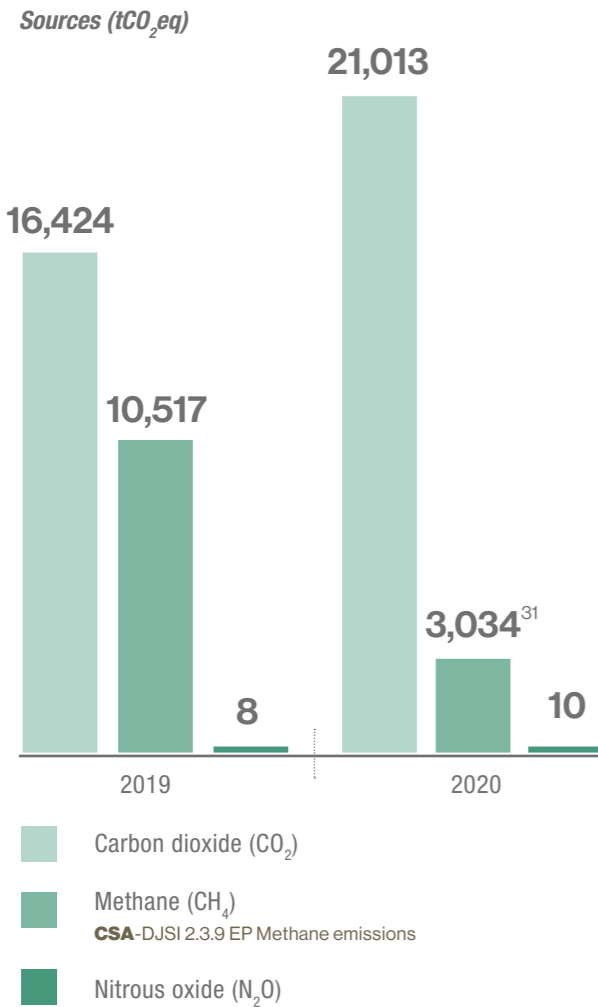


29. The emission intensity calculation is made based on Scope 1 and 2 emissions in gas fields / bbeq produced in gas fields.

30. Data corresponds to output flow rates in kg/h.

Gross global emissions of scope 1 greenhouse gases (GHG) into the atmosphere

SASB EM-EP-110a.1



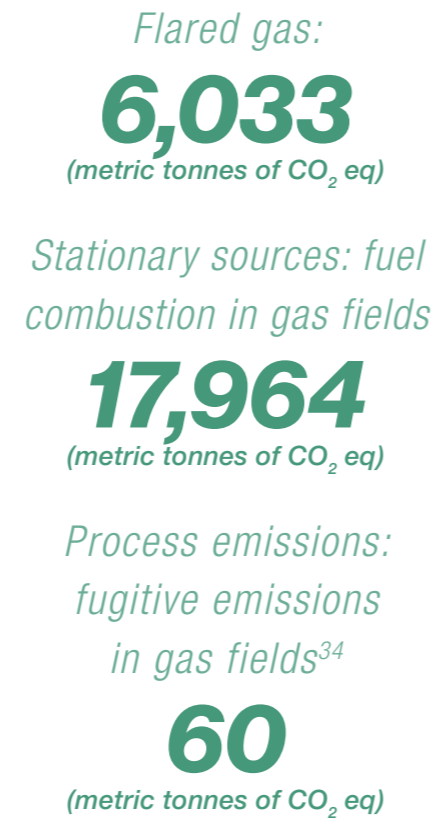
Metric tonnes of methane are calculated for possible methane not burned off by flaring, based on gas flare efficiency. During 2020 we increased flaring efficiency by 90%, by installing a pilot at one of our substation's³² flare.

In addition, carbon footprint calculations include an estimated venting percentage, but in 2020, zero potential points were identified for direct venting. Although the methane emissions reported in 2019 were high, in 2020 we increased methane flaring, and we reduced CO₂ eq emissions.

31. Data includes equivalence factors uncertainties.
 32. Betania Substation
 33. 2017: 6,039 metric tonnes, 2018: 12,078 metric tonnes, and 2019: 10,770 metric tonnes.
 34. Estimated emissions.

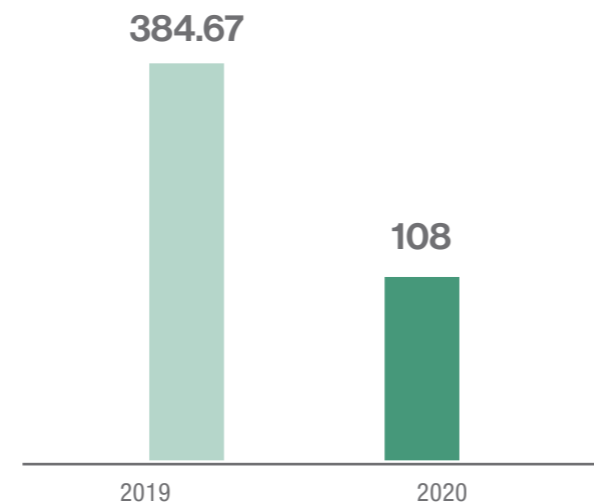
Scope 1 gross emissions amount

SASB EM-EP-110a.2
 CSA-DJSI 2.3.9³³



CH₄ emissions (tonnes)

GRI 305-7
 SASB EM-EP-120a.1



Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3
 SASB EM-EP-160a.1

BY 2021	BY 2022	BY 2023
YoY increase in renewable and low- or no-carbon sources of energy for the next 6 years Annually verify carbon emissions (scope 1 and 2) by a third-party for the next 5 years Reduce 2021 methane emissions in Betania substation and Jobo station by changing the instrumentation system	Quantify 100% of the most relevant categories of Scope 3 emissions Quantify and disclose 100% of the methane emissions associated with the operation	Define an internal carbon price as a planning tool to help identify risks and opportunities Identify and include in the corporate risk matrix all risks related to climate change, water availability, and quality, and perform a sensitivity analysis and stress testing
BY 2025	BY 2026	
Establish the company's carbon neutrality targets from a 2021 baseline	Build a management incentives program based on climate change issues, including targets	



Biodiversity

MATERIAL TOPIC: Biodiversity

GRI 103-1 / 103-2 / 103-3 / 304-1

SASB EM-EP-160a.1 / EM-EP-160a.3

SDG 15

CSA-DJSI 2.4.1 Biodiversity commitment

Conserving ecosystems is fundamental to global sustainability. We recognize Colombia's status as one of the world's mega-diverse countries and understand the importance of its ecosystems for the planet. Moreover, we recognize that our exploration and production activities take place in remote and environmentally sensitive areas.

We have therefore assumed responsibility for contributing to biological conservation within our operational areas. We incorporate biodiversity protection strategies as an essential part of managing our operations. We are committed to not operating, exploring, mining or drilling in areas recognized as World Heritage Sites or in International Union for Conservation of Nature (IUCN) Category I-IV protected areas.

When we operate in areas with globally or nationally significant biodiversity, we use the mitigation hierarchy – avoidance, minimization, restoration, and compensation. We work with external partners to fulfil our responsibilities and commitments to protect biodiversity.

Before project implementation, we conduct forest inventories, enabling us to implement action plans to protect plants and wildlife.



IMPACTS, MITIGATION OR REMEDIATION STRATEGIES, AND CHALLENGES

GRI 102-11 / 102-15 / 103-1 / 103-2 / 103-3 / 304-2
 SASB EM-EP-160a.1 / EM-EP-160a.3 / EM-EP-540a.2

Real and potential impacts	Mitigation or remediation strategies	Goals		
		Short term (start of civil works up to the first year)	Medium term (starting after the first year and up to 5 years)	
Ecosystems	Disturbance of strategic or sensitive ecosystems and ecological corridors.	Confine Canacol's intervention to areas defined by civil works designs and protect forestall areas.	Define buffer areas (springs, bodies of water, forest land cover). Train workers on wildlife management. Design and execute an environmental monitoring and protection plan along with the communities that live nearby.	Reshape and replant 100% of the areas intervened that are not in use or required by the operation. Perform regular inspections to verify the condition and effectiveness of the revegetation. Define a wetlands conservation program with the communities near the area of interest in the Esperanza Block ³⁵ . Monitor threatened and endemic species identified in the Fandango Block to evaluate effects on wildlife community.
Hydrobiological resources	Disturbance of fauna associated with bodies of water (potential). Modification of aquatic habitat (potential).	Identify bodies of water to be protected and designate sheltered areas. Frequent measurement of the impact on water bodies from our operations.	Shelter a 30-meter buffer strip around bodies of water; except for water course occupation authorized by the environmental licence for linear projects.	Conduct hydrobiological monitoring in bodies of water adjacent to the operations to evaluate the composition and structure of hydrobiological communities.

We have successfully executed two thirds of the Biodiversity Conservation Plan, including the definition of protected areas, as well as working with the communities to design protection and monitoring schemes. During the last phase, we will implement the Friends of the tropical dry forest program, develop six school environmental projects (PRAES), and manage environmental initiatives proposed by neighbouring communities.

35. Implementation will start in the fifth year and continue until abandonment.

REFORESTATION

GRI 304-3

	2019	2020
Areas reforested (Ha)	25.5	1.21
Hours worked in reforestation maintenance with 100% local labour (person-hours)	1,204	43,604
Investment: 1% compensation (millions of dollars)	\$1.2	\$0

IN 2020:

Through our tree planting program (Sembratón en tu corazón), we organized tree planting campaigns with communities in Sahagún, Caimito, and La Unión municipalities, in Sucre and Córdoba departments. We planted 325 trees across 6 municipalities and raised the awareness on conserving natural resources. Our reforestation maintenance efforts were performed by local labour only.

As part of our Conservation Plan, we helped conserve biodiversity through 10 projects. Six focused on the humane relocation of wildlife, and four on the rescue and relocation of vascular epiphytes. These projects were executed prior to the beginning of operations, with the goal of minimizing any negative environmental impact on plants and wildlife. Activities included humane relocation of individual animals, and the destruction of empty nests, burrows, and shelters. We relocated organisms, verified optimum living conditions in their new habitats, and trained personnel in plant and wildlife conservation.

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3
 SASB EM-EP-160a.1



No accidents and environmental non-compliance events for the next 6 years

By 2021, establish 10 biodiversity conservation agreements with local stakeholders

Integrated water resources management

MATERIAL TOPIC: Integrated water resources management
GRI 103-1 / 103-2 / 103-3
SASB EM-EP-160a.1
SDG 6

The World Economic Forum’s report on global risks identified the water supply crisis as the most critical risk for the next decade. Although our operations have only minor impacts because they do not require significant amounts of water, the efficient use and conservation of water resources are fundamental to the development of our projects and the neighbouring communities.

In 2020, we developed our plan for conservation and efficient use of water as a guideline for our activities.

IMPACTS, MITIGATION OR REMEDIATION STRATEGIES, AND CHALLENGES

GRI 102-11 / 102-15 / 103-1 / 103-2 / 103-3 / 303-2
SASB EM-EP-160a.1 / SASB EM-EP-540a.2
CSA-DJSI 2.6 Water related risks

We engage in water-related risk analysis in the context of environmental impact studies. These studies characterize the resource available (supply), and identify the main parties using the resource in the zone (demand). They also assess impacts and the abiotic baseline. They determine potential demand for water and water supplies in groundwater and surface bodies located where the project will be executed.

In the areas we operate, no water resource stresses have been identified, although historically there have been periodic water shortages, especially in the dry season.

We use the World Resources Institute’s Aqueduct Water Risk Atlas (Aqueduct tool) to assess our portfolio water stress exposure.

Impacts	Mitigation or remediation strategies	Goals	
		Short term (1 year)	Medium term (5 years)
Water scarcity (real impact)	We analyse risks as part of our environmental impact studies.	Having a baseline for water resources in order to identify opportunities for saving and properly managing water resources.	Continuously monitoring water resource management by calculating our blue, grey, and green footprints, and taking the actions necessary to maintain minimum pressure on the resource.
Water sources contamination because of condensate spills or formation water (potential impact)	We have developed guidelines to use in the case of spills of either condensate or formation water. The plan also includes an educational component to train employees and contractors on what to do in the case of an emergency.	Adopting a tool for monitoring incidents and accidents. Training 100% of employees on emergency response. Developing a risk study associated with climate change and water resource management.	Ensuring compliance and correct execution of the Disaster Risk Management Plan. Implementing strategies to mitigate water-associated risks.
Conflicts with stakeholders over the availability of the resource (potential impact)	We develop studies to determine potential water supply and demand.	Doing strategic planning to define new projects and to properly manage water resources.	Continuously monitoring the availability of the resource and keeping communication channels open with stakeholders.
Drought (potential impact)	We prepare ourselves for possible eventualities and include several alternatives for water supply in the environmental impact studies presented as part of the licensing process. Drilling uses a reverse osmosis system for treating wastewater, taking it to a point at which it can be recycled, thus reducing the need to purchase or withdraw water.	Conducting an inventory of water use, including a characterization of processes and types of use, in order to generate a strategic roadmap focusing on the areas with the highest water consumption.	Continuing to recycle 90% of the water in the drilling stage.

INTERACTIONS WITH WATER AS A SHARED RESOURCE

GRI 303-1/ 303-2
CSA-DJSI 2.6 Water related risks

To ensure the operation does not affect availability of local water supplies, we establish a baseline prior to project implementation, so that, during the project, we can systematically follow-up and monitor surface bodies of water using a piezometer.

We use a matrix for classifying environmental incidents to estimate future changes in the local availability of water that could affect nearby population groups or ecosystem services.

After treatment by reverse osmosis at the drilling stage, we reuse production water in the operation to prepare drilling fluids and to spray roads to reduce particulate matter resulting from traffic.

We store rainwater in ponds, skimmers, and the cellars of non-drilled wells for later use in selected activities such as spraying roads or hydrostatic testing of lines and vessels.

IN 2020:

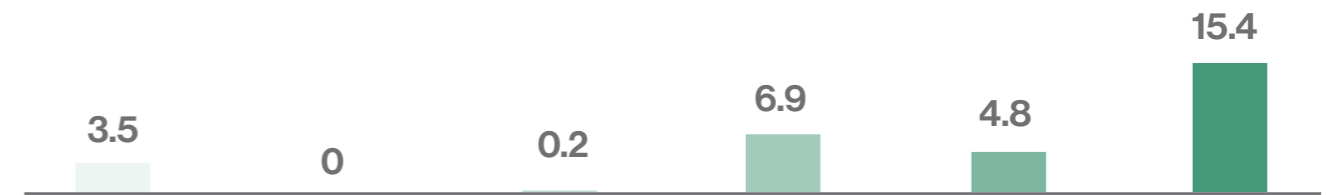
- We treated 7.1 mega litres of process water for recycling and reuse.
- We used 568 m3 of rainwater, tripling the use of rainwater from 2019 to 2020.

At Canacol we understand the importance of water, hence we take action to prevent exerting pressure on this resource.

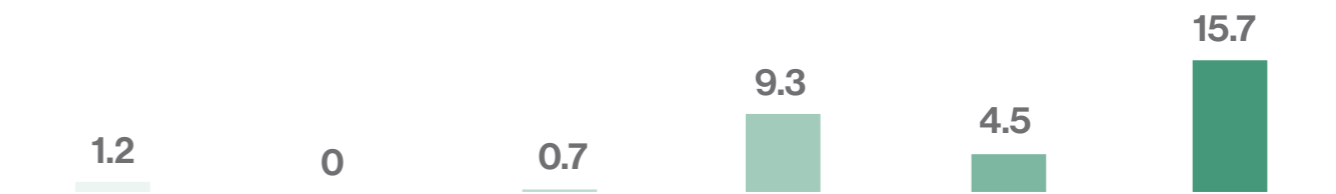
Water withdrawal by supply source (mega litres)

GRI 303-3
SASB EM-EP-140a.1
CSA-DJSI 2.3.4 EP Water consumption

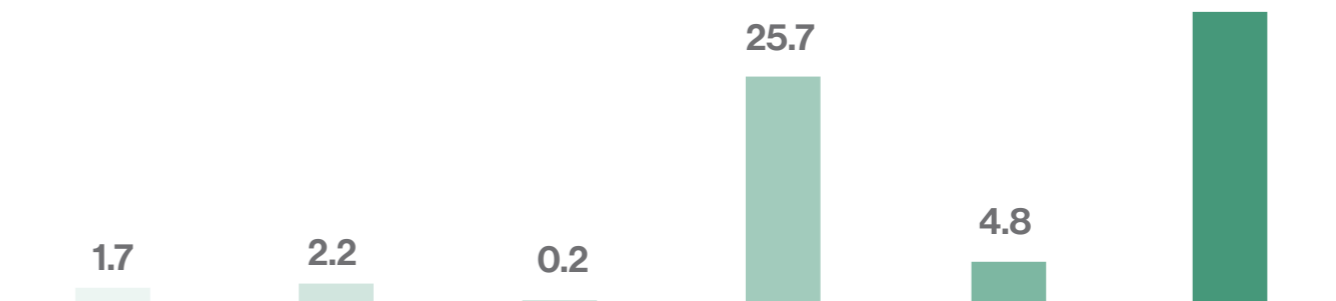
2017



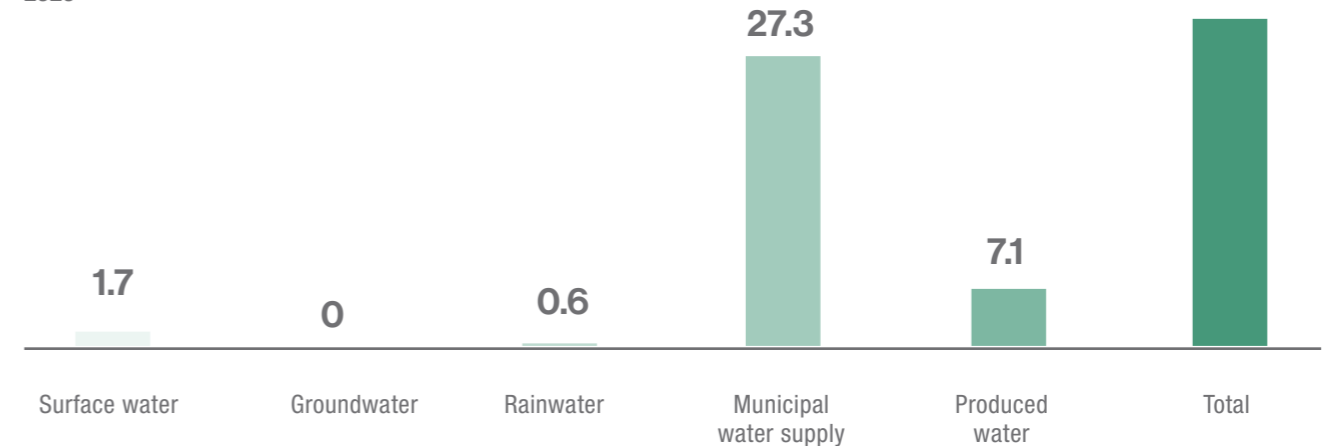
2018



2019³⁶



2020



36. The base year is 2019, when the company expanded the coverage of water consumption to include all of the Company's operations and contractors' activities that have an impact on the water cycle. These include civil works, drilling, compressor station operations, the construction of flow lines, and infrastructure upgrades or expansions.



Water consumption by source and activity 2020 (m³)

GRI 303-5

CSA-DJSI 2.3.4 EP Water consumption

	Activity	Rainwater	Withdrawal of surface water	Purchase	Recycling	Total
Direct activity	Production			7,506		7,506
	Platform modifications	50		99		149
	Roadwork			18		18
	Completion			478		478
Subcontracted activity	Flow line construction	126		306	61	493
	Platform construction	44		794		838
	Facility optimization			22		22
	Drilling	348	1,656	18,036	6,997	27,037
Total		568	1,656	27,259	7,058	36,541

Water consumption by use and activity 2020 (m³)

GRI 303-5

CSA-DJSI 2.3.4 EP Water consumption

	Activity	Domestic	Industrial	Total
Direct activity	Production	7,047	459	7,506
	Platform modifications		149	149
	Roadwork		18	18
	Completion	172	306	478
Subcontracted activity	Flow line construction		493	493
	Platform construction		838	838
	Facility optimization		22	22
	Drilling	4,956	22,081	27,037
Total	12,175	36,541	36,541	



WATER DISCHARGE

GRI 303-4

CSA-DJSI 2.3.4 EP Water consumption

SASB EM-EP-140a.2

During 2020 no untreated wastewater was directly discharged from our operations into the environment. We delivered wastewater to an authorized, expert third-party to manage the wastewater and to assure compliance with the regulations.

Wastewater generated
(mega litres / year)³⁷
2020

Leaching field

4.4

Water from third parties
and volume of the total
used by other organizations

14

37. Total water discharged and breakdown of that total by use. Data does not include water used to spray roads or sent to leaching fields after appropriate treatment.

Wastewater management by type of disposal (m³)

Type of activity		Leaching field	Recycling				Bioremediation	Discharge	Other	Total
			Preparation of mud	Site spraying	Road spraying	Drill				
Direct activity	Production	4,478.4					7,703		12,181	
	Third party production						2.95		2.95	
Subcontracted activity	Platform modifications						0.46		0.46	
	Construction of meter run						0.13		0.13	
	Flow line construction						3.56		3.56	
	Platform construction						1.18		1.18	
	Site maintenance						0.31		0.31	
	Facility optimization						0.9		0.9	
	Completion					162.64	223.11	121.63	507.38	
	Drilling		5,424.36	481.77	604.16	486.5		1,923.9	639.29	9,560.02
	Well testing							3,245.97		3,245.97
	Total		4,478.4	5,424.36	481.77	604.16	486.5	162.64	13,105.47	760.91

Volume of produced water (mega litres): Total formation water produced in our operations - gas blocks **93.3**

Discharges generated (mega litres): formation water delivered to third parties for treatment and subsequent discharge **10.47**

Percentage discharged: formation water delivered to third parties for treatment and subsequent discharge **11%**

Percentage injected: formation water treated and reinjected **89%**

Breakdown of total water discharged in all areas by destination (mega litres)

Destination 2020

Freshwater
(total dissolved solids ≤ 1000 mg/l)

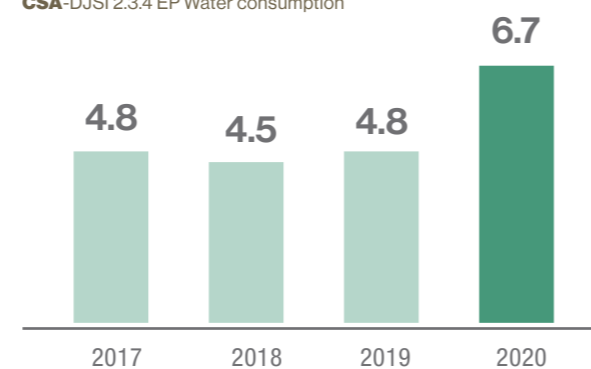
1.96

Other water
(total dissolved solids > 1000 mg/l)

11.1

Water from drilling activities reused and recycled (mega litres)

CSA-DJSI 2.3.4 EP Water consumption



- **27%** of all the water used in the drilling stage comes from rainwater and recycled wastewater treated with a reverse osmosis system.
- **78%** of the wastewater generated in the drilling stage was recycled back into the drilling operation or used to spray roads or prepare drilling fluids.

Liquid waste delivered to third parties or recycled (m³)

Activity	On site disposal	Delivery to authorized third party	Recycling	Total	
Direct activity	Production	4,478.4	7,703	12,181.4	
	Third party production		2.9	2.9	
Subcontracted activity	Platform modifications		0.5	0.5	
	Construction of meter run		0.1	0.1	
	Flow line construction		3.6	3.6	
	Platform construction		1.2	1.2	
	Site maintenance		0.3	0.3	
	Facility optimization		0.9	0.9	
	Completion		507.4	507.4	
	Drilling		2,801.7	6,758	9,560
	Well testing		3,246		3,246
	Total	4,478.4	14,267.6	6,758	25,504



Waste management

MATERIAL TOPIC: Waste management

GRI 103-1 / 103-2 / 103-3

SASB EM-EP-160a.1

SDG 12

Growing concerns about waste generation and its impact on the environment have led us to develop a long-term strategy to implement circular economy practices for waste management. We implement our initiatives with the active participation of contractors and suppliers, creating synergies that take advantage of the potential use of waste products in new productive processes. This not only mitigates environmental impacts, but also optimizes resources and reduce costs.

IN 2020:

46.7% of our total waste generated was used or sold.³⁸

***Recycling used oil.** We disposed of used oil through an authorized third-party. That third-party processed 6.3 tonnes of used oil from production and 2.4 tonnes of used oil from drilling contractors. The third-party refines the oil so it can be used in a new productive cycle, generating income from its sale, and decreasing waste generation based on its use by other companies.*

***Energy recovery from contaminated waste products.** We used 12,962.4 kg of contaminated waste to generate energy through incineration.*

38. Data included use and sold hazardous waste (used oil and incineration for heat generation) and non-hazardous waste (recyclables).

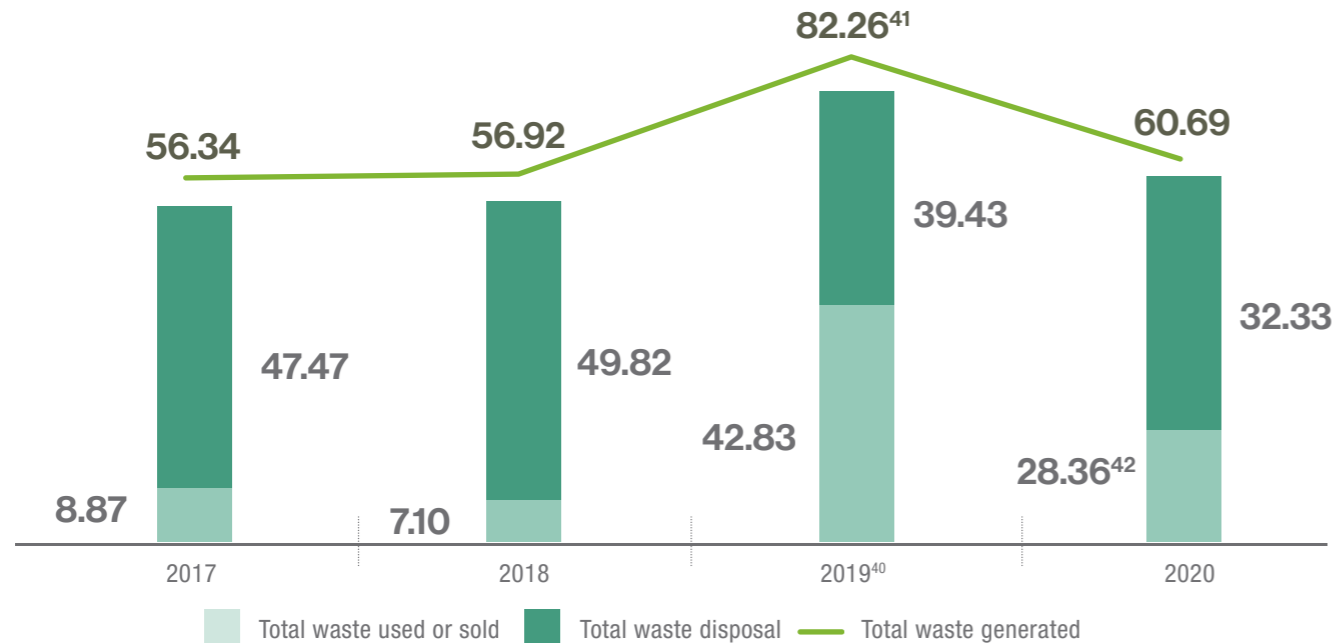
IMPACTS, MITIGATION OR REMEDIATION STRATEGIES, AND CHALLENGES

GRI 102-11 / 102-15 / 103-1 / 103-2 / 103-3 / 306-1
 SASB EM-EP-160a.1 / EM-EP-540a.2
 CSA-DJSI 2.3.5 EP Waste disposal

Impacts	Mitigation or remediation strategies	Goals	
		Short term (1 year)	Medium term (5 years)
Soil pollution from waste in sanitary landfills (real)	We deliver waste products to authorized third parties for incineration and energy recovery.	Renewing the agreement for energy recovery from waste.	Generating new strategies for waste recovery, broadening the spectrum of uses and increasing the quantity used.
High quantities of drill cuttings (real)	We use a drying agent to reduce the volume of cuttings generated. We treat drill cuttings and optimize the drilling process.	Establishing a system of metrics to specifically monitor the generation of drill cuttings.	Looking for additional mechanisms for reducing the area needed for the disposal of cuttings, thereby reducing the area intervened.
Spills of used oil (potential)	We build containment dikes to prevent spills of this type of waste.	Adapting a tool for monitoring incidents and accidents. Training 100% of employees on emergency response.	Ensuring compliance and proper execution of the Disaster Risk Management Plan. Implementing the right strategies for mitigating risks.

Direct waste generated, used, and disposed (metric tonnes)³⁹

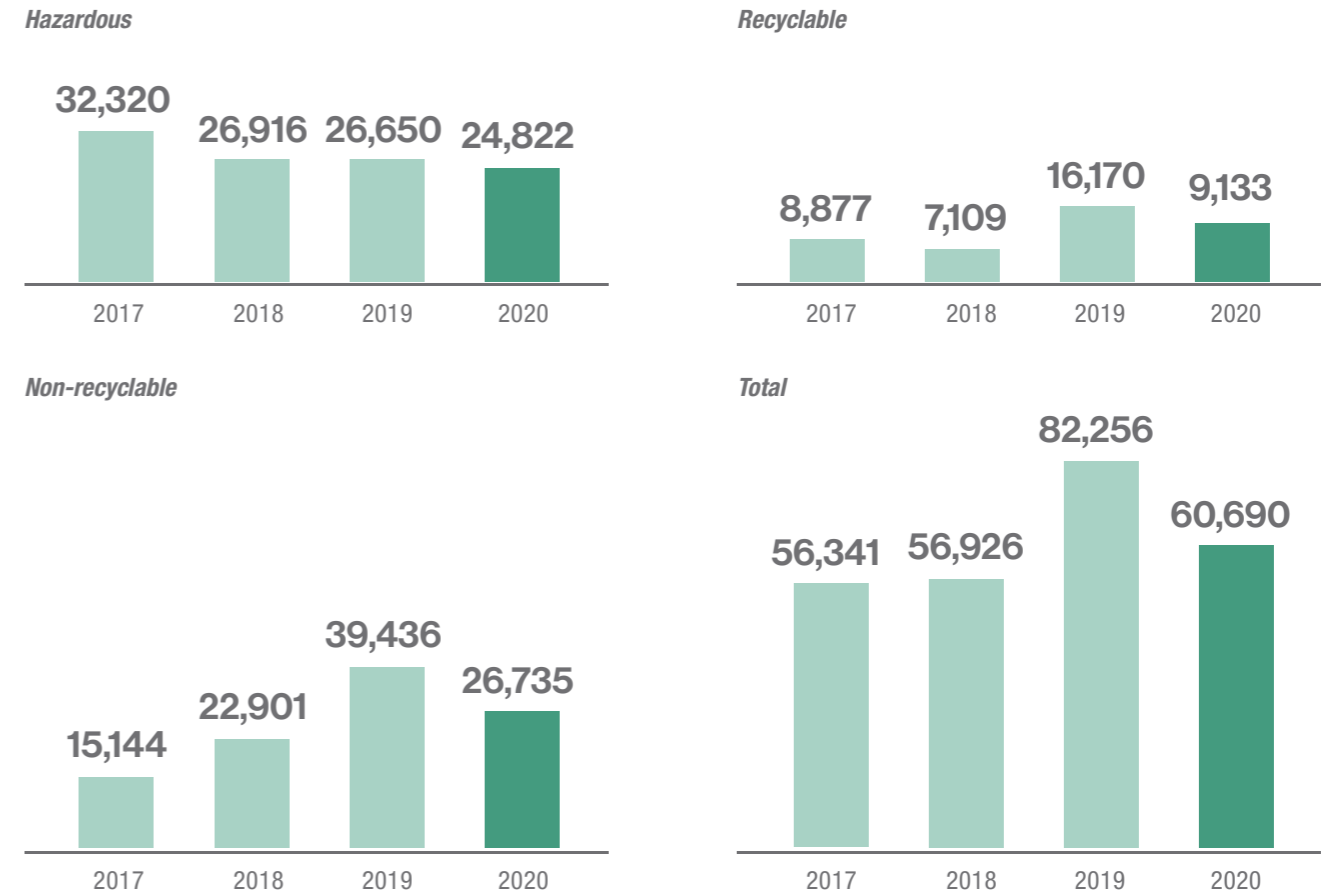
CSA-DJSI 2.3.5 EP Waste



39. Data includes only waste generated directly by the operation.
 40. The increase in 2019 was caused because of the different civil works, mechanical construction, and drilling activities made throughout the year.
 41. This data differs from the numbers reported as total in the 2019 Sustainability report as it excludes the indirect hazardous waste.
 42. Data refers to hazardous waste (used oil and incineration for heat generation) and non-hazardous waste (recyclables).

Direct waste generated by type (kg)⁴³

GRI 306-3
 CSA-DJSI 2.3.5 EP Waste disposal



Direct and indirect-waste generated by activity (kg)

GRI 306-3
 CSA-DJSI 2.3.5 EP Waste disposal

Activity	Hazardous	Non-hazardous	Total	
Direct activity	Production	24,411	35,188	59,599
	Third party production	411	679	1,090
Subcontracted activity	Drilling	49,655	37,133	86,788
	Platform modifications	978	614	1,592
	Civil works for improvements	320	22	342
	Flow line construction	582	1,603	2,185
	Platform construction	38	582	620
	Site maintenance	862	767	1,629
	Facility optimization	868	13,742	14,610
Total	78,125	90,330	168,455	

43. Figures include only waste generated directly by the operation.



Direct waste generated by composition (kg)⁴⁴

GRI 306-3

CSA-DJSI 2.3.5 EP Waste disposal

Hazardous waste									
Activity	Vegetable oil / Grease Trap (NR)	Used oil and lubricants (Y8)	Oil water (Y9)	Packaging and containers of hazardous substances (A4130)	Water-base mud (Y9)	materials impregnated with hydrocarbons (Y8)	DITHANE waste (Y4)	Luminaire and battery waste (Y29A130)	Total
Production	1,500	4,739	5,205	1,210	5,120	6,272.4	360	5	24,411.4
Third party production		18.4				392.2			410.6
Total	1,500	4,757.4	5,205	1,210	5,120	6,664.6	360	5	24,822

Non-recyclable				
Activity	Ordinary	Organic	Paper & Cardboard	Total
Production	6,155	20,325		26,480
Third party production	242		13	255
Total	6,397	20,325	13	26,735

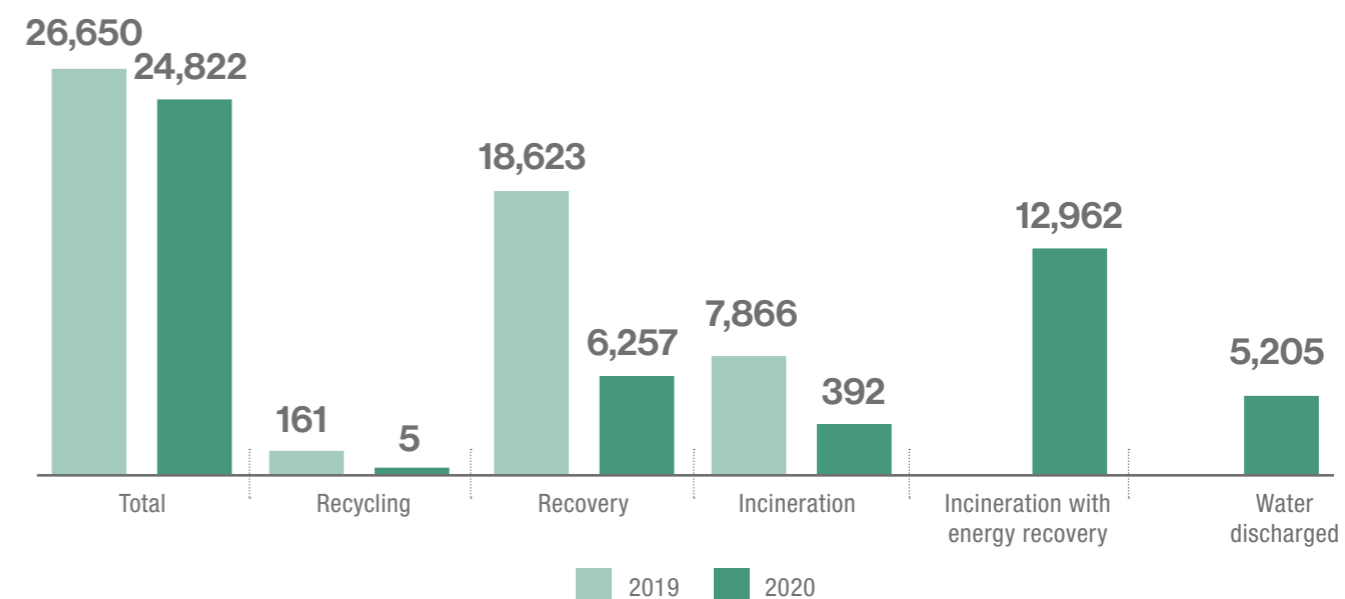
Recyclable						
Activity	Scrap metal	Ordinary	Plastic	Glass	Paper & Cardboard	Total
Production	2,130	3,329	1,394	119	1,735	8,707
Third party production		38			386	424
Total	2,130	3,367	1,394	119	2,121	9,131

HAZARDOUS WASTE

Direct hazardous waste by disposal method (kg)

GRI 306-2

CSA-DJSI 2.3.5 EP Waste disposal



Direct and indirect hazardous waste by activity and type of disposal (kg)

GRI 306-5

CSA-DJSI 2.3.8 EP Hazardous waste

Activity		Recovery	Recycling	Safety cell / Incineration	Incineration with energy recovery	Other	Discharge / PTAR	Total
Direct activity	Production	6,239	5		12,962		5,205	24,410
	Third party production	18		392				410
Subcontracted activity	Platform modifications			978				978
	Civil works for improvements			320				320
	Flow line construction		10	572				582
	Platform construction			38				38
	Site maintenance			28		834		862
	Facility optimization			868				868
	Drilling	2,445	17,093	19,237	8,615	88	2,178	49,655
Total		8,702	17,108	22,433	21,577	922	7,383	78,125

44. Figures include only waste generated directly by the operation.



Direct and indirect hazardous waste by disposal method (kg)⁴⁵

GRI 306-4 / 306-5

CSA-DJSI 2.3.5 EP Waste disposal / DJSI 2.3.8 EP Hazardous waste

Methods	2019	2020
Reuse	1,020	1,354
Recycling	25,390	15,754
Recovery	250	8,702
Incineration ⁴⁶	29,980	392
Incineration with energy recovery		21,577
Sanitary landfill ⁴⁷	3,100	22,041
Others	11,330	922
Discharge ⁴⁸		7,383
Total	71,070	78,125

- The increase in the figure for incineration is due to the generation of oily drilling mud.
- Directly-generated contaminated waste was delivered to the waste management operator ATICA, to incinerate it and make use of the residual heat.



Direct and indirect hazardous waste not for disposal (kg)

GRI 306-4

CSA-DJSI 2.3.5 EP Waste disposal / DJSI 2.3.8 EP Hazardous waste

Activity	Recovery		Total Recovery	Recycling				Total recycling	Total Reuse A4130	Total
	Used oil and lubricants (Y8)	Vegetable oil / Grease Trap (NR)		Electric and electronic (A1180)	Luminaire and battery waste (Y29A130)	Oil filter used (A3020)	Water-base mud (Y9)			
Flow line construction						10		10		10
Drilling	2,445		2,445	17	2		15,720	15,738	1,354	19,537
Production	4,739	1,500	6,239		5			5		6,244
Third party production	18		18							18
Total	7,202	1,500	8,702	17	7	10	15,720	15,753	1,354	25,809

45. Data includes waste generated by direct and subcontracted activities, in line with the existing regulations on waste management and extended corporate responsibility.
 46. The ashes of incinerated waste are normally moved to a safety cell, understood to be landfill.
 47. Includes direct and subcontractor-generated waste sent to a safety cell.
 48. This disposal method has been included starting with the 2020 report, and for that reason there is no information for the year 2019.

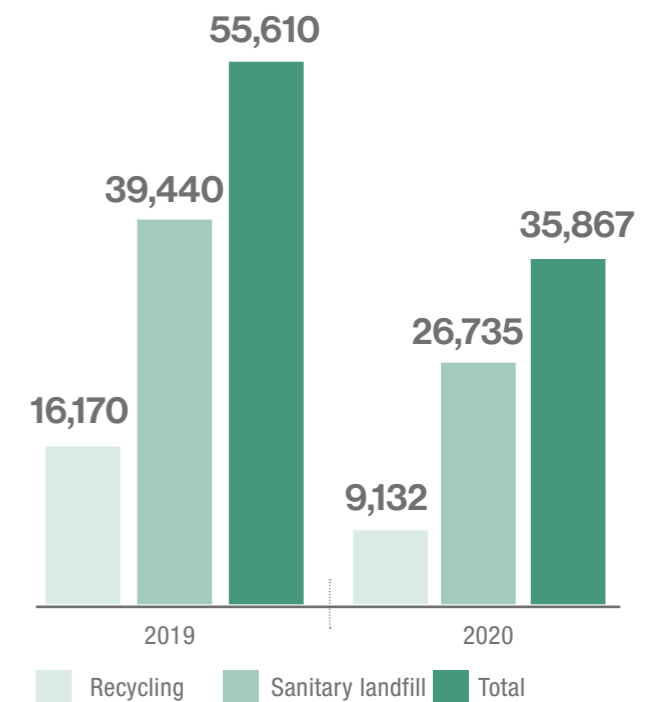
NON-HAZARDOUS WASTE

Non-hazardous direct waste by disposal method (kg)⁴⁹

GRI 306-4 / 306-5

CSA-DJSI 2.3.5 EP Waste disposal

Methods



49. Figures include only waste generated directly by the operation.

Non-hazardous direct and indirect waste by activity and disposal method (kg)

GRI 306-5
CSA-DJSI 2.3.5 EP Waste disposal

	Activity	Non-recyclable	Recyclable	Total
Direct activity	Production	26,480	8,707	35,188
	Third party production	255	424	679
	Platform modifications	483	131	614
Subcontracted activity	Civil works for improvements	16	6	22
	Flow line construction	1,417	186	1,603
	Platform construction	336	246	582
	Site maintenance	0	767	767
	Facility optimization	12,222	1,520	13,742
	Drilling	22,610	14,524	37,133
Total		67,085	23,245	90,330

Non-hazardous direct and indirect waste not for disposal, by activity (kg)

GRI 306-4
CSA-DJSI 2.3.5 EP Waste disposal

Activity	Recyclable							Total
	Glass	Scrap metal	Wood	Ordinary	Organic	Paper & Cardboard	Plastic	
Platform modifications							131	131
Civil works for improvements							6	6
Flow line construction							186	186
Platform construction							246	246
Site maintenance				355			412	767
Facility optimization						522	998	1,520
Drilling		2,156	5,873	1,158	40	1,890	3,407	14,524
Production	119	2,130		3,329		1,735	1,394	8,707
Third party production				38		386		535
Total	119	4,286	5,873	4,880	40	4,533	6,780	26,511

Non-hazardous direct and indirect waste for disposal (kg)

GRI 306-5
CSA-DJSI 2.3.5 EP Waste disposal

Activity	Non-recyclable				Total
	Rubble	Ordinary	Organic	Paper & Cardboard	
Production		6,155	20,325		26,480
Platform modifications		483			483
Civil works for improvements		16			16
Flow line construction		1,417			1,417
Platform construction		336			336
Facility optimization	10,000	2,222			12,222
Drilling		14,035	8,575		22,610
Extended tests		242		13	255
Total	10,000	24,906	28,900	13	63,819

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3
SASB EM-EP-160a.1

BY 2022

Quantify and verify 100% of the company's natural resource consumption and waste production, to establish related goals

BY 2024

Implement 100% of the Zero Waste model for Canacol's operations



Environmental monitoring of contractors

GRI 308-1
CSA-DJSI 1.6 Supply chain management

Strong environmental commitment and management hinge on everyone at our operation sites. Hence, we work closely with our contractors to ensure alignment of our environmental obligations, goals, metrics, and performance.

IN 2020:

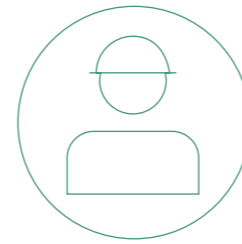
- **86.1% of our contractors complied with our environmental guidelines.**
- **73% of our contractors implemented a total of 53 environmental initiatives.**

CONTRACTORS' PERFORMANCE

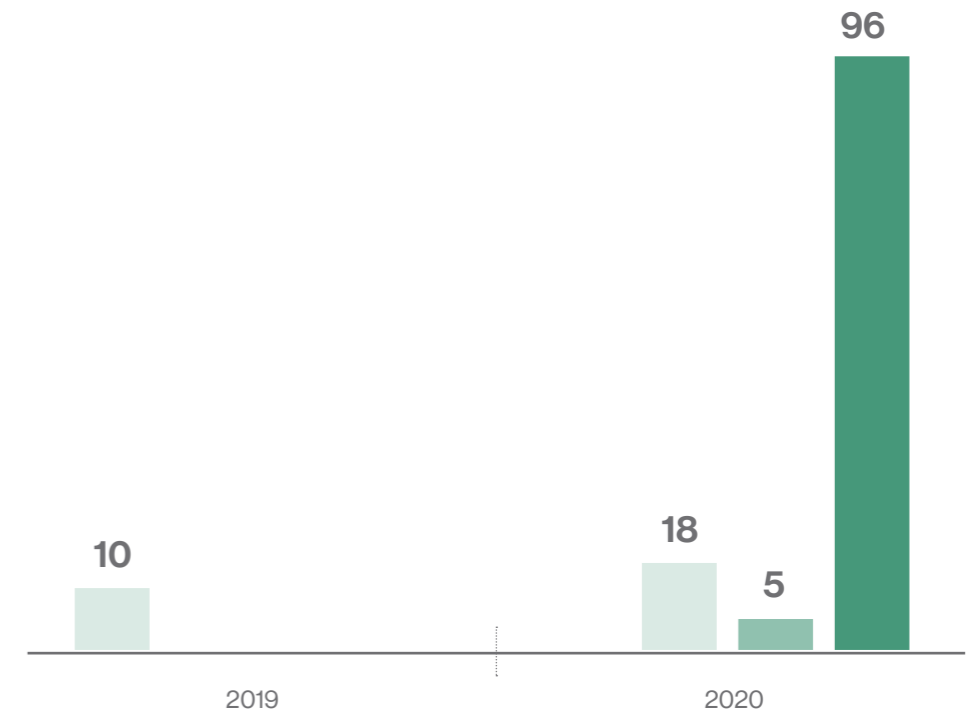
Guaranteeing the environmental compliance of our contractors is a priority for us. We regularly conduct assessments to verify contractor's performance, to identify possible issues and establish action plans and key indicators, as well to provide feedback on performance and reporting.

IN 2020:

- **100% of the high and medium-high environmental criticality contractors were evaluated.⁵⁰**
- **We identified 5 contractors with significant environmental impacts in major activities: civil works, drilling, and compressor stations. Regarding land use, energy consumption, carbon emissions and noise.**



- Contractors evaluated in accordance with environmental criteria
- Contractors with significant environmental impacts
- Employees' contractors trained



WE RECOGNIZED OUR CONTRACTORS' COMMITMENT AND PERFORMANCE

- Dina Express excelled in its environmental performance, obtaining a 99.5% score.
- Pioneer stood out with a 97.6% score and, its engineering controls that reduced noise levels in the neighbouring communities.
- UT JAS was recognized for its commitment and excellent data report and received a 97.5% score.

TRAINING PROGRAM

We provided environmental training to 96 contractors, certifying 35 environmental local professionals and 16 companies. As a result, our contractors have improved their environmental performance and reporting processes, as well as engaging in multiple initiatives.

50. The parameters to determine contractor's environmental criticality are the length of the service provided, the magnitude of the impact in terms of resources, the impact intensity, and the legal consequences. In 2020 we identified 12 contractors with high criticality, 6 with medium-high and 1 medium.

Environmental management at the Rancho Hermoso oil field

We operate the Rancho Hermoso oilfield under a participation agreement with Ecopetrol and are responsible for its environmental compliance, albeit Ecopetrol holds the environmental licence as principal owner of the contract with the National Hydrocarbons Agency (ANH).

Rancho Hermoso's contract makes up 1% of Canacol's production and there are no new E&P projects anticipated.

No reportable spills during 2020

SASB EM-EP-160a.2 / E.M-EP-540a.1

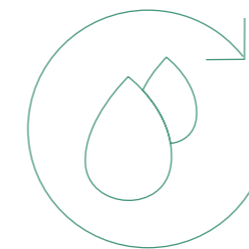
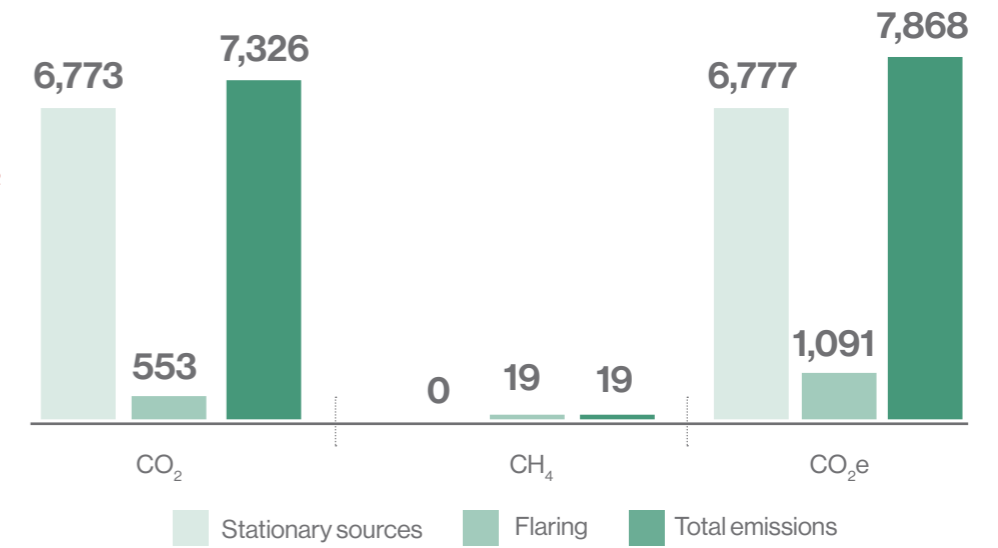
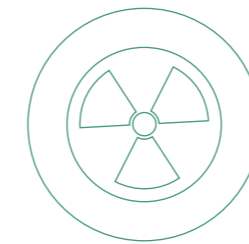
Energy consumption by operational activity and by source

GRI 302-1
SASB EM-EP-160a.1

Source	Total kW	Total GJ	%
Diesel self-generation	197,947	713	2%
Crude oil self-generation	3,150,971	11,343	33%
Production gas self-generation	6,310,932	22,719	65%
Total	9,659,850	34,775	100%

Annual GHG emissions (tonnes) by source scope 1

GRI 305-1
SASB EM-EP-110a.1 / SASB EM-EP-110a.2



Consumption of production water (m³)

GRI 303-5
CSA-DJSI 2.3.4 EP Water consumption
SASB EM-EP-140a.1

groundwater:
2,216

Discharges (m³)

GRI 303-4
CSA-DJSI 2.3.4 EP Water consumption
SASB EM-EP-140a.1

	Domestic wastewater	Industrial wastewater	Total
Other	385	757,214	757,599
Discharge (certified disposal – delivered to a third party)	2		2
Total	387	757,214	757,602

Solid waste management in production (kg)

GRI 306-3
CSA-DJSI 2.3.5 EP Waste disposal

Non-hazardous: **3,110** Hazardous: **715,343** Total: **718,453**



A transparent and ethical business



Good corporate governance gives our business a solid structure. It puts the conditions in place for strategic decision-making that balances protecting investors and shareholders with promoting fair and efficient capital markets. Moreover, it creates value and maintains competitiveness, and all of this improves our profile in domestic and international markets.

Our corporate governance is aligned with best global practices and trends. It follows standards and procedures and uses control mechanisms that protect shareholders' interests, respect and promote human rights, guarantee ethical behaviour and integrity, and ensure regulatory compliance⁵¹. We work constantly to strengthen our management and control bodies, fostering leadership and integrity, and building relationships of trust with all stakeholders.

We are in constant and open conversation with shareholders and other stakeholders, encouraging their active participation, because it's everyone's responsibility to safeguard ethics and transparency.

MATERIAL TOPIC:

Ethics, compliance and anti-corruption

GRI 103-1 / 103-2 / 103-3

CSA-DJSI 3.3.1. Human rights commitment

SASB EM-EP-210a.3

SDG 16

UNGC Principles 1 / 2 / 10

Board of Directors⁵²

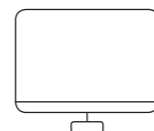
GRI 102-18 / 102-22
CSA-DJSI 1.1 Corporate governance

Canacol's highest authority is the Board of Directors, making the Company's critical and strategic decisions. The Board has five committees that provide direct oversight for economic, social, ethical, environmental, and legal issues. The committees are:

- Audit Committee
- Compensation Committee
- Corporate Governance and Nominating Committee
- Reserves Committee
- ESG Committee

IN 2020:

- *We formalized the ESG Committee, to be convened in the first quarter of 2021.*
- *Based on the Board of Directors' commitment to performance-based compensation practices, we continued to review plans to modify executive and director compensation to align it more closely with individual and corporate performance.*



52. For more information on our committees, please consult our webpage: <http://canacolenergy.co/sustainability/governance/>

Ethics, compliance, and anti-corruption

MATERIAL TOPIC: Ethics, compliance, and anti-corruption

GRI 103-1 / 103-2 / 103-3

CSA-DJSI 1.4 Codes of business conduct

SASB EM-EP-510a.2

SDG 16

UNGC Principle 10

Developing a corporate culture of ethics is an essential part of our Compliance Model. Integrity and transparency are essential parts of who we are and what we do in the corporate environment and beyond. We realize our objectives in a way that is responsible and creates value for everyone.

ETHICS AND COMPLIANCE SYSTEM

GRI 102-16 / 102-17

CSA-DJSI 1.4.1 Codes of conduct / DJSI 1.4.3 Corruption & Bribery /

DJSI 1.4.4 Systems / Procedures

SASB EM-EP 510a.2

The Ethics and Compliance System applies to every area and process at Canacol, and its scope encompasses shareholders, directors, administrators, employees, and all third parties involved. The system establishes commitments in business ethics, anti-money laundering and anti-financing of terrorism (AML/ATF). It establishes standards for conduct and controls that expressly prevent and prohibit acts of corruption or transnational bribery that could affect our local or international operations.

All our operations conform to the highest standards of conduct. As a result, during 2020 we had:

- **No cases of corruption or bribery**
- **No reports of breaches of the conduct and ethics code**
- **No cases related to unfair competition and anti-trust practices, and no penalties regarding actions against free competition.**



WE HAVE ROBUST POLICIES AND PROCEDURES THAT ENSURE COMPLIANCE AND SHIELD US FROM UNETHICAL PRACTICES

GENERAL FRAMEWORK FOR THE ETHICS AND COMPLIANCE SYSTEM

The framework's instructions and guidelines guarantee compliance with prevention mechanisms and the identification and reporting of operational, legal, and reputational risks associated with the business. The general framework for the Ethics and Compliance System describes the policies and requirements of our Ethics and Compliance System, which include: The Business Ethics System integrated by the Business Ethics Manual and other policies, and the Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) System, which includes the AML/ATF Risks Manual and other requirements.

PRIVACY POLICY

Our privacy policy governs all our operations, including contractors and suppliers. It dictates strict guidelines on the use and storage of personal information. We further ensure policy compliance with a single point of contact for handling all privacy issues and audits, reducing our exposure to data breaches and limiting communication between personal information and the public.

IN 2020, WE UPDATED OUR POLICIES AND PROCEDURES IN COMPLIANCE WITH APPLICABLE DOMESTIC AND INTERNATIONAL REGULATIONS

- **Business Ethics Manual:**
 - We merged this manual with the Anti-Corruption Manual to include aspects related to transnational bribery and other types of corruption.
 - We strengthened the Ethics and Compliance Committee and established the position of Alternate Compliance Officer. Having two officers (principal and alternate) is essential for ensuring compliance with the Anti-Corruption and Business Ethics systems, and for preventing money laundering and the financing of terrorism.
 - We adjusted the functions of the General Shareholders' Assembly, the decision-making process, and the reports presented by the Compliance Officer. We also updated the responsibilities of the Legal Representative for compliance with the Business Ethics System.
 - We included the Political Finance Policy, as expressly established by law.
 - We incorporated information about the creation of a dedicated online reporting channel.
- **Anti-Money Laundering and Anti-Terrorist Financing Manual.** We updated the functions of the General Shareholders' Assembly, the Compliance Officer and the Alternate Compliance Officer, the Legal Representative, the Statutory Auditor, and the Ethics and Compliance Committee.

- Corporate Governance Code
- Governance Guidelines for the Board of Directors
- General Framework of the Ethics and Compliance System
- Code of Ethics & Business Conduct
- Anti-Corruption Policy
- Whistleblower Policy
- Human Rights Policy
CSA - DJSI 3.3.4 Human Rights-Disclosure
- Human Rights Manual
- Workplace Harassment Prevention Policy
- Insider Trading Policy
- Sustainability Policy (HSEQ)
- Comprehensive Social Responsibility Policy
- Disclosure & Confidentiality Policy
- Corporate Governance and Nominating Committee Terms of Reference
- Compensation Committee Terms of Reference
- Audit Committee Terms of Reference
- Reserves Committee Terms of Reference
- ESG Committee Terms of Reference



<https://canacolenergy.com/sustainability/governance/>

REPORTING MECHANISMS⁵³

GRI 102-17
SASB EM-EP 510a.2

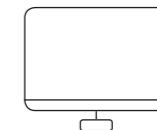
We immediately investigate, report and resolve all potential irregularities.

Intranet. Online whistleblowing channel for employees to report corruption, violations of the Business Ethics Manual, or any unusual or suspicious actions.

E-mail⁵⁴ for employees, contractors, and other stakeholders to report any violation of the Business Ethics Manual, corruption, or unusual or suspicious actions.

Independent online reporting channel. During 2020, we established a third-party-managed reporting channel to expand the scope of the Code of Ethics and Business Conduct and other compliance systems. It will be implemented during the first quarter of 2021.

Under no circumstances will anyone who files a report experience any kind of retaliation, censure, harassment, or disrespect from the Company or any of its partners. We take all measures necessary to prevent these things from happening.



53. For further information, go to: <http://canacolenergy.com/es/sustainability/our-approach/>

OTHER INITIATIVES IN 2020:

- We publicized the conflict-of-interest policy contained in the Business Ethics Manual.
- We performed and enhanced due diligence in multiple areas of the Company, especially in Social, Land, Procurement, and Human Resources, in line with Know Your Client (KYC) requirements. The resulting knowledge of our clients and their businesses, operations, and products, contributed in the identification, assessment, prevention, and mitigation of different corruption and money laundering risks.

No conflicts of interest reported by employees in 2020

GRI 102-25

WE HONED OUR CULTURE OF ETHICS

GRI 102-16 / 205-2
CSA-DJSI 1.4.3. Corruption & Bribery
SASB EM-EP-510a.2

We continuously train our employees to make sure they apply our guidelines. And we work with all areas – in line with their criticality – to give each team the skills and ability to determine and prevent risks.

In 2020, we organized 12 activities for training in new regulations, especially regarding ethical issues related to COVID-19.

195 (51%) employees received training on⁵⁵:

- The updated Ethics and Compliance System.
- New risks associated with AML/AFT and anti-corruption in times of COVID-19.
- Strengthening of due diligence in times of COVID-19.
- Disclosure and Confidentiality: Classification of personal information, responsibility for data processing, and updating the National Database Registry.

463

direct and indirect employees participated in the online corporate induction content regarding ethics and compliance and the Disclosure & Confidentiality Policy. All our employees received this training.

We held our Ethics and Compliance Week to raise awareness and promote conduct that reflects our corporate culture. During the week we:

- Reinforced corporate values through contests and activities with all the employees.
- 95 employees joined the session where we reiterated the importance of knowing and applying the General Framework for the Ethics and Compliance System, and how to access the different manuals.

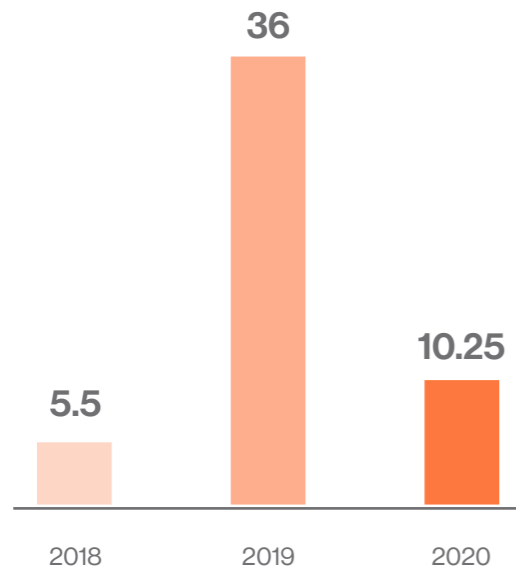


Communication and training by job categories, 2020



55. On the total value, there were employees who left the company before December 31, 2020.

Number of hours of ethics training per employee



All our employees receive ethics training through the C + Platform, our virtual training tool. In 2020, we incorporated information on ethics and compliance, personal information protection, and human rights.

WE PARTICIPATE IN DIFFERENT ARENAS PROMOTED BY THE COLOMBIAN NETWORK OF THE GLOBAL COMPACT

GRI 102-12

- Country consultation for the Action Platform for Peace, Justice, and Strong Institutions
- Consultation on UN SDG 16 – Promote just, peaceful and inclusive societies
- Compliance Officer Network meeting on private sector best practices for protecting whistleblowers
- Discussions on anti-corruption best practices

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3

Annually disclose breaches against the code of conduct and actions taken

BY 2021

Build the ESG Committee of the Board of Directors to monitor the performance of the company's sustainability strategy

Establish an independent reporting hotline that is available 24/7



BY 2022

Evaluate employee and Board of Directors performance linked to the ESG strategy

ESG training for 100% of the Board of Directors

Actions 2021:

- ▶ **ESTABLISH** regular ESG Committee meetings (twice a year) to evaluate ESG performance and identify strategic challenges and future plans
- ▶ **IMPLEMENT** the independent reporting channel
- ▶ **PUBLICLY** disclose infractions of the Code of Ethics and Business Conduct
- ▶ **INCLUDE** legal parameters for disclosing donations to political campaigns, political organizations, NGOs, and other tax-exempt groups



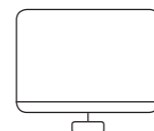
Human rights

MATERIAL TOPIC: Human rights
GRI 103-1/ 103-2 / 103-3 / 412-12
SDG 16
UNGC Principles 1 and 2
CSA-DJSI 3.3.1 Human rights commitment /
 DJSI 3.3.3 Human rights assessment
SASB EM-EP-210a.3

The oil and gas industry frequently operates in regions that pose significant challenges in human rights such as practices related to the operations' physical security, relations with ethnic communities, and freedom of association. Our approach is to anticipate and prevent direct and indirect impacts on human rights. To do that, we support global agendas such as the United Nations Global Compact, of which we have been a signatory since 2014, and the 17 Sustainable Development Goals (SDGs).

Our Human Rights Policy orients decision-making, responsible business management, and our relations with people and the environment. The policy reaffirms our commitment to respect and promote human rights as set out in the United Nations' Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at work. The Board of Directors and senior management establish guidelines for policy implementation in our activities, projects, and operations. Manuals and training ensure compliance by employees, suppliers, contractors, and the community.⁵⁶

We are strengthening our due diligence process to monitor any impacts we may cause on neighbouring communities, assess possible human rights violations in the Company's operations and activities, and take actions required for their prevention, mitigation, or remediation.



⁵⁶. For further information, go to:
http://canacolenergy.com/site/assets/files/2845/politica_de_derechos_humanos_cne_v6_-_human_rights_policy_-_traduccion.pdf

During 2020, no reports were received regarding human rights violations.

At Canacol we have a solid commitment to respecting and promoting human rights. Therefore, we reject human trafficking, forced and child labor, respect freedom of association, and the right to collective bargaining. We do not allow discrimination of any kind.

Canacol supports the following voluntary codes:

- United Nations' Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- United Nations Global Compact 10 Principles
- International Labour Organization Declaration on Fundamental Principles and Rights at Work
- Voluntary Principles on Security and Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social, and Cultural Rights

WE REINFORCED OUR HUMAN RIGHTS CULTURE IN A TIME OF CRISIS

GRI 412-2
CSA-DJSI 3.3.1 Human rights commitment
SASB EM-EP-210a.3

In 2020, we took action to keep the COVID-19 crisis from becoming a reason for noncompliance in human rights.

221 (58%) employees received training on⁵⁷:

- Human rights risks caused by the pandemic, emphasizing children, teenagers, and women's rights.
- Through a partnership between Canacol and Compensar,⁵⁸ 76 people, including employees and their family members, participated in a two-hour session on human rights as part of the Children's Day celebration.
- 147 employees took a human rights course called "Let's talk about something inherently human," with a special emphasis on protecting women, children, and teenagers, made up of five 2-hour training sessions.
- 74 employees received the training called, "Peer to Peer: Thinking about Human Rights for Life."
- 221 hours in training on human rights policies or procedures to direct and indirect employees

GRI 412-2

⁵⁷. On the total value, there were employees who left the company before December 31, 2020.
⁵⁸. Family Compensation Fund in Colombia.

PHYSICAL SECURITY AND HUMAN RIGHTS

GRI 410-1
SASB EM-EP-210a.3

The physical security area is responsible for ensuring our contractors meet the requirements for respecting and promoting human rights. We assess risks and evaluate each private security provider to guarantee alignment between operational activities and our human rights policy.

Our channels are open and available for all stakeholders to make complaints and file claims, including those related to human rights, using the CRCC program.

In 2020, we did not receive any complaints or claims connected with the Company's physical security contractors.

In 2020, we updated the Private Security Addendum to promote human rights and compliance with the International Bill of Human Rights and the Voluntary Principles on Security and Human Rights.

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3
SASB EM-EP-210a.3

For the next 6 years, train 100% of staff and the most critical contractors on the Human Rights policy

BY 2022

Include human rights evaluation criteria in the selection process for critical contractors and suppliers

Train 100% of the staff and critical contractors and suppliers in risk management



BY 2021

Develop and implement the corporate due diligence procedure in human rights to identify risks, and analyse their occurrence in operations and in the value chain

Train 100% of private security contractors on human rights issues

BY 2023

Audit 100% of the contractors and suppliers most at risk on human rights and due diligence issues

Actions 2021:

- ▶ **STRUCTURE** a matrix for human rights risks and impacts
- ▶ **PREPARE** the Human Rights Due Diligence Procedure Manual
- ▶ **BUILD** and disseminate follow-up and compliance indicators for the Human Rights Policy
- ▶ **IDENTIFY** the most critical and essential contractors, and begin training in human rights issues
- ▶ **TRAIN** teams responsible for executing human rights due diligence, including public security forces, private security providers, and other stakeholders
- ▶ **REVIEW** and update the Physical Security Addendum relative to monitoring human rights



Risk management

MATERIAL TOPIC: Risk and crisis management

GRI 103-1 / 103-2 / 103-3 / 102-11 / 102-15 / 102-30

CSA-DJSI 1.3 Risk & crisis management

SASB EM-EP-210a.3 / EM-EP-540a.2

We analyse our context and manage both risks and opportunities. This helps us prevent possible impacts, improve our planning systems, and achieve sustainable profitability that balances corporate growth with better quality of life for the communities where we operate and with environmental protection.

The Board of Directors and Canacol's leadership team constantly monitor the risk matrix. They establish comprehensive action plans to avoid and mitigate possible impacts from internal, strategic, and emerging risks. The Board is responsible for balancing risks with potential returns for the Company's shareholders. Management ensures systems are working to effectively monitor and manage risks from the perspective of our long-term viability and in the context of an annual review of associated risks.⁵⁹

Our risk matrix is aligned with the ISO 31000 Risk Management Principles and Guidelines of the International Organization for Standardization. We organize regular workshops with the areas to disseminate and document work plans and record new risks identified.

Canacol has made progress in risk management from a strategic point of view. Both operational and support areas now have baselines and action plans. We have reinforced the use of those baselines to plan and implement activities. We have more proactively identified risks and proposed preventive action plans.

Because organizational culture plays such a determinant role, during 2020 we organized training for employees to strengthen their risk management knowledge and skills. The training emphasized how important managing risks is to facilitate realizing corporate objectives.

INFORMATION TECHNOLOGY (IT)

CSA-DJSI 1.8 Information security / Cybersecurity & system availability

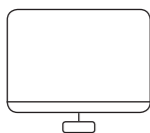
In 2020, in alignment with best international practices and standards, we:

- Analysed the technological context and its impact relative to the occurrence of possible cyber and digital risks.
- Identified risks and gaps in the framework of ISO 27001 / NIST and defined vulnerability management procedures and action plans.
- Implemented collaboration tools in support of remote work.
- Began the process to change the ERP software, evaluating complementary tools for financial reporting, to generate efficiencies and integrate the accounting, financial, and operational processes.
- Consolidated corporate data archives enhancing integrity, standardization, security, and information traceability.
- Created the geomatics unit to centralize and standardize geographic information data sets and, via a company-wide portal, provide this information to all areas of the Company.

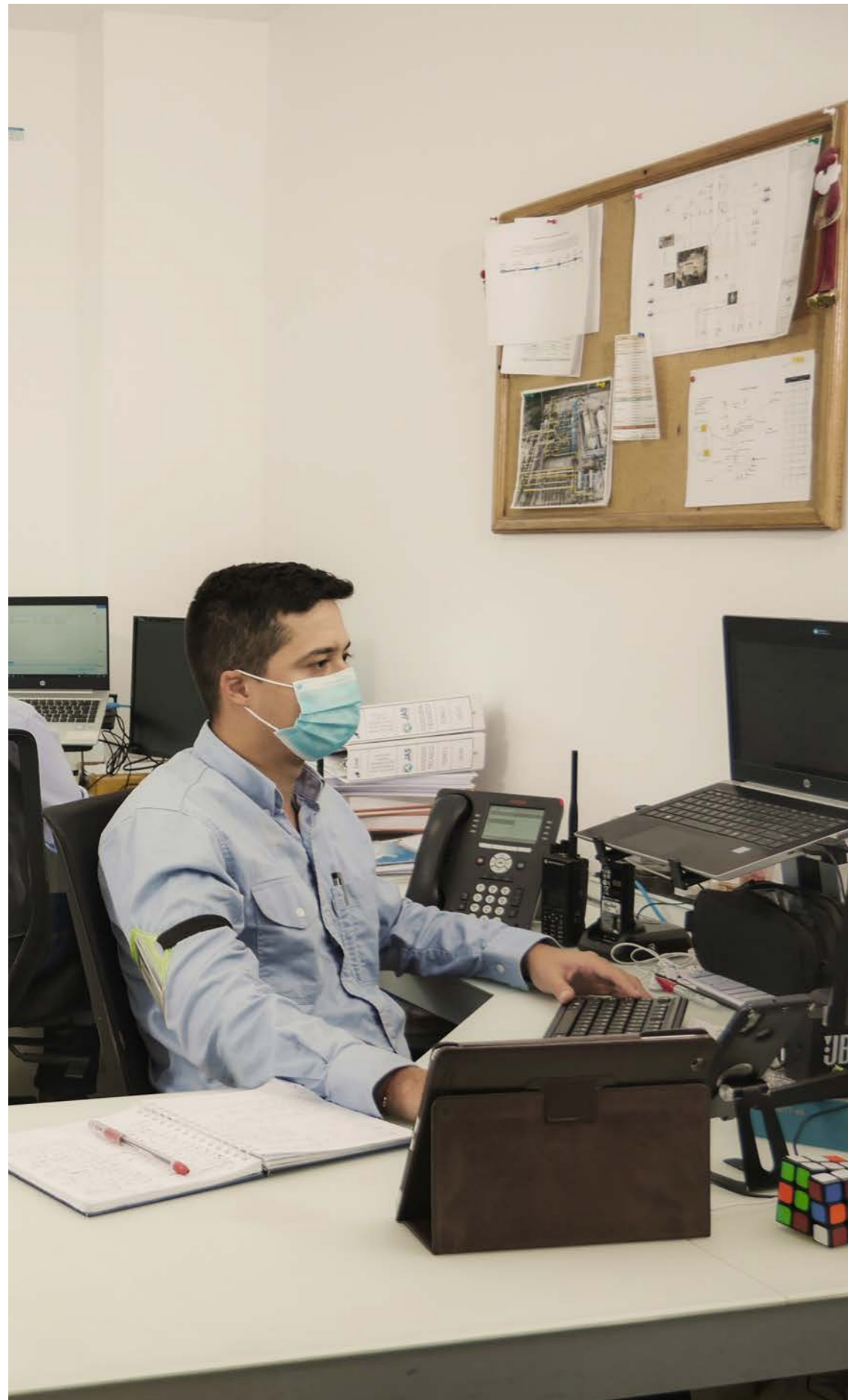
We developed campaigns to:

- Identify Canacol users' level of computer culture relative to ethical hacking, phishing, social engineering, and credential audits.
- Encourage the proper use of technological resources.
- Promote security in connection with the proper use of passwords and the prevention of cybercrime.

Our main objective is to secure and preserve one of the Company's most valuable assets: information.



⁵⁹ For further information, go to: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf



Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3

BY 2021

Define and communicate a company-wide Global Security Policy

Train 100% of staff and the most critical contractors in IT culture, including cybersecurity issues

Include ESG criteria in the evaluation and selection of ERP software

BY 2022

Achieve ISO 27001 certification for the Information Security Management System



BY 2025

Business decision-making must include analysis of ESG externalities for 100% of the Company's operation

Actions 2021:

- ▶ **ANALYSE** vulnerabilities and establish the Disaster Recovery foundations as part of the Business Continuity Plans
- ▶ **DEFINE** the strategic IT plan.
- ▶ **DEVELOP** a regular campaign to promote IT security awareness

A safe and **committed team**



Our team members drive our performance, and we are committed to their health and safety and to the development of an inclusive culture that guarantees well-being and growth. We want to be the employer of choice for Colombia's hydrocarbon workforce. Therefore, we have a competitive and equitable compensation and benefits model that recognizes the individual contribution of each employee. Our development and career plans enhance professional growth, raise employee engagement, and promote a work-life balance.

We strive to create a cooperative environment that boosts innovation, continuous improvement, knowledge transfer, and participatory leadership.

We offer decent, quality jobs that stimulate national and regional economic growth and development, and we are committed to the progress of local labour in the areas where we operate.

GRI 103-1/103-2/103-3

SDG 3/5/8

UNGC Principles 1/6



Our goal is to have a positive and long-term impact on people, families, and society.

Human resources management and culture

MATERIAL TOPIC: Talent management and culture
GRI 103-1 / 103-2 / 103-3

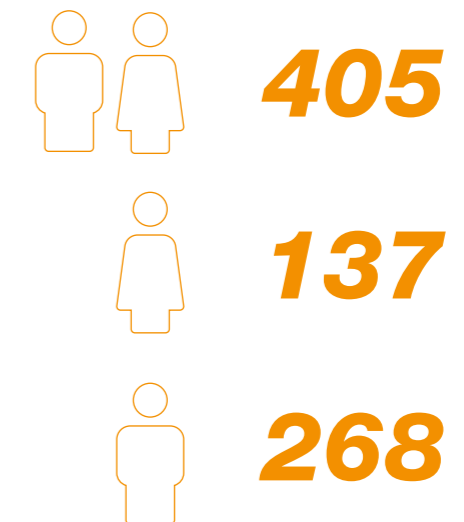
Building an organizational culture leveraged by solid corporate values is fundamental to developing a high-performing team that is committed, safe, proud, and capable of adapting to the dynamism of the energy industry.

Our strategies for attracting and retaining talent are competitive. Our labour practices ensure equity, development, and workplace wellbeing. In 2020 we scored 88% in our working climate survey, placing us 14 points above the regional market's average.

EMPLOYABILITY INDICATORS

In 2020.⁶⁰

Total employees:



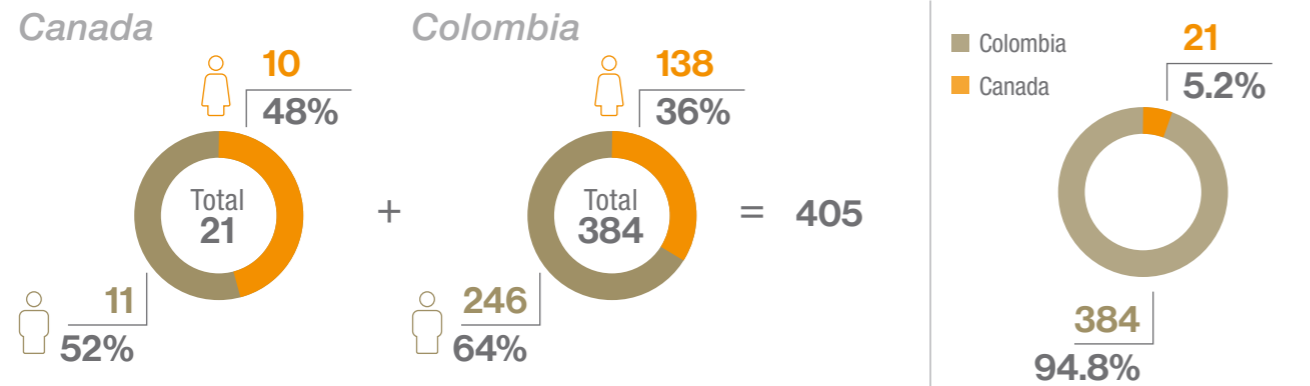
34% of our workforce and **30%** of our executives are women

60. Data includes Canada and Colombia

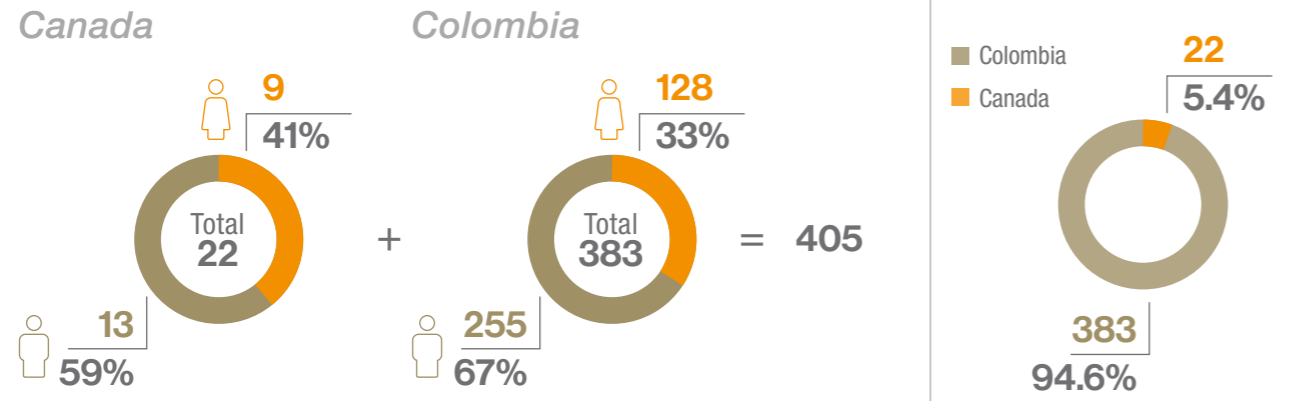
Total number of full-time employees by gender and region

GRI 102-8

2019



2020



CANADA

Employees by job category, age, and gender / Diversity of employees

GRI 102-8 / 401-1 / 405-1

CSA-DJSI 3.2.2 Workforce breakdown: gender / DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Job category	2019						2020					
	< 30 years		30-50 years		> 50 years		< 30 years		30-50 years		> 50 years	
Executives	0	0	2	1	0	1	0	0	1	1	1	1
Senior management	0	0	1	2	0	2	0	0	1	2	0	2
Junior management	0	0	2	1	0	0	0	0	2	1	0	0
Professionals	1	0	1	2	0	2	0	0	1	3	0	3
Administrative	0	0	3	0	0	0	0	0	2	0	1	0
Total by age and gender	1	0	9	6	0	5	0	0	7	7	2	6
Total	21						22					

Total number of new employee hires during the reporting period, by age group, gender and region / Diversity of governance bodies and employees / Gender Diversity

GRI 401-1

CSA-DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Report year	2019						2020					
	< 30 years		30-50 years		> 50 years		< 30 years		30-50 years		> 50 years	
Number of employees by gender	1		1		1		1		1		1	
Total number of hired employees	1						2					

Rate of new employee hires during the reporting period, by age group, gender and region

GRI 401-1

CSA-DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Report year	2019						2020					
	< 30 years		30-50 years		> 50 years		< 30 years		30-50 years		> 50 years	
Percentage of employees by gender and age range	100%						50%		50%		50%	

Employee turnover rate

GRI 401-1

CSA-DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Number of employees who leave the organization voluntarily or due to dismissal, retirement, or death in service	1 ⁶¹
Total employee turnover rate ⁶²	4.5%
Voluntary employee turnover rate ⁶³	0%

61. The employee was a female under 30 years.

62. Refers to the proportion of employees who leave an organization over the course of the fiscal year, expressed as a percentage of the total workforce. The term encompasses all separations, whether voluntary or due to dismissal, retirement, or death in service.

63. Voluntary employee turnover. Refers to the proportion of employees who choose to leave an organization during a determined period (often a year), expressed as a percentage of the total workforce.



COLOMBIA

Number of employees by job category, age, and gender / Diversity of employees

GRI 102-8 / 401-1 / 405-1

CSA-DJSI 3.2.2 Workforce breakdown: gender / DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Job Category	2019						2020					
	< 30 years		30-50 years		> 50 years		< 30 years		30-50 years		> 50 years	
Executives	0	0	0	2	1	4	0	0	0	0	1	7
Senior management	0	0	1	6	1	4	0	0	3	6	0	5
Junior management	0	2	12	20	2	6	0	2	13	23	1	4
Professionals	10	8	54	88	7	17	11	9	44	83	5	17
Administrative	28	28	17	53	5	8	24	28	21	58	5	13
Total by age and gender	38	38	84	169	16	39	35	39	81	170	12	46
Total	384						383					

Number of employees by employment contract and gender

GRI 102-8

Type of employment contract	2019		2020	
Open-ended	106	168	98	172
Fixed-term	14	54	16	52
Apprentices	10	6	9	4
Temporary ⁶⁴	8	18	5	27
Total by gender	138	246	128	255
Total	384		383	

New employee hires by age and gender

GRI 401-1 / 405-1

CSA-DJSI 3.2.2 Workforce breakdown: gender / DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Year reported	2019						2020					
	< 30 years		30-50 years		> 50 years		< 30 years		30-50 years		> 50 years	
Number of employees by gender	3	16	13	54	3	8	9	6	11	26	2	7
Number of employees by age cohort	19		67		11		15		37		9	
Total number of hires	97						61					

64. Employees with a temporary contract are hired through temporary employment agencies.

New employee hires by age, and gender (percentage)

GRI 401-1 / 405-1

CSA-DJSI 3.2.2 Workforce breakdown: gender / DJSI 3.5.1 Hiring / DJSI 3.5.6 Employee turnover rate

Reporting year	2019						2020					
	< 30 years		30-50 years		> 50 years		< 30 years		30-50 years		> 50 years	
Percentage by gender	5.3%	18.6%	10.6%	50.4%	2.7%	12.4%	14.8%	9.8%	18%	42.6%	3.3%	11.5%
Percentage by age cohort	23.9%		61.1%		15%		24.6%		60.6%		14.8%	

Total number of employees who left the organization

GRI 401-1

CSA-DJSI 3.5.1 Hiring / CSA-DJSI 3.5.6 Employee turnover rate

	2020					
	< 30 years		30-50 years		> 50 years	
Number of employees by gender	5	5	14	30	9	7
Number of employees by age cohort	10		44		16	
Total	70					

Historic employee turnover rate

GRI 401-1

CSA-DJSI 3.5.1 Hiring / CSA-DJSI 3.5.6 Employee turnover rate

	2017	2018	2019	2020
Colombia - Total employee turnover rate ⁶⁵	10.9%	19.7%	21.5%	20.5%
Colombia - Voluntary turnover rate ⁶⁶	7%	5%	4%	2.6%

Employee turnover rate by age, and gender

GRI 401-1

CSA-DJSI 3.5.1 Hiring / CSA-DJSI 3.5.6 Employee turnover rate

	2020					
	< 30 years		30-50 years		> 50 years	
Percentage by gender	7.1%	7.1%	20%	42.9%	12.9%	10%
Percentage by age cohort	14.2%		62.9%		22.9%	
Colombia - Total employee turnover rate	20.5%					
Colombia - Voluntary turnover rate	2.6%					

65. Refers to the proportion of employees who leave an organization over the course of the fiscal year, expressed as a percentage of the total workforce. The term encompasses all separations, whether voluntary or due to dismissal, retirement, or death in service.

66. The voluntary turnover rate includes only those employees who left the job voluntarily via resignation.

WE STRENGTHEN LOCAL TALENT

GRI 102-8

Committed to promoting local growth and development, during 2020 we hired 59% of all skilled workers locally through the governments' Public Employment Service portal.

We complied with hiring 100% of unskilled labour locally, and once again exceeded by almost double the local skilled hiring requirement.

Local employment in synergy with our contractors. We promote careers and rotate fixed-term opportunities to stimulate local economic growth, development, and workforce participation.

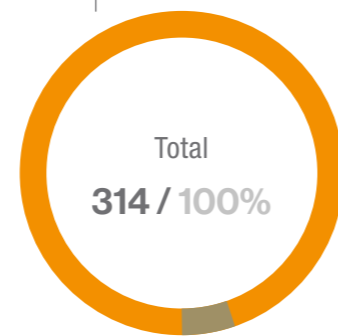
Proof of our commitment to developing local talent in Cordoba, Sucre, and Casanare during 2020, we generated 1,904 jobs locally, 82% through our contractors.

Direct hires 2020

Skilled labour

Local

300 / 95%



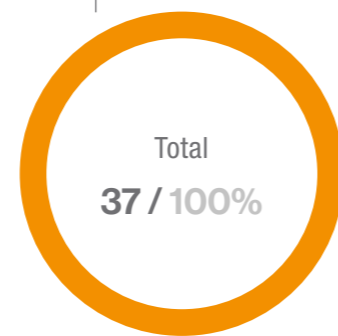
Non local

14 / 5%

Unskilled labour

Local

37 / 100%

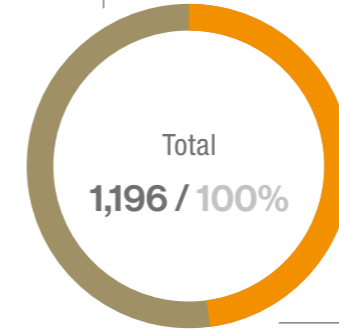


Indirect contractors and subcontractors

Skilled labour

Local

589 / 49%



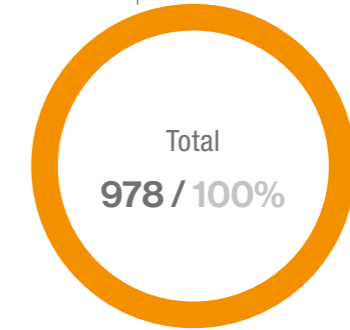
Non local

607 / 51%

Unskilled labour

Local

978 / 100%



TRAINING AND DEVELOPMENT

GRI 404-2

CSA-DJSI 3.4.2 Employee development programs

We invest in the empowerment and professional growth of our team.

We encourage employees to participate in projects that positively impact the business, foster innovation, and fulfil their professional ambitions. Our training and development programs develop the soft and technical skills they need to advance in their career paths. We identify specific training requirements using performance evaluations and direct validations with supervisors.

100% of our employees have a tailored professional development plan that includes technical, teamwork, leadership, and communication modules.

Our training and development programs are inclusive and applicable to all employees.

We update our training matrix annually, to align the types of training that are offered with the relevant strategic objectives, projects, and goals for the year.



TECHNICAL TRAINING

Through online training, during 2020, we achieved greater coverage of topics. We offered 25 relevant modules for our business and employee development plans with more than 1,200 participations during the year.

100%

of our employees participated in training and development programs.

14,625

training hours were provided to employees.

We 9x the number of training hours offered compared to 2019.

Topics covered	Mode	Number of participating employees	Number of participating contractors
Strategic management	Online	57	1
Gas market update in Colombia	Online	104	0
Energy management for a competitive gas business	Online	50	1
Basics of hydrocarbon geology for non-geologists, for personnel selected in accordance with requirements	Online	89	1
Fundamentals of basic completion and work over operations	Online	62	2
Geodesy and photogrammetry workshop for land personnel	In person	2	0
Petroleum for non-oil people, for selected personnel in accordance with requirements	Online	50	0
International treasury management	In person	1	0
Best practices for contract administrators	Online	76	1
Seminar on information for tax reporting, for the finance area	In person	3	0
Seminar on the law for economic growth and tax reform, for the Finance area	In person	2	0
Tax seminar 2020	In person	2	0
Workshop on magnetic media, for the Finance area	In person	3	0
Specialization in human resources management	In-person and online	1	0
Leadership - CESA	Online	68	1
Open English, for selected personnel as required	Online	51	0
Successful online presentations, key factors for improving online presentations for selected personnel as required	Online	27	0
Development program	Online	160	2
Program for operations and some area leaders. Tools for efficiently executing projects	Online	31	0
Successful business ventures and models	Online	101	4
Colombian economy after the pandemic	Online	27	2
The economy beyond the pandemic	Online	79	6
The effects of COVID-19 on labour markets	Online	49	1
Learn and win for leaders	Online	24	0
Leading in times of adversity, for leaders	Online	52	0

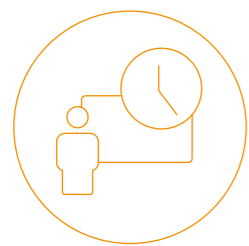
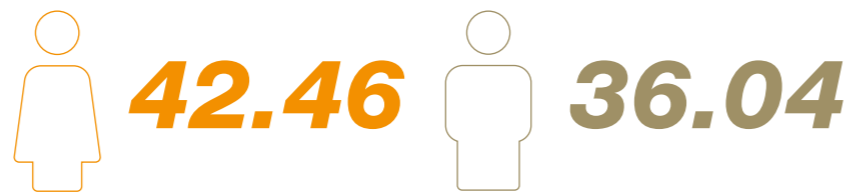
TRAINING INDICATORS

Investment in training programs (dollars)



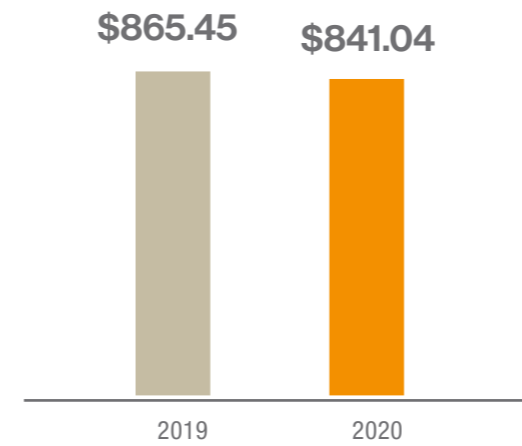
Average number of training hours by gender and job category

GRI 404-1

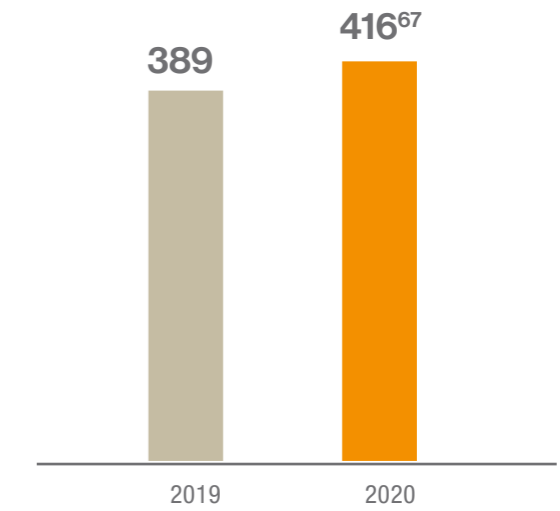


Average investment in training per employee (dollars)

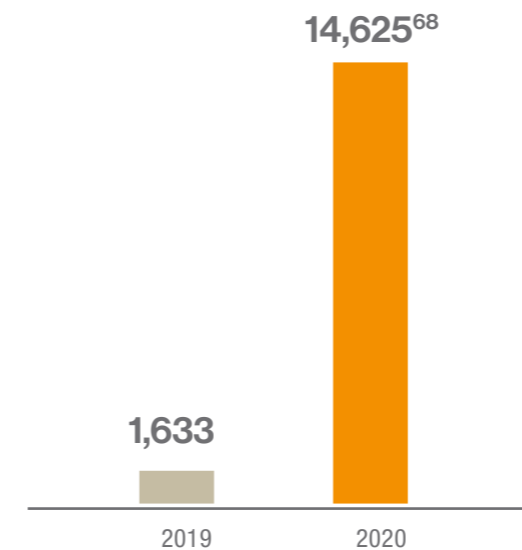
CSA-DJSI 3.4.1 Training & development inputs



Number of people trained



Hours of training provided

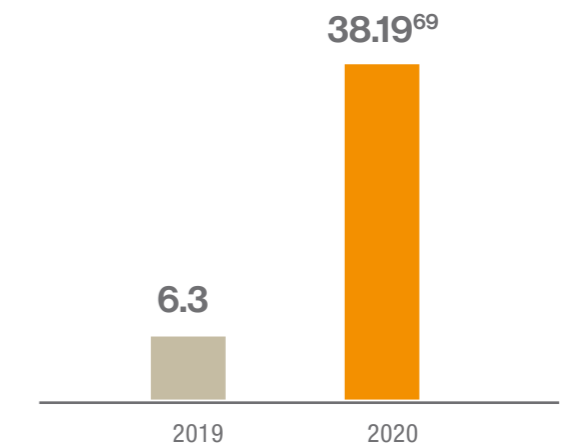


Average hours of training provided per employee

GRI 404-1

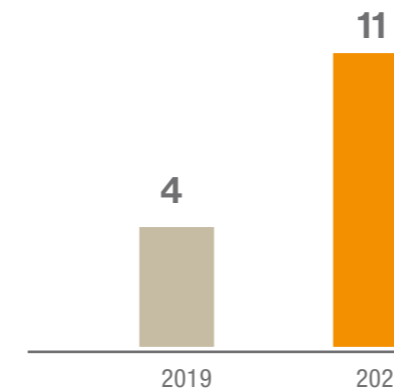
SASB HC 101-15

CSA-DJSI 3.4.1 Training & development inputs



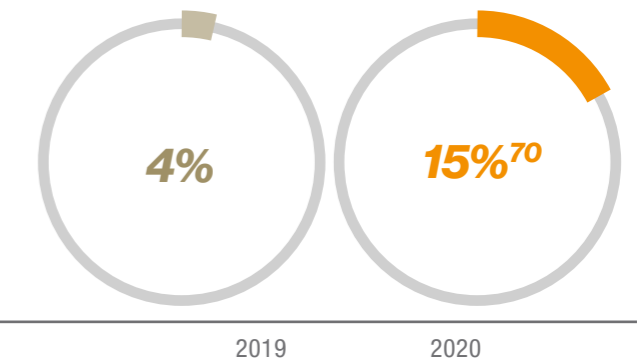
Vacancies filled by internal candidates

CSA-DJSI 3.4.1 Training & development inputs



Percentage of vacancies filled by internal candidates

CSA-DJSI 3.4.1 Training & development inputs



67. This number includes employees by the end of the year as well employees that left the Organization before the end of the year but still received training.
 68. This figure increased in 2020 because training hours were recorded on the Virtual Training Platform (C+).
 69. Average training hours per employee = (total number of training hours provided to employees / total number of employees by end of 2020).
 70. In 2020, 11 vacancies for skilled laborers were filled internally by contractors working directly with the Company, out of the 71 vacancies during the year.

INDIVIDUAL PERFORMANCE ASSESSMENT

GRI 404-3
CSA-DJSI 3.541 Type of individual performance appraisal

100% of our employees received individual performance evaluation feedback.

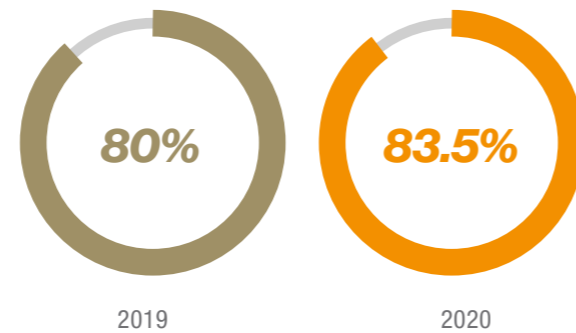
We measure performance using fair and transparent criteria.

All indicators for performance and achievements are measurable, systematic, and managed objectively.

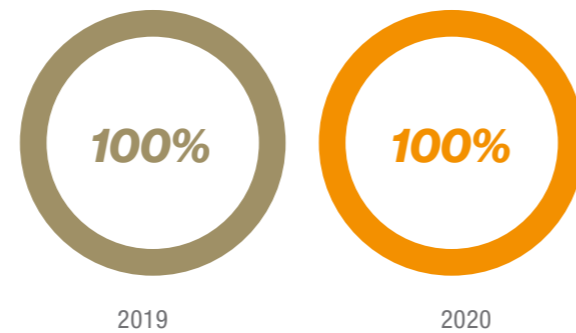
The performance evaluation uses a 180° appraisal process, which includes internal and external clients' feedback, permitting a more in-depth look at performance.

Type of evaluation (percentage of employees assessed)

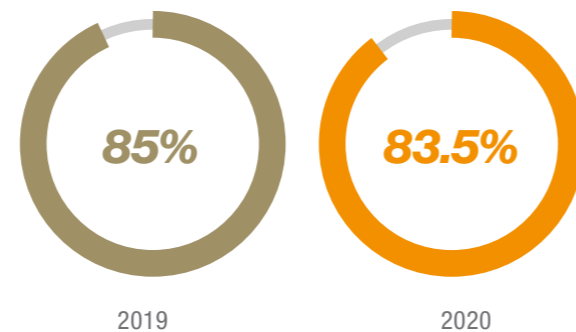
Management by objectives: systematic use of measurable target agreements



Multidimensional performance appraisal (e.g., 360° feedback)



Formal comparative ranking of employees within an employee category

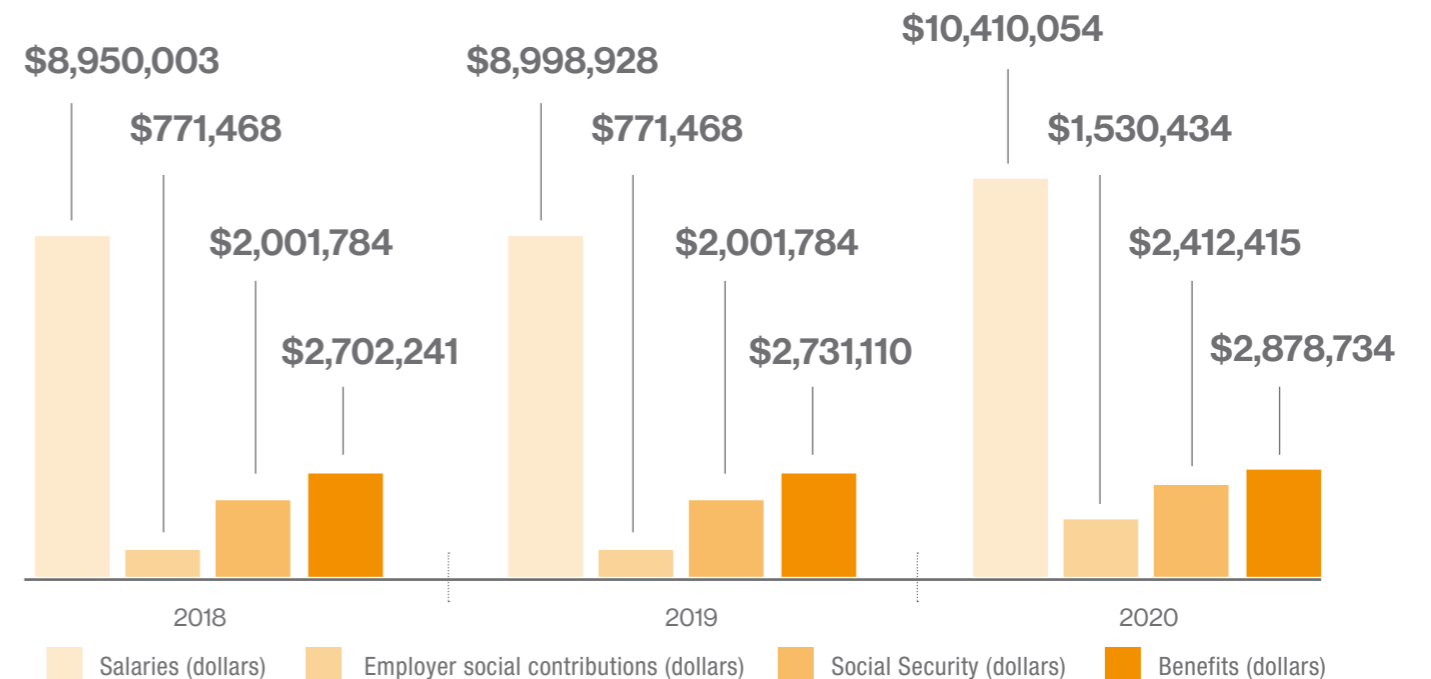


WELLNESS AND QUALITY OF LIFE

GRI 401-2
CSA-DJSI 3.5.5 Long-term incentives

Guaranteeing our employees' well-being is one of our main priorities. At Canacol, we develop strategies and practices that ensure our employees' emotional, physical, mental, and financial well-being, while contributing to their personal and professional development in a positive work environment.

CSA-DJSI 3.4.3 Human capital return on investment



EMPLOYEE SATISFACTION

We offer career assessments to help define development programs. We also use psychosocial risk assessment tools, the monitoring and feedback phases in the annual performance management cycle, and working climate surveys.

Based on the results of those evaluations, we establish strategic benefit partners such as private funds, universities, and insurers.

We impact lives and societies

Retirement plans are included in this exercise. They are designed to meet the expectations of employees and offer them the resources they need during this transition period.

GRI 404-2

WE OFFER NON-MONETARY BENEFITS

Our benefit portfolio helps us to attract and retain the best talent, and to improve their satisfaction and productivity. The non-monetary benefit portfolio is designed and adjusted based on employee expectations and preferences.

The collective employment agreement covers 72.8% of our employees, who receive the benefits stipulated in that agreement as well as the mandatory regulated benefits.

BENEFLEX is a portfolio of flexible, “à la cart” benefits that promote a balance between our employees’ work and personal life and allows each to choose the mix generating the greatest value for their individual circumstances.

Distribution of benefits 2020	Number of employees covered	Percentage of employees covered / total payroll	Investment (dollars)	Percentage of cost benefits/ Total cost in benefits
Mandatory regulated benefits ⁷¹	191	54.42%	\$104,108	58.3%
Flexible benefits: BENEFLEX	47	13.39%	\$13,109	7.3%
Union benefits	113	32.19%	\$61,477	34.4%
Total payroll ⁷²	351	100%	\$178,694	100%

EVALUATING OUR BENEFIT PORTFOLIO

In 2020 we evaluated our employees’ satisfaction regarding flexible and fixed benefits.

The results were:

- We invited 261 employees to participate as potential affiliates of the flexible portfolio of benefits. A total of 168 participated.
- We discussed fixed benefits with all employees, and flexible benefits with BENEFLEX affiliates.

We confirmed that employees are satisfied with fixed benefits, especially with the prepaid healthcare plan, the Sodexo grocery card, and the corporate bonus. Adjustments to the flexible benefit options were made including new options supporting COVID-related remote work circumstances.

DIVERSITY, INCLUSION, AND EQUITY

MATERIAL TOPIC: Diversity, inclusion, and equity
GRI 103-1 / 103-2 / 103-3 / 405-1
CSA-DJSI 3.2.2 Workforce breakdown: gender / DJSI 3.3.1 Human rights commitment
SDG 5

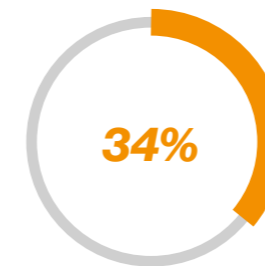
Diverse and inclusive work environments help attract and retain human talent, build reputation, and increase our competitiveness in the global market.

According to a study done in 2020 by the Colombian Petroleum Association (ACP), women make up 27% of the workforce in the country’s petroleum industry. At Canacol, we set the pace, with women making up 34% of our workforce.

Gender equity, Colombia and Canada

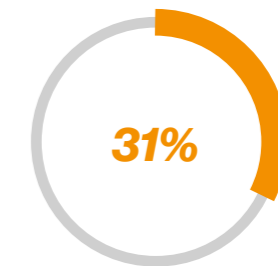
GRI 405-1
CSA-DJSI 3.2.2 Workforce breakdown: gender

Share of women in total workforce (as percentage of total workforce)



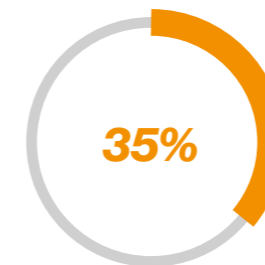
2020

Share of women in all management positions, including junior, middle and top management (as percentage of total management positions)



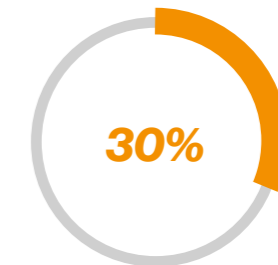
2020

Share of women in junior management positions, first level of management (as percentage of total junior management positions)



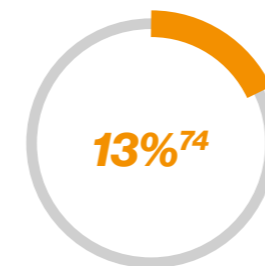
2020

Share of women in top management positions - maximum two levels away from the CEO - (as percentage of total top management positions)⁷³



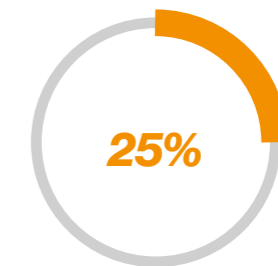
2020

Share of women in management positions in revenue-generating functions (as percentage of all such managers)



2020

Share of women in STEM-related positions (as percentage of total STEM positions)



2020

71. Colombian employees excluding fixed-term.
 72. Data refers to Colombian non-monetary benefits excluding fixed-term employees.

73. Top management includes CFO, COO and Vice-presidents.
 74. By the end of 2020 there were 3 women in management positions in the operational teams in Canada and Colombia.

WE ARE COMMITTED TO REDUCING GENDER GAPS

Our strategies focus on:

- Equitable participation in development and training programs.
- Equitable compensation decisions regarding salary level and market band.
- Guaranteeing 100% employee participation in professional development workshops.
- Career assessment for all employees in executive and management positions.

- Across-the-board development of leadership skills.
- 100% employee participation in the annual performance management cycle.

According to our most recent work-climate measurement, 91% of the women surveyed said Canacol encouraged and motivated them.

Salary equity Canada

GRI 405-2
CSA-DJSI 3.2.5 Gender pay indicators

Employee Level	2020		
	Average salary women (dollars)	Average salary men (dollars)	Ratio (average salary women / average salary men)
Executive (base salary only)	\$241,880	\$379,352	0.64
Executive (base salary + other cash incentives)	\$525,524	\$1,004,780	0.52
Management (base salary only)	\$161,158	\$178,019	0.91
Management (base salary + other cash incentives)	\$260,368	\$345,782	0.75
Non-management	\$102,575	\$98,616	1.04

Executive salary including other cash incentives, varies due to differences in length of time employed, responsibilities, and potential liabilities. For the last two years we have made significant strides by promoting two females from within Canacol, yet male executives have a much longer tenure as executives than females.

Salary equity Colombia⁷⁵

GRI 405-2
CSA-DJSI 3.2.5 Gender pay indicators

Employee level	2020		
	Average salary women (dollars)	Average salary men (dollars)	Ratio (average salary women / average salary men)
Executive (base salary only)	\$154,663	\$137,477	1.13
Executive (base salary + other cash incentives)	\$182,123	\$156,818	1.16
Management (base salary only)	\$152,125	\$103,801	1.47
Management (base salary + other cash incentives)	\$182,924	\$118,612	1.54
Non-management	\$20,809	\$25,255	0.82

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3

BY 2022

Obtain EQUIPARES Platinum label from the Ministry of Labour and the UNDP

Establish a corporate strategy that targets diversity and inclusion issues for 100% of employees

BY 2025

Become a national referent in the implementation of diversity and inclusion programs and policies

BY 2024

Obtain EQUIPARES Gold label by the Ministry of Labour and the UNDP

75. We calculated women and men with their base salary. The managerial level includes amounts such as healthcare assistance, educational assistance, and the extralegal corporate bonus, categorized as other incentives. The benefits listed and the salary comparison are calculated using the exchange rate (TRM) \$3,380.

LABOUR RELATIONS

GRI 103-1 / 103-2 / 103-3 / 102-41 / 407-1
 CSA-DJSI 3.2.3 Freedom of association

We protect labour relations with workers and prohibit any conduct that violates freedom of thought, expression, or association. Therefore, we maintain a respectful and fluid relationship with two union organizations: People First Worldwide (PFW) – the majority trade union, with more than 72% of the Company’s employees affiliated – and Unión Sindical Obrera de la Industria del Petróleo (USO) – the minority trade union with 0.8% of the employees affiliated.

Good union relations promote the well-being of employees and contribute to a healthy working environment.

Trade union affiliation⁷⁶

Trade unions	2019	2020
People First Worldwide (PFW)	74%	71.8%
Unión Sindical Obrera de la Industria del Petróleo (USO)	1.6%	0.87%
% of employees represented by an independent trade union or covered by collective employment agreements	75.6%	72.67%

During 2020, we ensured access to the union benefits agreed on with PFW, and we agreed to a six-month extension of the collective bargaining, subject to the evolution of the COVID-19 pandemic.

76. Data includes direct employees only. Trade union membership went down due to employee turnover in 2020.

We offer safe and healthy work environments⁷⁷

MATERIAL TOPIC: Occupational health and safety
 GRI 103-1 / 103-2 / 103-3
 SASB EM-EP-320a.2
 SDG 3

We are committed to guaranteeing the health and safety (H&S) of our employees, contractors, and all the people involved in our operations. At Canacol, we firmly believe that a solid H&S culture can contribute to our staff’s well-being, development, and productivity.

Our 2020 accident rate demonstrates our commitment to reducing the frequency of occupational injuries and to keeping the incidence of occupational illness at zero.

Based on these positive results, we are committed to strengthening a health-promotion and disease-prevention culture, focusing on self-care and self-management.

OUR OCCUPATIONAL HEALTH PROGRAMS

Our focus is prevention. Through epidemiological surveillance systems, we continuously monitor the operation’s priority risks and hazards, assessing the work environment, and impacts on workforce health. We manage initiatives to ensure the workplace meets psychological standards and encourages productivity.

At Canacol, we know zero injuries is possible and is a responsibility we all share.

77. Data includes direct employees only. Trade union membership went down due to employee turnover in 2020.



Corporate indicators for industrial safety⁷⁸

GRI 403-9
SASB EM-EP-320a.1

Combined employees and contractors	2017		2018		2019		2020		2021
	Target	Performance	Target	Performance	Target	Performance	Target	Performance	Target
Lost time injury frequency rate (LTIFR): (number of lost time injuries during the period / total hours worked in period) x 1,000,000	3	0.00	2.83	0.43	2.71	0.00	3.33	1.55	<3.16
Total recordable injury frequency rate (TRIR): (number of recordable injuries during the period / total hours worked in period) x 1,000,000	3	2.69	2.83	1.08	2.71	2.62	3.33	1.55	<3.16
Vehicle incident frequency rate (VIFR): (number of vehicle accidents / Vehicle mileage) x 1,000,000	1.7	0.33	1.46	0.00	1.25	0.00	1.24	0.00	<1.18

Lost time injury frequency rate (LTIFR)	2017	2018	2019	2020	Target 2021
Employees CSA-DJSI 3.7.2 Lost-time injury frequency rate (LTIFR)	0.00	0.00	0.00	0.00	0.00
Contractors CSA-3.7.3 Lost-time injury frequency rate (LTIFR)	0.00	1.17	0.00	2.7	2.57

Total recordable injury frequency rate (TRIR)	2017	2018	2019	2020	Target 2021
Employees CSA-DJSI 3.7.4 Total recordable injury frequency rate (TRIFR)	2.56	0.00	1.25	0.00	0.00
Contractors CSA-3.7.5 Total recordable injury frequency rate (TRIFR)	2.74	2.94	3.1	2.7	2.6

Vehicle Incident Frequency Rate (VIFR)	2017	2018	2019	2020	Target 2021
Employees	0.00	0.00	0.00	0.00	0.00
Contractors	0.73	0.00	0.00	0.00	0.00

78. Accident rate indicators are based on a constant of 1 million hours worked, or kilometres traveled in the case of vehicles.

Severity index:
(number days lost x
1,000,000) / hours
worked)

	2017		2018		2019		2020		2021
	Target	Performance	Target	Performance	Target	Performance	Target	Performance	Target
Combined	70	26.3	50	42	47.5	1,979.3	62.5	59	59.4
Employees		17.9		0		0		0	
Contractors ⁷⁹		29.25		114		2,678.6 ⁸⁰		104.2	

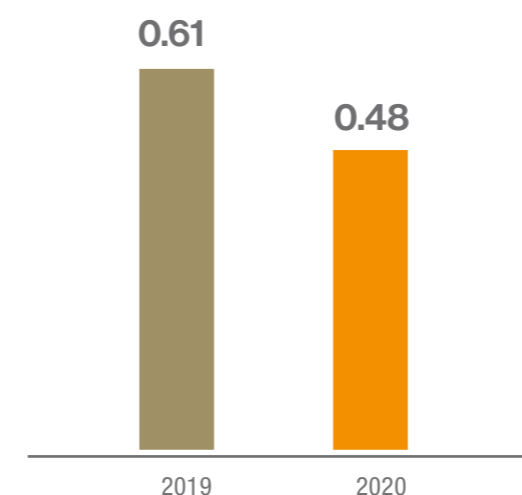
- **Total recordable injury frequency rate (TRIR) and Lost time injury frequency rate (LTIFR).** Contractor performance improved 12% over previous year.
- **Vehicle Incident Frequency Rate (VIFR).** No severe vehicle accidents involving contractor vehicles were recorded for the third year in a row. Our road safety program and contractor driver assessments have been an essential factor in these results.
- **Severity index.** The severity score improved over last year. In 2020, our efforts focused on self-care and reinforcing safe behaviour at all levels.

PROMOTING SAFE BEHAVIOUR⁸²

GRI 403-3 / 403-5 / 403-6
SASB EM-EP-320a.2

With the lockdown restrictions, we implemented online Health and Safety training. As a result, the number of hours provided to employees and contractors increased by +200% this year. We offered different types of training according to employee risk exposure and activities performed such as: work at heights, safe driving, electrical risk, fire brigades, supervision of lifting manoeuvres, incident investigation, job safety assessment, and training for the management-worker health and safety committee (COPASST).

Absenteeism⁸¹



We exceeded our 2020 occupational health and safety training goals, with 85% participation in general training and 100% in mandatory job-specific training for direct employees.

79. Data recalculated using a constant of 1,000,000.

80. A mechanical failure during the lifting manoeuvre caused this fatality. The Ministry of Labor has determined that 6,000 days are charged for a fatal work accident and affects the severity.

81. According to Resolution 312 (# of days of sick leave (occupational or regular illness) during the month / Number of work days scheduled in the month) * 100.

82. Data includes employees and contractors.

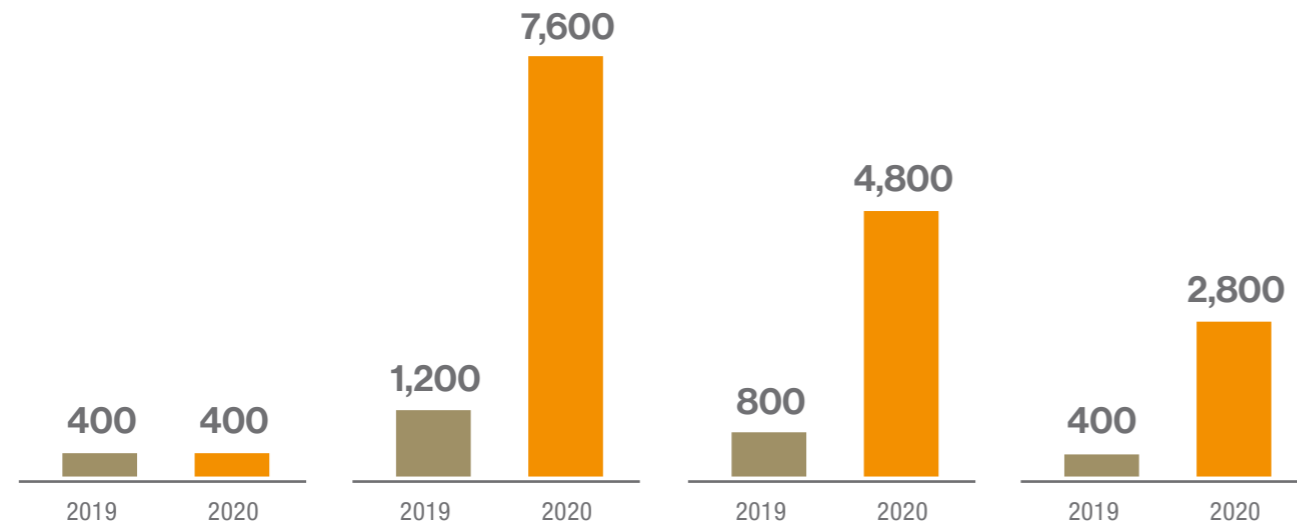
Training indicators

Number of employees and contractors included in training opportunities

Hours of training provided

Average hours of training in health, safety, and emergency response for employees

Average hours of training in health, safety, and emergency response for contractors



FOCUS PROGRAM⁸³

GRI 403-3 / 403-5 / 403-6
SASB EM-EP-320a.2

We are determined to strengthen our occupational health and safety culture. Through the FOCUS program we are reinforcing safe behaviour and eliminating or reducing risks. Additionally, employee engagement has increased and has led us to progressively move toward a culture of prevention based on behaviour and self-care. In 2021, we will continue efforts to raise workers' awareness of the risks their jobs entail and the controls to be applied.

HAZARDOUS ENERGY PROGRAM

GRI 403-3 / 403-5 / 403-6
SASB EM-EP-320a.2

The Hazardous energy program develops job procedures based on rules and standards and ongoing training for both skilled and unskilled workers in electrical safety and the use of electrical safety equipment. We continue to reinforce compliance with these procedures, reducing electrical risks and preventing operational incidents.

We met 100% of the legal occupational health & safety (OHS) requirements and achieved +95% compliance with the annual OHS plan.

JOB HAZARDS

GRI 403-3 / 403-5 / 403-6 / 403-9
SASB EM-EP-320a.2

We conduct regular site inspections to identify possible risks and unsafe conditions. We then implement corrective plans and monitor performance.

All employees and contractors who use chemical substances must know the related hazards and apply the controls established and described in the material safety data sheets. We constantly look for alternative options to replacing those substances with others that pose less danger to people.

IN 2020:

- **Employees.** *There were no work-related accidents with severe consequences.*
- **Contractors.** *There were three recordable accidents, two of which were related to workplace hazards and one related to exposure to a chemical substance. In all three cases, the contractors recovered and returned to their normal activities.*

ROAD SAFETY PROGRAM

GRI 403-3 / 403-5 / 403-6
SASB EM-EP-320a.2

At Canacol, we continue to improve our performance in road safety and constantly reinforce a safety culture that involves workers, their families, and the surroundings communities. We conduct periodic driving-related assessments to increase safety and to avoid distraction on the road.

Since 2015, we have been implementing our Road safety program based on the Strategic highway safety plan (PESV for the Spanish), which outlines the actions, mechanisms, strategies, and measures established in the national legislation to reduce accident rates. It considers human and mechanical factors, road conditions, surroundings, and working conditions.

All vehicles – owned or leased – have a speed control system to monitor and assess performance and promote safe driving habits.

The successful implementation of our Road Safety Program has raised the awareness of drivers, modified habits, and reduced accident frequency, thereby protecting lives.

There have been no accidents with injuries since 2018, and there have been no serious road accidents with property damage.

83. The name of the program, FOCUS, is an acronym for the full program name in Spanish: Strengthening Awareness in the Operation, United in Occupational Health and Safety.

We have provided educational workshops to increase awareness about the responsibility involved in driving vehicles and motorcycles and the importance of respecting and obeying highway safety regulations.

WE PROMOTE THE HEALTH AND SAFETY OF OUR CONTRACTORS

GRI 403-5 / 403-6
SASB EM-EP-320a.2

We have established processes to make sure contractors comply with our Occupational health and safety management system (OHS-MS).

- Our hazard identification system includes contractor risks.
- At all worksites we verify that controls have been established and ensure preventive measures have been implemented.
- We manage 100% of all corrective actions and opportunities for improvement, resulting in timely mitigation of risks through control and compliance.

During this challenging year we worked closely with contractors to develop prevention campaigns targeting improved performance.

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3

5% YoY improvement for health and safety indicators (LTFR and TRIR) for employees and contractors

BY 2023
Disclose the number of tier 1 process safety events per one million hours worked



BY 2022
Audit and share health & safety performance results for all critical contractors and suppliers



COVID-19 response

We adapted to the challenging times and prioritized the health and safety of our employees while complying with all legal requirements with minimal impact on operations.

SOME OF OUR ACTIONS:

- We established biosafety measures aligned with the World Health Organization and the Colombian Ministry of Health guidelines.

- We regularly assessed use of biosafety protocols by direct employees and contractors, ensuring compliance.
- We provided updated and relevant information to all employees and contractors regarding our own operations and the national and global context.

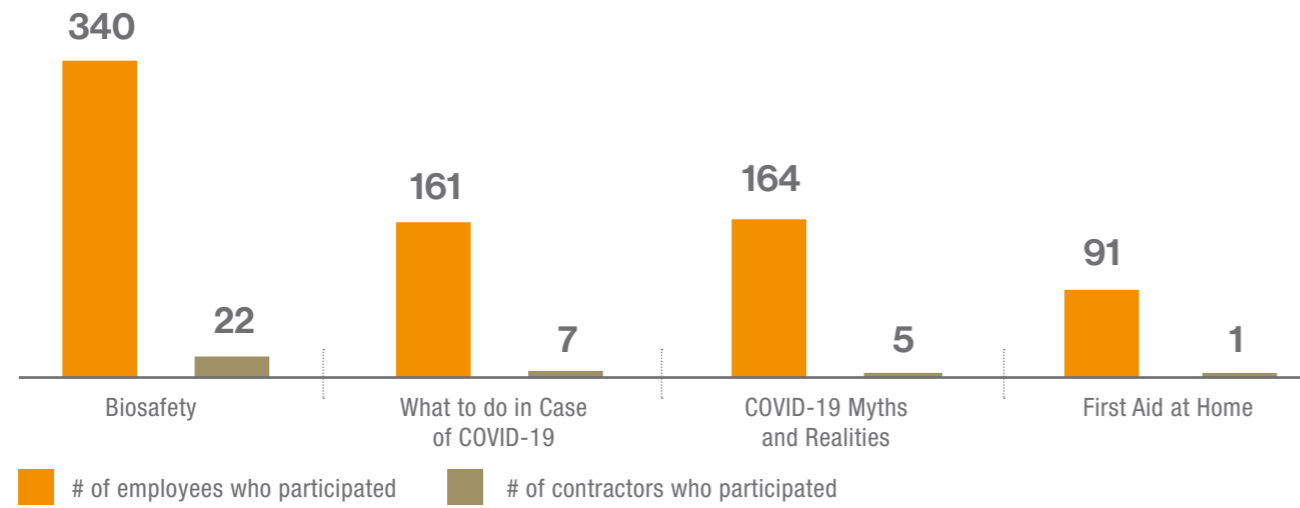
We supported employees and their families by:

- Offering psychological counseling.
- Establishing isolated accommodations for employees with symptoms.
- Providing medical assistance to those infected through healthcare suppliers.

WE OFFERED ONLINE VENUES FOR HEALTH AND BIOSAFETY TRAINING

GRI 404-2 / 403-5 / 403-6
 CSA-DJSI 3.4.2 Employee development programs
 SASB EM-EP-320a.2

Topics covered



WE SET UP NEW WAYS OF WORKING

With the mandatory lockdown decreed by the national government, 100% of our employees based in Bogotá switched to remote work. This process required rapid adaptation and implied a cultural transformation. It quickly became a source of opportunities and achievements:

- We mitigated the risks of the new home-based work, helping employees adapt to their workplaces.
- We protected our people from biosafety risks. We confirmed SARS-CoV-2 infections

in 24% of our employees, most of them asymptomatic.

- We implemented initiatives for a work-life balance.
- The elimination of commuting optimized working hours and reduced transportation costs and CO₂ emissions.

The smooth adaptation to a full work-from-home model during 2020 and its identified benefits provided key insights for establishing a new blended-work⁸⁴ system. As a result, we adjusted our corporate culture and 22% of our employees now work under a flexible work model.

Employees by work mode and gender in Colombia, 2020

	Women	Men
Remote work: Full-time at home	41	27
Blended: 2 days at the office and 3 at home ⁸⁵	40	48
Others: in-person in the field or Bogotá office	47	180
Total employees	128	255

84. Data includes Colombian employees only.

85. An employment contract addendum includes the terms and conditions for this work arrangement, according to which the employee and his or her immediate supervisor can reach an agreement on the schedule for days at the office or at home.

SUPPORTING EMPLOYEES AND THEIR FAMILIES

GRI 404-2
 CSA-DJSI 3.4.2 Employee development programs

We developed a wellbeing program to strengthen our employee relations and to provide guidance to positively tackling the challenges of the global health crisis.

IN 2020

- 100% of our employees received technical and soft skills training and participated in online entertainment events.
- We reinforced strategic partnerships, mainly with universities and independent trainers, to offer new courses and development programs, such as leadership, the post-pandemic economy and its effect on labour markets, the current state of the energy sector in Colombia, and business models and entrepreneurship.
- We continued celebrating special dates including family members.

WE MONITORED THE MENTAL AND EMOTIONAL HEALTH OF OUR EMPLOYEES

GRI 403-6
 CSA-DJSI 3.4.2 Employee development programs
 SASB EM-EP-320a.2

Through more than 30 virtual conferences and events we addressed mental and emotional health issues. Additionally, we conducted a Korn Ferry pulse survey for the COVID-19 contingency to evaluate employees' satisfaction and perceptions regarding the business' decisions.

Employee satisfaction regarding our decisions was above 90%, both in Bogotá and in E&P sites.

SOME OF THE MOST RELEVANT FINDINGS WERE:

- Business continuity provides well-being and security for our employees.
- Employees had an overall successful remote-work experience despite the challenges, and they appreciated the company's efforts. Team relationships and workflows were maintained.
- The executive team was assertive about the necessary conditions to protect employees' safety.
- Employees stated they felt supported by their leaders.
- Internal communication was effective and pertinent.
- Although connectivity represented a barrier for some employees, the IT team's support was rated as outstanding.

2020 work climate results: the road to effectiveness

Our most recent climate measurement was conducted during unprecedented times. Despite the social and economic crises caused by the COVID-19 pandemic and operational challenges, we achieved high employee satisfaction levels.

88% employee satisfaction level, in contrast with an average of 72% in the regional market, and 74% in the Colombian market.

In our 2020 work-climate survey, 83% of the employees participated, surpassing our goal of 73%.

Employee engagement

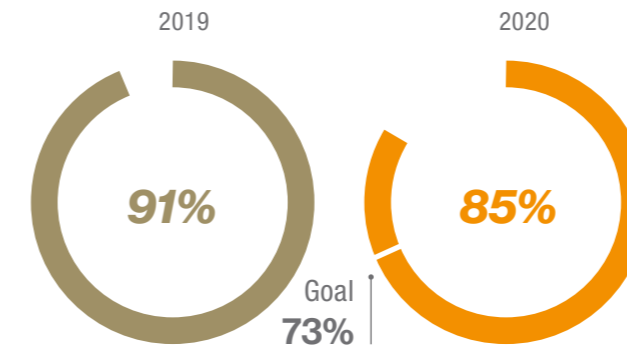
CSA-DJSI 3.5.7 Trend of employee engagement⁸⁶

	2019	2020
Employees invited to the survey ⁸⁷ (number)	289	333
Survey participants (number)	246	275
Engagement (percentage of people)	85%	83%
Satisfaction (percentage)	75%	88%

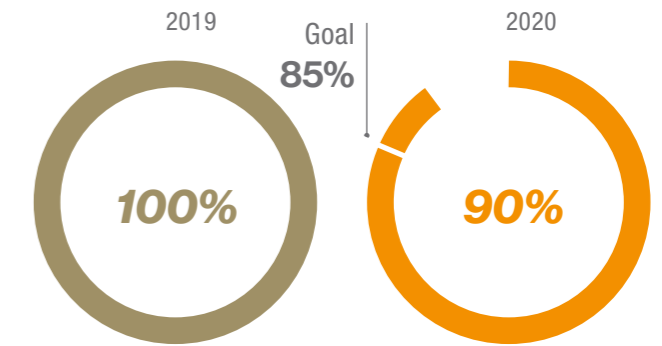
⁸⁶. The survey was conducted for Colombian employees only.
⁸⁷. Employees with at least four months at the Company.

CSA-DJSI 3.5.7 Trend of employee engagement

Employee participation



Percentage of employees covered



WE CONFIRMED OUR STRENGTHS

The following are some of the main aspects highlighted by our employees in the survey:

- **Quality, customer focus, and Commitment.** These continue to be our main strengths aligning with our strategic objectives.
- **Clarity and direction.** Our employees recognize clarity and direction in strategy, objectives, and decision-making processes.
- **Culture and reputation.** Leaders' actions are consistent with our values and leadership model.
- **Change.** Modifications to processes and procedures have made people's work easier.
- **Discretionary effort.** Two factors indicated as opportunities for improvement in the 2017 survey are now strengths: employees are passionate about what they do and are eager to accept invitations to contribute beyond what their position requires.
- **Trust in leaders.** Actions have been taken to improve the leadership skills of supervisors.
- **Cooperation.** Teamwork achieves results, and leadership promotes an exchange of ideas and resources.

IMPROVEMENT PLANS

Diversity related to professional development possibilities. By 2021, 100% of our employees will have a professional development plan created with ADEN International Business School.

Capitalization on lessons learned. As part of the annual Performance Management cycle, we are developing a leadership program that focuses on feedback skills, strengthening error management, and gaining continuous learning opportunities.

Accompaniment of leader development. Leaders are the primary mentors for professional development. We are working to strengthen their capacities to define KPIs and monitor and develop annual assessments in the Performance Management cycle.

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3

Maintain satisfaction levels over 88% for the work environment



A society guided by sustainable development



Social development requires joint efforts, long-term vision, and communication to strengthen economic competitiveness, social cohesion, and environmental conservation.

GRI 103-1/103-2/103-3

UNGC Principles 1/2

SDG: 1, 4, and 8



Neighbouring communities

MATERIAL TOPIC: Engagement with rural and ethnic communities

GRI 103-1 / 103-2 / 103-3 / 413-1

SASB EM-EP-210a.3 / EM-EP-210b.1

CSA-DJSI 3.6.1 Group-wide strategy / DJSI 3.8 Social impacts on communities / DJSI 3.3.2 Human rights due diligence process / DJSI 3.8.4 Indigenous peoples & cultural preservation

Canacol's social investments intend to significantly improve the quality of life in our neighbouring communities. A strategic approach is essential to ensure the identification, prioritization, implementation, monitoring, and reporting of projects in line with national and international standards, respect for human rights, and recognition of diversity, culture, and identity.

We recognize we can have an impact on the areas where we operate. We therefore promote and maintain close and transparent relationships to understand and address concerns related to our operations and communities' needs.

We believe in the power of achieving results through partnerships, so we support global agendas such as the United Nations Sustainable Development Goals (SDG) and the Global Compact Principles.

OUR SOCIAL GUIDELINES

CSA-DJSI 3.3.2. Human rights due diligence process / DJSI 3.8.4. Indigenous peoples & cultural preservation
SASB EM-EP-210a.3

- **Corporate Social Investment Policy:** establishes the criteria for selecting, prioritizing, and evaluating long-term social investment projects.
- **Comprehensive Social Responsibility Policy:** guides our actions to maintain and strengthen positive relations with local communities. It also establishes goals for sustainable and inclusive development in the areas where we operate.
- **Corporate Social Investment Committee:** structures, evaluates, and supervises the execution of our social investment policy.
- **Social Responsibility and Prior Consultation Addenda:** establishes social responsibility and prior consultation guidelines that contractors and subcontractors must use to minimize social risks and strengthen relationships in operation areas.

CANACOL'S SOCIAL INVESTMENT

CSA-DJSI 3.3.2. Human rights due diligence process /
DJSI 3.8.4. Indigenous peoples & cultural preservation

SASB EM-EP-210a.3

- We align our investments with local and national development plans.
- We respond to the communities' most pressing needs in our area of influence, identified through social, economic, and demographic diagnoses.
- We focus on developing skills that empower communities to satisfy their own needs.
- We seek to have a positive impact with a long-term and sustainable vision.
- We prioritize investments acquired under the National Hydrocarbons Agency's contracts and other regulatory guidelines.

OUR GUIDING PRINCIPLES

CSA-DJSI 3.3.2. Human rights due diligence process /
DJSI 3.8.4. Indigenous peoples & cultural preservation

SASB EM-EP-210a.3

The following are the principles for the Company's social investment projects:

Respect. We respect national legislation and international principles, ethics, and human rights with a differential focus. We value and respect local culture and traditions.

Honesty. We create mechanisms for consistent and responsible communication with our stakeholders, generating credibility and trust. We ensure transparency in all our actions.

Participation and shared responsibility. We work with communities, governments, and other local institutions to formulate, develop, and evaluate projects according to current needs.

Cooperation. We promote partnerships with public, academic, private, and non-governmental organizations to maximize the

impact of our actions without replacing the national government's responsibilities.

Sustainability. We develop long-term projects focused on skills-building and self-management to promote community independence.

Innovation. We create and disseminate social practices that will generate just and sustainable solutions.

Gender equity. We promote equitable relations between men and women.

Human rights. We protect human beings' basic prerogatives and freedoms, which are universal, indivisible, irrevocable, and inalienable, and whose effective exercise is indispensable for the full development of every person.

SOCIAL INVESTMENT PROGRAMS IN COLOMBIA

GRI 413-1

Our social investment programs are aligned with the corporate strategy and the local needs identified⁸⁸ with communities and institutions, and focus on the following four areas:

1. Local economic development
2. Human development
3. Community and institutional strengthening
4. Indigenous peoples

LOCAL ECONOMIC DEVELOPMENT

GRI 413-1
SDG 1/8

We promote business development and organizational skills in rural communities, resulting in better access to the banking system, consistent financial information, alignment between production costs and market prices, stronger marketing strategies, and increased sales and profits.

Cuatro Bocas village in San Marcos, Sucre. We worked with the *Asociación Campesina, Agropecuaria y Ambiental (ASOCAAM)* to develop a fish farm and improve their production.

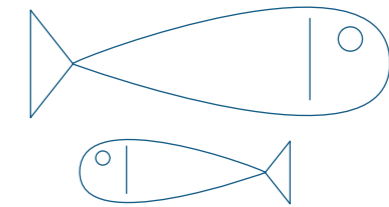
105
families benefited

444
jobs created

5,500
cachama fish and
2,500
bocachico fry stocked

We accompanied the productive unit in its activities to stock and feed fish, to set up and maintain tanks, and measure pH, oxygen, dissolved solids, and temperature. We provided input on measuring and weighing fish to record their average developmental progress and determine the amount of feed required.

Total production expected for next year is



3,242 kg
of cachama and
523 kg
of bocachico.

Rabo Largo village, La Unión, Sucre. We worked with the Miel del Norte Association to increase their honey productivity.

65
families benefited

102
jobs created

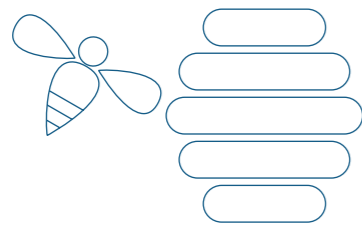
We supported the association in the adaptation of an area for the installation of beehives and supers (boxes with their corresponding sliding frames). We delivered inputs and tools and monitored the bees' adaptation to the zone, their nutrition, and population growth.

88. Local needs were identified through diagnoses done by Canacol, the Entretiempo Foundation, national institutions such as the Social Prosperity Department and the National Hydrocarbons Agency (ANH), and municipal authorities.



The community achieved the projected production, with approximately 80% of the 30 beehives currently in the apiary experiencing more productivity due to increased population density.

The Miel del Norte Association is projecting production for next year of approximately



400 kg
from the 30 hives.

Piñalito village, La Unión, Sucre. We established 22 ha of dryland rice cultivation with Asociación Agropecuaria de Campesinos de Piñalito (AGROCAMPI).

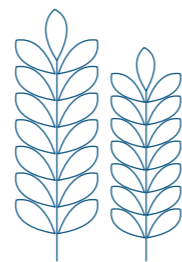
105
families benefited

191
jobs created

4
tonnes/ha produced annually

We set up the production unit and trained communities on rice technology and physiology, IPM (integrated pest management), fertilizing following soil requirements, and agrochemicals to protect crops.

AGROCAMPI formed a commercial partnership with a rice company in San Marcos, Sucre, to which it sold



100%
of its production and negotiated the sale of future harvests.

HUMAN DEVELOPMENT

GRI 413-1

We improve the quality of education and reduce dropout rates and illiteracy by supporting schools and developing technical training programs. We also develop strategies and initiatives to optimize communities' quality of life through projects to improve healthcare, access to public utilities, and community infrastructure.

We execute these initiatives together with community leadership (JAC) in the villages that participated in the program.

ACCESS TO ELEMENTARY AND SECONDARY EDUCATION

SDG 4

We improved the infrastructure of a public school located in the village of Piñalito in Sucre by building restrooms, classrooms, and common areas, benefitting 194 families.

ACCESS TO POTABLE WATER: WE OPTIMIZED COMMUNITY WATER SUPPLY SYSTEMS

SDG 1/3

We contributed to quality of life by facilitating access to drinking water using mini-aqueducts. This access reduces exposure to diseases caused by drinking non-potable water and by inadequate sanitation and hygiene, helping to reduce school dropout rates.

In 2020, we built deep wells and elevated tanks for water storage. The projects included:

- El Llano village, Sucre. Deep well and elevated reinforced-concrete tank benefitting 389 families.
- Platero village, Sucre. Elevated tank in reinforced concrete benefitting 85 families.
- Miralejos village, Córdoba. Elevated tank benefitting 100 families.

COMMUNITY AND INSTITUTIONAL STRENGTHENING

GRI 413-1
SDG 17

By supporting government institutions and civil society organizations, we can improve community assets, identify priorities, and contribute to local development plans.

In 2020, we built a community hall in Rabo Largo, Sucre. The hall can be used for community

integration activities, help promote a sense of community belonging, and facilitate community expression. Sixty-five families benefited.

PUBLIC INFRASTRUCTURE IMPROVEMENTS

SDG 1

In Caño Prieto village we built a playground for children to strengthen their cognitive and motor skills and build self-esteem, benefitting 78 families.

In Platero, Sucre we did maintenance work on the Caimito-Nueva Estación Road. These improvements to the road network benefit 12,000 local inhabitants who can now more easily travel around the municipality to access healthcare and education, buy supplies, or sell their products.

INDIGENOUS PEOPLES

GRI 413-1
SDG 1

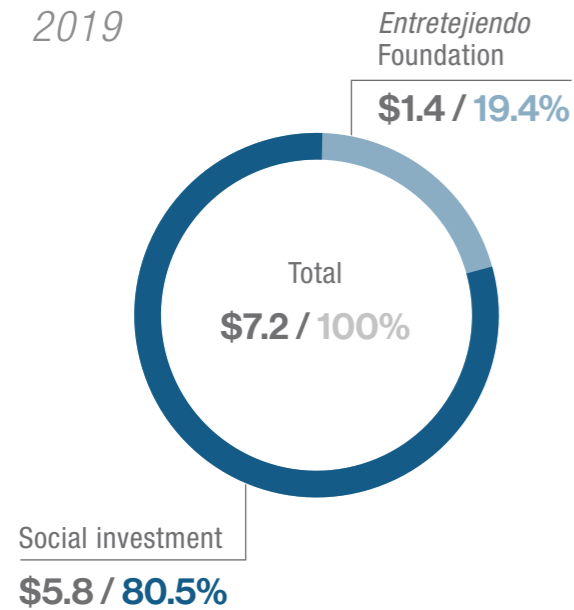
Indigenous communities are a priority for our operations. We fully acknowledge and respect their rights, consistent with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). We promote the development, preservation, and cultural reproduction of ethnic communities located near our operations.

The La Esperanza indigenous community is located in La Unión, Sucre and is made up of 153 Zenú families. In the prior consultation process, we established an agreement to allocate resources toward meeting needs for basic sanitation and home improvements. Project execution began in 2020, benefitting 153 families. As a result of this project, the La Esperanza and San Carlos indigenous communities have become an example of organization, planning, and resource administration.

OUR CONTRIBUTIONS IN NUMBERS

CSA-DJSI 3.6.3 Input / DJSI 3.6.2 Type of philanthropic activities

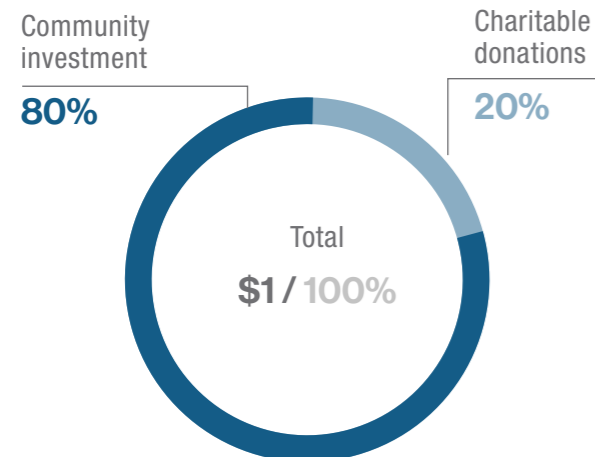
(Millions of dollars)
2019



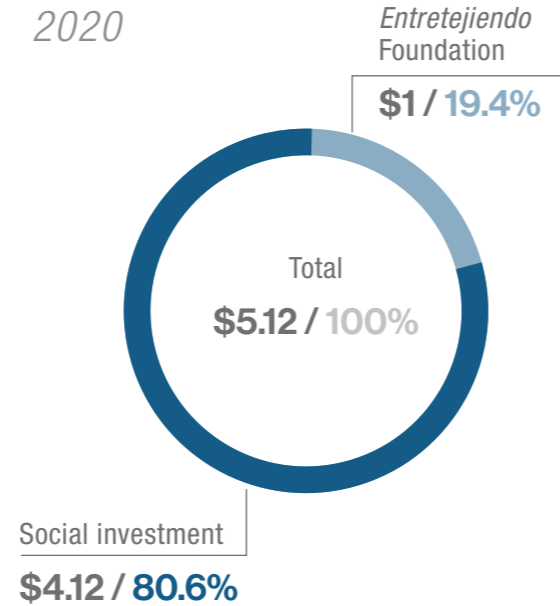
Type of philanthropic activities
Canacol's social investment



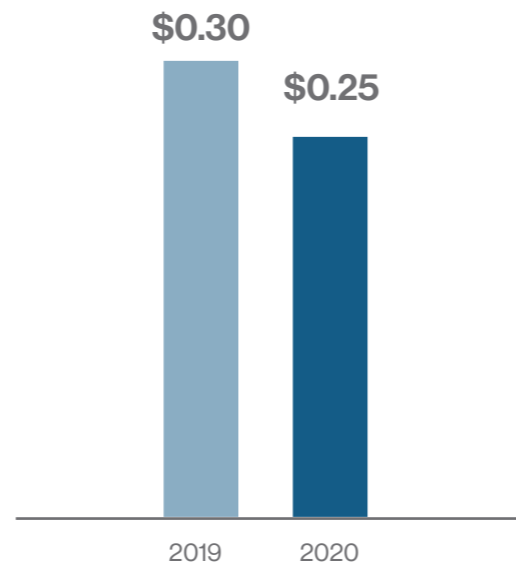
Entretiempo Foundation



2020



Entretiempo Foundation
Management overhead



IN 2020

- We invested \$5.12 million dollars in social projects.
- We executed 57 projects benefiting more than 60,000 people in Córdoba and Sucre.

Effective community engagement

CSA-DJSI 3.8 Social impacts on communities
SASB EM-EP-210b.1

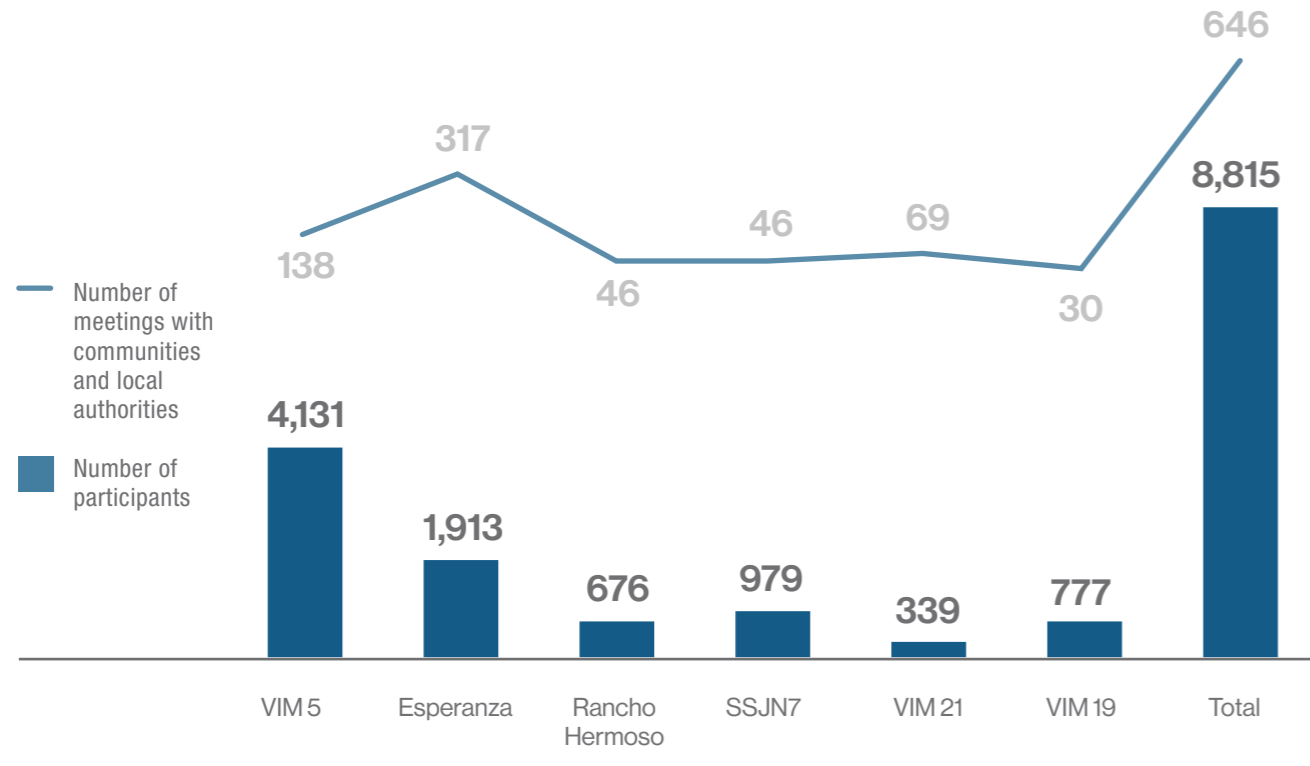
We are committed to engaging with all communities by promoting open dialogue about our policies and projects. In line with our corporate values and our Comprehensive Social Responsibility policy, our community engagement is based on:

- **Open and transparent dialogue:** We interact with rural and ethnic communities and local authorities to foster coordinated implementation of our operations and projects.
- **Social Investment Strategy:** We want projects that operate under a long-term vision and promote equal opportunities with an inclusive approach.
- **Local Employment Opportunities:** We promote hiring local labour from rural and ethnic communities.

- **Local Products and services:** We support the use of local suppliers for our operations and provide training to improve their ability to compete.
- **Concerns, requests, complaints and claims program:** We provide an accessible point of contact for presenting concerns, requests, complaints, or claims.
- **Communication program:** We inform stakeholders of our activities to promote understanding and participation.

In 2020, we organized 646 meetings with communities and local authorities to dialogue about the Company's operational projects and social investment plans, and to discuss concerns. We used all the mechanisms available to encourage community participation, and 100% of the planned meetings took place.

There was one prior consultation process during the year.



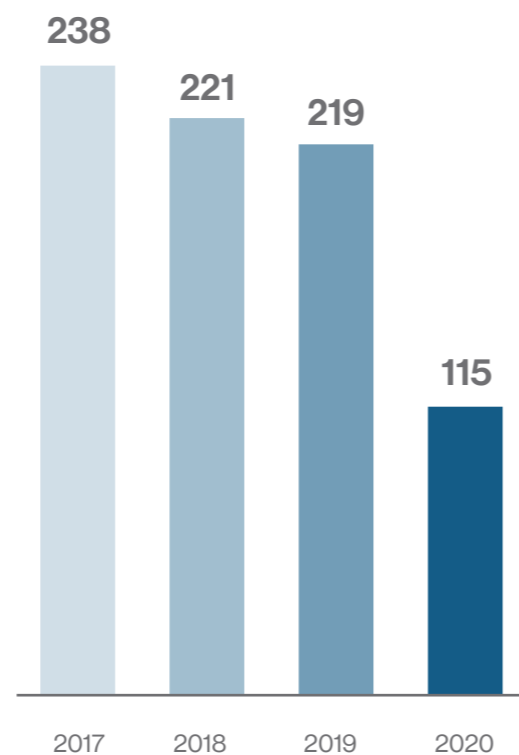
CONCERNS, REQUESTS, COMPLAINTS AND CLAIMS (CRCC) SYSTEM

GRI 102-17
SASB EM-EP-510a.2

Our objective is to provide timely attention to any concern or complaint by community members affected by our operations.

In 2020, there were 115 CRCC logged. Since 2017, we have reduced our CRCC rate by 51.6%. This continuous reduction trend reflects the significant work we have done to strengthen channels for interacting with communities, even within the context of our expanding operations.

Total number of CRCC per year



Entretejiendo Foundation

GRI 413-1
SASB EM-EP-210b.1

We leverage the Entretejiendo Foundation’s experience and knowledge to create positive and significant gains for our neighbouring communities. We first focus on understanding people’s needs and then, in line with our business strategy, ethics policies, and respect for human rights, we undertake social projects with a long-term vision and an inclusive approach.

At Entretejiendo, we ensure our projects meet the needs of communities, are sustainable, and have a lasting impact.

Our foundation has five investment priorities: human development, sustainable growth, institutional strengthening, environmental protection, and humanitarian aid.

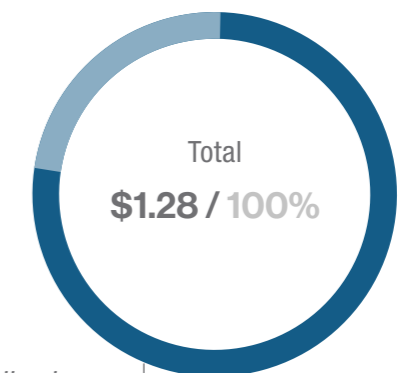
A significant part of our investment targets vulnerable communities that have historically lacked access to development resources. We are proud to be able to help close this gap.

In 2020, we adjusted all our processes and activities to meet COVID-19 challenges and moved ahead with high-impact social projects to address the humanitarian crisis.

Investment 2020

CSA-DJSI 3.6.3 Input / -DJSI 3.6.2 Type of philanthropic activities

Leveraged resources
\$0.28 / 22%



Entretejiendo Foundation
\$1 / 78%



HUMAN DEVELOPMENT

SDG 3/4

We create opportunities for communities to transform and improve their quality of life.

SCHOOL ATTENDANCE WITH SUSTAINABLE ALTERNATIVES: MI BICI PROGRAM

In 2020, in a partnership with Postobón and World Bicycle Relief Foundation, we donated bicycles to students. This efficient and environmentally friendly transportation mode contributes to school attendance.

Moreover, it promotes sports and outdoor activities, contributes to the household economy as an economical means of transportation, and helps reduce carbon emissions. Bicycle transportation has also been vital during the pandemic given its single-person use.

We benefited

512

children and their families in Sucre and Córdoba.

EMOTIONAL EDUCATION IN EARLY CHILDHOOD: PISOTÓN FAMILIAS

Pisotón Familias is an initiative created by Universidad del Norte in Barranquilla and Universidad de Salamanca in Spain. Its purpose is to promote children's (ages 2-7) well-being and healthy emotional development and teach conflict resolution skills, through training, and recreation.





IN 2020:

- **We implemented a six-month course for 80 childcare providers (teachers, community mothers, and child protection police) using a methodology that promotes the emotional development of young children.**
- **We ran a pilot project using the Pisotón methodology based on stories, videos, and games with 100 children.**
- **We also provided psychological assistance during the pandemic to children and Pisotón beneficiary families.**

The Colombian Government, through its High Presidential Council for Children and Youth, and local authorities, joined the *Pisotón* program as strategic allies for the implementation of this initiative in other regions of the departments where we operate, increasing coverage and number of families beneficiaries.

ACCESS TO QUALITY HEALTHCARE FOR VULNERABLE GROUPS, ESPECIALLY TO WOMEN AND CHILDREN

In response to the pandemic, we signed an agreement with local mayors and the Colombian Air Patrol to offer two types of assistance:

- Online talks on COVID-19 prevention and management, addressed to 307 community members and healthcare personnel.
- A sexual and reproductive health campaign to provide 518 women with long-term family planning methods and prenatal checkups, including obstetric ultrasound, rapid tests for HIV and syphilis, hemoglobin testing, and vitamins.
- 825 people benefited in total.

CLEAN WATER FOR EVERYONE

Through our Clean Water for Life project, we ensure the availability of drinking potable water at schools. In 2020, we delivered water purification plants to 4 schools, benefiting 2,311 students and teachers in 5 municipalities. Some of those schools became shelters for families affected by the pandemic.

INSTITUTIONAL STRENGTHENING

SDG 17

We promote solid and effective public administration capacities that will aid rural areas with their development and community life.

TRANSPARENT AND EFFECTIVE PUBLIC ADMINISTRATION

In 2020, we worked with local administrations to qualify projects to obtain funding from the Colombian Government's hydrocarbons royalties. We provided expert consulting to help them present the following projects to the competent authorities:

- Construction of alternative sewerage solutions in rural areas of the municipality of Pueblo Nuevo, Córdoba.
- Improvement of a tertiary road in La Unión, Sucre.
- Strengthening the productive process for small farmers in San Marcos, Sucre.

ENVIRONMENTAL PROTECTION

SDG 12 / 15

We believe quality of life is closely tied to environmentally friendly surroundings.

BIODIVERSITY

Bioblitz is a biodiversity conservation project implemented with Universidad Piloto and the Humboldt Institute. The initiative encourages students to take photographs of the plants and wildlife where they live, and post their best shots on the Naturalist platform, which is an international community used by scientists to analyse the worldwide biodiversity and to create research quality data.

Given the impossibility of conducting exploratory workshops with students at schools during 2020, we developed an online publication to support ecotourism, including our best photos of the region's biodiversity. The book will be launched in early 2021.

RECYCLING: INTEGRATED SOLID WASTE MANAGEMENT, PHASE I

We carried out Phase I (diagnosis phase) of the Seeds of Recycling project, which consisted of implementing a solid waste management strategy and the creation of local ventures in the recycling sector.

We administered

739

surveys in

10

municipalities.

Main results of the diagnosis:

77%

of the households surveyed burn garbage at their homes as a means of elimination.

12%

of the households dispose of their waste by depositing it in a yard or vacant lot, meaning waste is always around.

98.2%

of those surveyed do not have a garbage collection service.



Gas massification: residential gas distribution network

GRI 413-1
SDG 1/3/5/7/8/13
SASB EM-EP-210b.1

In 2020, we received recognition from the program called Significant Experiences in Environmental and Social Management in the Energy Mining Sector, led by the Ministry of Mines and Energy, the National Hydrocarbons Agency, and the National Mining Agency.

This program aims to recognize innovative initiatives that promote relations between communities, companies, and government institutions in favor of the sustainable development of the sector and the regions.

We participated in the SDG 13 - Climate Action category and were ranked first among 99 companies in the energy mining sector. The award recognized our contribution to the country's commitment to climate change adaptation, prevention of deforestation, reduction of greenhouse gas emissions, and our contribution to improving our beneficiary communities' health and quality of life.

OBJECTIVES MET AND OUTCOMES ATTAINED

The objectives of the gas massification project are:

- To expand the coverage of the gas distribution network by building network infrastructure, connections, and internal gas installations
SDG 1/7
- To mitigate respiratory and skin ailments caused by cooking with firewood and charcoal
SDG 3
- To improve the quality of life of 5,000 inhabitants of the rural areas in these municipalities, especially women and children, who are generally the most affected

MAIN OUTCOMES

During the implementation of the two phases in 10 villages and 2 Indigenous communities in Cordoba we have seen the following results:

- Construction of the pressure regulating station (city gate) and the main interconnection network, generating a 5,000-home distribution capacity, and leaving a potential installed capacity greater than what was foreseen for the project's phases.
- Significant improvement in the quality of life for more than 998 families to date.
- Reduction of GHG emissions of 2,400 tonnes of CO2 approximately. **SDG 13**
- Minimization of exposure to smoke and particulate emissions, especially for women (approximately 1,904) and children (approximately 935). **SDG 3**
- Decreased rate of skin and respiratory ailments derived from the use of firewood and charcoal. **SDG 3**
- Time freed up that was once dedicated to collecting and chopping firewood. **SDG 5**
- Improved economy for households that used to spend a high percentage of their income on gas cylinders (LPG), around US\$22, and now pay approximately US\$4.43 for natural gas, an 80% reduction in cost. **SDG 1**
- Goods and services purchased from local providers, and skilled and unskilled local employment opportunities for installation and maintenance. **SDG 8**

Total number of homes benefited



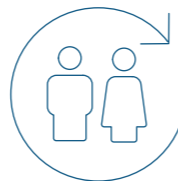
Phase I in Sahagún, Córdoba

743

Phase II in Pueblo Nuevo, Córdoba

255

Total number of people benefited



Phase I

3,715

Phase II

1,585

PARTNERS AND CONTRIBUTIONS

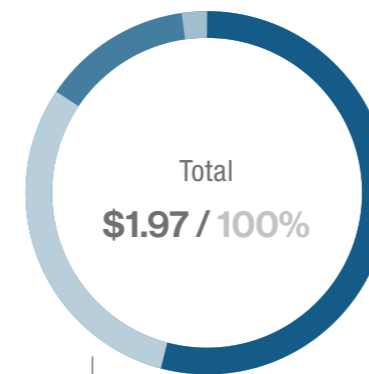
Millions of dollars

Surtigas

\$0.34 / 17.12%

Local companies

\$0.01 / 0.35%



Entretejiendo Foundation

\$0.58 / 29.37%

Canacol Energy

\$1.04 / 53.08%

MEASURING OUTCOMES

In 2020, a third-party firm measured outcomes at the end of Phase I, confirming very positive impacts.

The project has improved quality of life indicators for beneficiary families.

Measurements have demonstrated that the project has met the expectations of the beneficiaries, the time saved has been used for productive activities, and a contribution has been made to reducing greenhouse gas emissions.

Ninety-eight percent of all households now use mainly natural gas to cook, leaving behind propane gas, firewood, and charcoal. This has had a positive impact on health, reducing respiratory diseases and ailments.

LIQUEFIED PETROLEUM GAS (LPG) BENEFICIARIES

To help reduce logging, between 2018 and 2020 we have delivered

25,180

LPG cylinders to

2,124

people, and

42

remote communities.



Humanitarian response to the COVID-19 health emergency

GRI 413-1
SDG 3
SASB EM-EP-210b.1

- We implemented a solidarity program through the Entretejiendo Foundation to alleviate the most pressing needs of neighbouring communities. We delivered 13,000 grocery baskets purchased from local suppliers to 155 villages and 224 indigenous in Córdoba and Sucre.
- We also delivered 34 medical personal protection kits for 15 health centers and six border control posts, consisting of laser thermometers, gloves, disposable masks, hand sanitizer, surgical soap, blood pressure monitors, face shields, and surgical booties.
- We organized communication campaigns, broadcast on local radio stations to support prevention. We also disseminated informative messages on preventing the virus's spread and healthy ways for coping with the mandatory quarantine.

Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3
SASB EM-EP-210b.1



BY 2021

Develop a social investment strategy and policy to guarantee projects with long-term vision

Include a gender approach in 100% of the baseline for social investment projects

Contractors and suppliers

MATERIAL TOPICS:

- o Sustainable management of the value chain
- o Jobs and local development

GRI 103-1 / 103-2 / 103-3**CSA** -DJSI 1.6 Supply chain management**SDG** 8**UNGC** Principles 1-10

Suppliers and contractors are essential to our success, so we maintain long-term mutual benefit and shared responsibility relationships. We organize our procurement process to obtain goods and services that meet the highest standards for occupational health and safety, environmental stewardship, social responsibility, and quality, thus ensuring the operation's reliability.

We promote and encourage the participation of local businesses in our supply chain. We focus our efforts on strengthening their technical, economic, and administrative capacities, to help them to be the best allies possible for Canacol and the market.

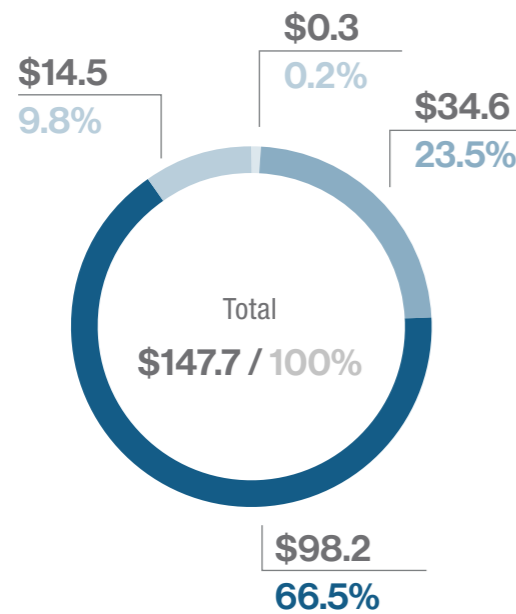


PROCUREMENT OF GOODS AND SERVICES

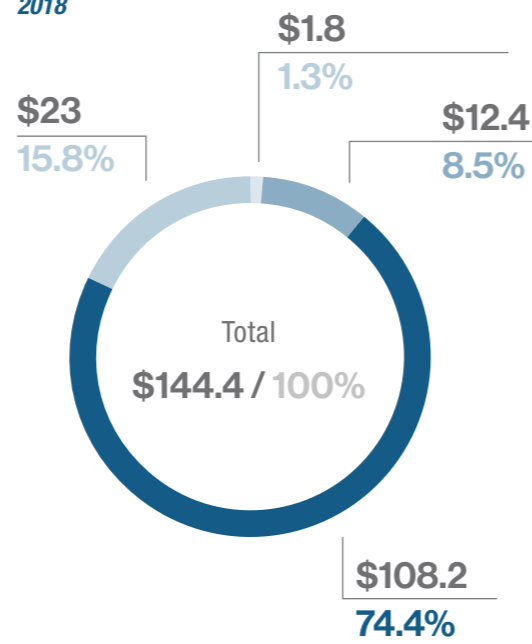
GRI 102-9 / 204-1
CSA-DJSI 1.6 Supply chain management

In 2020, we purchased 93% of all goods and services in Colombia and only 7% from international sources. In addition, we contracted over \$63.1 million dollars of local and regional goods and services over the past four years.

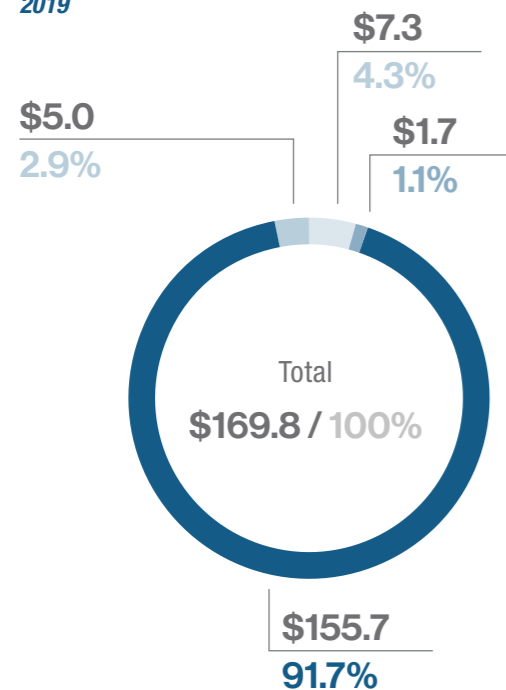
Millions of dollars
2017



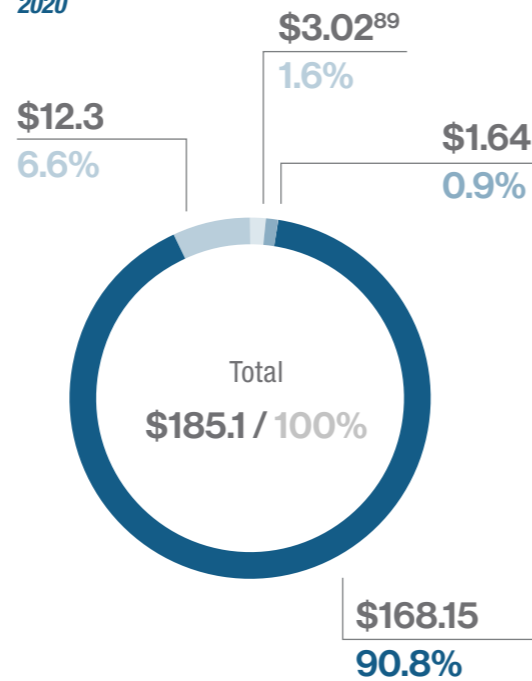
2018



2019



2020



Geographic Areas/Regions ■ Local ■ Regional ■ National ■ International

89. As a result of the pandemic, projects that required the participation of local goods and services were not executed.

SUPPLIERS ALIGNED WITH ESG FACTORS

GRI 308-1 / 308-2 / 414-1 / 414-2
CSA-DJSI 1.6 Supply chain management
SASB EM-EP-210b.1

We select contractors and suppliers who share our business principles and social and environmental commitments.

Our contracts incorporate sustainability measures and best practices that are regularly audited.

We present our requirements (HSEQ Annex and Social Annex) early in the structure of the procurement process. We verify that bidders' documentation meets our requirements, and we assess technical factors and compliance with our ESG annexes.

*During 2020, we evaluated **213** bidders as part of procurement processes. We assessed occupational health and safety aspects for **160** companies, environmental factors for **100** companies, quality standards for **110** companies and social criteria for **23** business.*

We also verified alignment with our prevention of money laundering and financing terrorism (AML/AFT) policies.

As a result of this evaluation process, 88 companies were selected to provide services or supply goods to Canacol.

CONTRACTORS AND SUPPLIERS RISK MATRIX

GRI 308-1 / 308-2 / 414-1 / 414-2
CSA-DJSI 1.6 Supply chain management
SASB EM-EP-210a.3 / EM-EP-210b.1

We classify contractors and suppliers into four categories – strategic, tactical, transactional, or routine – based on their activities, their impact on our business, and their operational risks. We also consider other economic, ethical, human rights, social, health and safety, environmental, and quality criteria.

RISK CLASSIFICATION PROCESS:

1. Organize contracted goods and services by group or bidder.
2. Describe the indicator or company objective related to the risk.
3. Name and describe the risk.
4. Identify situations that can trigger the risk, the consequences, and the people involved in risk development and mitigation.
5. Quantify and categorize the potential impact associated with the risk. (High, medium, or low)
6. Develop and implement a plan to monitor and mitigate the risk.

Figures 2020:

647 suppliers in total at year end.

14 providers classified as high risk that provide drilling, construction, and emergency response services.



CONTRACTOR PERFORMANCE MANAGEMENT PROGRAM

GRI 308-1 / 308-2 / 414-1 / 414-2
SASB EM-EP-210b.1

Our objective is to build long-term relationships with strategic contractors, identify opportunities for improvement, and establish best practices, to enhance both performance and relations.

We regularly evaluate performance to manage the sustainability risks of critical providers, and ensure gaps are closed.

In 2020 we evaluated our contractors:

- **100 environmental evaluations.**
Of the contractors evaluated, 41% provided services during the year.
- **23 social evaluations.**
100% of the contractors evaluated provided their services during the year.

SERVICE QUALITY MANAGEMENT (SQM) PERFORMANCE EVALUATION

This performance evaluation program is our main tool for engaging with contractors. The evaluation pursues mutual growth and assures compliance. In service quality meetings with contractors classified as strategic or tactical, we review performance, opportunities for improvement, and lessons learned.

The SQM performance evaluation covers the following areas:

- Health & Safety
- Corporate Social Responsibility
- Labour Law Compliance
- Service Efficiency and Value
- Commercial Aspects
- Technical aspects

During 2020 we organized 31 SQM meetings with Canacol senior management to evaluate 23 contractors and 30 different services.

ANNUAL CONTRACT MANAGEMENT PROGRAM

This program provides Contract Administrators with technical tools and best practices for managing contracts, covering budget preparation to value creation. The employees trained are regularly assessed and certified annually as Contract Administrators.

During 2020, 87% of our Contract Administrators were trained and certified using our online program.

CONTRACTUAL COMPLIANCE AUDIT

This program is designed to identify strengths and opportunities, detect gaps, and execute improvement actions during the duration of a contract, according to the highest environmental, social, and corporate governance (ESG) standards. In 2020, we carried out three contractual compliance audits for contractors in prior consultation services, civil works, and power generation.

LOCAL SUPPLIER DEVELOPMENT PROGRAM

GRI 413-1
SASB EM-EP-210b.1

At Canacol, we are committed to boosting the local economy through job creation and the procurement of local goods and services. Our Local supplier development program was implemented to increase companies' technical and administrative skills in our area of influence and promote their participation in our operations.

Our training program strengthened the administrative and technical skills of 62 local companies through 5-hour workshops led by professional trainers. They covered topics such as finances, marketing, and sales. The participants, who have not always had access to education, have found the program to be a source of technical knowledge, strengthening their development and their businesses.

Main Outcomes:

- Skills and competencies developed for preparing proposals in bid processes.
- Best practices learned for occupational health and safety, human talent management, and social responsibility.
- Greater interest in working toward the maturity of each company.
- Integration between business owners in the oil sector.

We confirm our commitment to the development of the regions where we operate.

LOCAL SUPPLIER AND CONTRACTOR CENSUS

GRI 413-1
SASB EM-EP-210b.1

Our annual local supplier and contractor census updates our local company database for each sector of goods and services.

In 2018, we gathered information in Cordoba and Sucre and we have continued to regularly incorporate additional companies and business owners. In 2020 we identified 284 companies in 14 economic sectors and we currently have a total of 646 companies registered.

Geographic Areas/ Regions 2020



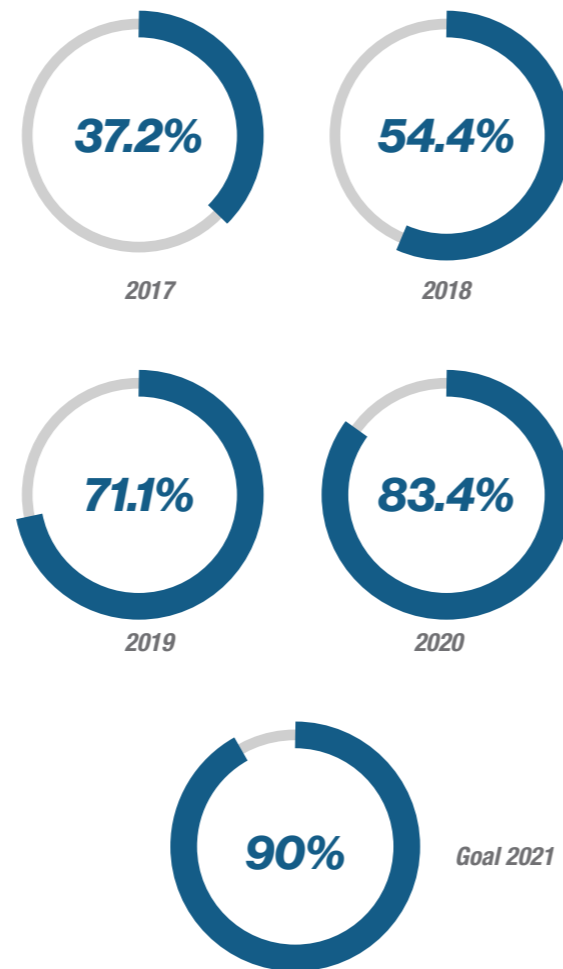
These companies are mainly in the following sectors: catering, civil works, hardware, communications, maintenance, transportation, hospitality, health, environmental, and metal-mechanical services.

BEST LABOUR PRACTICES (BPL) WITH CONTRACTORS

GRI 413-1
SASB EM-EP-210b.1

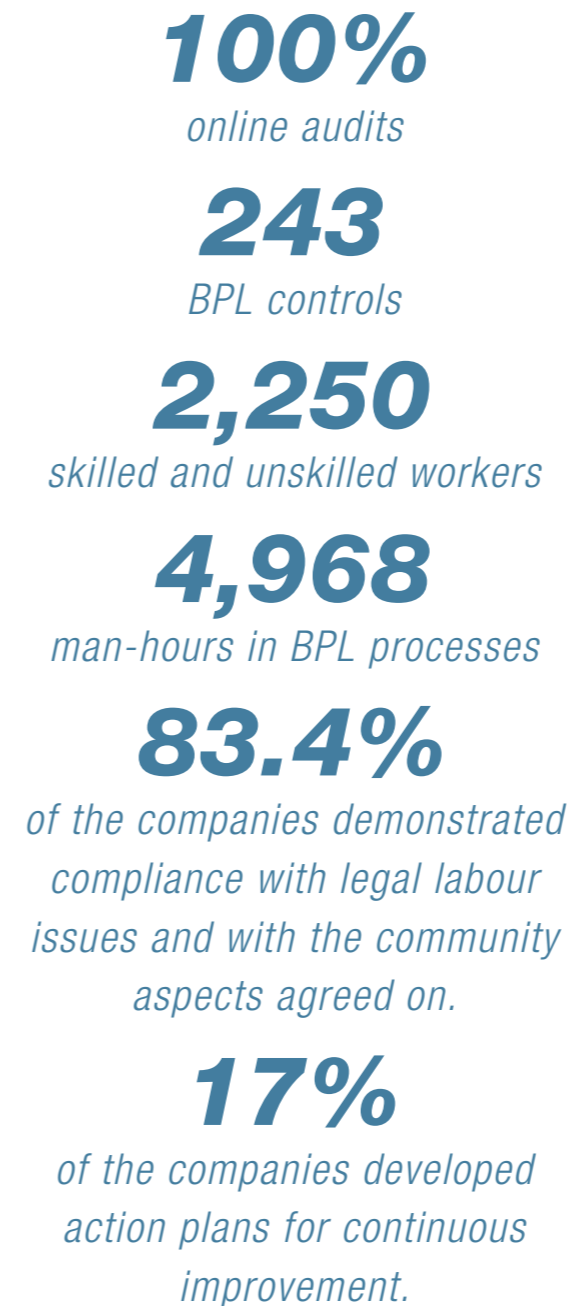
In 2017, we implemented the BPL process to encourage a culture of compliance and continuous improvement in legal and extralegal labour obligations with contractors and subcontractors. The process includes ongoing on-site audits, reviews of documentary evidence, and interviews with workers to verify compliance and workers' perceptions. We then follow up on the resolution status of any non-compliances.

Labour compliance evolution levels (overall score)



In 2020 we ran the BPL program online, with two levels of verification (documentary evidence and interviews). This had the advantage of increasing workers' participation.

Figures 2020:



BENEFITS OF THE BPL PROCESS

- Traceable evidence of labour performance, producing early warnings leading to corrective actions.
- Local contractors trained in labour issues and administrative processes.
- Systematic verification for workers of employer's compliance with their labour rights.
- Confidence in labour practices as a result of sufficient and objective information available to all stakeholders, especially the communities.
- Construction of healthy relationships of mutual benefit, good labour relations, and licence to operate.
- The scores obtained by the companies during the labour audit are shared inside the Company, leveraging the processes of different areas.

We have also established a formal and expedited communication channel⁹⁰ to review, as necessary, the correction of specific aspects arising from the operation.

90. relacioneslaborales@canacolenergy.com is the channel for attending to any questions from workers, community members, authorities, etc. concerning labor compliance by contractors and subcontractors.



Our ESG goals 2021-2026

GRI 103-2 / GRI 103-3

CSA-DJSI 1.6 Supply chain management

SASB EM-EP-210b1

BY 2021

Develop at least one local supplier development program with local companies

Contract at least 5% of Canacol's procurements with local goods and services

BY 2024

Include ESG criteria in the selection and evaluation of contractors and suppliers



BY 2022

Identify and evaluate 100% of the contractors and suppliers most at risk in ESG issues

Train 100% of critical contractors and suppliers on ESG issues

Develop and publish a code of conduct and ethics for suppliers and contractors



Reporting **indexes**





GRI

content index

GRI 102-54 / 102-55

This report has been prepared in accordance with the GRI Standards: Comprehensive option.

<i>GRI Standard: general basic contents</i>	<i>Disclosure</i>	<i>Page number (s) and / or GRI Content Index</i>	<i>Omission</i>	<i>Assurance</i>	<i>Corporate Sustainability Assessment - Dow Jones Sustainability Index</i>
GRI 101: Foundation, 2016					
GRI 102: General Disclosures, 2016					
102-1 Name of the organization	Canacol Energy Ltd.	Page 2 GRI content index		Not verified	
102-2 Activities, brands, products, and services	Canacol Energy	Page 6		Not verified	
102-3 Location of headquarters	Canacol Energy Ltd. Corporate Headquarters: Suite 2650, 585 – 8th Avenue SW, Calgary, Alberta T2P 1G1. Branch in Colombia: Calle 113 No. 7-45, Bogotá, Torre B, Oficina 1501.	Page 2 GRI content index		Not verified	
102-4 Location of operations	Operations map	Page 7		Not verified	
102-5 Ownership and legal form	ESG report 2020 Canacol Energy	Page 2 Page 5		Not verified	
102-6 Markets served	Operations map	Page 7		Not verified	
102-7 Scale of the organization	Operations map	Page 7		Not verified	
102-8 Information on employees and other workers	Key indicators. A safe and committed team, Number of Canada and Colombia employees Key indicators. A safe and committed team, Women employees (number) / Diversity of governance bodies and employees Key indicators. A safe and committed team, Men employees (number) Employability indicators, Total number of full-time employees by gender and region Employability indicators, Canada, Number of employees by job category, age, and gender, Diversity of employees Employability indicators, Colombia, Number of employees by job category, age, and gender, Diversity of employees Employability indicators, Colombia, Number of employees by employment contract and gender We strengthen local talent	Page 14 Page 54 Page 55 Page 56		Not verified	
102-9 Supply chain	Key indicators. A society guided by sustainable development. Procurement of goods and services Contractors and suppliers. Procurement of goods and services	Page 14 Page 80		Not verified	



<i>GRI Standard: general basic contents</i>	<i>Disclosure</i>	<i>Page number (s) and / or GRI Content Index</i>	<i>Omission</i>	<i>Assurance</i>	<i>Corporate Sustainability Assessment - Dow Jones Sustainability Index</i>
102-10 Significant changes to the organization and its supply chain	There were no significant changes in the organization or in the supply chain	GRI content index		Not verified	
102-11 Precautionary principle or approach	Climate change strategy. Impacts, mitigation or remediation strategies, and challenges Biodiversity. Impacts, mitigation or remediation strategies, and challenges Integrated water resources management. Impacts, mitigation or remediation strategies, and challenges Waste management. Impacts, mitigation or remediation strategies, and challenges Risk management We comply with the agreement of the precautionary principle, indicated in the national and international regulations. We have current certification in the ISO 14001: 2015 Environmental Management Systems standard, granted by the certifying entity SGS Colombia, which performs follow-up and evidence audits of the full compliance.	Page 24 Page 31 Page 32 Page 37 Page 50 GRI content index		Not verified	1.3 Risk & crisis management
102-12 External initiatives	ESG report 2020 We are the future, we are energy Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business We participate in different arenas promoted by the Colombian Network of the Global Compact	Page 2 Pages 4-5 Pages 9-10 Page 47		Not verified	
102-13 Membership of associations	<ul style="list-style-type: none"> • ACIPET (Colombian Association of Oil Engineers) • ACP (Colombian Petroleum Association) • Colombian Stock Exchange • Canada Colombia Chamber of Commerce • Campetrol • Chamber of Commerce of Bogotá's Circle of Affiliates • Deceval • EITI (Extractive Industries Transparency Initiative) • Naturgas (Colombian Association of Natural Gas) • Global Compact 	GRI content index		Not verified	
Strategy					
102-14 Statement from senior decision-maker	We are the future, we are energy	Pages 4-5		Not verified	
102-15 Key impacts, risks, and opportunities	We are the future, we are energy Meeting Colombia's natural gas demand Environmental, social, and governance strategy (ESG): sustainability is fundamental to our business Climate change strategy. Impacts, mitigation or remediation strategies, and challenges Integrated water resources management. Impacts, mitigation or remediation strategies, and challenges Biodiversity. Impacts, mitigation or remediation strategies, and challenges Waste management. Impacts, mitigation or remediation strategies, and challenges Risk management	Pages 4-5 Page 8 Pages 9-10 Page 24 Page 31 Page 32 Page 37 Page 50		Not verified	1.3 Risk & crisis management
Ethics and integrity					
102-16 Values, principles, standards, and norms of behavior	Canacol's value proposition Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business Ethics and compliance system We honed our culture of ethics Consult: http://canacolenergy.com/sustainability/governance/	Page 8 Pages 9-10 Page 44 Page 46		Not verified	1.3 Risk & crisis management 1.4.1 Codes of conduct 1.4.3 Corruption & bribery 1.4.4 Systems / Procedures



GRI Standard: general basic contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
102-17 Mechanisms for advice and concerns about ethics	Key indicators. A society guided by sustainable development. CCCR Ethics and compliance system Reporting mechanisms Concerns, requests, complaints and claims (CRCC) system relacioneslaborales@canacolenergy.com is the channel for attending to any questions from workers, community members, authorities, etc. concerning labor compliance by contractors and subcontractors.	Page 14 Page 44 Page 45 Page 73 GRI content index		Not verified	1.4.4 Systems / Procedures
Governance					
102-18 Governance structure	Board of Directors Key indicators. A transparent and ethical business. Members of the Board of Directors (number) Key indicators. A transparent and ethical business. Committees supporting the Board of Directors (number) Board of Directors Board of Directors: Executive director (1), Independent director (6), Other non-executive directors (1) http://canacolenergy.com/site/assets/files/2845/corporate_governance_code.pdf The chair of the board should be an independent director. Where this is not appropriate, an independent director should be appointed to act as lead director. However, either an independent chair or an independent lead director should act as the effective leader of the board and ensure that the board's agenda will enable it to successfully carry out its duties.	Page 2 Page 14 Page 44 GRI content index		Not verified	1.1 Corporate governance
102-19 Delegating authority	The Board shall also develop formal Authority Guidelines delineating authority retained by the Board and authority delegated to the CEO and the other members of senior management. The Authority Guidelines shall also clearly state matters which should be presented to the Board and its Committees. http://canacolenergy.com/site/assets/files/2845/governance_guidelinesmy1721.pdf	GRI content index		Not verified	
102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate governance structure for addressing climate change The highest level executive responsible for economic, environmental and social topics is our CEO. The ESG Director is responsible for: 1. Following up on performance related to our ESG strategy which are managed by the organization's different areas. 2. Reporting directly to the CEO on the ESG strategy. 3. Orienting the exercise of communicating progress through the annual ESG report.	Page 24 GRI content index		Not verified	
102-21 Consulting stakeholders on economic, environmental, and social topics	Consult: http://canacolenergy.com/site/assets/files/2845/governance_guidelinesmy1721.pdf & http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf	GRI content index		Not verified	
102-22 Composition of the highest governance body and its committees	Board of Directors Key indicators. A transparent and ethical business. Members of the Board of Directors (number) Key indicators. A transparent and ethical business. Independent Board Members (percentage) Key indicators. A transparent and ethical business. Committees supporting the Board of Directors (number) Board of Directors Consult: Management Information Circular: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf – pages 6-9 Consult: http://canacolenergy.com/about-us/board-of-directors/	Page 2 Page 14 Page 44 GRI content index		Not verified	1.1 Corporate governance
102-23 Chair of the highest governance body	Board of Directors Chairman is non-executive and independent. Consult: http://canacolenergy.com/about-us/board-of-directors/	Page 2 GRI content index		Not verified	1.1.2 Non-executive Chairman / Lead Director



GRI Standard: general basic contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
102-24 Nominating and selecting the highest governance body	<p>The Corporate Governance and Nominating Committee has the responsibility to review with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board and any perceived needs. Consult: http://canacolenergy.com/site/assets/files/2845/4_gc-1_corporate_governance_and_nominating_committee_te.pdf</p> <p>The nominating committee looks for the following: qualified individuals with diverse experience, backgrounds, perspectives and skills, independence, individuals with the highest personal and professional ethics and commitment to the long term interests of shareholders as well as those who have sufficient time to effectively fulfill duties as a board member.</p>	GRI content index		Not verified	1.1.5 Board effectiveness: Board election process
102-25 Conflicts of interest	<p>Other initiatives in 2020</p> <p>Consult: http://canacolenergy.com/site/assets/files/3517/aif_-_ingles_-_4q2020.pdf Page 47</p> <p>The audit committee meets four times per year, and inquiries about any conflict of interest situations are asked during these meetings.</p>	Page 46 GRI content index		Not verified	
102-26 Role of highest governance body in setting purpose, values, and strategy	<p>A transparent and ethical business: Board of Director</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/governance_guidelinesmy1721.pdf</p>	GRI content index		Not verified	
102-27 Collective knowledge of highest governance body	<p>No formal continuing education program currently exists for the directors of Canacol.</p> <p>The Company encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters, and has agreed to pay the cost of such courses and seminars. Each director of the Company has the responsibility of ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director. The Company has a formal process in place for assessing the Board, its committees and individual Board members.</p> <p>This formal process includes an independent evaluation of the board done on an annual basis. The most recent evaluation was completed in May, 2020.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf</p>	GRI content index		Not verified	
102-28 Evaluating the highest governance body's performance	<p>The Audit Committee conducts an annual self-assessment of its performance and the Terms of Reference and makes recommendations to the Corporate Governance and Nominating Committee with respect thereto. Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to Canacol. New Committee members shall be provided with an orientation program to educate them on the Corporation's business, their responsibilities and the Corporation's financial reporting and accounting practices.</p>	GRI content index		Not verified	1.1.5 Board effectiveness: Board performance review
102-29 Identifying and managing economic, environmental, and social impacts	<p>The ESG Committee has been established by resolution of the Board of Directors of Canacol Energy Ltd for the purpose of assisting the Board in fulfilling its oversight responsibilities with respect to the Corporation's social responsibility and sustainability management. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, Canacol's policies, procedures, and practices at all levels. The Committee's primary roles and responsibilities are to:</p> <ul style="list-style-type: none"> • Serve as an independent and objective party to monitor the integrity and quality of Canacol's ESG strategy. • Ensure that Canacol's ESG strategy is integrated into its business plan, corporate values and objectives and serves to foster a culture of responsibility and transparency. • Review and approve Canacol's annual Sustainability Report. • Review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on Canacol's annual Sustainability Report. <p>Consult: http://canacolenergy.com/site/assets/files/2845/esg-1_committee_terms_of_reference.pdf</p>	GRI content index		Not verified	



GRI Standard: general basic contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
102-30 Effectiveness of risk management processes	<p>Risk management</p> <p>The Board ultimately has the responsibility to oversee the development and approval of the mission of Canacol, its goals and objectives, and the strategy by which these objectives will be reached. In guiding the strategic choices of Canacol, the Board must understand the inherent prospects and risks of such strategic choices. While the leadership for the strategic planning process comes from the management of Canacol, the Board shall bring objectivity and a breadth of judgment to the strategic planning process and will ultimately approve the strategy developed by management as it evolves.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf Page 49</p>	Page 50 GRI content index		Not verified	1.3 Risk & Crisis Management
102-31 Review of economic, environmental, and social topics	<p>The ESG Committee shall have the roles and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations.</p> <p>1. Assist the Board in establishing and monitoring the Corporation's ESG policies and practices, 2. Propose changes as necessary from time to time to respond to ESG recommendations or guidelines from authorities or investors as well as changes in the Corporation's business environment, 3. Assist the Board with an annual review of the Board and Committee structure, 4. Ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal ESG risks of the Corporation's business, 5. Review the main challenges the Corporation faces in ESG, 6. Review and approve material ESG disclosure, 7. Review and approve the external party assurance process and report.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/esg-1_committee_terms_of_reference.pdf</p>	GRI content index		Not verified	
102-32 Highest governance body's role in sustainability reporting	<p>The Board of Directors (ESG Committee) formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.</p>	GRI content index		Not verified	
102-33 Communicating critical concerns	<p>Reporting policy for improper acts and whistleblower policy.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/whistleblower_policy.pdf</p> <p>At every quarterly audit committee meeting the board chair asks all executives and board members if they have become aware of any incidents of whistleblowing.</p>	GRI content index		Not verified	
102-34 Nature and total number of critical concerns	<p>No critical concerns were communicated to the highest governance body.</p>	GRI content index		Not verified	
102-35 Remuneration policies	<p>The Corporation's executive compensation program is administered by the Compensation Committee of the Board. The Compensation Committee's mandate includes reviewing and determining or making recommendations to the Board in respect of compensation matters relating to the executive officers, employees and directors, including the Named Executive Officers.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/4_gc-1_corporate_governance_and_nominating_committee_te.pdf</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf Page 15.</p>	GRI content index		Not verified	1.1.8 Executive compensation - Success metrics 1.1.9 Executive compensation - Alignment with long-term performance
102-36 Process for determining remuneration	<p>Annual General and Special Meeting of Shareholders. p. 15-21 Statement of Executive Compensation Compensation committee of the board of directors meets to discuss as required. Canacol engages an independent consultant to provide a detailed compensation report on an annual basis.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf</p>	GRI content index		Not verified	1.1.8 Executive compensation - Success metrics 1.1.9 Executive compensation - Alignment with long-term performance
102-37 Stakeholders' involvement in remuneration	<p>Consult: http://canacolenergy.com/site/assets/files/3517/aif_-_ingles_-_4q2020.pdf Page 40-42</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf. p. 10-21 Statement of Executive Compensation.</p>	GRI content index		Not verified	



<i>GRI Standard: general basic contents</i>	<i>Disclosure</i>	<i>Page number (s) and / or GRI Content Index</i>	<i>Omission</i>	<i>Assurance</i>	<i>Corporate Sustainability Assessment - Dow Jones Sustainability Index</i>
102-38 Annual total compensation ratio	<ul style="list-style-type: none"> Colombia's annual total compensation ratio: 7.37 Colombia's highest-paid individual (Executive) \$ 250.779 (dollars) - Data only consider base salary and other cash incentives Median annual total compensation for all Colombian employees excluding highest-paid individual USD \$ 34.023 (dollars) - Data only consider base salary and other cash incentives 	GRI content index		Not verified	
102-39 Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> Ratio: 28.6% Increase in annual total compensation for Colombia's highest-paid Executive 3.7% Median percentage increase in annual total compensation for all Colombian employees excluding highest-paid Executive 12.9% 	GRI content index		Not verified	
Stakeholder engagement					
102-40 List of stakeholder groups	Stakeholders	Page 11		Not verified	
102-41 Collective bargaining agreements	Labor relations	Page 62		Not verified	3.2.6 Freedom of association
102-42 Identifying and selecting stakeholders	Stakeholders	Page 11		Not verified	
102-43 Approach to stakeholder engagement	Stakeholders	Page 11		Not verified	
102-44 Key topics and concerns raised	Material topics 2020	Page 10		Not verified	1.2.1 Material issues 1.2.2 Materiality disclosure
Reporting practice					
102-45 Entities included in the consolidated financial statements	ESG report 2020	Page 2		Not verified	
102-46 Defining report content and topic Boundaries	ESG report 2020 Material topics 2020	Page 2 Page 10		Not verified	1.2.1 Material issues 1.2.2 Materiality disclosure
102-47 List of material topics	Material topics 2020	Page 10		Not verified	1.2.1 Material issues 1.2.2 Materiality disclosure
102-48 Restatements of information	<p>There were restatements of information in the following indicators:</p> <ul style="list-style-type: none"> GRI 403-9 Work-related injuries. Lost time injury frequency rate (LTIFR) indicator for contractors reported in 2019. Restatements resulted from the measurement method. A contractor's fatality was included in the LTIFR indicator as a work-related incident that results in a worker being unable to return to work. However, the fatality already affects the TRIR recordable accident indicator and should not be included in the LTIFR indicator. GRI 201-1 Economic performance. The 2018 and 2019 figures were reclassified from previously issued reports for comparative purposes. The 2017, 2018 and 2019 figures related to financial performance, operations and infrastructure were reclassified from previously issued reports for comparative purposes. 	GRI content index	Any restatements are made in the data tables	Not verified	
102-49 Changes in reporting	Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business	Pages 9-10		Not verified	
102-50 Reporting period	ESG report 2020	Page 2		Not verified	



<i>GRI Standard: general basic contents</i>	<i>Disclosure</i>	<i>Page number (s) and / or GRI Content Index</i>	<i>Omission</i>	<i>Assurance</i>	<i>Corporate Sustainability Assessment - Dow Jones Sustainability Index</i>
102-51 Date of most recent report	October, 2020	GRI content index		Not verified	
102-52 Reporting cycle	Annual	GRI content index		Not verified	
102-53 Contact point for questions regarding the report	Point of contact for further information	Page 2		Not verified	
102-54 Claims of reporting in accordance with the GRI Standards	ESG report 2020	Page 2		Not verified	
102-55 GRI content index	GRI content index	Pages 85-108		Not verified	
102-56 External assurance	<p>Independent assurance statement by Deloitte</p> <p>The external assurance of Environmental, Social and Governance (ESG) information was approved by the Board of Directors. The Board of Directors has been involved a 100% in the selection of the indicators to be verified and in the validation of the external assurance result.</p>	<p>Pages 122-124</p> <p>GRI content index</p>			<p>2.1.2. Environmental Reporting - Assurance</p> <p>3.1.2. Social Reporting - Assurance</p>



Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index	
Operational performance Innovation and growth	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 We quickly adapted Operations and infrastructure	Page 2 Page 15 Page 17		Not verified	1.2.1. Material Issues
		103-2 The management approach and its components	We quickly adapted Operations and infrastructure	Page 15 Page 17		Not verified	CSA-DJSI 1.9.2 Oil & gas reserves CSA-DJSI 1.9.1 Oil & Gas production
			We quickly adapted Operations and infrastructure	Page 15 Page 17		Not verified	CSA-DJSI 1.9.2 Oil & gas reserves CSA-DJSI 1.9.1 Oil & Gas production
		103-3 Evaluation of the management approach	We quickly adapted. Net annual production volume	Page 19		Not verified	1.9.1 Oil & gas production
			Net estimated hydrocarbon reserves	Page 18		Not verified	1.9.2 Oil & gas reserves
			Leading finding and development cost	Page 17		Not verified	1.9.4 Finding & development and production costs
	GRI 201: Economic performance, 2016	GRI 201-1: Direct economic value generated and distributed	Key indicators. Direct economic value generated and distributed	Page 12		Verified	0 Company information
	GRI 207: Tax, 2019	207-1 Approach to tax	Tax strategy is developed to align with business strategy. We work to constantly integrate the two. The corporation's tax strategy is based on five principles – tax efficiency, transparency, tax responsibility, the prevention of tax risk and the respect of jurisdictional law and OECD guidelines. We apply responsible tax policies and are committed to building relationships with tax authorities.	GRI content index		Not verified	1.7 Tax strategy
		207-2 Tax governance, control, and risk management	The Vice President of Tax & Corporate Affairs, along with the CFO and CEO are responsible for the review and approval of tax strategy. The Board is also consulted during quarterly board meetings. Compliance and governance is evaluated by the CEO and the board on an annual basis. Changes in government tax policies warrant close attention as we evaluate and modify our tax strategy. We are in constant communication with external tax advisors as well as tax authorities in all of the jurisdictions in which we operate.	GRI content index		Not verified	1.7 Tax strategy
		207-3 Stakeholder engagement and management of concerns related to tax	Stakeholder interest in tax matters has increased. Tax strategy is a high priority agenda item for the C-Suite and the board. We are committed to bringing the two together in a responsible, transparent and efficient manner.	GRI content index		Not verified	1.7 Tax strategy
207-4 Country-by-country reporting		Tax strategy	Page 17		Not verified	1.7 Tax strategy	



Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index	
A cleaner energy future							
Energy, adaptation to climate change, and air quality SDG 7 / 13 UNGC Principles 7, 8, 9 Task Force on Climate-related Financial Disclosures (TCFD)	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A cleaner energy future Our approach Climate change strategy Impacts, mitigation or remediation strategies, and challenges	Page 2 Page 21 Page 22 Page 23 Page 24		Not verified 2.2 Environmental policy & management systems 2.5 Climate change strategy	
		103-2 The management approach and its components	Management systems A cleaner energy future Our approach Climate change strategy Impacts, mitigation or remediation strategies, and challenges Our ESG goals 2021-2026	Page 20 Page 21 Page 22 Page 23 Page 24 Page 29		Not verified 2.2.2 EMS: Certification / Audit / Verification 2.5.2 Climate change strategy	
		103-3 Evaluation of the management approach	A cleaner energy future Our approach Climate change strategy Impacts, mitigation or remediation strategies, and challenges Our ESG goals 2021-2026	Page 21 Page 22 Page 23 Page 24 Page 29		Not verified 2.5.2 Climate change strategy	
	GRI 302: Energy, 2016	302-1 Energy consumption within the organization	Key indicators. Total use of energy by source in the gas fields / Energy consumption within the organization Energy. Total use of energy by source in the gas fields (GJ) Energy. Energy consumption by operative and administrative activities in the gas fields Energy. Energy consumption by subcontracted activities in the gas fields Environmental management at the Rancho Hermoso oil field. Energy consumption by operational activity and by source	Page 13 Page 25 Page 26 Page 42		Verified	2.3.3 EP Energy consumption 1.9.6 Renewable energy production
		302-2 Energy consumption outside of the organization	Energy. Energy consumption by subcontracted activities in the gas fields	Page 25 Page 26		Not verified	
		302-3 Energy intensity	Key indicators. Total use of energy by source in the gas fields / Energy consumption within the organization. Energy Intensity (KWh/BBL-eq) Energy intensity (kWh / BARREL-E)	Page 13 Page 26		Verified	
		302-4 Reduction of energy consumption		GRI content index	No reduction of energy consumption was made during the reporting year.	Not verified	1.9.6 Renewable energy production
	GRI 305: Emissions, 2016	305-1 Direct (Scope 1) GHG emissions	Key indicators. GHG emissions from operational control. Direct GHG emissions (scope 1) (tonnes CO ₂ e) Managing carbon emissions. Direct and indirect greenhouse gas emissions (GHG) Environmental management at the Rancho Hermoso oil field, Annual GHG emissions (tons)	Page 13 Page 27 Page 42		Verified	2.3.1 EP - Direct greenhouse gas emissions (Scope 1)
		305-2 Energy indirect (Scope 2) GHG emissions	Key indicators. GHG emissions from operational control. Indirect GHG emissions (scope 2) (tonnes CO ₂ e) Managing carbon emissions. Direct and indirect greenhouse gas emissions (GHG)	Page 13 Page 27		Verified	2.3.2 EP Indirect greenhouse gas emissions (Scope 2)

Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index	
Energy, adaptation to climate change, and air quality SDG 7 / 13 UNGC Principles 7, 8, 9 Task Force on Climate-related Financial Disclosures (TCFD)	GRI 305: Emissions, 2016	305-3 Other indirect (Scope 3) GHG emissions	Key indicators. Indirect GHG emissions (scope 3) (tonnes CO2e) Managing carbon emissions. Direct and indirect greenhouse gas emissions (GHG)	Page 13 Page 27		Not verified	
		305-4 GHG emissions intensity	Key indicators. GHG emissions from operational control. GHG emissions intensity (Kg CO2eq/BBL-eq) Managing carbon emissions. Emission intensity (kg CO2 eq / BBL-eq)	Page 13 Page 28		Not verified	
		305-5 Reduction of GHG emissions		GRI content index	The required information about GHG emissions reduced as a direct result of reduction initiatives, cannot be identified nor reported. During 2021 the company is verifying by a third party the CO2eq inventory measurement process.	Not verified	
		305-6 Emissions of ozone-depleting substances	Key indicators. A cleaner energy future. Air Quality / Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions Zero, since these types of emissions are not generated within our operation.	Page 13 GRI content index		Not verified	
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key indicators. Air quality / Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions Managing carbon emissions. Significant air emissions Managing carbon emissions. CH4 emissions	Page 13 Page 28 Page 29		Verified	2.3.6 EP NOx Emissions 2.3.7 EP SOx Emissions
	Gross global emissions of Scope 1 greenhouse gases (GHG) into the atmosphere	Managing carbon emissions. Gross global emissions of Scope 1 greenhouse gases (GHG) into the atmosphere	Page 29		Not verified		
	Scope 1 gross emissions amount (CO2 eq)	Managing carbon emissions. Scope 1 gross emissions amount (CO2eq)	Page 29		Not verified	2.3.9 EP Methane emissions	
Biodiversity SDG 15 UNGC Principles 7, 8, 9	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A cleaner energy future Our approach Biodiversity Impacts, mitigation or remediation strategies, and challenges	Page 2 Page 21 Page 22 Page 30 Page 31		Not verified	2.4.1 Biodiversity commitment
		103-2 The management approach and its components	A cleaner energy future Our approach Biodiversity Impacts, mitigation or remediation strategies, and challenges Our ESG goals 2021-2026	Page 21 Page 22 Page 30 Page 31		Not verified	



Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Biodiversity SDG 15 UNGC Principles 7, 8, 9	GRI 103: Management approach, 2016	103-3 Evaluation of the management approach	A cleaner energy future Our approach Biodiversity Impacts, mitigation or remediation strategies, and challenges Our ESG goals 2021-2026	Page 21 Page 22 Page 30 Page 31		Not verified	
	GRI 304: Biodiversity, 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Operations map Key indicators. Biodiversity Biodiversity For further information consult https://canacolenergy.com/site/assets/files/3487/sustainability_report_2019.pdf , Identification of Protected Species, Page 70	Page 7 Page 13 Page 30 GRI content index		Verified	2.4.2 Biodiversity exposure & assessment
		304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity. Impacts, mitigation or remediation strategies, and challenges	Page 31		Not verified	2.4.2 Biodiversity exposure & assessment
		304-3 Habitats protected or restored	Reforestation	Page 31		Not verified	2.4.1 Biodiversity commitment
		304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Operations map Key indicators. Biodiversity For further information consult https://canacolenergy.com/site/assets/files/3487/sustainability_report_2019.pdf , Identification of Protected Species, Page 70	Page 7 Page 13 GRI content index		Not verified	2.4.2 Biodiversity exposure & assessment
		OG4 Number and percentage of significant in the operational sites at which a biodiversity risk has been assessed and monitored	Operations map Key indicators. Biodiversity	Page 7 GRI content index		Not verified	2.4.2 Biodiversity exposure & assessment
Integrated water resources management SDG 6 UNGC Principles 7, 8, 9	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A cleaner energy future Our approach Integrated water resources management Impacts, mitigation or remediation strategies, and challenges	Page 2 Page 21 Page 22 Page 32		Not verified	2.6 Water related risks
		103-2 The management approach and its components	A cleaner energy future Our approach Integrated water resources management Impacts, mitigation or remediation strategies, and challenges	Page 21 Page 22 Page 32		Not verified	2.6 Water related risks
		103-3 Evaluation of the management approach	A cleaner energy future Our approach Integrated water resources management Impacts, mitigation or remediation strategies, and challenges	Page 21 Page 22 Page 32		Not verified	2.6 Water related risks
	GRI 303: Water and effluents, 2018	303-1 Interactions with water as a shared resource	Interactions with water as a shared resource	Page 33		Not verified	2.6 Water related risks



Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index	
Integrated water resources management SDG 6 UNGC Principles 7, 8, 9	GRI 303: Water and effluents, 2018	303-2 Management of water discharge-related impacts	Impacts, mitigation or remediation strategies, and challenges Interactions with water as a shared resource	Page 32 Page 33		Not verified	2.6 Water related risks
		303-3 Water withdrawal	Key indicators. Water management / Water withdrawal Interactions with water as a shared resource. Water withdrawal by supply source (mega liters)	Page 13 Page 33		Verified	2.3.4 EP Water consumption
		303-4 Water discharge	Key indicators. Water management / Water withdrawal Key indicators. Hazardous waste by disposal method direct operations. Wastewater (kilograms) / Water discharge Environmental management at the Rancho Hermoso oil field. Discharges (m3) Wastewater (ARI) discharge is governed by Decree 1207 of 2014 ART. Wastewater falling under the 7th Quality Criteria, Number 2 Industrial, Industrial Wastewater (ARI) is treated through reverse osmosis and later used for road irrigation and the preparation of sludge and brines. Wastewater that does not meet these parameters is treated by a specialized provider before disposal. Wastewater (ARD) is governed by Decree 1076 of 2015, Article 2.2.3.3.9.14, and Article 2.2.3.3.9.15. It is processed in treatment plants and undergoes land disposal. Prior to land disposal a simulation of loads is calculated using an environmental impact study. This determines possible contaminant concentration levels and demonstrates that concentrations in soil and groundwater will be below regulatory limits.	Page 13 Página 34 Page 42 GRI content index		Verified	
		303-5 Water consumption	Interactions with water as a shared resource. Water consumption by source and activity 2020 (m3) Interactions with water as a shared resource. Water consumption by use and activity 2020 (m3) Environmental management at the Rancho Hermoso oil field. Consumption of production water (m3)	Page 34 Page 42		Not verified	2.3.4 EP Water consumption
			Water from drilling activities reused and recycled (mega litres)	Page 35		Not verified	2.3.4 EP Water consumption
Waste management SDG 12 UNGC Principles 7, 8, 9	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A cleaner energy future Our approach Waste management Impacts, mitigation or remediation strategies, and challenges	Page 2 Page 21 Page 22 Page 36 Page 37		Not verified	
		103-2 The management approach and its components	A cleaner energy future Our approach Waste management Impacts, mitigation or remediation strategies, and challenges Our ESG goals 2021-2026	Page 21 Page 22 Page 36 Page 37 Page 40		Not verified	
		103-3 Evaluation of the management approach	A cleaner energy future Our approach Waste management Impacts, mitigation or remediation strategies, and challenges Our ESG goals 2021-2026	Page 21 Page 22 Page 36 Page 37 Page 40		Not verified	

Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index	
Waste management SDG 12 UNGC Principles 7, 8, 9	GRI 306: Waste, 2020	306-1 Waste generation and significant waste-related impacts	Impacts, mitigation or remediation strategies, and challenges	Page 37		Not verified	2.3.5 EP Waste disposal
		306-2 Management of significant waste-related impacts	Hazardous waste. Direct hazardous waste by disposal method direct (kg) We give new contractors an Environmental Addendum describing regulatory guidelines and our expectations for their environmental behaviour. They are required to develop an Environmental Quality Plan, and we give them the Environmental Compliance Action Plan we use to verify their capacity to manage resource consumption and waste generation. During contract execution, contractors must regularly report on their activities and give us a monthly database with environmental metrics. They must record any findings, which are then monitored by our environmental supervisors in the field. At the end of the project we request a final database with the updated project information, and an environmental folder including actions taken and records for resource consumption and waste generation traceability.	Page 38 GRI content index		Not verified	2.3.5 EP Waste disposal
		306-3 Waste generated	Key indicators. Solid waste management and disposal direct operation Direct waste generated by type (kg) Direct waste generated by composition (kg) Direct and indirect waste generated by activity (kg) Environmental management at the Rancho Hermoso oil field. Solid waste management in production (kg)	Page 13 Page 37 Page 38 Page 42		Verified	2.3.5 EP Waste disposal
		306-4 Waste diverted from disposal	Key indicators. Non-Hazardous waste by disposal method direct operations Hazardous waste. Direct and indirect hazardous waste by disposal method (kg) Hazardous waste. Direct and indirect hazardous waste not for disposal (kg) Non-hazardous waste. Non-hazardous direct waste by disposal method (kg) Non-hazardous waste. Non-hazardous direct and indirect waste not for disposal, by activity (kg)	Page 13 Page 39 Page 40		Not verified	2.3.5 EP Waste disposal
		306-5 Waste directed to disposal	Key indicators. Non-Hazardous waste by disposal method direct operations Key indicators. Hazardous waste by disposal method direct operations Hazardous waste. Direct and indirect hazardous waste by activity and type of disposal (kg) Hazardous waste. Direct and indirect hazardous waste by disposal method (kg) Non-hazardous waste. Non-hazardous direct waste by disposal method (kg) Non-hazardous waste. Non-hazardous direct and indirect waste by activity and disposal method (kg) Non-hazardous waste. Non-hazardous direct and indirect waste not for disposal, by activity (kg) Non-hazardous waste. Non-hazardous direct and indirect waste for disposal (kg)	Page 13 Page 38 Page 39 Page 40		Not verified	2.3.5 EP Waste disposal 2.3.8 EP Hazardous waste
A transparent and ethical business							
Ethics, compliance and anti-corruption SDG 16 UNGC Principle 10	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A transparent and ethical business Ethics, compliance, and anti-corruption	Page 2 Page 43 Page 44		Not verified	1.4 Codes of business conduct



Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Ethics, compliance and anti-corruption SDG 16 UNGC Principle 10	GRI 103: Management approach, 2016	103-2 The management approach and its components	A transparent and ethical business Ethics, compliance, and anti-corruption Our ESG goals 2021-2026	Page 43 Page 44 Page 47		Not verified	1.4 Codes of business conduct
		103-3 Evaluation of the management approach	A transparent and ethical business Ethics, compliance, and anti-corruption Our ESG goals 2021-2026	Page 43 Page 44 Page 47		Not verified	1.4 Codes of business conduct
	GRI 205: Anti-corruption, 2016	205-1 Operations assessed for risks related to corruption	0.000708%: Calculated for the total number of verifications of matches on the sanctions lists associated with risks of fraud, corruption, money laundering and terrorist financing. Property owners reported on AML/AFT lists	GRI content index		Not verified	1.4.3. Corruption & Bribery
		205-2 Communication and training about anti-corruption policies and procedures	We honed our culture of ethics 7 members of the Board of Directors (100%) have been communicated of the anti-corruption policies and procedures. 195 employees have received training on anti-corruption 3 business partners in Bogotá, Colombia and 1 business partner in Medellín, Colombia have been communicated of Canacol's anti-corruption policies and procedures	Page 46 GRI content index		Verified	1.4.3. Corruption & Bribery
		205-3 Confirmed incidents of corruption and actions taken	Zero (0). We did not have confirmed cases of corruption & bribery during 2020	GRI content index		Not verified	1.4.6 Corruption & bribery cases
	GRI 206: Anti-competitive behavior, 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Zero (0) legal actions for anti-competitive behavior, anti-trust, and monopoly practices during 2020.	GRI content index		Not verified	1.4.5 Anti-competitive Practices
	GRI 307: Environmental compliance, 2016	307-1 Non-compliance with environmental laws and regulations	Key indicators. Environmental fines (millions of dollars) / Non-compliance with environmental laws and regulations Zero (0). We did not have non-compliance with environmental laws and regulations during 2020.	Page 13 GRI content index		Verified	2.2.4 Environmental violations
	GRI 415: Public policy, 2016	415-1 Political contributions	Political contributions (dollars): 2018: \$554,875 2019: \$50,000 2020: \$0 Other contributions 2020 (dollars): Naturgas: \$46,390 Colombian Association of Major Industrial and Commercial Energy Consumers: \$1,207 ACP: \$94,446 CREG: \$193,114 National Natural Gas Operation Council: \$21,297 Superintendent of Public Utilities: \$418,205 Superintendent of Corporations: \$93,798 Total contributions: \$868,457	GRI content index		Not verified	1.5 Policy influence
	GRI 418: Customer privacy, 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero (0). We did not have non-compliance with customer privacy a losses of customer data during 2020.	GRI content index		Not verified	



Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Ethics, compliance and anti-corruption SDG 16 UNGC Principle 10	GRI 419: Socioeconomic compliance, 2019	419-1 Non-compliance with laws and regulations in the social and economic area	The Council of State imposed a precautionary measure and decreed the suspension of Resolution No. 1501 of 2017 by the ANLA, which contains a modification to the global environmental license granted by the Ministry of the Environment in Resolution No. 098 of 2008. No fines or sanctions were imposed during the process. The Cabildo Cayo de la Cruz community and the Company reached an agreement, and a request was made to the Council of State to lift the precautionary measure. The ruling is still pending.	GRI content index		Not verified	
Human rights SDG 16 UNGC Principles 1 and 2 Diversity, inclusion, and equity SDG 5	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A transparent and ethical business Human rights A safe and committed team. Diversity, inclusion, and equity A safe and committed team. Labor relations	Page 2 Page 43 Page 48 Page 60 Page 62		Not verified	3.3.1 Human rights commitment
		103-2 The management approach and its components	A transparent and ethical business Human rights Our ESG goals 2021-2026 A safe and committed team. Diversity, inclusion, and equity Our ESG goals 2021-2026 A safe and committed team. Labor relations	Page 43 Page 48 Page 49 Page 60 Page 61 Page 62		Not verified	3.3.1 Human rights commitment
		103-3 Evaluation of the management approach	A transparent and ethical business Human rights Our ESG goals 2021-2026 A safe and committed team. Diversity, inclusion, and equity Our ESG goals 2021-2026 A safe and committed team. Labor relations	Page 43 Page 48 Page 49 Page 60 Page 61 Page 62		Not verified	3.3.1 Human rights commitment
	GRI 406: Non-discrimination, 2016	406-1 Incidents of discrimination and corrective actions taken	Zero (0) incidents of discrimination were confirmed during 2020.	GRI content index		Not verified	
	GRI 407: Freedom of association and collective bargaining, 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labor relations We use our Good Labor Practices Program to monitor 100% of our suppliers. This includes specific supervision of respect for freedom of association and collective bargaining.	Page 62 GRI content index		Verified	3.2.3 Freedom of association
	GRI 408: Child labor, 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Zero (0) We monitor 100% of our suppliers under our Good Labor Practices Program, including specific supervision of labor issues.	GRI content index		Not verified	
	GRI 409: Forced or compulsory labor, 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Zero (0) We monitor 100% of our suppliers under our Good Labor Practices Program, including specific supervision of labor issues.	GRI content index		Not verified	
GRI 410: Security practices, 2016	410-1 Security personnel trained in human rights policies or procedures	Physical security and human rights In 2020, we did not receive any complaints or claims connected with the Company's physical security contractors.	Page 49 GRI content index		Not verified		



Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Human rights SDG 16 UNGC Principles 1 and 2 Diversity, inclusion, and equity SDG 5	GRI 411: Rights of indigenous peoples, 2016	411-1 Incidents of violations involving rights of indigenous peoples	Key indicators. A society guided by sustainable development. Human rights violations (number) Zero (0). We did not have incidents of violations involving rights of indigenous peoples during 2020.	Page 14 GRI content index		Not verified	3.8.4. Indigenous people & cultural preservation
	GRI 412: Human rights assessment, 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	We have not conducted a human rights assessment in 2020.	GRI content index		Not verified	3.3.3. Human rights assessment
		412-2 Employee training on human rights policies or procedures	Human rights We reinforced our human rights culture in a time of crisis	Page 48		Verified	3.3.1. Human rights commitment
		412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Clauses included in all the company's contracts regarding the protection of human rights.	GRI content index		Not verified	
	Oil & Gas G4 Sector Disclosures	OG9 Operations in which indigenous communities are present or affected by any of our activities and where specific participation strategies have been implemented	Operations map A society guided by sustainable development Neighbouring communities Our social guidelines Canacol's social investment Our guiding principles	Page 7 Page 69 Page 70		Not verified	3.8.4. Indigenous peoples & cultural preservation
Risk and crisis management	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A transparent and ethical business Risk management	Page 2 Page 43 Page 50		Not verified	1.3. Risk management
		103-2 The management approach and its components	A transparent and ethical business Risk management Our ESG goals 2021-2026	Page 43 Page 50 Page 51		Not verified	1.3. Risk management
		103-3 Evaluation of the management approach	A transparent and ethical business Risk management Our ESG goals 2021-2026	Page 43 Page 50 Page 51		Not verified	1.3. Risk management
			Information technology (IT)	Page 50		Not verified	1.8. Information security / Cybersecurity & system availability

Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index		
Risk and crisis management	103-3 Evaluation of the management approach	A transparent and ethical business Risk management Our ESG goals 2021-2026	Page 43 Page 50 Page 51		Not verified	1.3. Risk management		
		Information technology (IT)	Page 50		Not verified	1.8. Information security / Cybersecurity & system availability		
A safe and committed team								
Talent management and culture SDG 8 UNGC Principles 1-6 Diversity, inclusion, and equity SDG 5	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A safe and committed team Human resources management and culture	Page 2 Page 52 Page 53		Not verified		
		103-2 The management approach and its components	A safe and committed team Human resources management and culture Our ESG goals 2021-2026	Page 52 Page 53 Page 67		Not verified		
		103-3 Evaluation of the management approach	A safe and committed team Human resources management and culture Our ESG goals 2021-2026	Page 52 Page 53 Page 67		Not verified		
	GRI 401: Employment, 2016	401-1 New employee hires and employee turnover	Employability indicators. Canada. Employees by job category, age, and gender / Diversity of employees Employability indicators. Canada. Total number of new employee hires during the reporting period, by age group, gender and region. Diversity of governance bodies and employees. Gender Diversity Employability indicators. Canada. Rate of new employee hires during the reporting period, by age group, gender and region Employability indicators. Canada. Employee turnover rate Employability indicators. Colombia. Number of employees by job category, age, and gender / Diversity of employees Employability indicators. Colombia. New employee hires by age, and gender (percentage) Employability indicators. Colombia. New employee hires by age, and gender Employability indicators. Colombia. Employee turnover rate by age, and gender Employability indicators. Colombia. Total number of employees who left the organization Employability indicators. Colombia. Historic employee turnover rate	Page 54 Page 55		Verified	3.5.1 Hiring 3.5.6 Employee turnover rate	
			401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Wellness and quality of life	Page 59		Not verified	3.5.5 Long-term incentives
			401-3 Parental leave	In 2020, nine women and six men took parental leave. All of them returned to work and are still employed by the Company.	GRI content index		Not verified	



Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
	GRI 404: Training and education	404-1 Average hours of training per year per employee	Training indicators. Average number of training hours by gender and job category Training indicators. Average hours of training provided per employee	Page 58	Verified	3.4.1 Training & development inputs
		404-2 Programs for upgrading employee skills and transition assistance programs	Training and development. Technical training Employee satisfaction. Retirement plans are included in this exercise We offered online venues for health and biosafety training Supporting employees and their families	Pages 56-57 Page 59 Page 66	Verified	3.4.2 Employee development programs
		404-3 Percentage of employees receiving regular performance and career development reviews	Individual performance assessment In 2020, 100% of employees (women and men) received performance evaluations except for the CEO, COO, Country Manager and Apprentice (SENA).	Page 59 GRI content index	Not verified	3.5.4 Type of individual performance appraisal
Talent management and culture SDG 8 UNGC Principles 1-6 Diversity, inclusion, and equity SDG 5	GRI 405: Diversity and equal opportunity, 2016	405-1 Diversity of governance bodies and employees	Key indicators. A safe and committed team. Women employees (number) / Diversity of governance bodies and employees Employability indicators. Canada. Total number of new employee hires during the reporting period, by age group, gender and region. Diversity of governance bodies and employees. Gender Diversity Employability indicators. Colombia. New employee hires by age, and gender (percentage) Employability indicators. Colombia. New employee hires by age and gender Diversity, inclusion, and equity Diversity, inclusion, and equity. Gender equity, Colombia and Canada Employability indicators, Colombia, Diversity of employees	Page 14 Page 54 Page 55 Page 60	Verified	3.2.2 Workforce breakdown: gender
		405-2 Ratio of basic salary and remuneration of women to men	Diversity, inclusion, and equity. We are committed to reducing gender gaps. Salary equity Canada Diversity, inclusion, and equity. We are committed to reducing gender gaps. Salary equity Colombia	Page 61	Verified	3.2.5 Gender pay indicators
Occupational health and safety SDG 3	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A safe and committed team We offer safe and healthy work environments	Page 2 Page 52 Page 62	Not verified	
		103-2 The management approach and its components	A safe and committed team We offer safe and healthy work environments Our ESG goals 2021-2026	Page 52 Page 62 Page 65	Not verified	
		103-3 Evaluation of the management approach	A safe and committed team We offer safe and healthy work environments Our ESG goals 2021-2026	Page 52 Page 62 Page 65	Not verified	

Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Occupational health and safety SDG 3	GRI 403: Occupational health and safety, 2018	403-1 Occupational health and safety management system	<p>Our Occupational Health and Safety Management System (OHS-MS) meets the legal requirements established in Colombia by the Ministry of Labor. In 2020, through a self-evaluation of the Minimum OHS Standards, we achieved 100% compliance. The Management System is also certified under the international OHSAS 18001 standard.</p> <p>In 2020, we completed the plan for transitioning the OHS Management System to ISO 45001, in favor of safe and healthy worksites and improved implementation of the Integrated Management System's requirements. During 2020, we included assurance of the biosafety protocol for direct employees, contractors, and subcontractors in the Occupational Health Program. It ensures compliance with the protocol at associated companies and compliance with the entry protocol for our operations. Compliance with Resolution 666 and 797 of 2020, GIPS21 Ministry of Health.</p> <p>PLHSEQ-01 COVID-19 Prevention Plan PHSEQ-08 Biosafety protocol FHSEQ-45 Detection of personnel at greater risk FHSEQ-143 Field entry form FHSEQ-143 Office entry form</p> <p>The Occupational Health and Safety Management System applies to all direct employees, employees on assignment, contractors, and visitors located at our facilities.</p>	GRI content index		Not verified	

Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Occupational health and safety SDG 3	GRI 403: Occupational health and safety, 2018	403-2 Hazard identification, risk assessment, and incident investigation	<p>Processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks. We follow the Colombian Technical Guideline 45 (GTC 45) methodology to identify hazards and assess risks in our operation's processes and activities. It allows us to recognize, identify and assess potential risks that could seriously threaten the health and safety of workers and the achievement of business objectives, and to determine the efficacy of the controls for mitigating those risks. To identify hazards at worksites, we use:</p> <ul style="list-style-type: none"> - The work permit system providing authorization from supervisors. - Job safety analysis which identifies the steps, hazards, and controls for doing work safely. - Employee participation in reporting unsafe actions and conditions, to take action before starting the work. - Safety inspections by multidisciplinary teams to identify findings or deviations in connection with tools, equipment, or worksite conditions, and to verify compliance with practices and procedures. <p>In 2020, we improved the hazard identification process for all activities, by promoting the participation of all employees and contractors. All suggestions and contributions were considered to advance controls, enhance safety work, and prevent incidents. Additionally, employee and contractors' participation has increase motivation and commitment to safety.</p> <p>Processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals. The Safety Target Program encourages workers and contractors to report good work practices and unsafe actions and conditions they identify at the worksite. A speak up culture is embedded in all the organization, empowering employees, and contractors to be aware of risks and act accordingly. Monitoring worksites and making preventive observations helps correct unsafe behavior while giving positive reinforcement for safe behavior through constructive communication.</p> <p>Policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals. All workers at Canacol are in the responsibility and obligation to stop work if unsafe conditions or behaviors are occurring until improvements are done. This encourages worker participation to stop unsafe jobs without negative repercussions and contribute to incident prevention and safety.</p> <p>Description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system. The Causal Chain Analysis determines what actions we can take to avoid a repetition of events. Aligned with the preventive culture we daily reinforce, at Canacol we look for the possible causes of work incidents and accidents to make corrective actions and improvements.</p> <p>We investigate all work-related accidents, regardless of their severity. This allows us to identify and understand real and potential situations of risk and implement corrective and preventive measures, improving health and safety at work</p>	GRI content index		Not verified	



Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Occupational health and safety SDG 3	GRI 403: Occupational health and safety, 2018	403-3 Occupational health services	Promoting safe behaviour FOCUS program Hazardous energy program Job hazards Road safety program	Page 63 Page 64		Not verified
		403-4 Worker participation, consultation, and communication on occupational health and safety	Workers' contributions prevent occupational hazards with their active involvement in planning, executing, and evaluating activities. Canacol facilitates timely access to information on the OHS Management System. It promotes worker identification and reporting of hazards, risks, and unsafe actions and conditions, encouraging them to make suggestions and observations regarding actions to eliminate hazards and to minimize occupational health and safety risks. In addition, COPASST members participate in incident investigation, and develop and review OHS policies and objectives. The active participation of workers helps identify problems and their causes, find practical solutions, and develop safe work procedures.	GRI content index		Not verified
		403-5 Worker training on occupational health and safety	Promoting safe behaviour FOCUS program Hazardous energy program Job hazards Road safety program We promote the health and safety of our contractors We offered online venues for health and biosafety training	Page 63 Page 64 Page 65 Page 66		Not verified
		403-6 Promotion of worker health	Promoting safe behaviour FOCUS program Hazardous energy program Job hazards Road safety program We promote the health and safety of our contractors We offered online venues for health and biosafety training We monitored the mental and emotional health of our employees	Page 63 Page 64 Page 65 Page 66		Not verified
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The Management Committee analyzes and reviews OHS indicators on a monthly basis in order to make timely decisions, establish preventive guidelines, and demonstrate commitment and leadership.	GRI content index		Not verified
		403-8 Workers covered by an occupational health and safety management system	100% of workers are covered by our occupational health and safety management system	GRI content index		Not verified

Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Occupational health and safety SDG 3	GRI 403: Occupational health and safety, 2018	403-9 Work-related injuries	Key indicators. A safe and committed team. Health and safety. LTIFR Key indicators. A safe and committed team. Health and safety. TRIFR Key indicators. A safe and committed team. Health and safety. SVIR Corporate indicators for industrial safety Job hazards	Page 14 Page 63 Page 64	Verified	3.7.1 Fatalities 3.7.2 Lost-time injury frequency rate (LTIFR) employees 3.7.3 Lost-time injury frequency rate (LTIFR) contractors 3.7.4 Total recordable injury frequency rate (TRIFR) employees 3.7.5 Total recordable injury frequency rate (TRIFR) contractors
		403-10 Work-related ill health	OIFR= 0	GRI content index	Verified	
A society guided by sustainable development						
Engagement with rural and ethnic communities SDG 1/3/4/5/7/8/12/13/15/17 UNGC Principles 1 and 2	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A society guided by sustainable development Neighbouring communities	Page 2 Page 68 Pages 69-70	Not verified	3.6.1 Group-wide strategy
		103-2 The management approach and its components	A society guided by sustainable development Neighbouring communities Our ESG goals 2021-2026	Page 68 Pages 69-70 Page 78	Not verified	
		103-3 Evaluation of the management approach	A society guided by sustainable development Neighbouring communities Our ESG goals 2021-2026	Page 68 Pages 69-70 Page 78	Not verified	
	GRI 413: Local communities, 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Neighbouring communities Social investment programs in Colombia Local economic development Human development Community and institutional strengthening Indigenous peoples Effective community engagement Entretejendo Foundation Gas massification: residential gas distribution network Humanitarian response to the COVID-19 health emergency Local supplier development program Local supplier and contractor census Best labour practices (BPL) with contractors and subcontractors We implemented our social and environmental investment programs in the 100% of our operational areas, benefiting the communities in our areas of influence. However, due to Covid-19, the social impact assessment will be executed in 2021.	Page 69 Page 70 Page 71 Page 72 Page 73 Page 76 Page 78 Page 81 Page 82 GRI content index	Verified	3.8 Social impacts on communities



Material topics	GRI Standard specific contents	Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index	
Engagement with rural and ethnic communities SDG 1/3/4/5/7/8/12 /13/15/17 UNGC Principles 1 and 2	GRI 413: Local communities, 2016	413-2 Operations with significant actual and potential negative impacts on local communities	The Company has identified three potential risks in the communities neighboring the operations: 1. Possible increase in the floating population in the geographical areas where the company operates, 2. Possible loss of the traditional productive vocation to migrate to the activities of Oil & Gas sector, 3. Possible increase in the cost of local goods and services.	GRI content index		Not verified	1.3 Risk & crisis management 3.8 Social impacts on communities
		413-2 Operations with significant actual and potential negative impacts on local communities	During the development of environmental impact studies, the company establishes 3 important moments of socialization with the community and local authorities. The first one in which the company reports the technical scope of the project and the EIA. During the second moment, the company leads a workshop with the purpose to cooperatively identify possible environmental risk and management measures associated with the project. Finally, during the third moment, the company communicates to the community, local authorities, and regional environmental authorities the obtained results. Once the environmental license is granted, the company is responsible to communicate it to the communities of the area of influence and municipal authorities. During the socialization of the environmental license, it is made clear that the document is available to any interested party. Also, since the granting of the administrative act, the document is available for public consultation, through the information systems of regional and national environmental authorities. The company is also responsible for developing the Environmental Management Plans associated with the project and to communicate and review with the communities of the influenced area and local authorities the EIA process and licensing obligations.	GRI content index			2.2.5 Public availability of EIA / SIA results
Sustainable management of the value chain Jobs and local development SDG 8 UNGC Principles 1-10	GRI 103: Management approach, 2016	103-1 Explanation of the material topic and its boundary	ESG report 2020 A society guided by sustainable development Contractors and suppliers	Page 2 Page 68 Page 79		Not verified	1.6 Supply chain management
		103-2 The management approach and its components	A society guided by sustainable development Contractors and suppliers Our ESG goals 2021-2026	Page 68 Page 79 Page 83		Not verified	1.6 Supply chain management
		103-3 Evaluation of the management approach	A society guided by sustainable development Contractors and suppliers Our ESG goals 2021-2026	Page 68 Page 79 Page 83		Not verified	1.6 Supply chain management
	GRI 204: Procurement practices, 2016	204-1 Proportion of spending on local suppliers	Key indicators. A society guided by sustainable development. Procurement of goods and services Procurement of goods and services	Page 14 Page 80		Not verified	1.6 Supply chain management
	GRI 308: Supplier environmental assessment, 2016	308-1 New suppliers that were screened using environmental criteria	Environmental monitoring of contractors. Contractors' performance. Contractors evaluated in accordance with environmental criteria Suppliers aligned with ESG factors Contractors and suppliers risk matrix Contractor performance management program	Page 41 Page 80 Page 81		Verified	1.6 Supply chain management



Material topics	GRI Standard specific contents		Disclosure	Page number (s) and / or GRI Content Index	Omission	Assurance	Corporate Sustainability Assessment - Dow Jones Sustainability Index
Sustainable management of the value chain Jobs and local development SDG 8 UNGC Principles 1-10	GRI 308: Supplier environmental assessment, 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Environmental monitoring of contractors. Contractors' performance. Contractors with significant environmental impacts Suppliers aligned with ESG factors Contractors and suppliers risk matrix Contractor performance management program	Page 41 Page 80 Page 81		Not verified	1.3 Risk & crisis management 1.6 Supply chain management
	GRI 414: Supplier social assessment, 2016	414-1 New suppliers that were screened using social criteria	Suppliers aligned with ESG factors Contractors and suppliers risk matrix Contractor performance management program	Page 80 Page 81		Verified	1.6 Supply chain management
		414-2 Negative social impacts in the supply chain and actions taken	Suppliers aligned with ESG factors Contractors and suppliers risk matrix Contractor performance management program The potential social impacts identified in the supply chain are: Non-compliance with the Comprehensive Social Responsibility policy by Contrastists and Subcontractors, generating consequences for Canacol's operational normality, reputation, and public order in the areas of operation. Undue pressure on the part of the JACs, for the contracting of a good or service, local and national. Migration of suppliers from areas with more experience in the Oil and Gas sector. Influence of political actors on communities to obtain particular benefits.	Page 80 Page 81 GRI content index		Not verified	1.3 Risk & crisis management 1.6 Supply chain management



World Economic Forum (WEF) Index

Pillar	Theme	Coremetrics & Disclosures
Planet: Core metrics and disclosures	Climate Change - Greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> • Key indicators. GHG emissions from operational control, Page 13 • A cleaner energy future. Managing carbon emissions. Direct and indirect greenhouse gas emissions (GHG), Page 27 • A cleaner energy future. Managing carbon emissions. Percentage of operation covered by our GHG footprint measurement, Page 27 • A cleaner energy future. Environmental management at the Rancho Hermoso oil field. Annual GHG emissions (tons), Page 42 <hr/> <ul style="list-style-type: none"> • A cleaner energy future. Climate change strategy. Corporate governance structure for addressing climate change, Page 24 • A cleaner energy future. Climate change strategy. Impacts, mitigation or remediation strategies, and challenges, Page 24 • A cleaner energy future. Climate change strategy. Managing carbon emissions, Pages 27-29 • A cleaner energy future. Climate change strategy. Our ESG goals 2021-2026, Page 29 <p>To date Canacol is not committed to set a science-based target in line with net-zero by 2050, but is planning to do it in the future.</p>
Planet: Core metrics and disclosures	Nature Loss - Land use and ecological sensitivity	<ul style="list-style-type: none"> • Key indicators. Biodiversity, Page 13 • A cleaner energy future. Biodiversity, Page 30 • A cleaner energy future. Biodiversity. Impacts, mitigation or remediation strategies, and challenges, Page 31 • A cleaner energy future. Biodiversity. Reforestation, Page 31 <p>We carried out an impact study in 2019 and it was still valid in 2020. For further information consult https://canacolenergy.com/site/assets/files/3487/sustainability_report_2019.pdf, Identification of Protected Species, Page 70.</p>
Planet: Core metrics and disclosures	Fresh water availability - Fresh water consumption in water stressed areas	<ul style="list-style-type: none"> • Key indicators. Water Management / water withdrawal, Page 13 • A cleaner energy future. Interactions with water as a shared resource, Pages 33-35 <p>No water- stresses areas have been identified at Canacol operations.</p>
Planet: Expanded metrics and disclosures	Climate Change - Science-based target to reduce GHG emissions	To date Canacol is not committed to set a science-based target in line with net-zero by 2050, but is planning to do it in the future.
Planet: Expanded metrics and disclosures	Climate Change -TCFD-aligned reporting	TCFD Index
Planet: Expanded metrics and disclosures	Climate Change - Impact of greenhouse gases	<ul style="list-style-type: none"> • Key indicators. Indirect GHG emissions (scope 3) (tonnes CO2e), Page 13 • A cleaner energy future. Managing carbon emissions. Canacol's indirect emissions - upstream activities (metric tonnes of CO2 equivalent), Page 28
Planet: Expanded metrics and disclosures	Nature Loss - Impact of land use	Not implemented
Planet: Expanded metrics and disclosures	Fresh water availability - Impact of fresh water consumption	<ul style="list-style-type: none"> • A cleaner energy future. Interactions with water as a shared resource, Pages 33-35 • A cleaner energy future. Interactions with water as a shared resource. Water consumption by source and activity 2020 (m3) (Subcontracted activity), Page 34 • A cleaner energy future. Interactions with water as a shared resource. Water consumption by use and activity 2020 (m3) (Subcontracted activity), Page 34 • A cleaner energy future. Interactions with water as a shared resource. Water discharge. Wastewater management by type of disposal (m3) (Subcontracted activity), Page 35
Planet: Expanded metrics and disclosures	Air pollution - Fine particulate matter	<ul style="list-style-type: none"> • Key indicators. Air Quality / Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions, Page 13 • A cleaner energy future. Managing carbon emissions. Significant air emissions, Page 28
Planet: Expanded metrics and disclosures	Air pollution - Impact of air pollution	Not implemented
Planet: Expanded metrics and disclosures	Water pollution - Nutrients	Not implemented
Planet: Expanded metrics and disclosures	Water pollution - Impact of water pollution	Not implemented



Pillar	Theme	Coremetrics & Disclosures
Planet: Expanded metrics and disclosures	Solid waste - Single use plastics	Not implemented
Planet: Expanded metrics and disclosures	Solid waste - Impact of solid waste disposal	<p>A cleaner energy future. Waste management:</p> <ul style="list-style-type: none"> • Direct and indirect-waste generated by activity (kg), Page 37 • Direct hazardous waste by disposal method direct (kg), Page 38 • Direct and indirect hazardous waste by activity and type of disposal (kg), Page 38 • Direct and indirect hazardous waste by disposal method (kg), Page 39 • Direct and indirect hazardous waste not for disposal (kg), Page 39 • Non-hazardous direct waste by disposal method (kg), Page 39 • Non-hazardous direct and indirect waste by activity and disposal method (kg), Page 40 • Non-hazardous direct and indirect waste not for disposal, by activity (kg), Page 40 • Non-hazardous direct and indirect waste for disposal (kg), Page 40
Planet: Expanded metrics and disclosures	Resource availability - Resource circularity	<p>In 2020:</p> <ul style="list-style-type: none"> • 46.7% of our total waste generated was used or sold. • Recycling used oil. We dispose used oil through an authorized third-party: 6.3 tonnes of used oil from production and 2.4 tonnes of used oil from drilling contractors. • We used 12,962.4 kg of contaminated waste to generate energy through incineration.
Principles of governance: Core metrics and disclosures	Setting Purpose	<ul style="list-style-type: none"> • We are the future, we are energy, Pages 4-5 • Canacol Energy. Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business, Pages 9-10
Principles of governance: Core metrics and disclosures	Governance body composition	<ul style="list-style-type: none"> • Board of Directors, Page 2 • Consult: http://canacolenergy.com/site/assets/files/2845/canacol-2020-agm-circular.pdf Pages 5-10
Principles of governance: Core metrics and disclosures	Stakeholder engagement	<ul style="list-style-type: none"> • Canacol Energy. Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business. Material topics 2020, Page 10 • Canacol Energy. Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business. Stakeholders, Page 11
Principles of governance: Core metrics and disclosures	Anti-corruption	<ul style="list-style-type: none"> • A transparent and ethical business. Ethics, compliance, and anti-corruption, Pages 44-47 • Zero (0). We did not have confirmed cases of corruption & bribery during 2020
Principles of governance: Core metrics and disclosures	Protected ethics advice and reporting mechanisms	A transparent and ethical business. Ethics, compliance, and anti-corruption, Pages 44-47
Principles of governance: Expanded metrics and disclosures	Setting Purpose	<ul style="list-style-type: none"> • We are the future, we are energy, Pages 4-5 • Canacol Energy. Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business, Pages 9-10 • All of the actions that Canacol carries out in response and benefit of its stakeholders are framed in its sustainability model and are based on its corporate values, strategies and objectives from an Environmental, Social and Governance (ESG) perspective. With the goal of becoming a leading company in sustainability, continuous improvement has become a fundamental axis within Canacol. Therefore, Canacol has decided to create a comprehensive model focused on implementing and leading best practices in corporate sustainability affairs at a global level.
Principles of governance: Expanded metrics and disclosures	Progress against strategic milestones	<ul style="list-style-type: none"> • We are the future, we are energy, Pages 4-5 • Canacol Energy. Meeting Colombia's natural gas demand, Page 8 • Canacol Energy. Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business, Pages 9-10
Principles of governance: Expanded metrics and disclosures	Monetary losses from unethical behaviour	Zero fines or monetary losses from unethical behaviour.
People: Core metrics and disclosures	Dignity and Equality - Pay equality (%)	<ul style="list-style-type: none"> • A safe and committed team. Diversity, inclusion, and equity. We are committed to reducing gender gaps. Salary equity Canada, Page 61 • A safe and committed team. Diversity, inclusion, and equity. We are committed to reducing gender gaps. Salary equity Colombia, Page 61
People: Core metrics and disclosures	Dignity and Equality -Diversity and inclusion (%)	<ul style="list-style-type: none"> • A safe and committed team. Human resources management and culture. Employability indicators. Total number of full-time employees by gender and region, Page 54 • A safe and committed team. Human resources management and culture. Employability indicators. Employee voluntary turnover by age and gender, Page 55 • A safe and committed team. Diversity, inclusion, and equity, Pages 60-61

Pillar	Theme	Coremetrics & Disclosures
People: Core metrics and disclosures	Dignity and Equality - Wage level (%)	<ul style="list-style-type: none"> Ratio Non-management (Women) / Colombia minimum wage 0,0018 Ratio Non-management (Men) / Colombia minimum wage 0,0021
People: Core metrics and disclosures	Dignity and Equality - Risk for incidents of child, forced or compulsory labour	Zero perations and suppliers at significant risk for incidents of child labor.
People: Core metrics and disclosures	Health and Well-being - Health and safety (%)	A safe and committed team. We offer safe and healthy work environments. Corporate indicators for industrial safety, Page 63
People: Core metrics and disclosures	Skills for the Future - Training provided (#, \$)	A safe and committed team. Training and development. Training indicators. Average number of training hours by gender and job category, Page 58
People: Expanded metrics and disclosures	Dignity and Equality - Discrimination and harassment incidents (#) and the total amount of monetary losses (\$)	<ul style="list-style-type: none"> Zero cases of discrimination and harassment across operations. Zero monterary losses as a result of legal proceedings associated with law violations and employment discrimination.
People: Expanded metrics and disclosures	Dignity and Equality - Freedom of association and collective bargaining at risk (%)	<ul style="list-style-type: none"> A safe and committed team. Labour relations, Page 62 Using our Best Labour Practices program, we monitor 100% of our suppliers, including careful supervision of respect for freedom of association and collective bargaining, to confirm these rights are protected.
People: Expanded metrics and disclosures	Dignity and Equality - Living wage (%)	Not implemented
People: Expanded metrics and disclosures	Dignity and Equality - Grievances and impact (#, \$)	Zero (0) type of grievances reported, and number of severe impacts occurring that were related to a salient human rights issue.
People: Expanded metrics and disclosures	Health and Well-being - Monetized impacts of work-related incidents on employees, employers and society (#, \$)	Not implemented
People: Expanded metrics and disclosures	Health and Well-being - Well-being (%)	<p>A safe and committed team. We offer safe and healthy work environments. Our occupational health programs</p> <ul style="list-style-type: none"> Promoting safe behaviour Page 63 FOCUS program, Page 64 Hazardous energy program, Page 64 Job hazards, Page 64 Road safety program, Page 64
People: Expanded metrics and disclosures	Skills for the Future - Number of unfilled 'skilled' positions (#)	A safe and committed team. Human resources management and culture. Colombia. We strengthen local talent, Page 56
People: Expanded metrics and disclosures	Skills for the Future - Monetized impacts of training – increased earning capacity as a result of training intervention (\$)	Not implemented
Prosperity: Core metrics and disclosures	Employment and wealth generation	<ul style="list-style-type: none"> A safe and committed team. Employability indicators. Employee voluntary turnover by age and gender, Page 55 A safe and committed team. Employability indicators. Employee turnover rate, Page 55 A safe and committed team. Employability indicators. Colombia. New employee hires by age, and gender, Page 55
Prosperity: Core metrics and disclosures	Economic contribution	<ul style="list-style-type: none"> Key indicators. Direct economic value generated and distributed, Page 12 Canacol does not received any financial assistance from the government.
Prosperity: Core metrics and disclosures	Financial investment contribution	<ul style="list-style-type: none"> Canacol Energy. We quickly adapted, Pages 15-19 Capex 2020: 84 (millions of dollars)
Prosperity: Core metrics and disclosures	Total tax paid	Canacol Energy. Tax strategy, Page 17



<i>Pillar</i>	<i>Theme</i>	<i>Coremetrics & Disclosures</i>
Prosperity: Expanded metrics and disclosures	Infrastructure investments and services supported	<ul style="list-style-type: none"> • A society guided by sustainable development. Social investment programs in Colombia, Pages 70-73 • A society guided by sustainable development. Entretiempo Foundation, Pages 73-75
Prosperity: Expanded metrics and disclosures	Total Social Investment (\$)	<ul style="list-style-type: none"> • A society guided by sustainable development. Our contributions in numbers, Page 72 • Total Social Investment: 5.11 (millions of dollars)
Prosperity: Expanded metrics and disclosures	Additional tax remitted	Canacol Energy. Tax strategy, Page 17
Prosperity: Expanded metrics and disclosures	Total tax paid by country for significant locations	Canacol Energy. Tax strategy, Page 17



Sustainability Accounting Standards Board (SASB) Index

Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Greenhouse Gas Emissions	SASB EM-EP-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Quantitative	Metric tons CO2-e (t), Percentage (%)	Key indicators. GHG emissions from operational control. Direct GHG emissions (scope 1) (tonnes CO2e), Page 13 Key indicators. GHG emissions from operational control. Flared gas (tonnes CO2e), Page 13 Key indicators. GHG emissions from operational control. Stationary sources: fuel combustion in gas fields (tonnes CO2e), Page 13 Key indicators. GHG emissions from operational control. Process emissions: fugitive emissions in gas fields (tonnes CO2e), Page 13 Key indicators. GHG emissions from operational control. GHG emissions intensity (Kg CO2e/BBL-eq), Page 13 A cleaner energy future. Managing carbon emissions. Direct and indirect greenhouse gas emissions (GHG) (metric tonnes of CO2 equivalent), Page 27 A cleaner energy future. Managing carbon emissions. Emission intensity (kg CO2 eq / BBL-eq), Page 28 A cleaner energy future. Managing carbon emissions. Gross global emissions of scope 1 greenhouse gases (GHG) into the atmosphere, Page 29 A cleaner energy future. Environmental management at the Rancho Hermoso oil field. Annual GHG emissions (tonnes) by source, Page 42
	SASB EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Quantitative	Metric tons CO2-e	Key indicators. GHG emissions from operational control. Direct GHG emissions (scope 1) (tonnes CO2e), Page 13 A cleaner energy future. Managing carbon emissions. Scope 1 gross emissions amount (tonnes CO2e), Page 29 A cleaner energy future. Environmental management at the Rancho Hermoso oil field. Annual GHG emissions (tonnes) by source, Page 42
	EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	Management systems, Page 20 A cleaner energy future, Page 21 A cleaner energy future. Our approach, Page 22 A cleaner energy future. Climate change strategy, Pages 23-24 A cleaner energy future. Climate change strategy. Impacts, mitigation or remediation strategies, and challenges, Page 24
Air Quality	EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Quantitative	Metric tons (t)	Key indicators. Air Quality / Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions, Page 13 A cleaner energy future. Managing carbon emissions. Significant air emissions, Page 28 A cleaner energy future. Managing carbon emissions. Gross global emissions of scope 1 greenhouse gases (GHG) into the atmosphere. CH4 emissions (tonnes), Page 29
Water Management	EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m ³), Percentage (%)	Key indicators. Water management / Water withdrawal (mega litres), Page 13 A cleaner energy future. Interactions with water as a shared resource. Water withdrawal by supply source (mega liters), Page 33 A cleaner energy future. Environmental management at the Rancho Hermoso oil field. Consumption of production water (m3), Page 42

Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Water Management	EM-EP-140a.2	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Quantitative	Thousand cubic meters (m ³), Percentage (%), Metric tons (t)	<p>Key indicators. Water management / Water withdrawal. Produced water (mega liters), Page 13</p> <p>Key indicators. Waste water / Water discharge, Page 13</p> <p>Key indicators. Third-party water. Leaching field (mega liters), Page 13</p> <p>Key indicators. Hazardous waste by disposal method direct operations, Page 13</p> <p>A cleaner energy future. Water discharge. Wastewater generated (mega litres / year), Page 34</p> <p>A cleaner energy future. Water discharge. Wastewater management by type of disposal (m3), Page 35</p> <p>A cleaner energy future. Water discharge. Breakdown of total water discharged in all areas by destination (mega litres), Page 35</p> <p>A cleaner energy future. Water discharge. Water from drilling activities reused and recycled (mega litres), Page 35</p> <p>A cleaner energy future. Water discharge. Liquid waste delivered to third parties or recycled (m3), Page 35</p> <p>A cleaner energy future. Environmental management at the Rancho Hermoso oil field. Discharges (m3), Page 42</p> <p>Wastewater (ARI) discharge is governed by Decree 1207 of 2014 ART. Wastewater falling under the 7th Quality Criteria, Number 2 Industrial, Industrial Wastewater (ARI) is treated through reverse osmosis and later used for road irrigation and the preparation of sludge and brines. Wastewater that does not meet these parameters is treated by a specialized provider before disposal. Wastewater (ARD) is governed by Decree 1076 of 2015, Article 2.2.3.3.9.14, and Article 2.2.3.3.9.15. It is processed in treatment plants and undergoes land disposal. Prior to land disposal a simulation of loads is calculated using an environmental impact study. This determines possible contaminant concentration levels and demonstrates that concentrations in soil and groundwater will be below regulatory limits.</p>
	EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Quantitative	Percentage (%)	n/a
	EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Quantitative	Percentage (%)	n/a
Biodiversity Impacts	EM-EP-160a.1	Description of environmental management policies and practices for active sites	Discussion and Analysis	n/a	<p>A cleaner energy future, Page 21</p> <p>A cleaner energy future. Our approach, Page 22</p> <p>A cleaner energy future. Climate change strategy, Pages 23-24</p> <p>A cleaner energy future. Climate change strategy. Impacts, mitigation or remediation strategies, and challenges, Page 24</p> <p>A cleaner energy future. Climate change strategy. Our ESG goals 2021-2026, Page 29</p> <p>A cleaner energy future. Biodiversity Page 30</p> <p>A cleaner energy future. Biodiversity. Impacts, mitigation or remediation strategies, and challenges, Page 31</p> <p>A cleaner energy future. Biodiversity. Our ESG goals 2021-2026 Page 31</p> <p>We carried out an impact study in 2019 and it was still valid in 2020. For further information consult https://canacolenergy.com/site/assets/files/3487/sustainability_report_2019.pdf, Identification of Protected Species, Page 70</p> <p>A cleaner energy future. Integrated water resources management, Page 32</p> <p>A cleaner energy future. Integrated water resources management. Impacts, mitigation or remediation strategies, and challenges, Page 32</p> <p>A cleaner energy future. Waste management. Page 36</p> <p>A cleaner energy future. Waste management. Impacts, mitigation or remediation strategies, and challenges, Page 37</p> <p>A cleaner energy future. Waste management. Our ESG goals 2021-2026, Page 40</p> <p>A cleaner energy future. Environmental management at the Rancho Hermoso oil field. Energy consumption by operational activity and by source, Page 42</p>



Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Biodiversity Impacts	EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Quantitative	Number, Barrels (bbls)	Key indicators. A cleaner energy future. Hydrocarbon spills (BOED): 0, Page 13 A cleaner energy future. Environmental management at the Rancho Hermoso oil field: Zero reportable spills during 2020, Page 42
	EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Quantitative	Percentage (%)	Canacol Energy. Operations map, Page 7 A cleaner energy future. Biodiversity Page 30 A cleaner energy future. Biodiversity. Impacts, mitigation or remediation strategies, and challenges, Page 31 We carried out an impact study in 2019 and it was still valid in 2020. For further information consult https://canacolenergy.com/site/assets/files/3487/sustainability_report_2019.pdf , Identification of Protected Species, Page 70 The 2018 – 2022 Pact for Equity National Development Plan defined three strategies to enhance the conservation of biodiversity in Colombia. One of these strategies mandated that for projects requiring an environmental license, a minimum of 1% of total project capital be dedicated to conservation activities.
Security, Human Rights & Rights of Indigenous Peoples	EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Quantitative	Percentage (%)	None of the municipalities located in our areas of operation is part of the Priority Municipalities for the Post-Conflict (PDET)
	EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Quantitative	Percentage (%)	Canacol Energy. Operations map, Page 7 80% proved and probable reserves in or neat indigenous land.
	SASB EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Discussion and Analysis	n/a	A transparent and ethical business, Page 43 A transparent and ethical business. Risk management, Page 50 A transparent and ethical business. Human rights, Page 48 A transparent and ethical business. Human rights. We reinforced our human rights culture in a time of crisis, Page 48 A transparent and ethical business. Human rights. Physical security and human rights, Page 49 A transparent and ethical business. Human rights. Our ESG goals 2021-2026, Page 49 A society guided by sustainable development. Neighbouring communities, Page 69 A society guided by sustainable development. Our social guidelines, Page 69 A society guided by sustainable development. Canacol's social investment, Page 70 A society guided by sustainable development. Our guiding principles, Page 70 A society guided by sustainable development. Contractors and suppliers risk matrix, Page 80 We did not have incidents of violations involving rights of indigenous peoples during 2020.
Community Relations	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	n/a	A society guided by sustainable development. Neighbouring communities, Pages 69-72 A society guided by sustainable development. Effective community engagement, Page 72 A society guided by sustainable development. Entretiempo Foundation, Pages 72-75 A society guided by sustainable development. Gas massification: residential gas distribution network, Pages 76-77 A society guided by sustainable development. Humanitarian response to the COVID-19 health emergency, Page 78 A society guided by sustainable development. Neighbouring communities. Our ESG goals 2021-2026, Page 78 A society guided by sustainable development. Local supplier development program, Page 81 A society guided by sustainable development. Local supplier and contractor census, Page 82 A society guided by sustainable development. Best labor practices (BPL) with contractors and subcontractors, Page 82 A society guided by sustainable development. Contractors and suppliers. Our ESG goals 2021-2026, Page 78 The Company has identified three potential risks in the communities neighboring the operations: 1. Possible increase in the floating population in the geographical areas where the company operates, 2. Possible loss of the traditional productive vocation to migrate to the activities of Oil & Gas sector, 3. Possible increase in the cost of local goods and services.

Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Community Relations	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Discussion and Analysis	n/a	<p>A society guided by sustainable development. Suppliers aligned with ESG factors, Page 80 A society guided by sustainable development. Contractors and suppliers risk matrix, Page 80 A society guided by sustainable development. Contractor performance management program, Page 81</p> <p>The potential social impacts identified in the supply chain are: Non-compliance with the Comprehensive Social Responsibility policy by Contrastists and Subcontractors, generating consequences for Canacol's operational normality, reputation, and public order in the areas of operation. Undue pressure on the part of the JACs, for the contracting of a good or service, local and national. Migration of suppliers from areas with more experience in the Oil and Gas sector. Influence of political actors on communities to obtain particular benefits.</p> <p>During the development of environmental impact studies, the company establishes 3 important moments of socialization with the community and local authorities. The first one in which the company reports the technical scope of the project and the EIA. During the second moment, the company leads a workshop with the purpose to cooperatively identify possible environmental risk and management measures associated with the project. Finally, during the third moment, the company communicates to the community, local authorities, and regional environmental authorities the obtained results. Once the environmental license is granted, the company is responsible to communicate it to the communities of the area of influence and municipal authorities. During the socialization of the environmental license, it is made clear that the document is available to any interested party. Also, since the granting of the administrative act, the document is available for public consultation, through the information systems of regional and national environmental authorities. The company is also responsible for developing the Environmental Management Plans associated with the project and to communicate and review with the communities of the influenced area and local authorities the EIA process and licensing obligations.</p>
	EM-EP-210b.2	Number and duration of non-technical delays	Quantitative	Number, Days	51.16 days
Workforce Health & Safety	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Rate, Hours (h)	<p>Key indicators. A safe and committed team. Health and safety. Lost time injury frequency rate (LTIFR) for employees and contractors (# of lost-time injuries per million hours worked) / Work-related injuries, Page 14 Key indicators. A safe and committed team. Health and safety. Total recordable injuries rate (TRIFR) for employees and contractors (# of recordable injuries per million work hours) / Work-related injuries, Page 14 Key indicators. A safe and committed team. Health and safety. Severe vehicle incident frequency rate (SVIR) (accidents per million km driven) / Work-related injuries, Page 14 Key indicators. A safe and committed team. Health and safety. Employee's fatalities (number), Page 14 Key indicators. A safe and committed team. Health and safety. Contractors' fatalities (number), Page 14 A safe and committed team. Corporate indicators for industrial safety, Page 63 OIFR= 0</p>
	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and Analysis	n/a	<p>A safe and committed team. We offer safe and healthy work environments, Page 62 A safe and committed team. Promoting safe behaviour, Page 63 A safe and committed team. FOCUS program, Page 64 A safe and committed team. Hazardous energy program, Page 64 A safe and committed team. Job hazards, Page 64 A safe and committed team. Road safety program, Page 64 A safe and committed team. We promote the health and safety of our contractors, Page 65 A safe and committed team. We offered online venues for health and biosafety training, Page 66 A safe and committed team. We monitored the mental and emotional health of our employees, Page 66</p>

Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Workforce Health & Safety	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and Analysis	n/a	<p>Our Occupational Health and Safety Management System (OHS-MS) meets the legal requirements established in Colombia by the Ministry of Labor. In 2020, through a self-evaluation of the Minimum OHS Standards, we achieved 100% compliance. The Management System is also certified under the international OHSAS 18001 standard.</p> <p>In 2020, we completed the plan for transitioning the OHS Management System to ISO 45001, in favor of safe and healthy worksites and improved implementation of the Integrated Management System's requirements.</p> <p>During 2020, we included assurance of the biosafety protocol for direct employees, contractors, and subcontractors in the Occupational Health Program. It ensures compliance with the protocol at associated companies and compliance with the entry protocol for our operations. Compliance with Resolution 666 and 797 of 2020, GIPS21 Ministry of Health.</p> <p>PLHSEQ-01 COVID-19 Prevention Plan PHSEQ-08 Biosafety protocol FHSEQ-45 Detection of personnel at greater risk FHSEQ-143 Field entry form FHSEQ-143 Office entry form</p> <p>The Occupational Health and Safety Management System applies to all direct employees, employees on assignment, contractors, and visitors located at our facilities.</p> <hr/> <p>We use the methodology in Colombian Technical Guideline 45 (GTC 45) to identify hazards and assess risks in the operation's processes and activities. It allows us to identify and assess potential risks that could seriously threaten achievement of the business objectives, and to determine and assess the efficacy of the controls for mitigating those risks. To identify hazards at worksites, we use:</p> <ul style="list-style-type: none"> - The work permit system providing authorization from supervisors. - Job safety analysis which identifies the steps, hazards, and controls for doing work safely. - Employee participation in reporting unsafe actions and conditions, to take action before starting the work. - Safety inspections by multidisciplinary teams to identify findings or deviations in connection with tools, equipment, or worksite conditions, and to verify compliance with practices and procedures. <p>In 2020, we improved the hazard identification process for all activities, promoting participation by all employees and contractors. Taking their contributions into account to improve controls, do the work safely, and prevent incidents has increased motivation and produced a greater commitment to safety.</p> <hr/> <p>The Safety Target Program encourages workers and contractors to report both good work practices and unsafe actions and conditions they identify at the worksite. A speak up culture is embedded in the organization, which helps make people aware of risks and act accordingly. Monitoring worksites and making preventive observations helps correct unsafe behavior while giving positive reinforcement for safe behavior through constructive communication.</p> <hr/> <p>At Canacol, it is the responsibility and obligation of all workers to stop work to correct unsafe conditions or behavior. This policy encourages employee participation in stopping unsafe work, without negative repercussions, preventing incidents and promoting safety.</p> <hr/> <p>The Causal Chain Analysis determines actions we can take to avoid a repetition of events. We investigate all work-related accidents, regardless of their severity, in order to learn about real or potential situations of risk and implement corrective and preventive measures, improving health and safety at work.</p> <hr/> <p>The Management Committee analyzes and reviews OHS indicators on a monthly basis in order to make timely decisions, establish preventive guidelines, and demonstrate commitment and leadership.</p>



Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Workforce Health & Safety	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Discussion and Analysis	n/a	Workers' contributions prevent occupational hazards with their active involvement in planning, executing, and evaluating activities. Canacol facilitates timely access to information on the OHS Management System. It promotes worker identification and reporting of hazards, risks, and unsafe actions and conditions, encouraging them to make suggestions and observations regarding actions to eliminate hazards and to minimize occupational health and safety risks. In addition, COPASST members participate in incident investigation, and develop and review OHS policies and objectives. The active participation of workers helps identify problems and their causes, find practical solutions, and develop safe work procedures.
Reserves Valuation & Capital Expenditures	EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Quantitative	Million barrels (MMbbls), Million standard cubic feet (MMscf)	We are currently working in the development of a Climate Change Strategy aligned with TCFD.
	EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Quantitative	Metric tons (t) CO2-e	We are currently working in the development of a Climate Change Strategy aligned with TCFD.
	EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	Quantitative	Reporting currency	Canacol's investment rate into renewable energy as a percentage of total CAPEX for the past 4 years: 2017 - 0.2 2018 - 0.2 2019 - 0.3 2020 - 0.32
	EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Discussion and Analysis	n/a	Canacol's sales and transportation contracts give us a strong competitive advantage in meeting Colombia's increasing gas demand making non-dependent the company on variability of oil prices.
Business Ethics & Transparency	EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Percentage (%)	N/A
	EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion and Analysis	n/a	Canacol Energy. Canacol's value proposition, Page 8 Canacol Energy. Environmental, social, and governance (ESG) strategy: sustainability is fundamental to our business, Page 9-10 A transparent and ethical business. Ethics, compliance, and anti-corruption, Page 44 A transparent and ethical business. Ethics and compliance system, Page 44 A transparent and ethical business. Reporting mechanisms, Page 45 A transparent and ethical business. We honed our culture of ethics, Pages 46-47 A society guided by sustainable development. Concerns, requests, complaints and claims (CRCC) system, Page 73 relacioneslaborales@canacolenergy.com is the channel for attending to any questions from workers, community members, authorities, etc. concerning labor compliance by contractors and subcontractors. We did not have confirmed cases of corruption & bribery during 2020. Zero (0) legal actions for anti-competitive behavior, anti-trust, and monopoly practices during 2020.



Topic	Code	Accounting metric	Category	Unit of measure	Canacol disclosure
Management of the Legal & Regulatory Environment	EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	<p>The ESG Committee has been established by resolution of the Board of Directors of Canacol Energy Ltd for the purpose of assisting the Board in fulfilling its oversight responsibilities with respect to the Corporation's social responsibility and sustainability management. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, Canacol's policies, procedures, and practices at all levels. The Committee's primary roles and responsibilities are to:</p> <ul style="list-style-type: none"> • Serve as an independent and objective party to monitor the integrity and quality of Canacol's ESG strategy. • Ensure that Canacol's ESG strategy is integrated into its business plan, corporate values and objectives and serves to foster a culture of responsibility and transparency. • Review and approve Canacol's annual Sustainability Report. • Review and approve the qualifications, independence, engagement, compensation and performance of the external party chosen to provide assurance on Canacol's annual Sustainability Report. <p>Consult: http://canacolenergy.com/site/assets/files/2845/esg-1_committee_terms_of_reference.pdf</p>
Management of the Legal & Regulatory Environment	EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion and Analysis	n/a	<p>The ESG Committee shall have the roles and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations.</p> <p>1. Assist the Board in establishing and monitoring the Corporation's ESG policies and practices, 2. Propose changes as necessary from time to time to respond to ESG recommendations or guidelines from authorities or investors as well as changes in the Corporation's business environment, 3. Assist the Board with an annual review of the Board and Committee structure, 4. Ensure that the Corporation has in effect adequate policies and procedures to identify and manage the principal ESG risks of the Corporation's business, 5. Review the main challenges the Corporation faces in ESG, 6. Review and approve material ESG disclosure, 7. Review and approve the external party assurance process and report.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/esg-1_committee_terms_of_reference.pdf</p>
Critical Incident Risk Management	EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Quantitative	Rate	<p>Key indicators. Environmental fines (millions of dollars) / Non-compliance with environmental laws and regulations, Page 14</p> <p>Environmental management at the Rancho Hermoso oil field. Zero reportable spills during 2020, Page 42</p> <p>Zero (0). We did not have non-compliance with environmental laws and regulations during 2020.</p>
	EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion and Analysis	n/a	<p>A cleaner energy future. Climate change strategy. Impacts, mitigation or remediation strategies, and challenges, Page 24</p> <p>A cleaner energy future. Biodiversity. Impacts, mitigation or remediation strategies, and challenges, Page 31</p> <p>A cleaner energy future. Integrated water resources management. Impacts, mitigation or remediation strategies, and challenges, Page 32</p> <p>A cleaner energy future. Waste management. Impacts, mitigation or remediation strategies, and challenges, Page 37</p> <p>A transparent and ethical business. Risk management, Page 50</p> <p>The Board ultimately has the responsibility to oversee the development and approval of the mission of Canacol, its goals and objectives, and the strategy by which these objectives will be reached. In guiding the strategic choices of Canacol, the Board must understand the inherent prospects and risks of such strategic choices. While the leadership for the strategic planning process comes from the management of Canacol, the Board shall bring objectivity and a breadth of judgment to the strategic planning process and will ultimately approve the strategy developed by management as it evolves.</p> <p>Consult: http://canacolenergy.com/site/assets/files/2845/canacol_-_2020_agm_circular.pdf</p>



	<i>Code</i>	<i>Accounting metric</i>	<i>Category</i>	<i>Unit of measure</i>	<i>Disclosure</i>
	EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Quantitative	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf/day)	Canacol Energy. Operations map, Page 7
	EM-EP-000.B	Number of offshore sites	Quantitative	Number	n/a
	EM-EP-000.C	Number of terrestrial sites	Quantitative	Number	Canacol Energy. Operations map, Page 7

TCFD Disclosure

Governance+B3:D21		Disclosure / Explanation
Disclose the organization's governance around climate-related risks and opportunities.	Board's oversight of climate-related risks and opportunities	A cleaner energy future. Climate change strategy. Corporate governance structure for addressing climate change, Page 24
	Management's role in assessing and managing climate-related risks and opportunities	
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.	Climate-related risks and opportunities the organization has identified over the short, medium, and long-term	A cleaner energy future. Our approach, Page 22 A cleaner energy future. Climate change strategy, Pages 23-24 A cleaner energy future. Climate change strategy. Impacts, mitigation or remediation strategies, and challenges, Page 24
	Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	Organization's processes for identifying and assessing climate-related risks	A transparent and ethical business. Risk management, Page 50 A cleaner energy future. Climate change strategy. Impacts, mitigation or remediation strategies, and challenges, Page 24
	Organization's processes for managing climate-related risks	
	Processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Key indicators. A cleaner energy future. Total use of energy by source in the gas fields / Energy consumption within the organization, Page 13 Key indicators. A cleaner energy future. GHG emissions from operational control, Page 13 Key indicators. A cleaner energy future. Air quality / Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions, Page 13 A cleaner energy future. Energy. Total use of energy by source in the gas fields (GJ), Page 25 A cleaner energy future. Energy. Energy consumption by operative and administrative activities in the gas fields, Page 26 A cleaner energy future. Energy. Energy consumption by subcontracted activities in the gas fields, Page 26 A cleaner energy future. Energy. Total non-renewable and renewable energy consumption (GJ), Page 26 A cleaner energy future. Energy. Energy intensity (kWh / BARREL-E), Page 26 A cleaner energy future. Managing carbon emissions. Direct and indirect greenhouse gas emissions (GHG), Page 27 A cleaner energy future. Managing carbon emissions. Percentage of operation covered by our GHG footprint measurement, Page 27 A cleaner energy future. Managing carbon emissions. Emission intensity (kg CO2 eq / BBL-eq), Page 28 A cleaner energy future. Managing carbon emissions. Significant air emissions, Page 28 A cleaner energy future. Managing carbon emissions. Gross global emissions of scope 1 greenhouse gases (GHG) into the atmosphere, Page 29 A cleaner energy future. Managing carbon emissions. Scope 1 gross emissions amount (metric tonnes of CO2 eq) Page 29 A cleaner energy future. Managing carbon emissions. CH4 emissions (tonnes) Page 29 A cleaner energy future. Our ESG goals 2021-2026 Page 29 A cleaner energy future. Environmental management at the Rancho Hermoso oil field, Annual GHG emissions (tons) Page 42
	Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	
	Targets used by the organization to manage climate-related risks and opportunities and performance against targets	



Independent
assurance
statement





Memorandum of independent review

Memorandum of independent review

Independent Review of the 2020 ESG Report – Canacol Energy Ltd.

Responsibilities of the Management of Canacol Energy Ltd. and Deloitte

The preparation of the 2020 Annual ESG Report of Canacol Energy Ltd., between January 1st and December 31st 2020, and its content are the responsibility of the organization which is also responsible for defining, adapting and maintaining management systems and internal control which information is obtained.

Our responsibility is to issue an independent memorandum based on the procedures applied and previously agreed upon for our review. This memorandum has been prepared exclusively in the interest of the organization in accordance with the terms of our proposed services. We do not assume any liability to third parties other than the Management of the company.

We have performed our work in accordance with the Independence regulations required by the ethics code of the International Federation of Accountants (IFAC).

Scope of our work

The scope of a limited review is substantially less than an audit. Therefore, we do not provide an audit about the 2020 ESG Report.

We have carried out the review of the content adaptation of Canacol Energy Ltd. 2020 ESG Report, to the Guide for the preparation of Sustainability Reports of the Global Reporting Initiative (GRI Standards).

Standards and review processes

We have carried out our work in accordance with ISAE 2000 – International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and the ISAE 3410 – International Standard on Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC).

Our review work consisted in the formulation of questions to the Administration, as well as to the different areas and operations of Canacol Energy LTD... that have participated in the elaboration of the 2020 ESG Report, in the application of analytical procedures and tests of revision by sampling that is described below:

- Interviews with Canacol Energy Ltd. employees to know about the principles, management approaches and data consolidation systems applied to prepare the Report.
- Analysis of how the content, structure and indicators were defined, based on the materiality exercise according to the GRI Standards
- Analysis of the processes to collect and validate the data presented in the report.
- Checking, by sample, testing and review of quantitative and qualitative evidence corresponding to the GRI contents and Canacol Energy Ltd. internal indicators included in the 2020 ESG Report, and proper compilation from the data supplied by Canacol Energy Ltd.

Confirmation that the 2020 ESG Report of Canacol Energy Ltd. has been prepared in accordance with GRI Standards: Comprehensive option "in accordance".

General contents:

It was confirmed that the report conforms to the requirements of the Comprehensive option "in accordance" with the GRI Standards regarding the general basic contents.

Specific contents:

We review the management approach, the GRI, DJSI and internal contents of its material issues:



ANNEX 1.

Material	GRI Content and/or own Indicators of Canacol Energy Ltd.
Operational performance	
Innovation and growth	201-1 Direct economic value generated and distributed
Scope: Colombia and Canada	
	302-1 Energy consumption within the organization
	302-3 Energy intensity
	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
Energy, adaptation to climate change, and air quality	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions
Scope: Colombia	
	303-3 Water withdrawal
	303-4 Water discharge
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	306-3 Waste generated
Ethics, compliance and anti-corruption	205-2 Communication and training about anti-corruption policies and procedures
Scope: Colombia	
	307-1 Non-compliance with environmental laws and regulations
Human Rights	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
Scope: Colombia	
	412-2 Employee training on human rights policies or procedures
	401-1 New employee hires and employee turnover
	Scope: Colombia and Canada
	404-1 Average hours of training per year per employee
	Scope: Colombia
Talent management and culture	404-2 Programs for upgrading employee skills and transition assistance programs
	Scope: Colombia
	405-1 Diversity of governance bodies and employees
	Scope: Colombia and Canada
	405-2 Ratio of basic salary and remuneration of women to men
	Scope: Colombia and Canada
Occupational health and safety	403-9 Work-related injuries



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Material	GRI Content and/or own Indicators of Canacol Energy Ltd.
Scope: Colombia	403-10 Work-related ill health
Engagement with rural and ethnic communities Scope: Colombia	413-1 Operations with local community engagement, impact assessments, and development programs
Sustainable management of the value chain Jobs and local development Scope: Colombia	308-1 New suppliers that were screened using environmental criteria 414-1 New suppliers that were screened using social criteria

Conclusions

Based on the work carried out, described in this memorandum, the procedures carried out and the evidence obtained, no subject matter has come to our knowledge that leads us to think that the indicators within the scope of the review and included in the 2020 ESG Report of Canacol Energy Ltd. for the period between January 1 and December 31, 2020, have not met all the requirements for the preparation of reports, in accordance with the comprehensive option of the Global Reporting Initiative (GRI) Standards. For those contents of the GRI Standards where Canacol Energy Ltd. did not report quantitatively (figures), only the qualitative information that included procedures, policies, evidence of activities carried out, among others, was reviewed.

Alternative lines of actions

Deloitte has provided Canacol Energy Ltd. with a document with the most significant alternatives of action for the future preparation of Reports, which do not modify the conclusions expressed in this memorandum, also a few observations that will strengthen the consolidation, management, measurement and communication processes of the organization's sustainability performance.

Declaration of Independence

We confirm our independence from Canacol Energy Ltd. All of our employees carry out annual updates to the Ethics Policy where we promptly declare that we have no conflicts of interest with Canacol Energy Ltd., its subsidiaries and its stakeholders.

Jorge Enrique Múnera D.
Partner
Deloitte Asesores y Consultores Ltda

Bogotá, June 2021

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