

Energy that Generates
Wellness

Sustainability Report 2019



Content

	Pag.
Message from Our President	2
About this Report	5
Energy that Generates Wellness	11
Corporate Governance: Performance Catalyst	18
Wellness and Prosperity for All	26
GRI Content Index	81



Message from Our President

The year 2019 was one of significant progress for Canacol, of which we are very proud. We advanced in realizing our ambition, which is to improve the quality of life of millions of Colombians through natural gas exploration, production, and distribution. We surpassed major milestones in gas sales, operational capacity, and financial strength while consolidating our position as the largest independent natural gas producer in Colombia.

As a leader in the production of the cleanest-burning hydrocarbon, we fully support the global initiative to meet the goals of the Paris Agreement. We are committed to contributing to Colombian energy self-sufficiency, as well as to Colombia's energy matrix transition plans in which gas is expected to supply 30% of the total energy consumed while reducing emissions 20% by 2050.

At Canacol, we firmly believe that Colombia's successful growth and development requires an abundant supply of economical and clean energy, environmental stewardship for current and future generations, and development projects that benefit all stakeholders. Thus, our three strategic areas of focus are: 1) Financial Strength, Stability, and Discipline, 2) Asset Management, and 3) Sustainability.

We consider sustainability to be the foundation that supports the technical and financial acumen necessary for the Company's profitability and growth. It is a core competency integrated within all our processes and projects.

A Cleaner Energy Future

We have established emission baselines for gases, liquids, solids, and noise within our operations. Each baseline category has a corresponding action plan and budget to significantly reduce emissions in the short and medium terms. We also target emission reduction opportunities in the social assistance programs we sponsor in our neighboring communities. The "Gas Massification" project, constructing a local utility gas distribution network to replace firewood with a much cleaner and more efficient cooking fuel, is a leading example of this concept.



Community Engagement and Indigenous Peoples

Our social and commercial teams leverage our investments to stimulate the local economy and to catalyze the development of the local supplier base and workforce. Between 2017 and 2019, the Company contracted local and regional goods and services for US\$ 58.3 million and held multiple workshops to help local contractors improve their business skills and increase their customer bases. These efforts will continue to expand in parallel with our operational growth.

Canacol's social support of its neighboring communities extends well beyond commercial

aspects. The Company is the primary supporter of the *Entretejiendo* Foundation with its five investment priorities: 1) Human Development, 2) Sustainable Growth, 3) Institutional Strengthening, 4) Environmental protection, and 5) Humanitarian Aid. A major portion of these investments target Indigenous communities that have historically lacked access to development resources, and we are proud to contribute to closing this gap.

Our People

We also focus internally on the development of our staff. Our people are the key to long-term success and outstanding performance in the evolving energy landscape. In the industry, Canacol is

102-12, 102-14 , 102-15 / DJSI / B

a leader in both gender equality and diversity. Canacol's 46.4% female participation rate nearly doubles the industry average of 24%. We are proud that 28.8% of female employees fulfill leadership roles in management or key technical skill areas.

We attract and retain top talent through our compensation policy, flexible benefits, leadership development, technical, and team skills training programs, as well as internal succession planning. We desire to be the “employer of choice” in the Colombian energy industry.

Safe Operations

A fundamental part of our culture is a proactive approach to Health and Safety, as well as Risk Identification and Management among all employees, contractors, and communities. The Ministry of Labor in Colombia established new Occupational Health and Safety minimum standards, and in 2019 we carried out this evaluation and obtained 100% compliance. Our Occupational Health and Safety Management System is certified by the international standards OHSAS 18001.

Corporate Governance: Performance Catalyst

Canacol's Corporate Governance is the bedrock on which we are building a more responsible and sustainable Company. We focus best practices of robust governance on achieving

objectives such as: promoting respect for human rights while ensuring ethics and integrity, having independent auditing standards applied, updating our policy on communication and engagement with shareholders and investors, strengthening our committees' structures to better support the Board, and stipulating publicly communicated responsible targets, among others. Regarding our action plan for 2020, we will continue to monitor the proper balance between the mandatory regulatory agenda and business topics, and we will continue aligning our procedures to the highest standards.

We are publishing our 2019 Sustainability Report in the middle of an unprecedented global crisis caused by the spread of COVID-19 that has affected millions of people worldwide. Canacol is concentrating its efforts on protecting the health of our workforce and supporting communities, as well as providing clean, economical energy to millions of Colombians. Our efforts include employee and corporate donations for basic foodstuffs, hygiene kits, and awareness training, benefiting more than 52,000 families and 14 medical centers in the areas where we operate. Non-essential office employees in both Bogota and Calgary have been working remotely from home since late March. On May 11, 2020, executive management and key personnel returned to the office to work, with the remainder of non-field employees working remotely for the foreseeable future. We have acted rapidly and efficiently, and we will continue to do so throughout the crisis.

We firmly believe that the world needs a more sustainable energy sector. Our goal is to become a sustainability and ESG benchmark, and we are focused on realizing this. Thus, this annual report includes not only the GRI methodology, but also methodologies for the Principles for Responsible Investment, the Carbon Disclosure Project, the Dow Jones Sustainability Index, the Principles of the Global Compact, and the Sustainable Development Goals.

The activities and results shared in this sustainability report would not have been possible without the trust placed in us by our customers, the hard work and professionalism of our employees, the backing of our Board of Directors and shareholders, and the support of our suppliers and communities; my thanks to each and every one of you. In 2019, we reaffirmed our commitment to generating value for all our stakeholders through a sustainable, collaborative, co-responsible, respectful, and transparent approach. Canacol will continue implementing this commitment in the years and decades to come.

Charle Gamba
President, CEO and Director of
Canacol Energy Ltd



About this --- Report

The 2019 Sustainability Report “Energy that Generates Wellness” is our sixth edition encompassing the results of Canacol Energy Ltd and its various subsidiaries from January 1 to December 31, 2019. It summarizes results and highlights accomplishments in economic, social, environmental, and governance matters.

The report has been prepared in accordance with the GRI Standards: Comprehensive option. The GRI's Oil & Gas G4 Sector Disclosures were also incorporated. The Reporting Principles were applied to determine the report's content (Stakeholder Inclusiveness, Sustainability Context, Materiality, and Completeness) and to define the report quality (Accuracy, Balance, Clarity, Comparability, Reliability, and Timeliness). Multiple sustainability standards and compliance methodologies benchmarks have also been incorporated: the Dow Jones Sustainability Index, Principles for Responsible Investment, Carbon Disclosure Project, Principles of the Global Compact, standards suggested by Bloomberg, and United Nations Sustainable Development Goals.

All figures were converted to USD to facilitate comparability between years. The average exchange rates used for 2019 were 3,280 COP/USD, while for 2018 it was 3,000 COP/USD, and for 2017 it was 2,950 COP/USD.

The materiality study and report preparation process were supported by the consulting company McBride Sustainability. Information was collected using the "Sustainability Support System", which allows data traceability and methodological compliance.

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



Materiality Assessment

In 2019, a materiality assessment was developed to identify the most critical environmental, social, economic, ethical, and corporate governance impacts of our operations. Thus, we identified topics in which we have an impact, issues that can affect our operations and financial condition, and that are relevant for our stakeholders. These material topics are included in this report, and the results will help us consolidate our ESG strategy and determine priorities moving forward.

To determine each material topic, internal and external factors were identified through the following steps:

- 17 semi-structured interviews with directors and managers from different areas to identify relevant issues and expectations of stakeholders.
- Analysis of internal documents and third-party publications, as well as social networks (LinkedIn, Facebook, and Twitter).
- A comparative study between 16 companies from the energy sector and 14 leading companies in sustainability.
- Media analysis to identify impacts and relevant issues for the Company and the industry in 2019.

Stakeholders Engagement

Canacol's main stakeholders were validated, taking into consideration those entities or individuals who have a significant influence on the Company's activities, products, and services. Those reported in the 2018 Sustainability Report continue with the addition of "Labor Unions" for 2019.

We ensure on-going communication with our stakeholders through multiple communication channels, including: dedicated websites, the annual Sustainability Report, assemblies, working sessions, workshops, and surveys. Through this direct and indirect dialogue, we consider their points of view and concerns when defining material topics.

Stakeholders

<ul style="list-style-type: none"> • Investors • Monitoring and Control Bodies • Government • Communities • Shareholders • Media 	<ul style="list-style-type: none"> • Financial Institutions • Employees • Clients • Partners and Allies • Contractors and Suppliers • Analysts 	<ul style="list-style-type: none"> • Ratings Agencies • Unions • Civil Society Organizations • Stock Exchanges
--	--	--

Material Topics

A total of 12 Material Topics were identified for inclusion in the 2019 Sustainability Report. These topics were evaluated and weighted based on the following criteria:

- Impact on stakeholders.
- Alignment with Canacol's values and mission.
- Fit or gap with existing strategies and objectives.
- Magnitude of risk and maturity of current mitigation responses.
- Frequency of mention.

Material Topics: Relevance for Canacol and Stakeholders



The following table outlines the GRI Standards that correspond to each material topic, in addition to the coverage of each one.

Coverage of Material Topics

Material Topic	Disclosure	Coverage of Material Topics
Ethics and Transparency	205-1, 205-2, 205-3	Investors, Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Financial Institutions, Employees, Clients, Partners and Allies, Contractors and Suppliers, Analysts, Ratings Agencies, Unions, Civil Society Organizations and Stock Exchanges.
Institutional Consolidation	103-1, 103-2, 103-3	Monitoring and Control Bodies, Shareholders, Employees, Clients, Partners and Allies, Contractors and Suppliers.
Compliance	419-1	Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Financial Institutions, Employees, Clients, Partners and Allies, Contractors and Suppliers, Analysts, Ratings Agencies, Unions and Civil Society Organizations.
Human Rights, Gender Equality and Workplace Inclusion	405-1, 405-2, 406-1, 407-1, 408-1, 409-1, 411-1, 412-1, 412-2, 412-3	Investors, Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Employees, Contractors and Suppliers, Analysts, Unions and Civil Society Organizations.
Development and Growth Opportunities, Wellness and Quality of Life	401-1, 401-2, 401-3, 404-1, 404-2, 404-3	Government, Communities, Shareholders, Employees, Clients, Contractors and Suppliers and Unions.
Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Employees, Contractors and Suppliers, Unions and Civil Society Organizations.
Social Investment	203-1, 203-2	Investors, Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Financial Institutions, Employees, Clients, Partners and Allies, Contractors and Suppliers, Analysts, Ratings Agencies, Unions, Civil Society Organizations and Stock Exchanges.

Material Topic	Disclosure	Coverage of Material Topics
Social Effective Engagement	204-1, 414-1, 414-2, 413-1, 413-2, OG9	Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Employees, Unions and Civil Society Organizations.
Environmental Compliance	302-1, 302-2, 302-3, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5, OG4, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 307-1, 308-1, 308-2	Investors, Monitoring and Control Bodies, Government, Communities, Shareholders, Media, Financial Institutions, Employees, Clients, Partners and Allies, Contractors and Suppliers, Analysts, Ratings Agencies, Unions, Civil Society Organizations and Stock Exchanges.
Economic and Operational Performance	201-1, 201-2, 201-3, 201-4	Investors, Shareholders, Financial Institutions, Employees, Partners and Allies, Contractors and Suppliers, Analysts and Ratings Agencies.
Operational Efficiency	103-1, 103-2, 103-3	Shareholders, Employees, Clients, Partners and Allies, Contractors and Suppliers and Unions.
Energy Transition	103-1, 103-2, 103-3	Monitoring and Control Bodies, Government, Shareholders, Media, Financial Institutions, Employees, Clients, Partners and Allies, Contractors and Suppliers, Analysts and Ratings Agencies.



Energy that Generates Wellness

Canacol's Value Proposition

Our mission is to 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.

About Canacol

We are the leading independent natural gas production and exploration firm in Colombia. Common shares in Canacol Energy Ltd. are listed on the Toronto Stock Exchange (TSE), the OTCQX in the United States of America, and on the Colombian Stock Exchange (BVC). We currently operate 8 gas blocks in the *Magdalena Valley Basin* in the departments of *Córdoba*, *Sucre*, *Cesar*, *Magdalena*, and *Santander* as well as a crude oil block in the Eastern *Llanos Basin* in the department of *Casanare*.

At Canacol, we believe that energy plays a crucial role in advancing modern society and that providing it in an economical and responsible manner is integral to the sustainability of our planet. We are committed to supplying a cleaner energy future for millions of Colombians that protects the health and well-being of future generations. We fully support the Colombian national transition plan in which gas is expected to supply 30% of the total energy consumed in the country by 2050. Furthermore, as a leading gas producer, we consider it our responsibility to be a positive role model for the energy industry.

The commitment and experience of our 405 employees in Colombia and Canada, implementing our sustainable strategy, have positioned us as an industry leader. Our contractual natural gas sales in 2019 increased to an average of 143 million cubic feet of gas per day, 615% more than the daily average in 2013.



623.8

Bcf of 2P natural gas reserves.



8

exploration and appraisal wells drilled.



112%

annual growth rate in 2P conventional natural gas reserves.



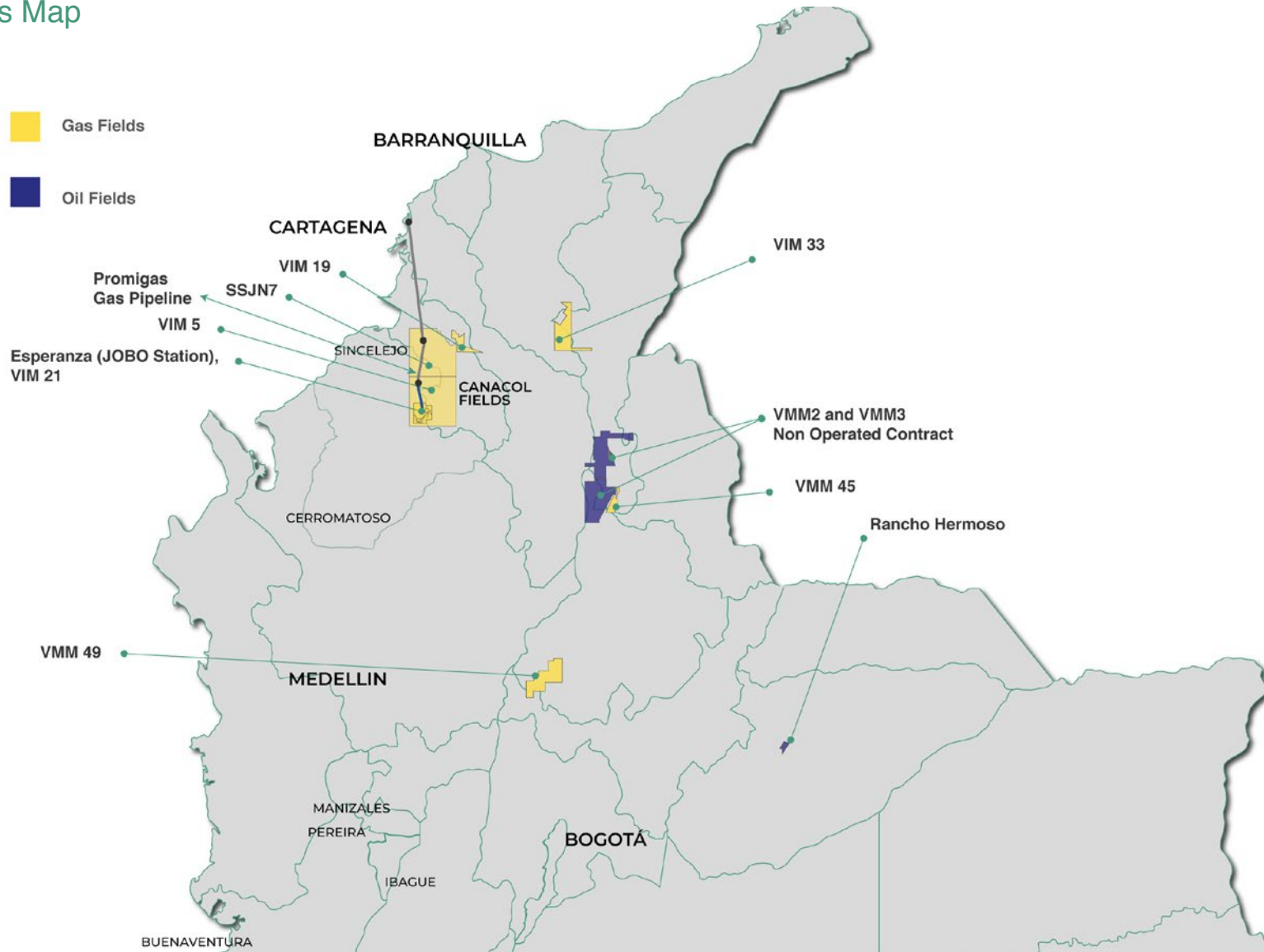
28%

of increase in annual production.

Overview of Operations and Infrastructure

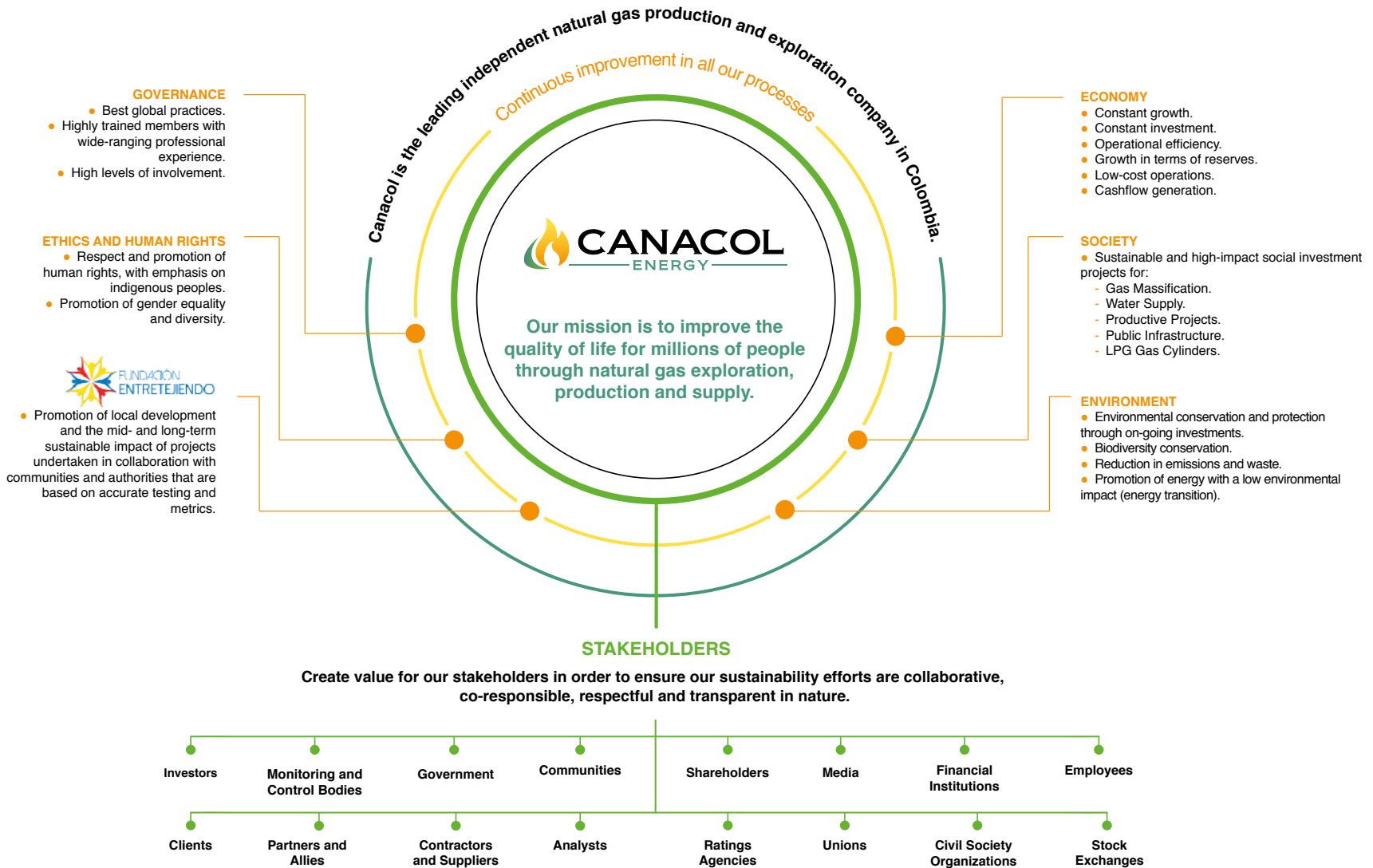
Our conventional natural gas Exploration and Production operations encompass seven contracts with a 100% stake and one with a 50% stake (3 acquired in 2019). Our legacy oil E&P operations encompass five contracts (3 conventional as operator, 2 unconventional non-operated).

Operations Map



Sustainable Wellness Framework

The actions we take to create value for our stakeholders are determined by our Sustainability Model and underpinned by our values, strategies, and corporate goals. Our Corporate Governance structure helps us formalize objectives and then manage and measure performance.



Canacol's ESG Milestones in 2019

Overall Performance



Concept	2017	2018	2019	Variation %
Employees	322	300	405	35.0%
Employees by Gender (Number)	W 122 / M 200	W 119 / M 181	W 188 / M 217	W 58.0% / M 19.9%
Employees by Gender (W%) (M%)	W 37.9% / M 62.1%	W 39.7% / M 60.3%	W 46.4% / M 53.6%	W +6.7% / M -6.7%
Officers by Gender (W%) (M%)	W 30.3% / M 69.7%	W 26.9% / M 73.1%	W 28.8% / M 71.2%	W +1.9% / M -1.9%
Investment in Training (USD)	\$46,780	\$159,378	\$377,055	136.6%
Lost-time injuries frequency rate (LTIFR) ¹	2.69	1.08	2.29	112.0%
*Total Recordable Injury Frequency Rate TRIR ¹	2.69	1.08	2.62	242.6%
**Severe Vehicle Incident Frequency Rate SVIR ¹	0.33	0.00	0.00	0.0%
Natural Gas Production (BOE / Day)	13,765	19,667	25,100	27.6%
2P Gas Reserves (MBOE)	88.6	98.1	109.4	112.0%
CAPEX (Millions of USD)	\$121.2	\$127.6	\$100.5	-21.2%
Economic Value Generated (Millions of USD)	\$251.2	\$251.1	\$278.1	10.8%
Economic Value Distributed (Millions of USD)	\$255.0	\$275.6	\$255.0	-7.5%

* In 2019 Canacol achieved its second consecutive year without an employee recordable incident and is focused on continuing this trend. Our primary metric, however, is total TRIR trend including contractors which remains well below industry average. It is worth noting that 2019 included a 35% increase in hours worked/exposure to risk involving primarily unskilled labor associated with the Guacharaca seismic survey.

**For the SVIR indicator, the company has performed satisfactorily with 0 accidents for two consecutive years, exceeding the established goal.

1. The calculation of the accident rate indicators takes into account the constant of 1,000,000 hours worked. These indicators include employees and contractors.

Social Performance



Concept	2019
Social Investment in Neighboring Communities (Millions of USD)	7.2

Number of people benefited by program ²	2019
Gas Supply for Domestic Use	Approximately 40,000 beneficiaries in 150 communities
Strengthening of Local Institutions	
Increasing access to and quality of primary and secondary education	
Potable Water Access	
Fostering Entrepreneurial Projects	
Public Infrastructure Improvements	
Humanitarian Aid	

2. An approximate is used for all programs since some families are beneficiaries of 1 or 2 or more projects.



Environmental Performance



Concept	2019
Environmental investment (Millions of USD)	2.7
Number of fines and penalties due to non-compliance of environmental laws	0
Fines and penalties value due to non-compliance of environmental laws (USD)	0

Note: Environmental spending is typically driven by block/contract phase requirements as either a precursor to activity or in conjunction with development operations.

Corporate Governance Performance



Concept	2017	2018	2019	Variation %
Number of Members of the Board of Directors	7	7	7	0%
Independent Board Members (%)	71.4%	71.4%	71.4%	0%
Number of Committees supporting the Board of Directors	4	3	4	33.3%
Percentage of Independent Board Members who chair Committees	71.4%	71.4%	71.4%	0%



Corporate Governance: Performance Catalyst

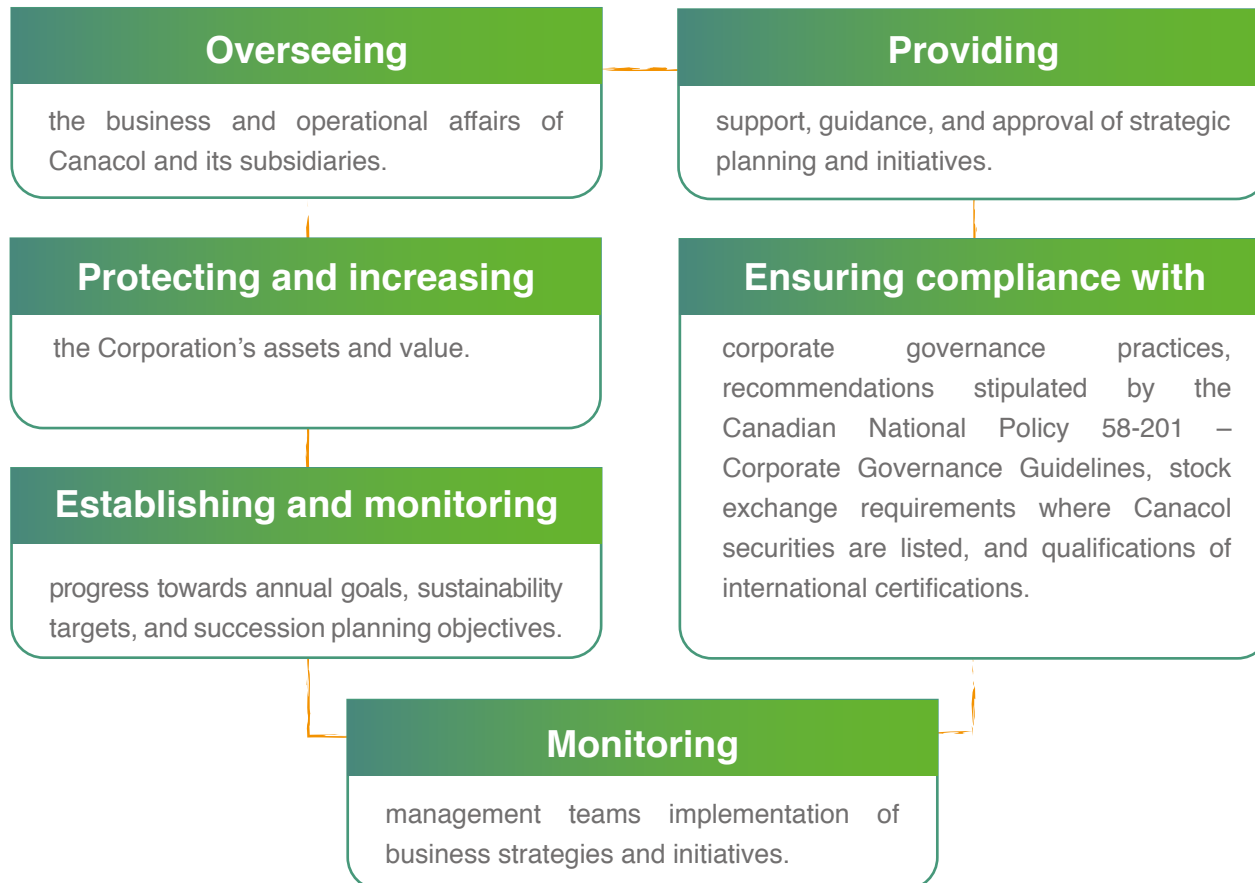
The ultimate authority in Canacol is the Board of Directors, where all critical and strategic decisions are made. The Board oversees four specialist committees providing direct oversight on economic, social, ethical, and legal issues. These committees include the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Reserves Committee³.

3. On January 28, 2019, the Board modified its committees from the Audit Committee, the Corporate Governance and Compensation Committee and the Reserves Committee to the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Reserves Committee.

Board of Directors: Sustainable Leadership

The Board is legally responsible for managing the Company and its subsidiaries, intending to protect, preserve, and enhance the Company’s assets while promoting sustainability in all aspects of its operations.

The main functions of the Board of Directors include:



Board of Directors' appointments are for single-year terms with elections held during the Annual General and Special Shareholders' Assembly. For 2019 this occurred on May 6, 2019 in Bogotá, Colombia.

Members of Canacol's Board of Directors in 2019

Name	Post	Date appointed
Michael Hibberd	Chairman	October 30, 2008
Charle Gamba	President And Chief Executive Officer	October 30, 2008
David Winter	Independent Member	February 6, 2009
Francisco Diaz	Independent Member	January 16, 2015
Gonzalo Fernández-Tinoco	Independent Member	November 8, 2018
Gregory D. Elliot	Independent Member	December 21, 2012
Oswaldo Cisneros	Independent Member	October 16, 2015

*Ariel Merenstein – Active Independent Member of the Board of Directors since March 17, 2020.



[For further information about our Corporate Governance and its committees, please click here.](#)

Our Management System

We coordinate with national and international organizations to develop sustainable growth strategies, processes, and controls while meeting or exceeding the requirements of the following internationally recognized certifications:

- **OHSAS 18001:** Occupational health and safety management system certification.
- **ISO 9001:** Quality management system certification.
- **ISO 14001:** Environmental management system certification.

SGS Colombia issued these certifications. Its scope is exploration, perforation, and oil and gas production.

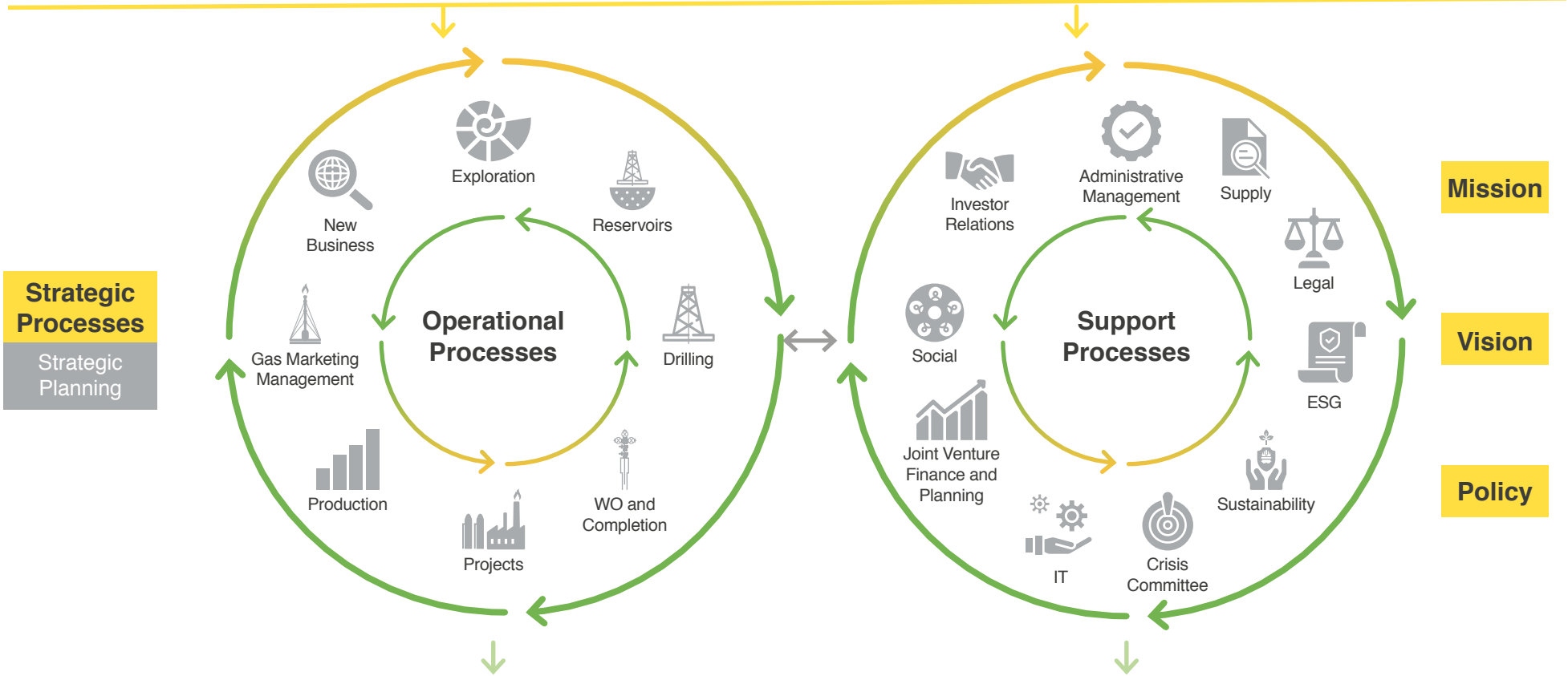


Audits are performed annually with the respective agencies to maintain valid certifications. Audit findings are converted to action items and monitored until closed.

Another key element of our Management System is the Process Map that 1) facilitates identification of risks and opportunities, 2) mandates action planning to mitigate risks, 3) standardizes process flows, roles, decision making, and required documentation, 4) establishes performance metrics, and 5) monitors performance and provides feedback for continuous improvement.

Stakeholder Expectations and Requirements

Planning, Analysis and Risk



Value Generated for Stakeholders

*As of June 2020.

Leading through Ethics and Transparency

We prioritize transparency and trust in our operations and stakeholder relationships. Corporate policy and procedure systems provide a framework for all directors, employees, contractors, and suppliers to proceed with their activities in accordance with Canacol’s values. The policy and procedure systems include⁴:

- Code of Ethics and Business Conduct
- Corporate Anti-Money Laundering and Anti-Terrorist Financing Policy
- Disclosure & Confidentiality
- Insider Trading Prohibition
- Whistleblower and non-retaliation

Acknowledgment and acceptance of all policies and procedures is a mandatory condition of employment or contract. Initial induction and regular re-certification trainings are performed. Potential breaches are promptly investigated, documented, reported, and resolved.

Living by Our Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct embodies our core values and principles and establishes workforce behavior standards. The Board of Directors Committee for Corporate Governance and Compensation is responsible for administering the Code. The Committee delegates day-to-day responsibility for managing and interpreting the Code to the Chief Executive Officer and the Chief Financial Officer. The Code includes the following elements:

4. [For further information about our polices please click here.](#)

- Non-Discriminatory Environment
- Harassment-Free Workplace
- Sexual Harassment Prevention
- Substance Abuse Prevention
- Violence-free Workplace
- Anti-Corruption and Bribery
- Data Confidentiality
- Conflict of Interest
- Money Laundering
- Environmental Stewardship

Internal concerns or reports of potential violations can be submitted in the following ways:

- **Writing (anonymously or otherwise)**
- **Via E-mail**
 - » clafaurie@canacolenergy.com
 - » complianceofficer@canacolenergy.com
- **Intranet**
 - » [Online complaint channel for acts of corruption in the following link: http://intranet/INTRANET/quickstart/](http://intranet/INTRANET/quickstart/)

Issues related to accounting, internal accounting procedures, or financial audits are reported to the Chairman of the Audit Committee or their delegate.



[For further information about our Code of Ethics and Business Conduct, please click here.](#)



Reporting Policy for Improper Acts

The Reporting Policy for Improper Acts establishes procedures for efficiently addressing, investigating, and resolving ethical or compliance reports. It ensures appropriate areas investigate, document, report, and follow-up all incidents. The Policy includes safeguards to ensure employees and stakeholders can voice their concerns without fear of retaliation or reprisal. The Policy conforms to stipulations in the National Policy 52-110 – Audit Committees of the Canadian Stock Exchange (CSA). Based on the severity and/or sensitivity of the issue, complaints and reports may be filed with a direct supervisor, manager, or by contacting:

- I. Anthony Zaidi, General Counsel - azaidi@canacolenergy.com or + 571 6211747 Ext. 1013.
- II. Andrés Valenzuela Pachón- Legal Representative- avalenzuela@canacolenergy.com or 571 6211747.
- III. Trevor P. Wong-Chor, Corporate Lawyer - (403) 698-8711.
- IV. Jason Bednar, Chairman of the Audit Committee - +1 (403) 607-4607.

Responsible Operations: Anti-Money Laundering (“AML”) and Anti-Terrorist Financing (“ATF”)

Canacol complies with the Anti-Money Laundering (“AML”) and Anti-Terrorist Financing (“ATF”) policies⁵ of the Canadian government with a specific focus on:

- **Politically Exposed Persons (“PEPs”) and**
- **Know Your Client (KYC) Requirements**

In 2019, the following activities were undertaken:

- **Improvements to our due-diligence process.**
- **Inclusion of updated corruption, bribery, money laundering, and financing of terrorism prevention clauses in contracts.**
- **Quarterly monitoring of the Ethics and Compliance Program.**
- **Stricter control of cash operations within the organization and with counterparts.**
- **Identification and monitoring of unusual or suspicious operations and the filing of reports with corresponding authorities.**
- **Training for Canacol’s at-risk employees and communication on the importance of AML/ATF measures.**

5. These policies are intended to combat money laundering and terrorist financing activities through the adoption of enhanced Know Your Client (“KYC”) requirements, improved compliance, monitoring, and enforcement efforts, and a strengthening of the AML/ATF information-sharing regime.

The Board of Directors has designated internal AML/ATF Risk Compliance Officers to coordinate and supervise policy implementation and enforcement. The Compliance Officers oversaw 24 Ethics and Compliance training modules with 423 participants during 2019. The Inspektor system was used to conduct 4,441 searches to screen for risk warning signs during contracting processes throughout the year. Additional verification processes, using risk control and restriction lists, were performed as necessary.

Taxes, Transparency, and Government Relations

Canacol pays taxes, fines, and royalties to domestic and international governments in strict compliance with the Canadian Extractive Sector Transparency Measures Act (ESTMA). In 2019, Canacol's tax payments totaled US\$ 9.2 million. Payments corresponding to royalties totaled US\$ 9.6 million.

 [To learn more about the ESTMA report, please click here.](#)

Maintaining Responsible and Transparent Stakeholders' Relations

Canacol is committed to positive and transparent stakeholder relationships. We provide relevant information on our projects and activities through our Communications Plan. Our system for receiving and addressing Concerns, Requests, Complaints, and/or Claims (CRCC) ensures quality and continuity in the processes and communication channels used to receive, organize, prioritize, investigate, and respond appropriately.



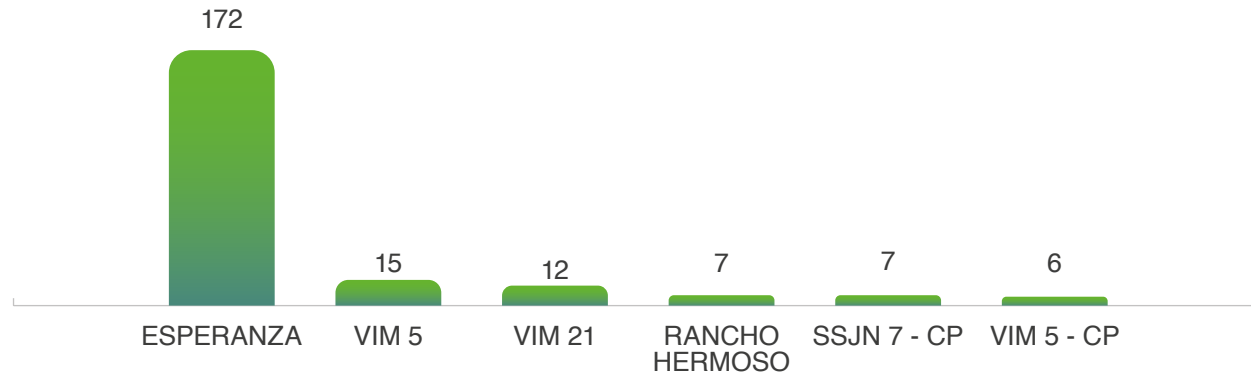
In 2019 we received 219 CRCC:



2019

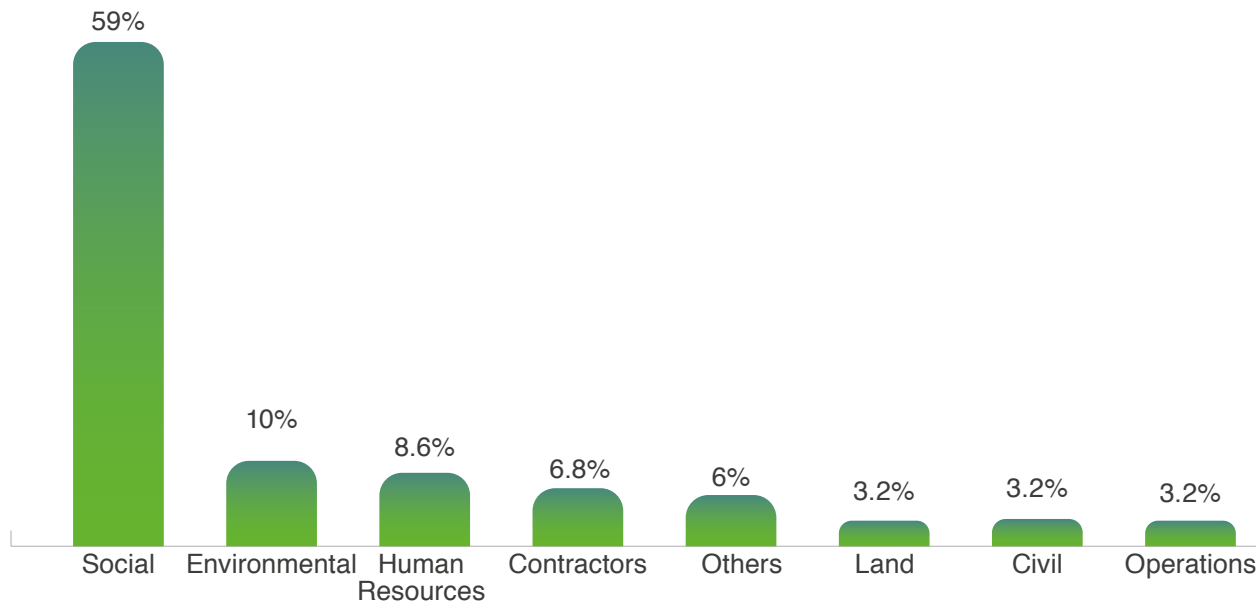
The majority (78%) of the CRCC we received were from communities in which we operate and are also proportional to concentration of work locations.

CRCC by Project



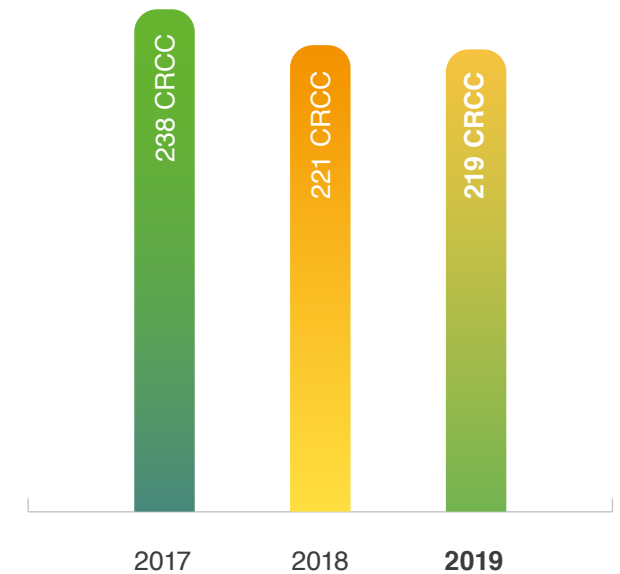
CRCCs for 2019 were classified into the following functional areas:

CRCC by Area



The declining trend is encouraging and of note during a year of greatly increased drilling, seismic, and construction project activity compared to 2017-18 (>50%).

CRCC over the past three years:



Categorizing CRCC by function facilitates a proactive approach and implementation of continuous improvements, including reduction of response times. In 2019, 100% of CRCC were closed within the year, compared to 99% and 95% in 2018 and 2017, respectively.



Wellness and Prosperity for All

Human Talent: Our Energy Source

Canacol creates dignified and quality employment stimulating national and regional economic growth and development. Our employees are key to our long-term success, and their capabilities are a critical strength enabling our adaption to the evolving energy landscape.

We empower our employees by investing in their professional growth and have developed an inclusive, positive, growth-oriented culture that they can proudly participate in. Each employee has a career development plan, including technical, teamwork, leadership, and communication modules.



102-8, 405-1 / DJSI / 



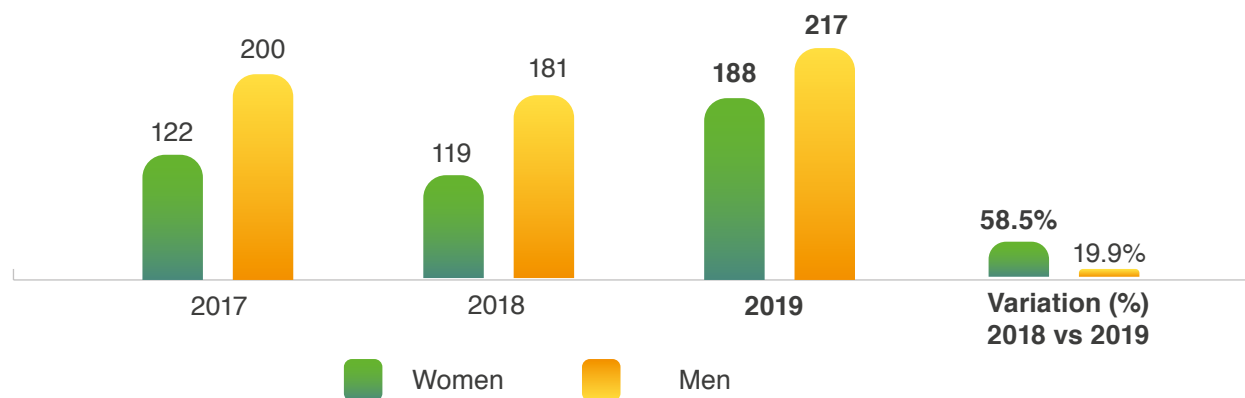
405 employees in Colombia and Canada.



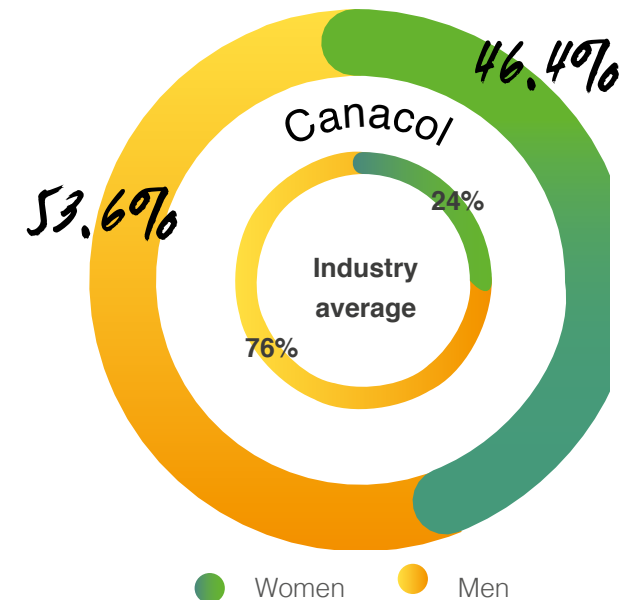
35.00% increase in our workforce, including a 58.0% increase in women employees compared to the previous year.

Our skills training programs, career development paths, and focus on promotion from within, provide invaluable opportunities for young talent to grow and develop under the guidance and encouragement of top professionals in the field. As of 2019, we had a total of 405 employees (384 from Colombia and 21 from Canada), with 29.4% of them being under the age of 30.

Employee Distribution by Gender*



Total Workforce (%)



Colombia - Employee Distribution by Job Category, Gender and Workforce (%)

Job Category	Women	% of Categories	Men	% of Categories
CEO	0	0.0%	1	100.0%
Country Manager	0		1	
COO	0	20.0%	1	80.0%
Vice President	1		3	
Manager	2	16.7%	7	83.3%
Director	0		3	
Leader	7	38.5%	15	61.5%
Coordinator	13		17	
Specialist	18	49.5%	17	50.5%
Senior	4		5	
Professional	20	49.5%	15	50.5%
Junior	6		3	
Supervisor	7	49.5%	25	50.5%
Administrative	36		23	
Analyst	7	49.5%	9	50.5%
Assistant	15		2	
Operations	0	49.5%	33	50.5%
Auxiliary	20		12	
Apprentice	22	49.5%	14	50.5%
Total	178		46.4%	



Canada - Employee Distribution by Job Category, Gender and Workforce (%)

Job Category	Women	% of Categories	Men	% of Categories
Chief Financial Officer	0		1	
Senior Vice President Exploration	0	50.0%	1	50.0%
Vice President Investor Relations	1		0	
Vice President Tax and Corporate Affairs	1		0	
Senior Manager Reservoir Engineering	1		0	
Senior Manager Exploration	0		1	
Chief Commercial Engineer	0	33.3%	1	66.7%
Director of Finance	0		1	
Controller	0		1	
Manager, Financial Reporting	1		0	
Senior Staff Petrophysicist, Co-ordinator Operations	0		1	
Senior Reservoir Engineer, Co-ordinator Reservoir Modelling & Simulation	1		0	
Senior Staff Geophysicist	0	42.9%	1	57.1%
Senior Staff Geologist	1		1	
Senior Financial Accountant	1		0	
Manager, Investor Relations - Canada	0		1	
Junior Controller	0		1	
Executive Assistant/ Accounts & Payroll Administrator	1		0	
Finance & HR Administrator	1	100.0%	0	0.0%
Receptionist	1		0	
Total	10	47.6%	11	52.4%



Colombia - Distribution by Job Category, Gender, and Age

Job Category	Under 30		31-50		Over 50		Total
	Women	Men	Women	Men	Women	Men	
Country Manager	0	0	0	0	0	1	1
CEO	0	0	0	0	0	1	1
COO	0	0	0	0	0	1	1
Vice President	0	0	0	1	1	2	4
Manager	0	0	2	3	0	4	9
Director	0	0	0	2	0	1	3
Leader	4	15	3	0	0	0	22
Coordinator	0	2	12	11	1	4	30
Specialist	0	0	14	14	4	3	35
Senior	3	1	1	4	0	0	9
Professional	6	4	13	11	1	0	35
Junior	6	3	0	0	0	0	9
Supervisor	0	1	4	20	3	4	32
Administrative	10	6	23	10	3	7	59
Analyst	0	2	7	7	0	0	16
Assistant	6	1	6	0	3	1	17
Operations	0	4	0	27	0	2	33
Auxiliary	9	4	11	8	0	0	32
Apprentice	19	12	3	2	0	0	36
Total	63	55	99	120	16	31	384

Canada - Distribution by Job Category, Gender, and Age

Job Category	< 30		31 - 50		> 50		Total
	Women	Men	Women	Men	Women	Men	
Chief Financial Officer	0	0	0	1	0	0	1
Senior Vice President Exploration	0	0	0	0	0	1	1
Vice President Investor Relations	0	0	1	0	0	0	1
Vice President Tax and Corporate Affairs	0	0	1	0	0	0	1
Senior Manager Reservoir Engineering	0	0	1	0	0	0	1
Senior Manager Exploration	0	0	0	0	0	1	1
Chief Commercial Engineer	0	0	0	1	0	0	1
Director of Finance	0	0	0	1	0	0	1
Controller	0	0	0	0	0	1	1
Manager, Financial Reporting	0	0	1	0	0	0	1
Senior Staff Petrophysicist, Co-ordinator Operations	0	0	0	1	0	0	1
Senior Reservoir Engineer, Co-ordinator Reservoir Modelling & Simulation	0	0	1	0	0	0	1
Senior Staff Geophysicist	0	0	0	1	0	0	1
Senior Staff Geologist	0	0	1	0	0	1	2
Senior Financial Accountant	1	0	0	0	0	0	1
Manager, Investor Relations - Canada	0	0	0	0	0	1	1
Junior Controller	0	0	0	1	0	0	1
Executive Assistant/ Accounts & Payroll Administrator	0	0	1	0	0	0	1
Finance & HR Administrator	0	0	1	0	0	0	1
Receptionist	0	0	1	0	0	0	1
Total	1	0	9	6	0	5	21



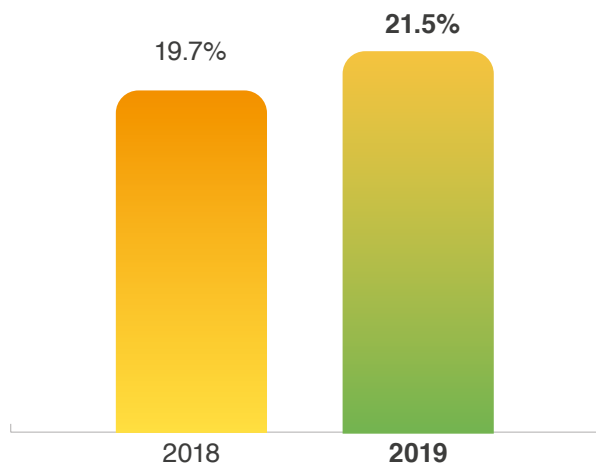
Turnover Rate by Age Cohort

Age Cohort	Employees Hired in 2019	Employees Resigned or Terminated in 2019	%
30 and under	19	5	3.9%
31 to 50	67	30	15.7%
50 and over	11	1	1.9%
Total	97	36	21.5%
Average employees in 2019		310	

Turnover Rate by Gender

Gender	Hired employees in 2019	Retired employees in 2019	%
Women	70	20	14.5%
Men	27	16	7.0%
Total	97	36	21.5%
Average employees in 2019		310	

Turnover Rate (%)



Local Employment

In synergy with our contractors, we promote careers as well as rotational fixed-term opportunities to stimulate local economic growth, development, and workforce participation.

Direct Skilled Workforce- Canacol		
	#	%
Local	95	55.6%
Non-local	76	44.4%
Total	171	100.0%

Direct Unskilled Workforce- Canacol		
	#	%
Local	147	100.0%
Non-local	0	0.0%
Total	147	100.0%



Indirect Skilled Workforce- Contractors and Subcontractors

	#	%
Local	791	47.6%
Non-local	872	34.4%
Total	1,663	82.0%

Indirect Unskilled Workforce- Contractors and Subcontractors

	#	%
Local	1,651	100.0%
Non-local	0	0.0%
Total	1,651	100.0%

In 2019, we exceeded national legislation requirements for the generation of local employment.

Canacol utilizes the Public Employment Service platform, created by the Colombian government, to coordinate hiring from local communities. This platform helps us meet and exceed legislated requirements for the participation of local skilled and unskilled labor.

Development and Growth Opportunities

We promote the personal and professional growth of our employees through a variety of technical and non-technical training programs both in-house and with industry-focused providers. This effort is aligned with our emphasis on development and promotion from within versus external recruiting.

A growing aspect of our development training and development program is the virtual training platform (C+), to which all employees have access. In 2019, we uploaded more than 30 training modules to C+, and we intend to continue to expand content in the future.



US\$ 377,055
invested in training programs during 2019.



1,633
training hours presented to multiple employees.



88.5%
of our employees participated in the training.

In 2019, we provided the following in-house training modules:

- Human Rights
- Gas Operations and Maintenance Certification
- PMP “Project Management Professional”
- Master’s degree in Project Management
- Maintenance Management Certification
- Maintenance Practices
- Leadership Development
- Emotional Intelligence
- Effective Teamwork
- Exploration and Production (E&P) Contract Regulations training
- Contract Management program
- Effective Negotiation
- Customer Service Basics
- English language training – Open English
- Effective Presentations

One of our most essential training modules, due to its impact on safety and efficiency, was our Gas Operations and Maintenance Program. This program focuses on well and gas plant operations. In 2019, more than 50 participants successfully completed the module and received certifications. The participants' improved skill sets, in turn, opened career growth opportunities.

For example, Gustavo Álvarez started working for Canacol as an Unskilled Laborer. After successfully completing the Gas Operations and Maintenance Program course, he qualified and was selected for a position as an Operator for our Jobo Liquefied Natural Gas Plant.

“We are all very grateful for the commitment that the Company has had with us. It is a process that requires some sacrifices and a lot of effort, but those of us who took the program always had the goal in mind to complete it successfully. Just as Canacol trusted us, we lived up to it.”

**Gustavo Álvarez
Graduate**



Performance Management

Through our Performance Management platform, we undertake annual skill and performance assessments of our workforce, incorporating peer and internal client feedback. The process helps employees identify their strengths and development needs. Additionally, it allows the Human Talent department to monitor employee performance over time, recommend merited compensation adjustments, and identify candidates for growth opportunities.

Cycles and Phases of the Performance Management Program



183

vacancies covered by internal candidates.

Wellness and Quality of Life

We strive to create a positive work environment that improves the mental and physical wellbeing of our employees. Work climate surveys are a valuable tool for developing this environment, which provide feedback on how employees perceive salary and non-salary benefits (work-life balance, sense of belonging, etc.). Over multiple years, the surveys have identified improvement opportunities, such as benefit gaps and health and wellness risk factors.



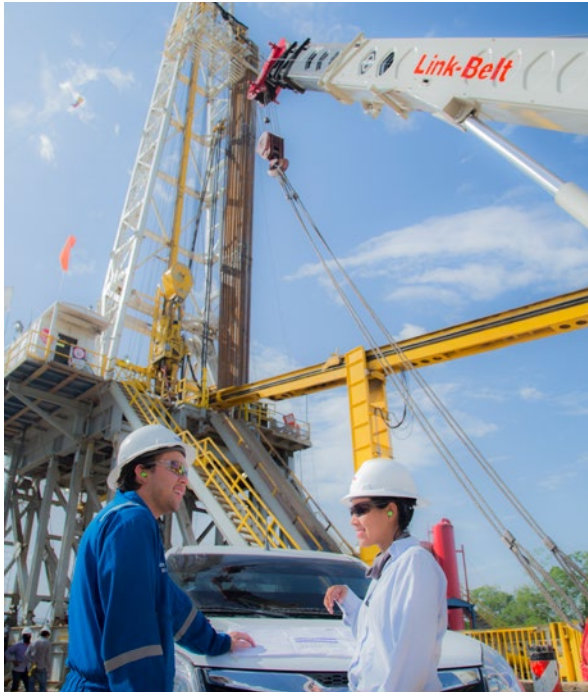
91%

satisfaction regarding support factors for success, culture, leadership, etc.



85%

acceptance in the work climate survey.

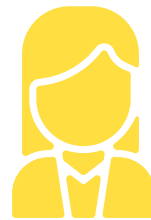


We have implemented the following strategies to address these gaps and improve our employees' wellbeing:

- Improved communication of Company strategies, objectives, and results.
- An objective and standardized performance evaluation program with on-going monitoring.
- Internal development and career planning strategies.
- Equitable compensation.
- Work-life balance.
- Flexible benefits for eligible employees.
- Wellness strategies that involve families.

Gender Equality and Workplace Inclusion

At Canacol, we emphasize having an inclusive and discrimination-free workplace. Not only does this promote a positive work environment, but it allows different outlooks to be comfortably shared within the Company, improving overall performance.



58.00%
more female employees than last year.

Canacol embodies diversity and gender equity guidelines in company policies and practices, including recruitment and selection, compensation, and career development. In 2019, we received zero reports regarding discrimination within the Company.

Equitable Compensation

We use a performance-based compensation model that does not consider gender, age, etc., but only the responsibilities of the organizational position held and the performance demonstrated. The model includes the following elements:

- **Assessment of Positions and Classification of Compensation Bands:** A third party is responsible for undertaking salary and market studies, assessing positions based on the Canacol job descriptions, and classifying them within the corresponding industry standard job descriptions and compensation bands. Each band has a minimum and maximum value.
- **Annual Compensation Increase:** Managers and the CEO determine compensation increases based on Performance Assessment results and market competitiveness.
- **Extraordinary Compensation Adjustments:** All requests for compensation adjustments, out of the annual cycle, must be approved by the Country Manager, Administrative Manager, and Labor Practices Legal Representative.

To determine compensation competitiveness internally and externally, we apply the following processes:

1. Annual compensation analysis was undertaken by an external consultant evaluating our competitiveness with more than ten peer companies from the sector.

2. Bi-annual review of compensation competitiveness and internal equity, including a review of voluntary turnover.

Allowances and Benefits

Beyond salary, we provide extralegal benefits targeting employee efficiency, commitment, and happiness.

These benefits include:

- **Pre-paid medication and healthcare coverage for employees and their families. Employees can choose between two plans to select the best fit for their individual needs or geographic location coverage.**
- **Life insurance and funeral coverage.**
- **Performance annual bonus.**
- **Savings plan with match.**
- **Pension plan.**
- **Free investment credit facilities.**
- **Family participation in online wellness activities, including workshops for children.**
- **End of year celebrations and other events that include family participation.**





Stock Options

Canacol offers stock options to all permanent employees. Our Stock Option policy follows these guidelines:

1. Stock options are granted to employees who have been with the Company for more than three months and who have an indefinite employment contract.
2. The number of stock options granted annually is based on the employee's organizational level at year-end.

Tailored Benefits Package

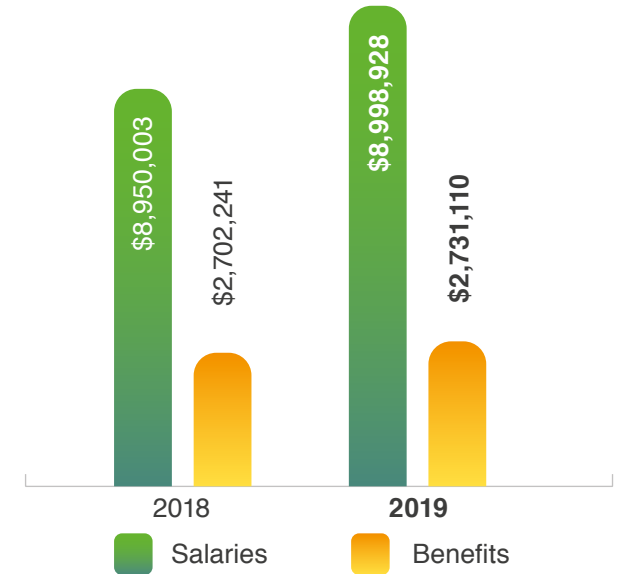
In addition to these extralegal benefits, Canacol employees can access two benefit package models (Beneflex and labor union benefits).

Beneflex

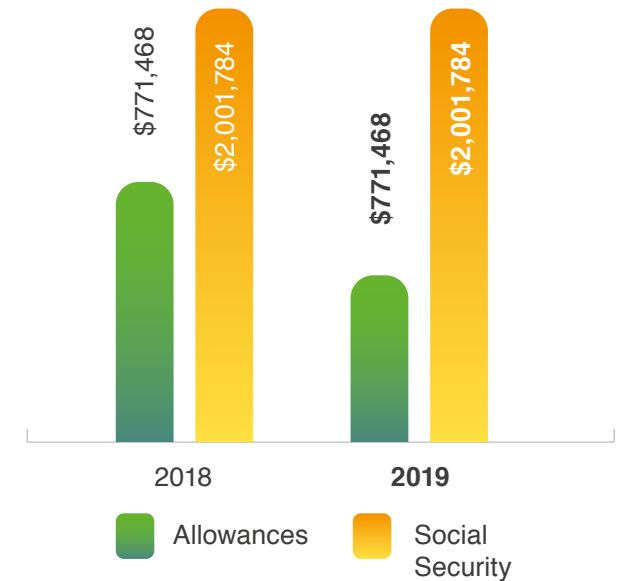
Beneflex is an in-house flexible benefits portfolio, also known as "a la carte" benefits, aimed to maximize the value received by differing demographic needs within the workforce. Employees choose the mix of features that best suits their current needs. Portfolio choices are made annually.

 **15** benefits to choose from according to the individual needs of employees.

Salaries and Benefits (USD)



Allowances and Social Security (USD)

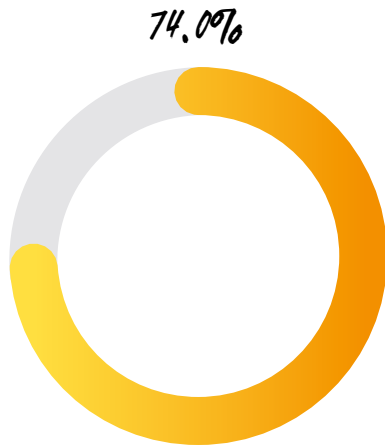




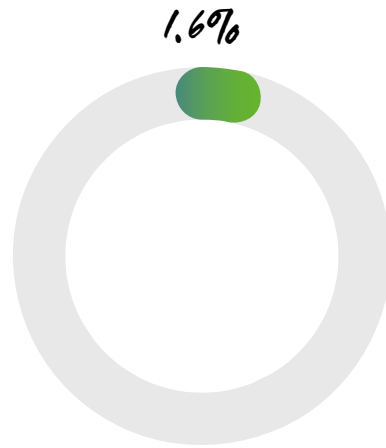
Labor Union Benefits

At Canacol, we respect our employees' rights to exercise their freedom of association and collective bargaining. We have an excellent relationship with our unions and continually interface with them to provide the best possible working conditions for our employees.

Employees affiliated with the PFW and USO union are eligible for 13 additional benefits such as sick leave and disability benefits and additional two-day paternity/ maternity leave, among others.

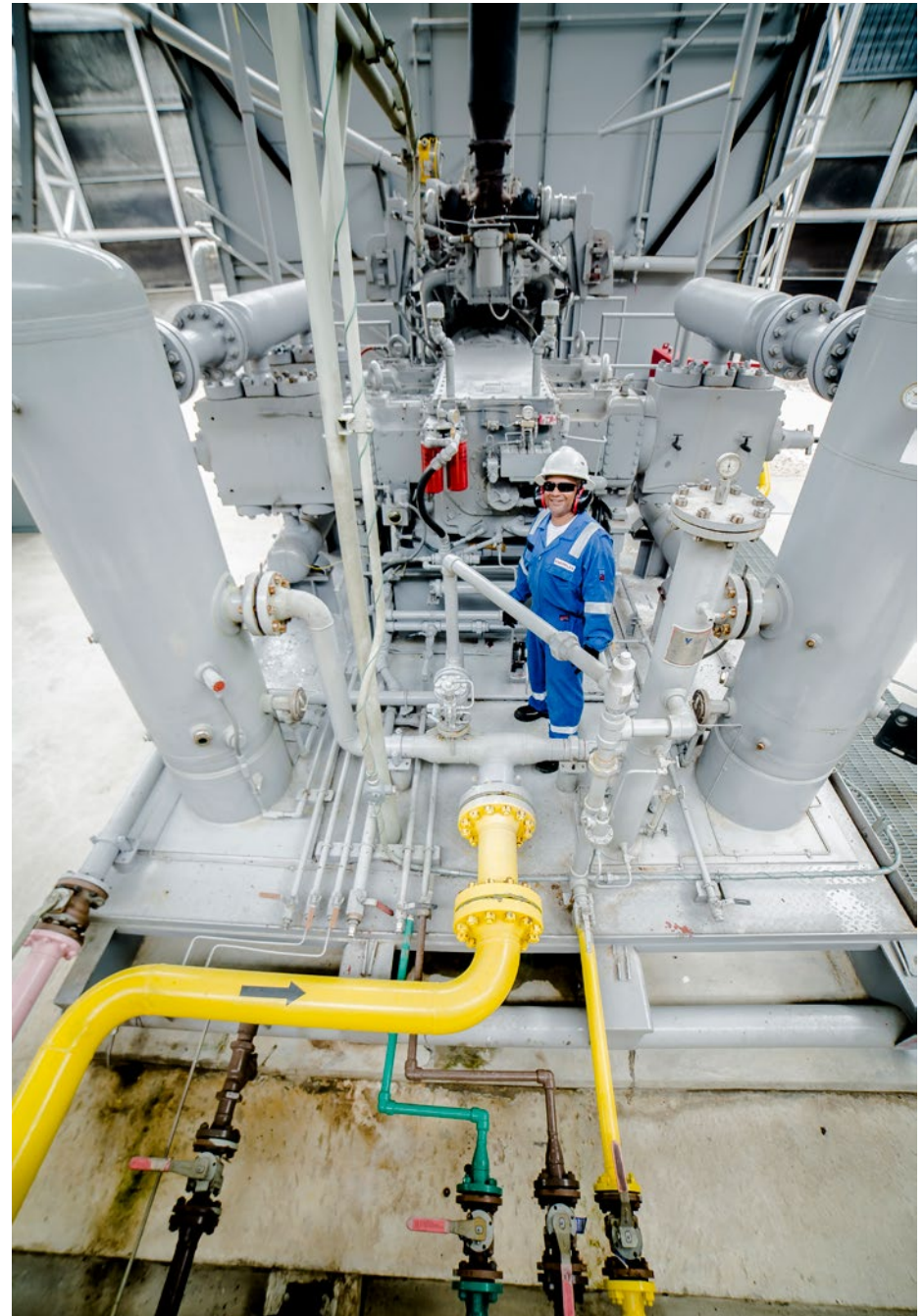


People First Worldwide PFW



The Workers Trade Union of the Petroleum Industry (USO)

At Canacol, we will continue investing in and working towards creating the best possible workplace for our employees.





Occupational Health and Safety

Our Sustainability (HSEQ) Policy embodies a participative philosophy to promote employee health and safety in all areas and all levels of the organization. By implementing risk management as well as accident and illness prevention plans, we strive to protect the health of our employees and local communities.

Safeguarding and protecting lives and health is an integral part of our culture and a fundamental principle in our Sustainability (HSEQ) Policy.

We have created occupational health and safety management processes, practices, and workforce attitudes that promote continuous improvement and reduce incident rates.

Major goals:

Promote responsible and proactive attitudes regarding health and safety at each level within the organization.

Undertake proactive risk analysis.

Implement identified prevention and corrective measures.

Promote teamwork in the area of occupational risk prevention.

Drive participation in adopting safe practices throughout the organization.

Canacol received recertification in Occupational Health and Safety Management through the OHSAS 18001 standard.

403-7, 403-8, 403-9, 403-10

Continuous Improvements to the Occupational Health and Safety Management System (SGSST)

We actively work to improve our occupational health and safety systems. They are outlined in the Occupational Health and Safety Management System (SGSST) , Resolution 0312, published in 2019, as part of our Corporate Sustainability Policy. In 2019, we obtained 100% compliance with the minimum Occupational Health and Safety standards defined by Colombia’s Ministry of Labor.

Corporate Indicators for Industrial Safety

We encourage our employees and contractors to identify and report the dangers they observe on-site. Our Policy mandates that activity be suspended if conditions are deemed to be unsafe and/or if risk control measures and standards are not being met and only resumed once all deficiencies have been corrected.

	2017		2018		2019	
	Target	Performance	Target	Performance	Target	Performance
Lost-time injuries frequency rate (LTIFR)	3	2.69	2.83	1.08	2.71	2.29
Total Recordable Injury Frequency Rate TRIR	3	2.69	2.83	1.08	2.71	2.62
Severe Vehicle Incident Frequency Rate SVIR	Base line	0.33	0.31	0.00	0.3	0.00

Note: The calculation of the accident rate indicators takes into account the constant of 1,000,000 hours worked. These indicators include employees and contractors.

7. The Occupational Health and Safety Management System applies to all direct employees, field employees, contractors and visitors to the Company’s facilities.

In 2019 Canacol achieved its second consecutive year without an employee recordable incident (TRIR) and was focused on continuing this trend. Our primary metric, however, is the total TRIR trend, including contractors, which remains well below the industry average⁸. It is worth noting that 2019 included a 35% increase in hours worked/exposure to risk involving primarily unskilled labor associated with the *Guacharaca* seismic survey. We consider the completion of this project without incident to be a major success for our contractor Petroseismic and our HSEQ team and project managers.

For the SVIR indicator, the company has performed satisfactorily with 0 accidents for two consecutive years, exceeding the established goal.

Severity Index

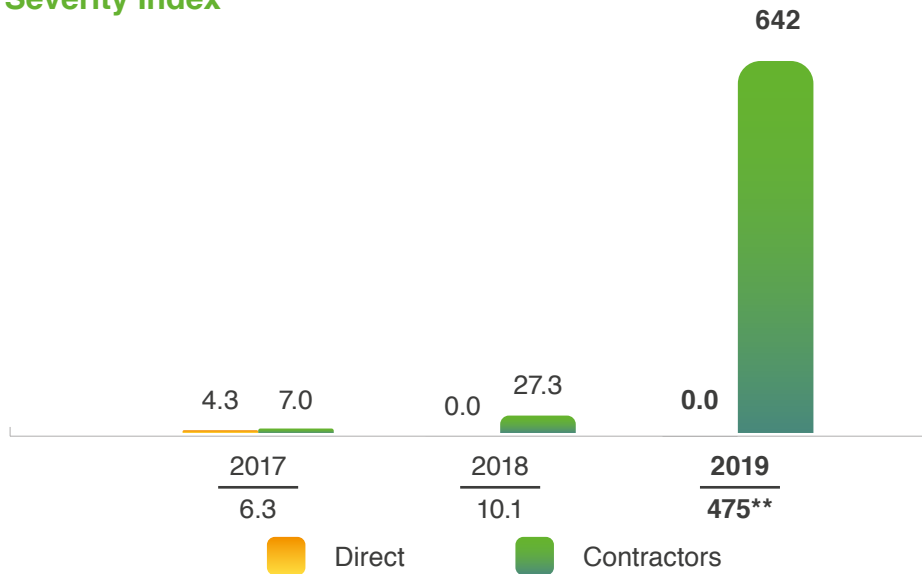
The Severity Index is based on the relationship between the annual number of days lost as a result of workplace accidents and the number of working hours worked. In 2019, there were seven recorded accidents involving contractors and one recorded accident involving a direct employee. The most common injuries were hand and foot sprains. There was one fatality involving a contractor⁹.

8. This indicator is 30% below the industry average. Data provided by Solomon Associates Consulting, as a result of a benchmarking study contracted by Canacol.

9. A mechanical failure during hoisting led to this fatality. The Ministry of Labor has determined that 6,000 days are charged for a fatal work accident, affecting the Severity Index.

Our danger identification and risk evaluation matrices are updated yearly and reviewed after recorded accidents or operational changes. Pre-job evaluations, worker surveys, and observation cards are used to identify the risks experienced by employees in their work environment. Observations and near misses are treated as lessons learned to reduce the risk of repetition and to support continuous improvement.

Severity Index*

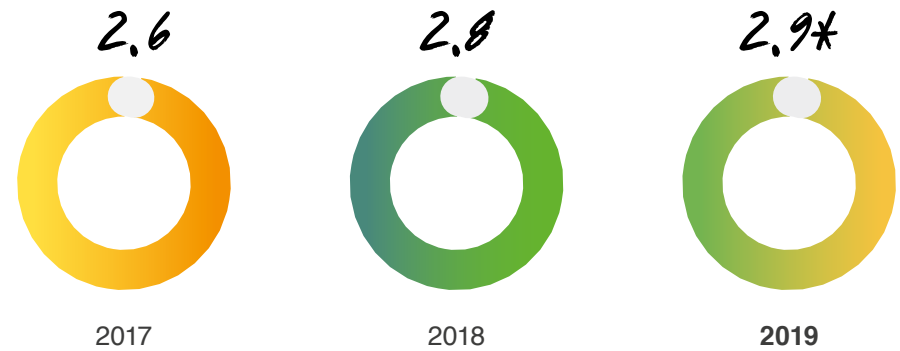


* The Severity Index is calculated as follows: $\sum (\# \text{ Days Lost}) * 240,000 / _ \text{ Hours Worked}$
 ** Compared to the forecasted limit for the year of 11.4.

Work Absenteeism

Work absenteeism is defined as the absence of a person from their position during working hours.

There were 2.9 incidents of employee absenteeism per 1,000, mostly as a result of normal illnesses and maternity leave.



* The number is higher compared to 2018 given the proportional increase in average employee numbers in 2019 (increase in scheduled days).

We use an Annual Occupational Health and Safety Plan to review health and psychosocial risks that could lead to occupational illness. The plan implements Epidemiological Monitoring Systems, including:

- Occupational health exams.
- Diagnosis of health conditions.
- Occupational health measurements.
- Review of workstation ergonomics.
- Prevention and intervention measures.

Promotion of Safe Behavior

Our Occupational Health and Safety goals are managed by the senior management team and aligned with our business strategy. Leadership is responsible for driving results by actively participating.

Managers exceeded the minimum number of safety visits/inspections required in 2019 by more than 100%.

Occupational Health and Safety training modules are coordinated annually to increase awareness and promote risk prevention. This year the activities and training sessions included:

- Health and safety induction.
- Defensive driving.
- Working at heights.
- Fall Prevention.
- Chemical Handling.
- Occupational Health and Safety Management.
- Hazard Identification.
- Hoisting Practices.

Issues tackled:

- Road Safety.
- Emergency Response.
- Quality Assurance.

- Environmental stewardship.
- Healthy Lifestyles.
- Health Promotion.
- Behavioral-based Safety.



450

direct employees and contractors participated.



1,200

training hours were delivered to multiple participants.

Accident Management

We evaluate risks using the GTC 45 Guide and its five categories: Employees, Materials, Method, Equipment, and Environment. This guide provides a framework to define dangers and solutions to mitigate them effectively.

The GTC 45 Guide is implemented in our Target Safety Program, which is the reporting system for unsafe acts and conditions observed by employees.

403-2, 403-3, 403-5, 403-6, 403-7

The goal of this program is to increase accident prevention and awareness by reducing the root causes of occupational accidents and illnesses.

Every quarter, we analyze incidents using Root Cause Analysis to:

- Determine the common causes of events.
- Identify critical factors that influenced the incident or accident.
- Define training activities that allow us to learn from incidents that have occurred.
- Develop work procedures to protect against similar situations in the future.

Furthermore, we implement accident prevention campaigns that focus on safe behavior, self-care, and Health and Safety supervision. This year, we also focused on training on:

- Due Diligence for Work Permits.
- Reinforcement of safe work responsibilities.
- Hoisting Supervision.

We implemented an occupational health and safety closing gaps management indicator with a goal of over 80%.



+3 million
of man-hours worked in 2019.

Energy that Moves Society

Human Rights

We firmly believe that it is our responsibility to safeguard, respect and promote Human Rights within Canacol and local communities. Canacol became a signatory of the United Nations Global Compact in 2014, and we fully support the 17 United Nations Sustainable Development Goals (SDG).

Our Human Rights policy and internal practices are based upon the United Nations Universal Declaration of Human Rights, the Conventions of the World Trade Organization, and they are aligned to the Voluntary Principles on Security and Human Rights initiative.

We ensure strict compliance with current legislation and Human Rights Policy through continual workplace monitoring, with a special focus on vulnerable groups in the region, like minors and women.

Human Rights Policy	Declaration of our commitment to respecting Human Rights, in accordance with internationally accepted standards.
	Requirements for our operations (employees, direct activities, products or services), our suppliers, and our partners.
	Actions and procedures we undertake to fulfill our Human Rights commitment.



Strategic Human Rights Plan	Planning process based on risk analysis, community requests, reports, regulatory changes, best practices, and legal action regarding human rights.
	Detection and evaluation of Human Rights risks and impacts, ensuring efficient compliance and management.
	Human Rights awareness and training for new employees, as well as an annual program for all employees and contractors.
	Coordination of requests, complaints and grievances relating to any human rights grievances stemming from our activities. All contact is made through our information and reporting channel: derechoshumanos@Canacolenergy.com
	Verification of compliance with the Human Rights Plan produced by our legal team.



412-2 / DJSI / 

In 2019 we implemented the following activities to raise awareness on Human Rights:

- Human rights issues included in virtual inductions for new employees and training for all employees.
- Developed training to safeguard Human Rights, focusing on gender equality in the field.
- Established our Human Rights Protection month, which included activities in Bogota and the field.
- Awareness days with employees at Canacol Energy's festive events.



480 employees and contractors received Human Rights training in Colombia and Canada. More than 12 hours of modules per month.


0 reports received regarding Human Rights violations.

Human Rights Assessment

To continually improve our policies, we regularly undertake Human Rights assessments among our employees and local communities. The results are shared to increase community awareness and describe corrective actions taken.

Privacy Policy

All our operations, including contractors and suppliers, are governed by our Privacy Policy. This policy dictates strict guidelines on the use and storage of customer personal information.

We further ensure policy compliance with a single point of contact for handling all privacy issues and audits, which reduces our exposure to data breaches and limits contact between personal information and the public.



No complaints regarding violations of privacy.

Safeguarding the Rights of Indigenous Communities

Canacol places a high value on developing strong relationships with local communities. We actively work with indigenous communities and

acknowledge the essential need to protect the cultural, social, and economic integrities of ethnic groups.

We fully comply with all applicable domestic and international legislation related to indigenous groups, including Free Prior and Informed Consent (FPIC) and the UN Declaration on the Rights of Indigenous peoples.

We actively channel our efforts into forming trust-based relationships with these communities, developing value-creating projects, and ensuring our actions have a positive impact on all parties involved.



Two Prior Consultation Processes were developed in 2019.



No complaints regarding violations of the Human Rights of Indigenous Communities were received.



Effective Community Engagement

We are committed to engaging with all neighboring communities by promoting open and fluid dialogue to discuss our policies and projects.

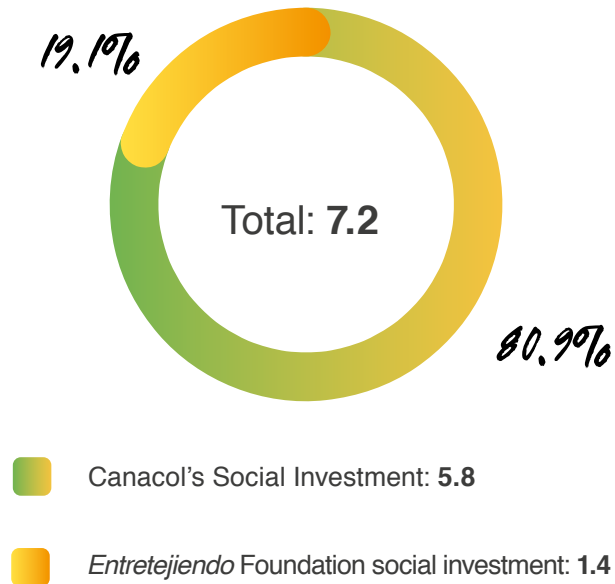
A major part of this process is the coordination of joint meetings between Canacol, community members, and government entities. This interaction facilitates the sharing of diverse views related to the development and progress of communities, while also verifying our fulfilment of contractual social commitments.

In line with our Comprehensive Social Responsibility policy, our community engagement is based on:



Social Investment

2019 Canacol's Social Investment (Million USD)



US\$7.2 million in social investment in the neighboring communities.

+40,000 people benefited in 2019.



In 2019, 106 projects were developed in the departments of *Córdoba* and *Sucre*, focused on:

1. Gas supply for domestic use.
2. Potable water access.
3. Public infrastructure improvements.
4. Strengthening of local institutions.
5. Increasing access to and quality of primary and secondary education.
6. Fostering entrepreneurial projects.
7. Humanitarian aid.

1. Gas Supply for Domestic Use:

Canacol's core business promotes natural gas's displacement of dirtier fuels such as coal or firewood. The Gas Massification Project (a residential gas distribution network) will supply more than 5,000 households at full implementation. This project will reduce deforestation, free-up time previously spent gathering and preparing firewood, and minimize exposure to smoke and particulate emissions, particularly for the women and children typically performing wood-gathering and cooking tasks. This exposure was prioritized as a significant health risk by regional health authorities.

The project is a collaboration between Canacol, the *Entretejiendo* Foundation, *Surtigas* (a regional gas distributor), SENA, and local contractors and community leaders. For villages not yet connected to the distribution network, subsidized gas cylinders are supplied on an interim basis and for remote areas with difficult access high-efficiency, low-emission wood stoves are provided.

Stage I. Implemented in 2019

- **743 households** (approximately 3,715 people) in 7 villages.
- **38 Communities** on subsidized LPG cylinder program.

Stage II. To be implemented in 2020*

- **317 households** (approximately 1,500 people) in 3 villages.

Stage III. To be implemented in 2021*

- **The scope is currently being developed.**

* Dependent on public health conditions (COVID-19).

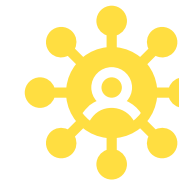


203-1, 203-2 / DJSI / B /



Completion

of the City Gate (pressure regulation and odorization) connected to Canacol's Jobo gas processing infrastructure.



Completion

of the distribution network linking 7 villages to the City Gate.



Material

and services for the project were contracted from local companies with labor sourced within the communities.



Households

saved 86.7% versus prior LPG monthly gas expenses and 30 monthly hours of firewood gathering and preparation.

2. Potable Water Access

Lack of access to potable water was prioritized as a significant health risk by regional health authorities. In 2019, 22 projects providing new or refurbishing inoperable solar-powered water wells, treatment plants, and aqueducts were completed.



1,206

households (approximately 6,031 people benefited), and 26 villages.



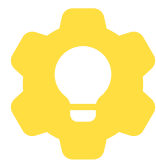
22 projects.

3. Public Infrastructure Improvements

Canacol's public infrastructure projects support community needs. Coordination with regional planning and governing authorities ensures efficient implementation using local resources and support for long-term viability. In 2019, we constructed 17 community spaces, a youth sports facility, and refurbished 25 kitchens for needy households.



Approximately 2,019 people benefited.



15 projects.

4. Strengthening of Local Institutions

Our institutional strengthening projects empower local community leadership (*Junta de Acción Comunal* or JAC) to improve community well-being.

Training modules in 2019 included employment regulations, administrative skills, business skills, and process development.



Approximately 106 JACs participated in 220 training modules.



33 projects.



5. Increasing Access to and Quality of Primary and Secondary Education

We supported education in vulnerable local and ethnic communities by building five new classrooms and supplying materials to five primary and secondary schools.



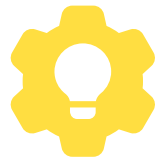
1,000 students and 25 communities benefited.

6. Fostering Entrepreneurial Projects

Canacol desires to stimulate growth in the regional economy beyond gas-development related activities. To encourage entrepreneurship, we provide access to business development programs and start-up capital. Training modules include community agriculture, natural resource management, social support services, and basic business skills.



4,000 hours of training in 50 communities.



24 projects provided with seed capital.

7. Humanitarian Aid

We implement a Humanitarian Aid model to identify the needs of the most vulnerable communities. This aid focuses on the areas of:

- Support for cultural activities.
- Support for sporting events.
- Improving local markets.
- Providing medical support.
- Developing local infrastructure.
- Providing funeral benefits.



2019 Success Stories

Productive and Sustainable Experience in the Community of Montegrande

The indigenous community of *Montegrande* is located in the town of *Zenú* indigenous Reservation in *San Marcos-Sucre*, where our VIM-5 and VIM-21 operations blocks are located. *Montegrande* is an isolated community of 505 families and a total population of 2,489 people.

In 2019, we implemented a sustainable agriculture project with the following achievements:

- Purchase of **103 hectares** of land for this community, which increased their total land holdings to over 950 hectares, impacting **291 agricultural families**.
- Purchase of **232 heads of cattle** impacting **155 livestock-supported families**.
- **230 hectares**, 40% of the community's land, were sowed with crops. Translating into **1,800 tons of food production**.
- **1 seed bank** was developed to improve community agricultural sustainability
- **30% of the community's land** was used for grazing.
- **46 families** began poultry production with 790 birds and 102 pigs.



203-1, 203-2 / DJSI / B / 



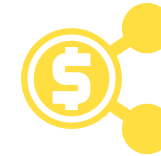
Rural Agricultural Communities

In 2019, we continued to work on a project developed previously with *Fundación Corporación Colombia Internacional (CCI)*. The project involved rural agricultural associations in Esperanza and VIM-5 blocks.

We have supported eight associations for a period of 11 months.

- **Technical support for agricultural engineers.**
- **Creation of agribusiness plans.**
- **Donation of seeds, supplies, tools and equipment.**
- **Machine hours for the mechanization of agricultural land.**

Results:



8 associations benefitted.



+1,500 people benefitted.



+5,000 hours of training regarding business, commercial and technical aspects.



+2,000 employment opportunities were created.



+US\$91.5 thousand in revenue for the Associations.

The *Entretejiendo* Foundation

The *Entretejiendo* Foundation was created by Canacol to improve the quality of life in our neighboring communities through the structuring and execution of medium and long-term social investment projects. The Company is the primary supporter of the foundation however matching funds for specific projects and donations are also sought to support increases in operational scope. The foundation has five investment priorities: 1) Human Development, 2) Sustainable Growth, 3) Institutional Strengthening, 4) Environmental protection, and 5) Humanitarian Aid. A major portion of these investments target Indigenous communities that have historically lacked access to development resources, and we are proud to contribute to closing this gap.

The Foundation works directly with communities to ensure projects are sustainable, fulfill community needs, and make a lasting impact.

The *Entretejiendo* Foundation implements innovative solutions to social challenges in the regions, with a focus on comprehensive participation among communities, authorities, and other strategic partners.



203-1, 203-2 / DJSI / B /

US\$ 982.8
thousand leveraged (62% of the total invested during the year) with matching funds from third parties.

8,145 beneficiaries.

Entretejiendo Programs

Quality of Life and Environment



In synergy with Canacol's social team, *Surtigas* and local Community Action Committees (JAC), we implemented Stage 1 of our Natural Gas Massification project for seven communities in *Sahagun*. This project provides access to natural gas services and covers the municipality with the highest number of families in Canacol's area of influence.

In 2020 we will measure post-analytics to review the project's impacts on the community. We plan to measure the perception of change in the quality of life and cost-benefit analysis among the beneficiaries¹⁰.

10. For more information, review the Gas Massification Project section explained above.



Transparent and Effective Public and Community Management



Through our academic program entitled Public Sector Budget Management and Project Development, we offered training to leaders, technicians, and professionals responsible for managing local community projects.

The program is a collaboration between *Universidad de Los Andes*, the *Entretejiendo* Foundation, and technical support from the National Planning Department (DNP by its acronym in Spanish).

Three projects were selected to be presented to the Collegiate Body of Administration and Decision (OCAD by its acronym in Spanish).



50 leaders, technicians and professionals trained and three projects were chosen to be presented to OCAD¹¹.

Youth Entrepreneurship and Leadership



The *Entretejiendo* Foundation implemented Stage 2 of its Young Voice program (*Viva la Voz Joven*), which included providing seed capital and administrative support to the winners of the 2018 Entrepreneur Fair. The winning projects were:

- **“Vivero Sembrando Futuro”**: creating flora and reforestation campaigns.
- **“Piscisol”**: consolidating productive vocations within the region through farming and the sale of fish for human consumption.

11. Colombian institution in charge of approving the royalty projects.

- **“Capi.net”**: promoting digital literacy by offering training for children and adults in basic computing concepts.
- **“Crearre Sueños”**: promoting local art by showcasing painting, sculpture, and dancing on town streets.

School Attendance through Sustainable Alternatives



In 2018, we donated 610 bicycles to children lacking transport to school. This action was part of the *Mi Bici* program, designed by the World Bicycle Relief and in conjunction with the *Postobón* Foundation.

In 2019, we followed up with the 13 schools selected for the program. During this process, we established a baseline and had the following improvements:

- A decrease in time taken to get to school and absenteeism.
- Increased punctuality.
- Savings in transportation costs.
- Health improvements.
- Improvements to interpersonal relationships.
- Better grades.



The second component of this project will begin in the upcoming years and consists of developing local entrepreneurship to maintain the bikes.

Biodiversity Protection



Through the Bioblitz project, we offered community researchers the training to monitor, take pictures, and upload flora and fauna biodiversity data into a platform that is available to the world’s best scientists. In 2019, 212 students and teachers, not to mention community researchers, were offered training. This led to the addition of 572 general observations in the international database, of which 198 were registered with a degree of observation.



Creative Use of Free Time and Healthy Interaction within the Education Community



Through the Creative Free Time program (*Ocio Creativo*), designed by the *Rueda Rueda* Foundation, we promote the design, development, and implementation of education projects. These projects encompass arts, sports, and cultural activities.

During 2019, the program officially became part of Colombia's Institutional Education Plans (PEI by its acronym in Spanish).

203-1, 203-2 / DJSI / B /



3 schools have incorporated this model into their Institutional Education Plans.



2 agreements with local governments to implement this process at schools within their towns.



6 art events and several sporting events to promote recycling.



Improved

school facilities created by students and teachers trained through recycling workshops.



50 people received training to teach the Creative Free Time model.

Clean Water for All



According to the World Health Organization, safe and readily available water is vital for public health, can boost countries' economic growth, and contribute significantly to poverty reduction. Through our Clean Water for All Project, we supply potable water to multiple schools, benefiting 2,200 children. We undertook pre- and post-chemical visual inspections of potability and microbiological testing at two schools to assess the impacts this project had on improving water quality. The visual inspections showed a 100% improvement, and the microbial results are still pending.

In 2020, the project will focus on installing water refrigeration systems and water towers in five additional schools.



3 schools in *Sahagún* and *La Unión*.



2,200 children benefitted in 2019.



203-1, 203-2 / DJSI / B /

Early Childhood Emotional Education



Through the *Pisotón* model, created by *Universidad del Norte*, we trained teachers and caregivers to promote healthy emotional development on young children.

The program's focus in 2019 was to include parents in training and analyze the impacts on rural communities.

Through this analysis, we identified significant improvements in the following areas:

- The development of social communication skills between children and their parents.
- The demonstration of interests, needs, and feelings by the children.
- Child autonomy: Understood as the taking of initiatives or the elaboration of responses from the child without an adult guide, such as that of their parents.

Quality Healthcare Access Divide among Vulnerable Populations



The *Entretejendo* Foundation assisted in organizing medical and surgical brigades led by the *Patrulla Aérea Colombiana*. These volunteer groups provide healthcare to some of the most vulnerable communities in Colombia. Furthermore, in 2019, 13 wheelchairs were donated by the Knights of Malta for use by local residents with disabilities.



2,331 people were treated during medical campaigns in three different municipalities.



882 people were treated during surgical campaigns aimed at women, children, and the elderly.



60 cats and dogs received treatment during veterinary campaigns.



The *Entretejiendo* Foundation focuses on community development through social projects.

“I would like to express my gratitude to the *Entretejiendo* Foundation for working closely with us on both social and administrative issues. The result has been the creation of a health brigade as no-one in *San Marcos* has ever seen. This brigade was formed in *El Llano*, where specialist doctors from the Air Ambulance crew, which is famous for its medical work, have come together. This project, in conjunction with the *Entretejiendo* Foundation, was a total success.

Furthermore, the Foundation donated top-quality bicycles to children living in rural areas that had to walk to school. Today, they have quality bikes and all the necessary safety equipment (helmets and high-vis jackets).”

Bladimir Sierra
Former Mayor of *San Marcos*



A Cleaner Energy Future

Energy is crucial for modern life, however energy consumption's influence on climate change is real. As a leading gas producer for Colombia we recognize our responsibility to provide a cleaner energy future for millions of people. Canacol's management system evaluates and monitors our activities with the objectives of reducing greenhouse gas emissions, promoting operational eco-efficiency and water management, reducing waste streams, and safeguarding biodiversity by protecting ecosystems.

As a leading gas Company, we recognize our responsibility to provide a cleaner energy future for millions of people.



We invested

US\$ 2.7 million in 2019 for reforestation, biodiversity protection, creation and maintenance of ecosystem services, and residual water initiatives, among others.

Environmental Compliance

Our management system is currently certified in the ISO 14001: 2015 Environmental Management Systems standard. The certification is granted by SGS Colombia, which performs follow-up and evidence-based audits to ensure our compliance.

Canacol corporate environmental practices meet or exceed the ISO 14001 environmental standard.

We strictly comply with Colombian regulations and industry best practices to develop and implement our internal conservation and environmental protection strategies. Our Sustainability Policy (HSQE) embodies these strategies and acts as our public commitment to protect the environment, mitigate impact, and manage risks associated with our operations.



In 2019,

we received no environmental related fines or penalties.

102-11, 307-1, 308-1, 308-2 / B / 

We perform Environmental Studies (EAs) under the terms of reference and methodologies established by the Ministry of Environment and Sustainable Development and the National Authority for Environmental Licenses- ANLA prior to all development projects.

Environmental Compliance in our Value Chain

We encourage our suppliers to adopt and apply our standards through operational controls and environmental monitoring of our value chain's critical activities. These standards are dictated within contractual agreements as well as being included in our Environmental Management Plan. We monitor and control the environmental impacts and risks of our contractors using a Criticality Map, which defines activity requirements for them.

We constantly monitor and evaluate the environmental performance of our contractors and suppliers.

In 2019, we identified eight suppliers with risks on: emissions, noise generation, depletion of non-renewable resources, waste generation, water consumption, and generation of liquid waste. We agreed on improvements with each of them prior to the commencement of work.

302-1, 302-3, 302-4, 302-5 / DJSI / CDP / B / 

Energy Use

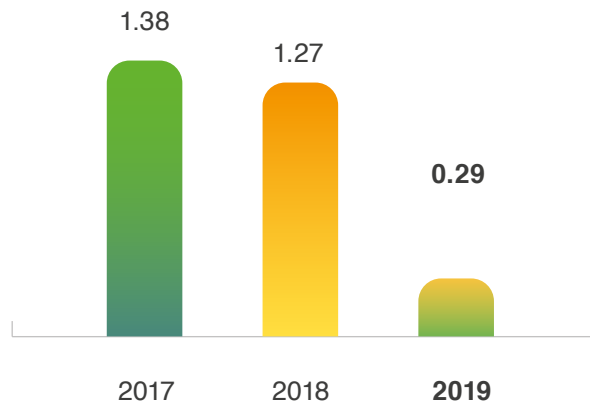
We have carried out the progressive substitution of diesel fuel with natural gas in our operations. The natural gas is sourced from our production, which has created a significant reduction in our carbon footprint. Using solar power in remote locations and for other applications has also reduced diesel consumption. We have also coordinated spreading energy loads across our various generation facilities to improve efficiency and reduce fuel consumption.



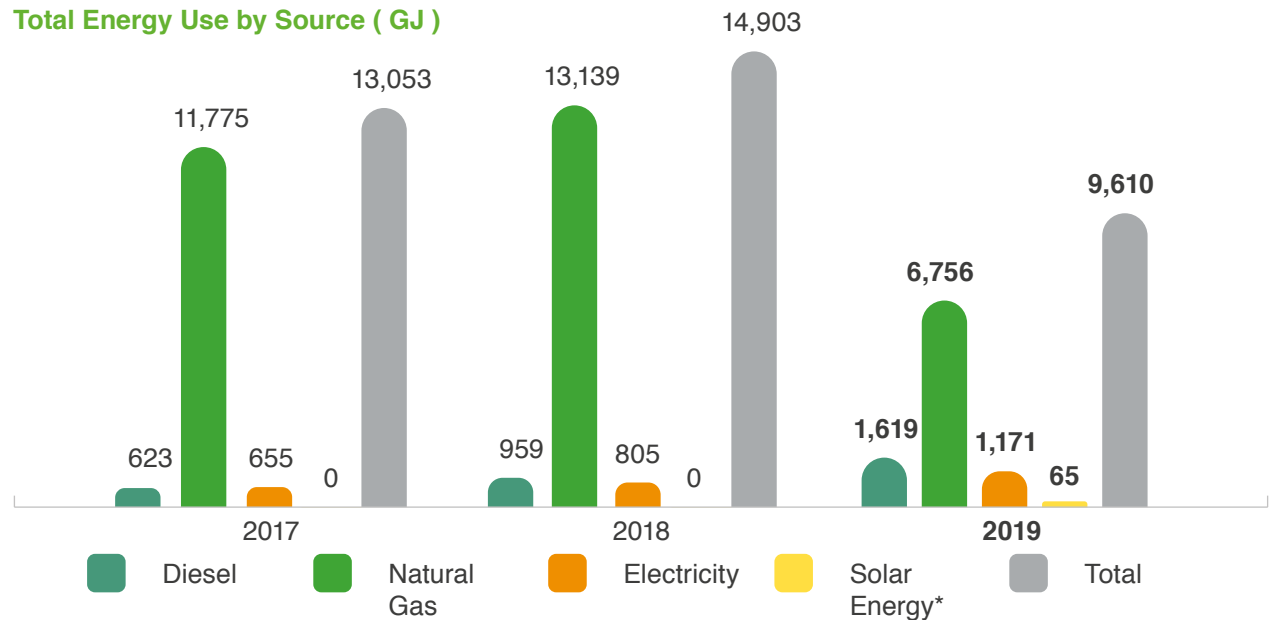
70.3%

of the energy generated for Canacol's operations came from natural gas.

Energy Intensity (KWh/BARREL – E)

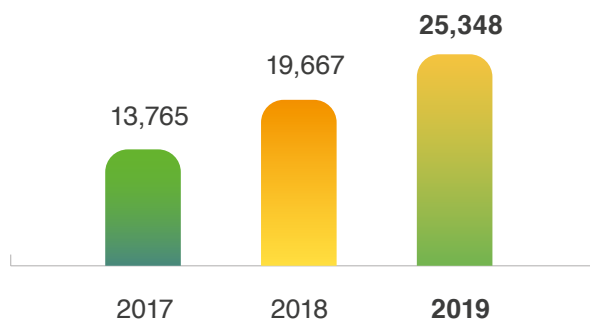


Total Energy Use by Source (GJ)



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

Annual Gas Production (Boepd)



In 2019, the most relevant initiatives to reduce our energy consumption were:

- Deploying solar lighting along the perimeter fence at Plant 3, minimizing the demand for electrical energy.
- Decreasing resource use by enabling the camp generator to be switched off. This decrease was accomplished by unifying the camp’s energy source with the generator at Plants 1A/1B.
- Increasing the service time for oils used in compressors at Plant 2 from 3,000 hours per Manual to almost 4,000 hours by implementing monthly oil analysis.

Canacol’s energy matrix is made up of 75% generation from natural gas, 10% from Diesel, 12% from hydroelectric plants, and 3% from solar.



Carbon Footprint

Our transition in production focus from crude oil to natural gas and energy efficiency/emissions reduction initiatives have allowed us to significantly reduce our carbon footprint and comply with our commitment to provide cleaner sources of energy.

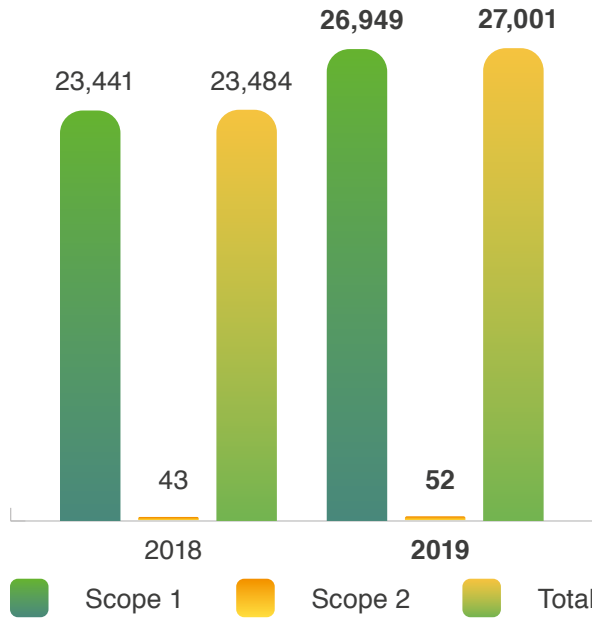
We determine our annual carbon footprint based on GHG emissions stemming from our operations. Measurements are taken in compliance with GEI reporting and accounting principles from WRI’s Greenhouse Gas Protocol and Colombian Technical Standard NTC ISO 14064-1 (2006).

Our Carbon Footprint is classified based on emissions type, using scopes 1, 2, and 3. We only consider scope 1 and 2 in this report. Scope 1 indicates the consumption of fuels in the direct operations of Canacol, and Scope 2 is based on the acquisition of electrical energy from the National Interconnected System (SIN).

303-1, 305-1, 305-2, 305-4, 305-7 / CDP / B /



Total Annual GHG Emissions (Metric Tons)*



* Increase in emissions derived from the growth in gas processed and burned in operation.

Gases included in the calculation (Scope 1):

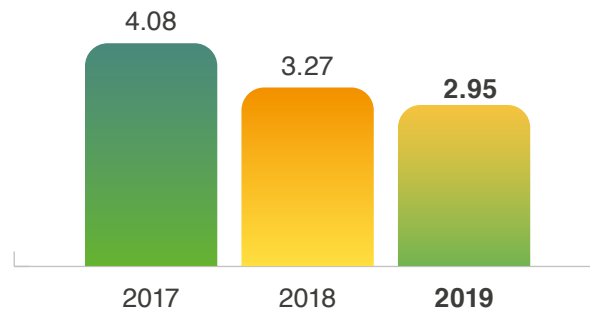
- CO₂: 16,424 tCO₂eq
- CH₄: 10,517 tCO₂eq
- N₂O: 8 tCO₂eq

Scope 2 emissions were calculated with SIN's Emission Factors, stipulated by the Mining and Energy Planning Unit (UPME) in Resolution 642, dated December 2019.



Constantly reducing our emissions.

Emission Intensity (KG CO₂ eq/BBL-eq)



We have reduced our emissions intensity by 27.7% since 2017.

Gases included in the calculation (Scope 2):

- CO₂: 52 tCO₂eq

Air Quality

Canacol takes measurements of significant air emissions periodically with a combination of fixed source sampling and pollutant dispersion models. Sampling and analysis are carried out by laboratories with duly accredited methodologies.

Significant Air Emissions	Units
NOx	24.2 KgNOx/h
SOx	0.29 KgSOx/h
Particles (PM)	0.05 KgPM/h
Gas burning	38,069.50 MSCF

Emissions Rate

Our emission rate of 2.95 kg CO₂ / BOE is substantially lower than average for the hydrocarbon sector, which is over 10 kg CO₂ / BOE. We attribute this to sourcing the majority of the energy used from natural gas produced in our facilities and a focus on generation and power distribution and usage efficiency.

Water Management

Gas development is not a water intensive process, however we manage our water usage carefully and continue to implement initiatives to minimize consumption and to recycle where feasible.

Water Supply

Our usage metrics are shown below:

Water withdrawal by source (Megaliters)*			
Source	2017	2018	2019**
Surface Water	3.5	1.2	1.7
Groundwater	-	-	2.2
Rainwater	0.2	0.7	0.2
Municipal Water Supplies	6.9	9.3	25.7
Wastewater	4.8	4.5	4.8
Total	15.5	15.7	34.5

Note: Water is not extracted from areas suffering from water distress.
 *The produced water is not used; it is associated with the extraction of hydrocarbons.
 ** The year 2019 is taken as the base year, since the coverage in the 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.



303-4, 306-1 / CDP / B /

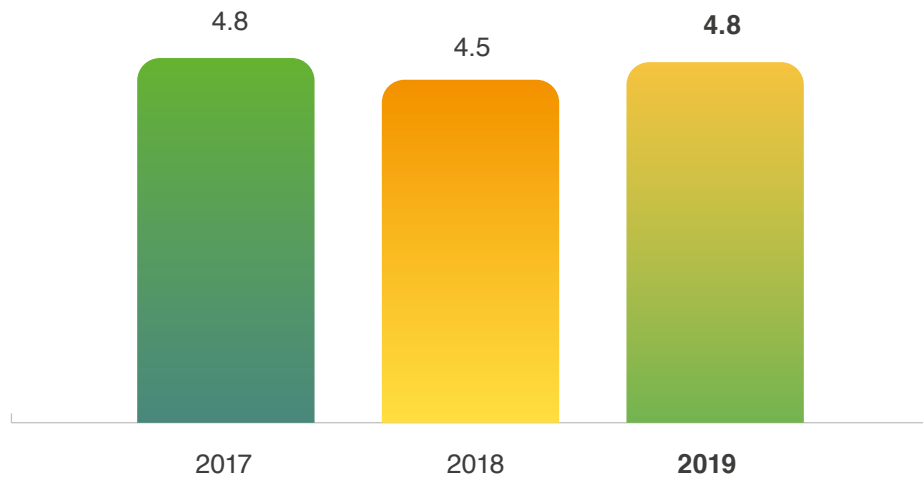


Reused and Recycled Water

We use the reverse osmosis process to recycle wastewater produced in drilling and operating activities. This recycled water is then used for sludge preparation and dust management on roads and civil works. With this initiative, we have been able to reduce our dependence on local water resources by 25%.

In 2019, we recycled 90% of the wastewater generated in drilling activities. The wastewater recycled from drilling activities was equal to 4.8 Megaliters of water. The 2019 value includes recycled wastewater from all activities by Canacol (against only drilling activities in 2018), which explains the increase of 6.7% in reuse/recycle percentages between 2018 and 2019 in drilling activities.

Reused and Recycled Water from Drilling Activities (Megaliters)



Water-Related Risk Management

In Colombia, environmental impact studies are used to assess the risks such as availability or potential contamination to water sources resulting from projects.

The following risks exist in our operations:

Risk 1: Water shortages for operations.

Control Strategies:

- **Reuse of treated water in drilling to prepare sludge and brines.**
- **Recycling of treated water for dust suppression.**
- **Rainwater harvesting in the winter season.**
- **Construction and operation of a deep-water source well in the Esperanza Block.**
- **Procurement of water from third parties within the region.**

Risk 2: Temporary flooding of production infrastructure

Control Strategies:

- **Building infrastructure outside areas prone to flooding.**
- **Construction of bathymetric control structures in rivers and drains.**
- **Protecting infrastructure by means of dykes.**

The most significant risk for Canacol is the potential future water demand versus local supply of surface and groundwater sources. Surface water supply is particularly critical for during the dry summer months and coincides with high water demand for dust suppression activities. The risk is mitigated by sourcing our needs from regional third parties with abundant, non-stressed sources.

303-2, 303-4, 306-2, 306-4, 306-3, 306-5 / DJSI / CDP / B /



Discharge and Disposal

No untreated wastewater is directly discharged from our operations into natural water sources. In 2019, there was no recorded water runoff that significantly impacted local environmental conditions. In 2019, injection of treated produced water was begun for gas operations. The injection well and zone are permitted with the ANH and ANLA and subject to regular monitoring and reporting of operational parameters. Injection represents a significant reduction of vehicle traffic, action that allowed decreasing atmospheric emissions, as water had been previously trucked hundreds of kilometers to a certified disposal site in *Cartagena*.

Solid Waste Management and Disposal

Canacol's Comprehensive Solid Waste Management plan details the waste management strategies and methods used, as well as how related metrics are calculated. The waste generated in our operations is stored in designated collection points located within each of our facilities. It is then transferred to licensed waste operators who manage, treat, and dispose of it appropriately.

Waste management contractors are screened during the contracting process to ensure they possess valid permits and appropriate policies and practices. The following tables summarize 2019 solid waste management.



Total waste generated¹²

126,680 kg

Total waste used / sold

42,800 kg

Hazardous Waste by Disposal Method

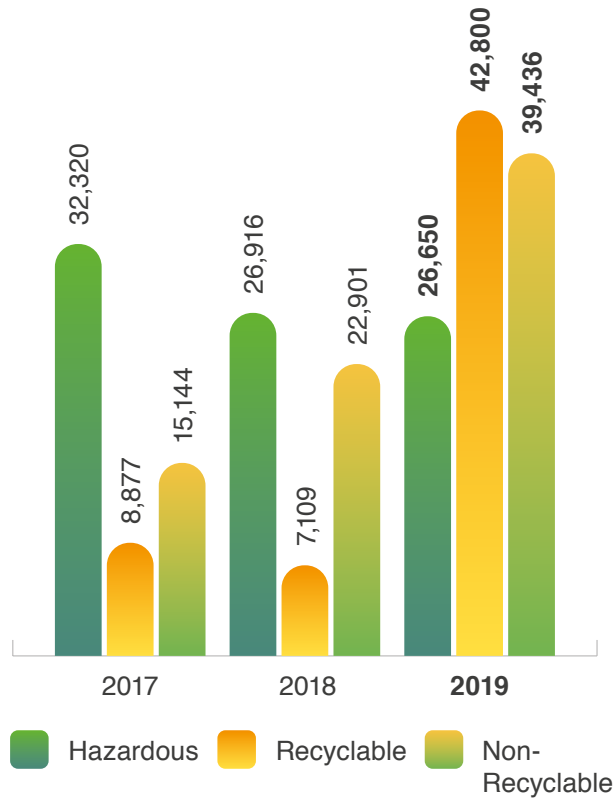
Method	Kilograms
Reuse	1,020
Recycling	25,390
Recovery	250
Incineration	29,980
Landfill	3,100
Others	11,330
Total	71,070

Non-Hazardous waste by disposal method

Method	Kilograms
Recycling	16,170
Landfill	39,440
Total	55,610

12. There have been differences with data that had been previously reported given increased coverage. In 2019, measurements were taken from Canacol's direct operations, including activities such as civil works, mechanical construction, and drilling activities.

Volume generated wastes by type (kilograms)



Canacol Waste Management Program

The objective of this program is to reduce our internal waste generation as well as in our neighboring communities. We have implemented waste collection points, training, and an awareness campaign for self-regulation and individual responsibility. The program includes:

- **Sale of used oil for recycling:**
 - » Recycling of 10.6 tons of used oil.
 - » Resource optimization (zero disposal costs and a smaller environmental impact).

- **Competitive hiring process with local companies for the creation of recycling stations:**
 - » 60 barrels of oil deemed to be waste were reused.
 - » There will be 20 community recycling stations, which will be handed over as part of our environmental education processes.

- **Training modules regarding proper waste management throughout the value chain:**
 - » Reuse of six tons of pipe protectors from flowline projects and well drilling.
 - » Sale of scrap to third parties for reuse.

Community Environmental Training in 2019

We coordinated 22 environmental workshops in the departments of *Córdoba* and *Sucre*. On average, 40 people took part in each workshop, benefiting a total of 880 people. Workshops were conducted in 8-hour sessions, totaling 176 training hours, and achieved the following results:

- Awareness of how to safeguard natural resources.
- Ecosystem conservation through organic gardens and compost.
- Protection of fauna and flora by communities and the Company.
- Debunking of myths regarding environmental conservation.
- Compliance with training requirements for environmental licenses.



Biodiversity

Site Assessment and Monitoring

We use Environmental Impact Studies to identify and establish conservation zones within our area of operations. Criteria such as: the existence of protected areas, fragile ecosystems, areas included in the land conservation portfolio, environmental factors stipulated by autonomous regional corporations, biological corridors, natural areas, and areas of ecosystem importance, are used to categorize zones as having medium, high, or very high sensitivities to potential harm. Compliance with conservation zones is reviewed periodically, including site inspections by the National Environmental Licensing Authority (ANLA) and the local autonomous corporation representatives.

Biodiversity Protection Plan of Action

Each of our projects' potential footprint is reviewed using environmental impact studies and environmental zoning information to determine possible impacts on biodiversity. This combined information is used to categorize the impacts as severe, relevant, or critical. Environmental Management Plans for each project are created with this information.

These plans encompass prevention, correction, mitigation and / or remediation of project impacts

on the local biotic environment. Correction and remediation are implemented in the final stage of each project and include revegetation, reclamation, rehabilitation and reconfiguration of the affected areas. After remediation, future follow-up and monitoring are planned.

We classify flora, fauna and hydrobiological resources, identifying their composition, structure, and potential risks at 100% of our operations.

In 2019, Environmental Impact Studies identified possible significant risks to biodiversity in seven of our projects. However, only one of them was identified as having a critical risk. In each of these projects, we implemented Environmental Management Plans to mitigate impacts and associated risks.

Identification of Protected Species.

At Canacol, we carry out forest inventories in areas where we are going to undertake projects, which allows us to implement action plans for the protection of wild flora and fauna.

In 2019, we identified a total of 426 species of fauna through Environmental Impact Studies: 249 birds, 80 mammals, 59 reptiles, and 38 amphibians. Of these 426 species, 393 are found on the IUCN Red List, and are divided as follows:

- **3** – Data Deficient (DD).
- **377** – Least Concern (LC).
- **5** – Near Threatened (NT).
- **4** - Vulnerable (VU).
- **1** – Endangered (EN).
- **3** – Critically Endangered (CR).

Out of the total species identified the national classification in Colombia, Decree 0192 of 2014, includes 8 of them:

- **4** - Vulnerable (VU).
- **2** – Endangered (EN).
- **2** – Critically Endangered (CR).

The environmental impact studies identified a total of 553 plant species. Of these 153 are found on the IUCN Red List, and are divided as follows:

- **141** – Least Concern (LC).
- **4** - Vulnerable (VU).
- **4** – Endangered (EN).
- **3** – Near Threatened (NT).
- **1** – Data Deficient (DD).

No plant species were identified in the critically endangered category.

With respect to lichens, a total of 87 species were identified, and none of them were identified within any IUCN category.

OG4, 304-2, 304-3, 304-4 /



Reforestation

Our goal for reforestation is to promote conservation and biodiversity:

- Restoring forest ecosystems and conserving the biodiversity of natural resources and scenic beauties.
- Contributing to the permanence of the fauna populations typical of the gallery forest by improving and expanding the area of their habitat.

We also seek to improve the quality of life of the local inhabitants:

- Offering training programs on the conservation of fauna and flora.
- Conducting field days with students and community leaders in the reforested areas.
- Encouraging tree planting as a mitigation alternative to combat the effects of climate change.
- Providing employment for local companies.

In 2019, we continued to monitor and maintain the 25.5 hectares reforested in 2018.

These projects were inspected by representatives of the ANLA to ensure the trees were planted and growing correctly.



1% Investment and compensation

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.

In compliance with this principle, Canacol invested \$ 1,251,867 (+15.4% vs. 2018) as follows:

- Conservation and protection measures.
- Regeneration of natural areas.
- Implementation of sustainable systems.
- Inclusion and conservation of a range of biodiversity components.
- Management of wild species and water resources.
- Maintenance and generation of ecosystem services.



1,240

hours worked of reforestation maintenance with 100% by local workforce.

How We Drive Our Value Chain

Our suppliers and contractors are essential for our success and we are focused on building long-term “win-win” relationships with them emphasizing transparent, ethical, safe, and sustainable principles as well as prioritizing local content. We select contractors and suppliers aligned with our business principles and social and environmental commitments.

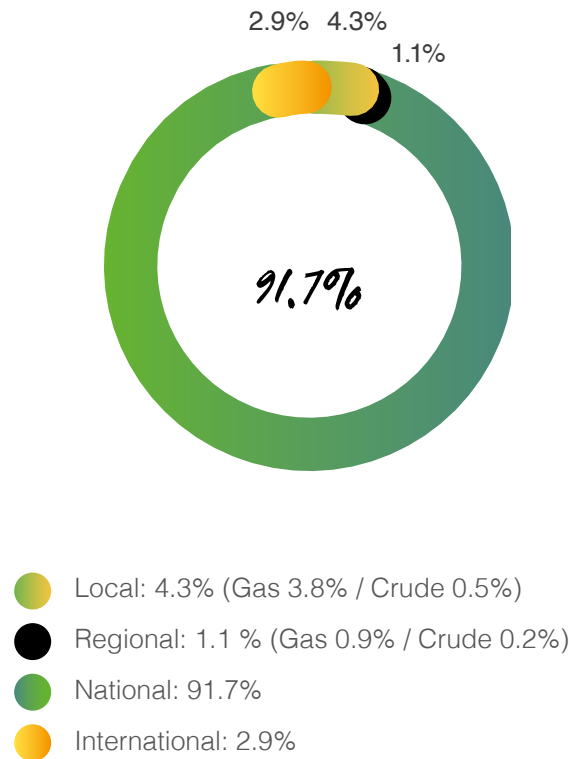
To comply with our corporate policies, we regularly audit and assess our practices and those of our contractors. Our contract agreements incorporate best-practice sustainability principles that are regularly audited and jointly reviewed by management representatives of both parties.

We believe that if our local suppliers grow, we all grow, so we promote and encourage their participation in our value chain. We provide support to strengthen their technical, economic, and administrative capacities to help them be effective partners, not only for Canacol, but also in the competitive market.

Procurement of Goods and Services

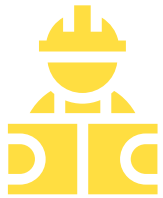
In 2019, we procured 97.1% of all goods and services from within Colombia and only 2.9% from international sources. Additionally, we contracted over \$9.1 million of products and services from regional and local businesses.

% Procurement of Goods and Services



Procurement of Goods and Services

	2017		2018		2019	
	USD Millions	%	USD Millions	%	USD Millions	%
Local	0.3	0.2%	1.8	1.2%	7.3	4.3%
Regional	34.6	23.5%	12.4	8.6%	1.7	1.1%
National	98.2	66.5%	108.2	74.4%	155.7	91.7%
International	14.5	9.8%	23.0	15.8%	5.0	2.9%
Total	147.7	100%	143.5	100%	169.8	100%



610

local and regional contractors from Canacol's supply chain.



284

local companies were identified as part of the Local Contractors and Supplier Census.

102-9, 413-1 /

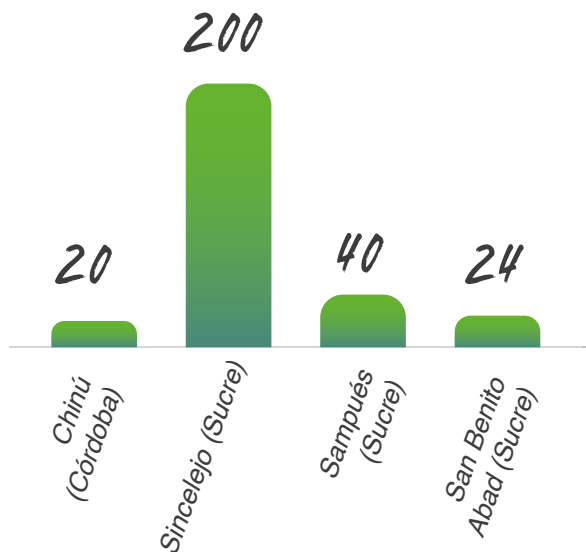
2019 Highlights

- **Increased competitiveness** of local businesses by helping them to develop mid and long-term sustainability strategies.
- **Offered best practice training** on occupational health and safety, human talent management, and social responsibility.
- **Developed the skills** to draft bids for any sector of Colombian industry.
- **Promoted continuous improvement** through business plan development.
- **Boosted businesses' growth** within Canacol's areas of operations to ensure more technically and commercially mature companies.

Local Contractors and Suppliers Census

We use a biannual local contractor and supplier census to maintain a database of local companies in each good or service sector. Through this database, we actively encourage local companies to bid on projects and become a part of our value chain.

In 2019, the Census covered the following areas:



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

Local Supplier Development

We focus on developing beneficial long-term relationships with local suppliers. These relationships concentrate on helping them improve their business prospects and provide the quality services we require. In Q1 2019 we implemented a local supplier development program in which 62 companies participated in.

The development program helped local companies streamline their operations to:

1. Increase employee technical skills.
2. Improve the quality of services offered.
3. Diversify their business portfolios to increase financial performance and reduce risks.

The second phase of the program is scheduled to take place in early 2020. It will focus on creating tangible growth for local businesses by facilitating business roundtables. This program encourages the sharing of ideas to increase the commercial scope of local companies.

We have been working to limit our use of medium and large-scale companies in favor of directly employing smaller suppliers. One example is CGT CONSTRUCCIONES S.A.S., a local company we hired to transport quarry material to our civil works contractors.

“For our achievements to be recognized by our client, is a great source of pride for us. The influence that Canacol has had on many other companies and us in the region is significant and has led us to receive ISO 9001, ISO-14001, and OHSAS 18001 certifications. We want to be strategically for our client and work in harmony with the communities and stakeholders that are part of these projects. We owe Canacol a debt of gratitude.”

Jesús Santis

**Legal Representative/Managing Director
CGT Construcciones**





Supplier and Contractor Assessments

We require our contractors to abide by high social, environmental, and corporate governance (ESG) standards. Canacol's policies are outlined in the Integrated Management System.

Selected contractors need to provide their policies and procedures for Canacol's review. Each contractor is subject to whichever Policy is more stringent, their own, or Canacol's. The Policy is included in the final contract through area-specific addenda for each product and service they provide. This Policy allows Canacol to sanction or terminate contractors that fail to comply with these standards.

We employ Health, Safety, Environment, and Quality (HSEQ) professionals to audit contractors throughout the contract term to ensure our policies are being met. If social or environmental compliance issues are identified, they are discussed with contractors, and the required corrective actions are undertaken.




Main standards and best practices evaluated:

- Hiring of local skilled and non-skilled employees.
- Social security payments.
- Occupational health and safety.
- Environmental impacts.
- On-time payments to subcontractors.
- Promoting and following human rights policies.
- No discrimination.
- Prevention of child and forced labor.
- Prevention of corruption.

Good Working Practices Process (GWP)

We monitor the compliance of labor practices in our contractors through an internally developed auditing and indicator system called the Good Working Practices Process (GWP). It assesses how well our contractors are meeting their legal labor requirements, employer obligations, and social agreements Canacol has made within the region. In 2019 this became the leading labor rights indicator in our operations.

The GWP indicated positive advances in labor rights within Canacol. The number of labor compliance issues dropped by 25% in 2019.



315
Good Working Practices (GWP) assessments were carried out, 48% more than in 2018.

SQM Corporate Performance Assessment

We believe in the value of our suppliers for the success of the business. For this reason, we continually seek mutual improvement in our processes, allowing us to meet the highest standards of quality, safety, efficiency, and sustainability.

To strengthen our relationship with contractors, we host quarterly Service Quality Meetings (SQM), where Canacol evaluates strategic contractors' operational, administrative, HSEQ, and financial performance. This input provides an opportunity to develop further, streamline, and modernize our operations.

SQM meetings are attended by Canacol's country manager, managers from the corresponding areas, and directors from each contract company.

The SQM measures Canacol's performance based on the following areas:

- Health & Safety
- Corporate Social Responsibility
- Labor Law Compliance
- Service Efficiency and Value
- Commercial Aspects
- Machinery and Equipment Reliability
- Updated Activity Outlooks



25
SQM's (Service Quality Meetings) in 2019.

Effective Contract Management

We employ a Contract Management Program to provide technical tools and best practices required for Canacol employees to effectively manage contracts, from budgeting to value generation.

2019 Highlights

- **Training for 50 employees** in Contract Management and Technical Specifications modules at *Universidad de Los Andes* in Bogota, Colombia.
- **Assessment workshops for managers** to design tailor-made education plans.
- **A contract management indicator** within the performance assessments of these Canacol employees.

Contractor Labor Meeting

In line with our commitment to implement labor best practices in our operations, we organized a forum for more than 50 contractors, 90 labor representatives, and members of local communities in partnership with the Ministry of Labor, *Álvarez, Liévano & Laserna* (a firm specializing in labor law), the Public Employment Service (SPE), Colombia's Compensation Funds as SPE operators, and union PFW (majority union at Canacol). This workshop focused on union relations, employability, and the importance of labor relations in our operations and promoted significant advances and ongoing positive dialogues.



3,500 contractor employees benefitted, 66% more in a year-on-year comparison.

201-1, 201-2 / DJSI / B

Results that Generate Wellness

Economic Performance

Canacol had a healthy economic performance in 2019. Contractual gas sales, before royalties, improved by 25.9% compared to the previous year, which was an increase of 29.3 MMcfd, from 113.3 MMcfd to 142.6 MMcfd.

Total revenue from crude and natural gas, including royalties and transportation costs, increased 7.5% compared to 2018, from US\$ 204.2 million to US\$ 219.5 million. This increment was due to increased natural gas production, which offset the decrease in crude oil production. In 2019 we sold the majority of our crude oil assets.

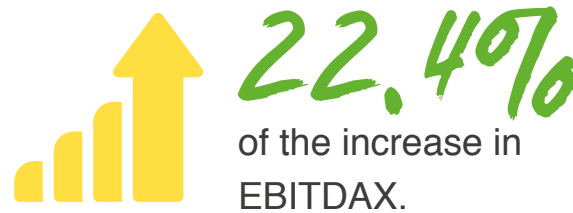
Net natural gas revenues (not including transportation costs) increased 26.0%, from US\$ 195.7 million in 2018 to US\$ 246.6 million in 2019. Likewise, funds from operations increased 19.1%, from US\$ 104.9 million to US\$ 124.9 million in 2019.

At the end of 2019, we registered an EBITDAX 22.4% higher than in the previous year, which corresponds to a rise of US\$ 30.6 million, from US\$ 136.9 million in 2018 to US\$ 167.5 million in 2019.

We boosted our natural gas processing and transportation capacity by approximately 110 MMscfd in the third quarter of 2019. This increase was a direct result of the new Jobo 3 natural gas processing facility as well as gas pipeline the connecting facility to *Cartagena*.



[To see Canacol's 2019 audited financial information please click here.](#)

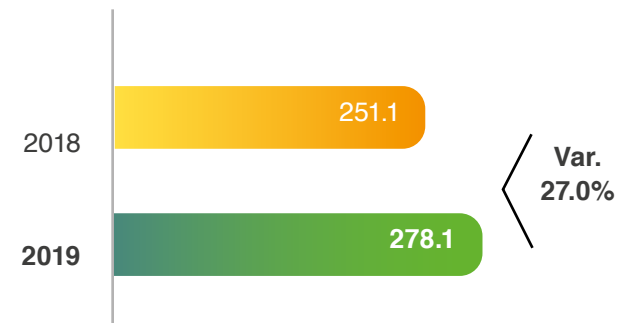


Economic Value Generated and Distributed

We use these two metrics as critical indicators of the financial and social value we create and subsequently share with our stakeholders. They describe the economic costs, benefits, and investments we make throughout the year.



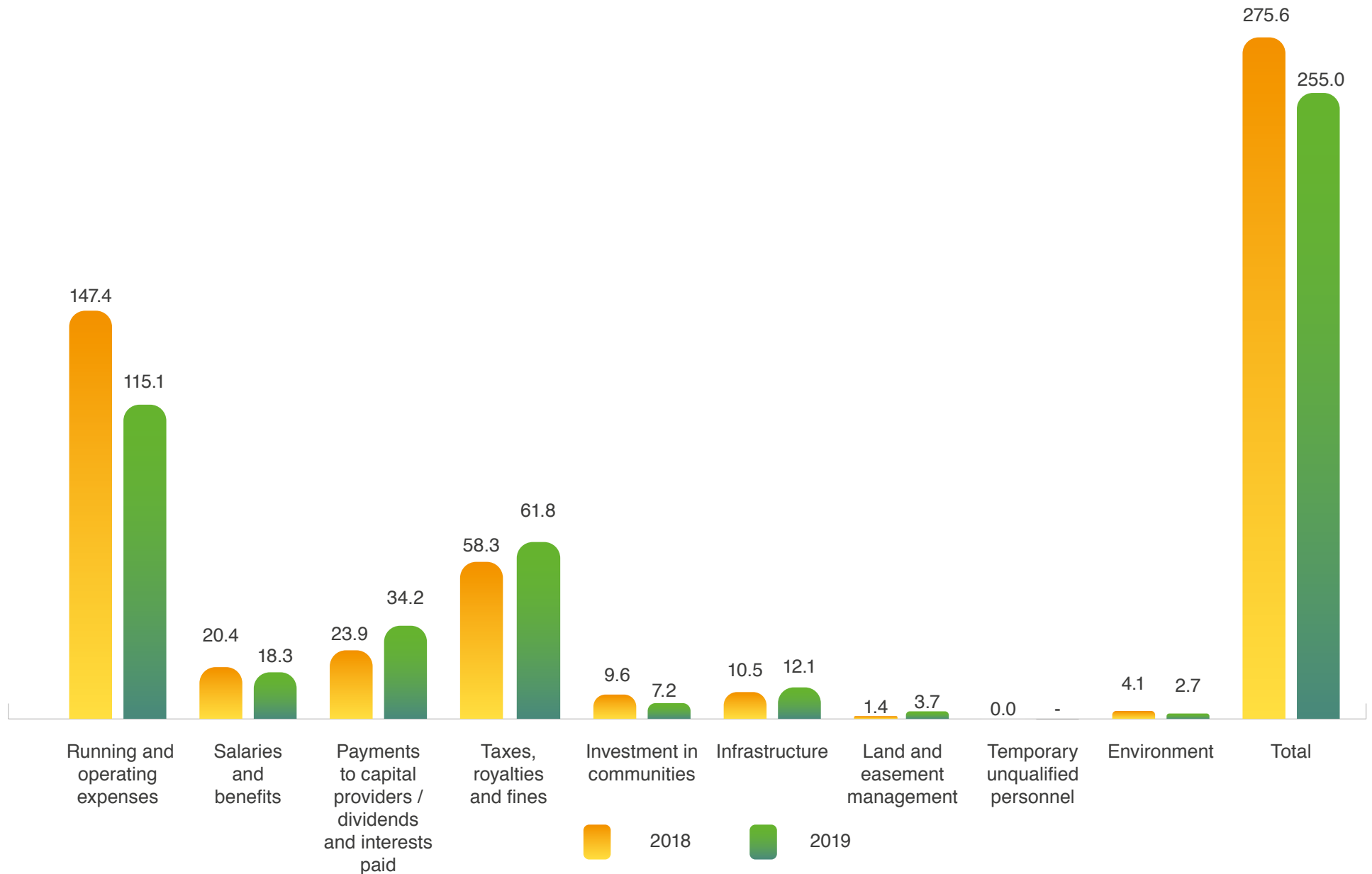
Economic Value Generated (USD millions)*



* The GRI Disclosure 201-1 "Direct economic value generated" includes: revenues, interest earned, and income from asset sales.

201-1 / DJSI / B

Economic Value Distributed (USD millions)



Operational Performance¹³

Canacol's operational performance in 2019 was excellent. We drilled a total of seven wells (three exploratory and four development).

We operate on over 1.4 million acres of land through eight exploration and production gas contracts in Colombia. These contracts are located in the Lower and Middle Magdalena basins of Colombia, near the Caribbean coast, and the cities of Cartagena and Barranquilla.

Our gas assets are comprised of 623.8 billioncubic feet of 2P (proven + probable) gas reserves, with a pre-tax value of US\$ 2.1 billion¹⁴, and 162 identified future exploration and development drilling locations. These future drilling locations are estimated to contain 4.7 trillion cubic feet of new gas resources¹⁵.

Our total gas production volume increased by 27.6%, from 19,667 Boepd¹⁶ in 2018 to 25,100 Boepd in 2019. We also upgraded our process in facilities with our 130 MMscfd Jobo 3 processing plant completed in mid-June 2019.

13. For more information on operational performance, refer to the MD&A of December 31, 2019 on the website.

14. Working Interest reserves per the independent reserve report prepared by Boury Global Energy Consultants, effective Dec 2019.

15. Represents gross mean prospective resources for conventional natural gas per the report prepared by Gaffney Cline & Associates, effective Dec 2019.

16. Barrels of oil equivalent per day.



 **27.6%**
increase in total gas production volume in 2019.

Throughout 2019 we built a total of 94 km of new flow lines, which includes:

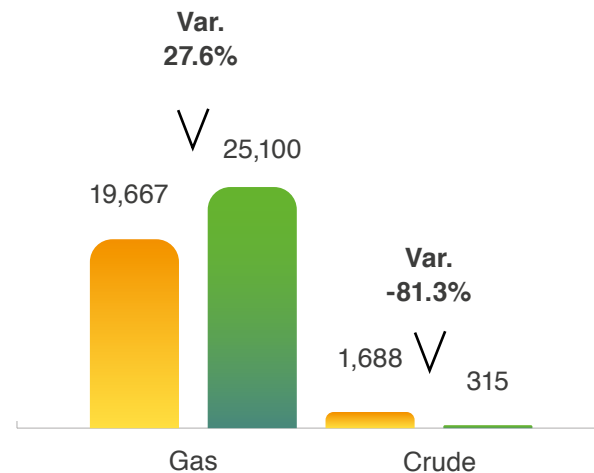
- 30 km of Flex Steel 8".
- 24 km between *Pandereta* field and *Jobo* station.
- 16 km between *Clarinete* field and *Jobo* station.
- 12 km of Carbon Steel 6".
- 4.5 km flow line *Acordeón* – Tie In FL *Pandereta* field.
- 4 km FL *Nelson 13* – *Betania* Substation.
- 2.5 km FL *Palmer 2* – *Betania* Substation.
- 1 km FL *Nelson 7* Tie In FL *Nelson 13*.

Our total crude oil production continued to decrease in line with our oil divestment strategy. In 2019, we reduced our crude oil production by -81.3%, going from 1,688 Boepd in 2018 to 315 Boepd¹⁷ in 2019.

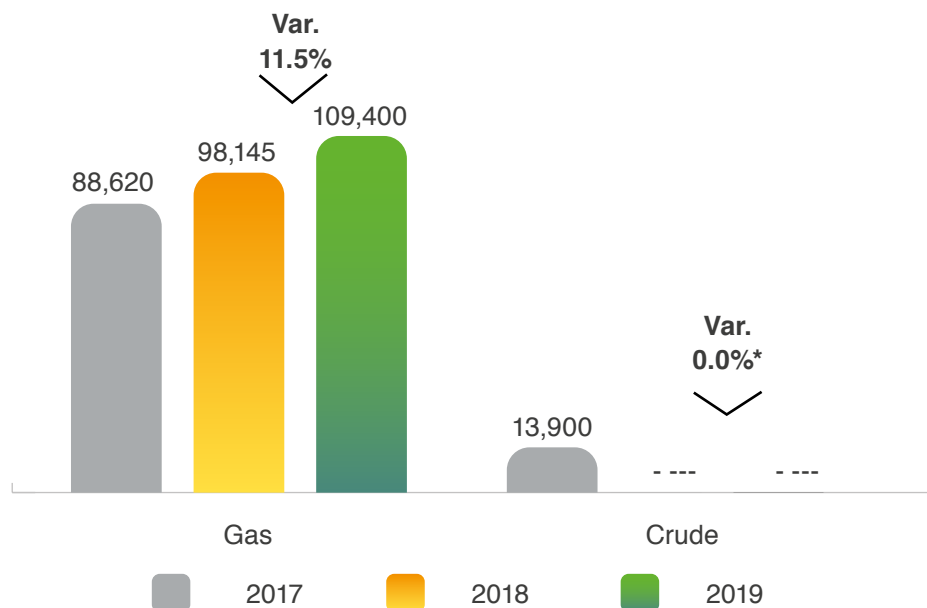
In 2019, we carried out the most extensive exploration drilling program in the history of Canacol. From this program, our 2P natural gas reserves increased by 11.5% compared to the same period in 2018, reaching a total of 623,800 Bcf. This translates to an overall replacement rate of 224% for 2P reserves.

17. Produced in the Rancho Hermoso Block.

Production evolution Boepd



2P reserve evolution mboe*



This increase is in line with our historic exploration success rate. Between 2013 and 2019, we added 696 BCF of 2P conventional natural gas reserves. We had commercial success in 27 of 31 wells drilled, representing a 37% Compound Annual Growth Rate (CAGR) at a leading F&D 2P cost of US\$ 0.67 / Mcf.

We successfully obtained a 100% operating interest in three conventional exploration contracts during the 2019 Colombian National Hydrocarbons Agency bidding process. We were awarded the conventional exploration contracts for Block VIM 33 (in the lower *Magdalena* basin) and Blocks VMM 45 and VMM 49 (in the middle *Magdalena* basin). These conventional exploration contracts increased Canacol's land position by 29%, from 1.1mm net acres to 1.4mm net acres.

*Million barrels of oil equivalent (Given the natural gas energy transition, since 2018, our 2P crude oil reserves have been reduced to zero).

Additionally, we finalized the acquisition of 155 km² of the *Guacharaca* 3D Seismic program land. In 2020 we will investigate these exploration leads to supplement our existing exploration portfolio of drill-ready prospects.

Our growth projects for the future are:

- a. Participation in an energy consortium that was awarded a Reliability Charge for power generation. We will supply 100% of the gas requirements for a 200 MW near the field power plant. The project aims to start between 2021 and 2022.
- b. The Jobo-Medellin pipeline, which will deliver 100 MMscfd of natural gas to consumers in Medellin is estimated to be completed during the second half of 2024. This increase will boost our natural gas sales by approximately 50%.

Jobo-Medellin Gas Pipeline Project

The project is expected to be completed during the second half of 2024. The basic engineering has been carried out in 2019, and since then, we have focused on securing an anchor gas sales contract in order to proceed to secure financing for the project.

It is estimated that by 2023 current natural gas supply from major fields in the interior of the country will begin to decline. This pipeline allows us to continue unlocking value from our gas exploration portfolio in order to increase the value of our company, while meeting the demand of the growing market in Colombia and filling the gap of the decline in gas supply.

Content Index

Methodological indices

B	Bloomberg
CDP	Carbon Disclosure Project
DJSI	Dow Jones Sustainability Index
SDG	Sustainable Development Goals
GC	Principles of the Global Compact

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
------------	---------	----------------------	-----------	-------------------------------------	------------------------

GRI 101: FOUNDATION 2016

GENERAL DISCLOSURES

GRI 102: GENERAL DISCLOSURES 2016

1. Organizational profile

None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.

102-1	Name of the organization	Canacol Energy Ltd	Not verified		
102-2	Activities, brands, products, and services	About Canacol. P. 11-12	Not verified		DJSI
102-3	Location of headquarters	The Company's registered office is located at 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1.	Not verified		
102-4	Location of operations	Overview of operations and infrastructure. P. 13	Not verified		CDP
102-5	Ownership and legal form	Canacol Energy Ltd The largest shareholders of Canacol are Cavengas Holdings S.R.L with 18.03% of outstanding common shares and Fourth Sail Capital, LP with 15.25%.	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-6	Markets served	Overview of operations and infrastructure. P.13	Not verified		
102-7	Scale of the organization	About Canacol. P. 12 Overall Performance. P. 15	Not verified		
102-8	Information on employees and other workers	Human Talent: Our Energy Source. P. 26-31	Not verified		DJSI
102-9	Supply chain	How We Drive Our Value Chain. P. 72-73	Not verified		SDG8
102-10	Significant changes to the organization and its supply chain	There were no significant changes in the organization or in the supply chain.	Not verified		
102-11	Precautionary Principle or approach	Environmental Compliance. P. 61 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.	Not verified		GC7
102-12	External initiatives	Message from Our President. P. 3-4 About this Report. P. 6	Not verified		B / SDG17
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. 	Not verified		SDG17

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
2. Strategy					
102-14	Statement from senior decision-maker	Message from Our President. P. 2-4	None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		
102-15	Key impacts, risks, and opportunities	Message from Our President. P. 2-4	None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		
3. Ethics and integrity					
102-16	Values, principles, standards, and norms of behavior	Sustainable Wellness Framework. P. 14 Leading through Ethics and Transparency. P. 22-23	None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		DJSI / B / GC1 , 2 / SDG16
102-17	Mechanisms for advice and concerns about ethics	Reporting Policy for Improper Acts. P. 23	None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		DJSI / B / GC1 , 2 / SDG16

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
4. Governance					
102-18	Governance structure	Corporate Governance: Performance Catalyst. P. 18-19 Consult: https://www.canacolenergy.com/sustainability/governance/	None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		
102-19	Delegating authority	Corporate Governance: Performance Catalyst. P. 18-19 The CEO is responsible for presenting social, environmental and Corporate Governance issues to the board. Consult: https://www.canacolenergy.com/site/assets/files/2845/2-bd-1-board-of-directors-governance-guidelines-2016-04.pdf	Not verified		DJSI
102-20	Executive-level responsibility for economic, environmental, and social topics	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 commitments 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 sustainability report.	Not verified		DJSI / CDP

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-21	Consulting stakeholders on economic, environmental, and social topics	Materiality Assessment. P. 7 Consult: https://www.canacolenergy.com/site/assets/files/2845/2-bd-1-board-of-directors-governance-guidelines-2016-04.pdf p.5 Shareholder Communications and Disclosure	Not verified		SDG16
102-22	Composition of the highest governance body and its committees	Members of Canacol's Board of Directors in 2019 P. 20 Consult: https://www.canacolenergy.com/about-us/board-of-directors/	Not verified		DJSI / SDG 16
102-23	Chair of the highest governance body	Chairman is non-executive and independent. Members of Canacol's Board of Directors in 2019 P. 20 Consult: https://www.canacolenergy.com/about-us/board-of-directors/	Not verified		
102-24	Nominating and selecting the highest governance body	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: https://www.canacolenergy.com/sustainability/governance/	Not verified		
102-25	Conflicts of interest	Consult: https://www.canacolenergy.com/site/assets/files/2814/2019-aif-en.pdf p. 67 Conflicts of Interest	Not verified		GC10 / SDG 16
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance: Performance Catalyst. P. 18-19 Consult: https://www.canacolenergy.com/sustainability/governance/	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-27	Collective knowledge of highest governance body	<p>No formal continuing education program currently exists for the directors of Canacol. 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.</p>	Not verified		
102-28	Evaluating the highest governance body's performance	<p>The Audit Committee conduct an annual self-assessment of its performance and the Terms of Reference and make recommendations to the Corporate Governance and Compensation 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 the 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>	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-29	Identifying and managing economic, environmental, and social impacts	At least once a year, the ESG Department is responsible for carrying out a materiality analysis from which a general ESG strategy emanates. Our CEO is in charge of analyzing and approving said strategy, which once approved is implemented by the corresponding area and continues to be monitored by the CEO. The process and its results are presented by the CEO to the Board of Directors at least once a year.	Not verified		DJSI
102-30	Effectiveness of risk management processes	Consult: https://www.canacolenergy.com/site/assets/files/2845/3-ac-1-audit-committee-terms-of-reference-2016-04-29.pdf p.6-7 Risk management	Not verified		DJSI
102-31	Review of economic, environmental, and social topics	At least once a year, the CEO reviews economic, environmental, and social topics.	Not verified		DJSI / CDP
102-32	Highest governance body's role in sustainability reporting	The CEO formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-33	Communicating critical concerns	Reporting policy for improper acts and whistleblower policy. P. 24-25 Consult: https://www.canacolenergy.com/site/assets/files/2845/7-cp-4-whistle-blower-policy-2016-04-29.pdf	Not verified		
102-34	Nature and total number of critical concerns	No critical concerns were communicated to the highest governance body. Consult: https://www.canacolenergy.com/site/assets/files/2845/2-bd-1-board-of-directors-governance-guidelines-2016-04.pdf p.5 Shareholder Communications and Disclosure	Not verified		
102-35	Remuneration policies	Consult: https://www.canacolenergy.com/site/assets/files/2845/4-gc-1-gov-comp-committee-terms-of-reference-2016-04.pdf p. 5-6 In respect of compensation matters, the Committee shall fulfill its responsibilities. Consult: https://www.sedar.com/GetFile.do?lang=EN&docClass=10&issuerNo=00008595&issuerType=03&projectNo=02898922&docId=4494060 Annual General and Special Meeting of Shareholders. p. 10-21 Statement of Executive Compensation.	Not verified		DJSI
102-36	Process for determining remuneration	Consult: https://www.sedar.com/GetFile.do?lang=EN&docClass=10&issuerNo=00008595&issuerType=03&projectNo=02898922&docId=4494060 Annual General and Special Meeting of Shareholders. p. 10-21 Statement of Executive Compensation.	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-37	Stakeholders' involvement in remuneration	Consult: https://www.canacolenergy.com/site/assets/files/2814/2019-aif-en.pdf Annual General and Special Meeting of Shareholders. p. 10-21 Statement of Executive Compensation.	Not verified		
102-38	Annual total compensation ratio	The highest paid employee during the reported period in total compensation: Grade 2 within the salary structure / Vice President Category. The percentage increase in compensation of the highest paid person between 2018 and 2019 was: 3.18% The median total annual compensation for all employees, not including the highest-paid person was: US \$20,408.9	Not verified		DJSI
102-39	Percentage increase in annual total compensation ratio	The percentage ratio increase in total annual compensation of the highest paid person to the median of the percentage increase in total annual compensation of all employees was: -2.1%	Not verified		
5. Stakeholder engagement			None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		
102-40	List of stakeholder groups	Stakeholders Engagement. P. 7	Not verified		
102-41	Collective bargaining agreements	Labor Union Benefits . P. 39	Not verified		GC3 / B /DJSI / SDG 8
102-42	Identifying and selecting stakeholders	Stakeholders Engagement. P. 7	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-43	Approach to stakeholder engagement	Stakeholders Engagement. P. 7	Not verified		DJSI
102-44	Key topics and concerns raised	Material Topics. P. 7-10	Not verified		DJSI
6. Reporting practice			None of the elements of the General Basic Contents of Canacol Energy LTD'S 2019 Sustainability Report was subjected to an external verification process. The application of this practice will be evaluated for the 2020 Sustainability Report.		
102-45	Entities included in the consolidated financial statements	Canacol Energy Ltd and its subsidiaries. Consult: https://www.canacolenergy.com/site/assets/files/2814/2019-aif-en.pdf	Not verified		
102-46	Defining report content and topic Boundaries	Materiality Assessment . P. 7 Material Topics. P. 7	Not verified		DJSI
102-47	List of material topics	Material Topics. P. 7-8	Not verified		DJSI
102-48	Restatements of information	About this Report. P. 6	Not verified		
102-49	Changes in reporting	In 2018, 11 material topics were presented, while for 2019, one more was considered to total 12 topics included in the report. For this year we kept the 11 material topics from last year, although with some variations in the name, and these were complemented by the other themes identified in this year's materiality study. In addition, this report is presented in a comprehensive version, which includes its corresponding GRI Standards. Material Topics. P. 7	Not verified		
102-50	Reporting period	January 1 to December 31, 2019. About this Report. P. 5	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
102-51	Date of most recent report	2018	Not verified		
102-52	Reporting cycle	Annual.	Not verified		
102-53	Contact point for questions regarding the report	esg@canacolenergy.com Closing Statement and Contact Details. P. 110	Not verified		
102-54	Claims of reporting in accordance with the GRI Standards	'This report has been prepared in accordance with the GRI Standards: Comprehensive option' About this Report. P. 6	Not verified		
102-55	GRI content index	GRI Content Index. P. 81-109	Not verified		
102-56	External assurance	The report was not audited by a third party company.	Not verified		

MATERIAL TOPICS

Ethics and Transparency

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its Boundary	Leading through Ethics and Transparency. P. 22 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Leading through Ethics and Transparency. P. 22	Not verified		
103-3	Evaluation of the management approach	Leading through Ethics and Transparency. P. 22	Not verified		

GRI 205: ANTI-CORRUPTION 2016

205-1	Operations assessed for risks related to corruption		Not verified	Information not available.	GC / SDG 16
205-2	Communication and training about anti-corruption policies and procedures	Leading through Ethics and Transparency. P. 22-23	Not verified		DJSI / B / GC / SDG 16
205-3	Confirmed incidents of corruption and actions taken	There have been no confirmed cases of corruption and / or bribery.	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
Institutional Consolidation					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Our Management System. P. 20-21 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Our Management System. P. 20-21	Not verified		
103-3	Evaluation of the management approach	Our Management System. P. 20-21	Not verified		
Own	Sustainable Wellness Framework	Sustainable Wellness Framework. P. 14	Not verified		
Own	Strategic planning	Our Management System. P. 21	Not verified		
Own	Internationally certifications	Our Management System. P. 20	Not verified		
Own	Good Working Practices Process	Good Working Practices Process. P. 75-76	Not verified		
Compliance					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Living by Our Code of Ethics and Business Conduct. P. 22 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Living by Our Code of Ethics and Business Conduct. P. 22	Not verified		
103-3	Evaluation of the management approach	Living by Our Code of Ethics and Business Conduct. P. 22	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
GRI 419: SOCIOECONOMIC COMPLIANCE 2016					
419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines or non-monetary sanctions were presented for lack of compliance with social and/or economic laws or regulations.	Not verified		
Human Rights, Gender Equality and Workplace Inclusion					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Gender Equality and Workplace Inclusion. P. 36 Human Rights. P. 44-46 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Gender Equality and Workplace Inclusion. P. 36 Human Rights. P. 44-46	Not verified		
103-3	Evaluation of the management approach	Gender Equality and Workplace Inclusion. P. 36 Human Rights. P. 44-46	Not verified		
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
405-1	Diversity of governance bodies and employees	Members of Canacol's Board of Directors in 2019. P. 20 Employee Distribution by Gender. P. 27	Not verified		DJSI / SDG 5 / GC6
405-2	Ratio of basic salary and remuneration of women to men	Average Male Salary of Executive level (Base salary only): US \$ 12,134.28 Ratio of Executive level (= Average Female Salary / Average Male Salary): 92.0% Average Female Salary of Management level (Base salary only): US \$9,528.46 Average Male Salary of Management level (Base salary only): US \$ 8,102.03 Ratio of Management level (= Average Female Salary / Average Male Salary): 88.0% Average Female Salary of Non-management level: US \$1,741.26 Average Male Salary of Non-management level: US \$2,014.33 Ratio of Non-management level(= Average Female Salary / Average Male Salary): 86.0%	Not verified		DJSI / SDG 5 / GC7

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
GRI 406: NON-DISCRIMINATION 2016					
406-1	Incidents of discrimination and corrective actions taken	Gender Equality and Workplace Inclusion. P. 36 In 2019, no reports were filed regarding discrimination based on gender, race or for any other reason within Canacol's selection, recruitment, performance, development and/or compensation processes.	Not verified		DJSI / SDG 5 / GC7
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	Through our Good Labor Practices program, control is developed over 100% of our suppliers, including a precise scope on the respect of freedom of association and collective bargaining, managing to identify the non-violation of aspects related to freedom of association.	Not verified		DJSI/ GC3 / SDG8
GRI 408: CHILD LABOR 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	Through our Good Labor Practices program, control is developed over 100% of our suppliers, including a precise scope on the respect of all labor issues of suppliers.	Not verified		B / GC5 /SDG 8 , 16
GRI 409: FORCED OR COMPULSORY LABOR 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Through our Good Labor Practices program, control is developed over 100% of our suppliers, including a precise scope on the respect of all labor issues of suppliers.	Not verified		GC4 , SDG8
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016					
411-1	Incidents of violations involving rights of indigenous peoples	Safeguarding the Rights of Indigenous Communities. P. 46	Not verified		DJSI

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
GRI 412: HUMAN RIGHTS ASSESSMENT 2016					
412-1	Operations that have been subject to human rights reviews or impact assessments		Not verified	Information not available. The company will report progress in the coming years.	DJSI / GC1
412-2	Employee training on human rights policies or procedures	Human Rights. P. 44-45 150 hours.	Not verified	b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations. Information not available. The company will report progress in the coming years.	DJSI / GC1
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Not verified	Information not available. The company will report progress in the coming years.	DJSI

Development and Growth Opportunities, Wellness and Quality of Life

GRI 103: Management approach 2016

103-1	Explanation of the material topic and its Boundary	Development and Growth Opportunities. P. 33 Wellness and Quality of Life. P. 35-36 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Development and Growth Opportunities. P. 33 Wellness and Quality of Life. P. 35-36	Not verified		
103-3	Evaluation of the management approach	Development and Growth Opportunities. P. 33 Wellness and Quality of Life. P. 35-36	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	Human Talent: Our Energy Source. P. 32 We have three types of contracts. The number of each type of contract started in 2019 is: • Temporary to direct migrations: 32 • New Hires: 50 • Contract Renewals: 12 Formula to calculate the employee rotation rate (# new employees + # retired employees) / 2 *100 Average # of employees in the year	Not verified		GC6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Allowances and Benefits. P. 37-39	Not verified		SDG8
401-3	Parental leave	Labor union benefits. P. 39 In 2019, eight women and six men took parental leave. All of them returned to work and 13 of them are still employed by the Company.	Not verified		GC6 / SDG8
GRI 404: TRAINING AND EDUCATION 2016					
404-1	Average hours of Training per Year per Employee	Development and Growth Opportunities. P. 33 US\$ 1,421.5 invested per employee (taking into account only 258 employees with direct associated cost for the training) on average for training.	Not verified		DJSI / B / GC6 / SDG4
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	Development and Growth Opportunities. P. 33 Career anchors, motivators, career goals, etc., are assessed in order to identify retirement plans that support employee expectations and offer them the resources they need during this transition process.	Not verified		DJSI
404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	Performance Management. P. 35	Not verified		DJSI / GC6/ SDG5

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
Occupational Health and Safety					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety. P. 40-43 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Occupational Health and Safety. P. 40-43	Not verified		
103-3	Evaluation of the management approach	Occupational Health and Safety. P. 40-43	Not verified		
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018					
403-1	Occupational health and safety management system	Occupational Health and Safety. P. 40	Not verified		SDG8
403-2	Hazard identification, risk assessment, and incident investigation	Accident Management. P. 43	Not verified		
403-3	Occupational health services	Accident Management. P. 43	Not verified		
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>The Joint Occupational Health and Safety Committee (COPASST) is an internally elected 16 member group of Canacol employees. It is responsible for driving the active participation and oversight of corporate management in occupational health and safety.</p> <p>COPASST's Responsibilities:</p> <ul style="list-style-type: none"> • Coordinate monthly meetings focused on the participation, monitoring, analysis and resolution of suggestions reported by employees. • Participate in and support safety inspections and accident investigations. <p>Furthermore, we have a Workplace Integration Committee and a Road Safety Committee to help coordinate health and safety measures in these areas.</p> <p>12 COPASST meetings held in 2019.</p>	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
403-5	Worker training on occupational health and safety	Promotion of Safe Behavior. P. 43	Not verified		
403-6	Promotion of worker health	Promotion of Safe Behavior. P. 43	Not verified		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety. P. 40-43	Not verified		SDG8
403-8	Workers covered by an occupational health and safety management system	Continuous Improvements to the Occupational Health and Safety Management System (SGSST). P. 41	Not verified		
403-9	Work-related injuries	Continuous Improvements to the Occupational Health and Safety Management System (SGSST). P. 41-42 The total man hours worked by contractors totaled 2.2 million, the equivalent to 73% of the organization's total. This data is taken from daily Health and Safety reports submitted by contractors working for Canacol. These reports are compiled into monthly Health and Safety Management reports and the Annual Management Report.	Not verified		
403-10	Work-related ill health	Continuous Improvements to the Occupational Health and Safety Management System (SGSST). P. 41-42	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
Social Investment					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Social Investment. P. 48-60 Coverage of Material Topics. P. 9	Not verified		
103-2	The management approach and its components	Social Investment. P. 48-60	Not verified		
103-3	Evaluation of the management approach	Social Investment. P. 48-60	Not verified		
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
203-1	Infrastructure Investments and Services Supported	Social Investment. P. 48-60	Not verified		DJSI / B / SDG9, 10 , 11
203-2	Significant indirect economic impacts	Social Investment. P. 48-60	Not verified		SDG1, 3 , 8
Social Effective Engagement					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Social Investment. P. 48-60 Coverage of Material Topics. P.10	Not verified		
103-2	The management approach and its components	Social Investment. P. 48-60	Not verified		
103-3	Evaluation of the management approach	Social Investment. P. 48-60	Not verified		
GRI 204: PROCUREMENT PRACTICES 2016					
204-1	Proportion of spending on local suppliers	Procurement of Goods and Services. P. 72	Not verified		SDG8

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
GRI 413: LOCAL COMMUNITIES 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	How We Drive Our Value Chain. P. 72-73	Not verified		DJSI / SDG8
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 the sector. Oil & Gas, and 3. Possible increase in the cost of local goods and services.	Not verified		
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
414-1	New suppliers that were screened using social criteria	Supplier and Contractor Assessments. P. 75 Good Working Practices Process (GWP). P. 75-76	Not verified		GC1
414-2	Negative social impacts in the supply chain and actions taken	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.	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
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	<p>We contribute to the progress of the regions in which we operate, thus we coordinate employment outreach projects with indigenous communities to hire local workforce.</p> <p>The areas with indigenous communities with these employment opportunities are:</p> <ul style="list-style-type: none"> • <i>Sísmica Guacharaca 3D (La Esperanza, San Matías, Escobalito).</i> • <i>Acordeón (Monte grande).</i> • <i>LF Acordeón - Pandereta (Monte grande).</i> • <i>Ocarina (Monte grande).</i> • <i>LF Clarinete - Jobo (San Carlos).</i> • <i>Installation of Piezometers in Pandereta (Villa Fatima).</i> • <i>La Unión Compressor Station (La Esperanza).</i> • <i>Pandereta 5 (Villa Fátima).</i> • <i>Cañahuate (San Carlos).</i> • <i>LF Nelson 13 (Los Ángeles).</i> • <i>LF Pandereta - Jobo (Monte grande, Villa Fátima, San Carlos, Monte grande).</i> • <i>Nelson 7 (Los Ángeles and Cabildo Santiago Abajo).</i> • <i>Palmer 2 (Santiago Abajo).</i> <p>In line with the Prior Consultation processes developed by Canacol, and in full compliance with Human Rights, we ensure that the 100% of indigenous communities participate in our operations.</p>	Not verified		SDG 1 , 8

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
Environmental Compliance					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Environmental Compliance. P. 61 Coverage of Material Topics. P. 10	Not verified		
103-2	The management approach and its components	Environmental Compliance. P. 61	Not verified		
103-3	Evaluation of the management approach	Environmental Compliance. P. 61	Not verified		
GRI 302: ENERGY 2016					
302-1	Energy consumption within the organization	Energy Use. P. 62	Not verified		DJSI / CDP / B / GC8
302-2	Energy consumption outside of the organization		Not verified	During 2019, no measurements of energy consumption were made outside the organization, since this year's efforts focused on measuring the energy consumption of more than 90% of the direct operations of the Company and the administrative headquarters of Bogotá. However, by 2020, the Company will also focus efforts and resources to collect this information.	
302-3	Energy intensity	Energy Use. P. 62	Not verified		CDP / GC8 / SDG 7, 12, 13
302-4	Reduction of Energy Consumption	Energy Use. P. 62	Not verified		CDP / GC8, 9 / SDG 7, 12, 13
302-5	Reductions in Energy Requirements of Products and Service	Energy Use. P. 62-63	Not verified		GC 8, 9 / SDG 7, 12, 13

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
GRI 303: WATER AND EFFLUENTS 2018					
303-1	Interactions with water as a shared resource	Water Management. P. 64-65	Not verified		B
303-2	Management of water discharge-related impacts	Discharge and disposal. P. 67	Not verified		
303-3	Water withdrawal	Water Supply. P. 65	Not verified		DJSI / B / CDP / GC7 , 8 / SDG 6 , 12
303-4	Water discharge	<p>Discharge and disposal. P. 67 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.</p> <p>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>	No verified		CDP / GC8 / SDG6 , 12
303-5	Water consumption	<p>Water Supply. P. 65 Produced Water* (Water generated in production and drilling wells) : 83.0 megaliters. This information is compiled from the following sources:</p> <ul style="list-style-type: none"> - Surface Water – flow meter on tanker. - Groundwater – flow meter on deep-water well. - Third Party Water – sales invoices. - Produced Water – flow meters on production wells. 	Not verified		DJSI / B / CDP

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
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	<p>Within the areas authorized for our operations, there are three zones with some form of environmental protection order:</p> <ol style="list-style-type: none"> 1. <i>Nacional Serranía de Coraza y Montes de María</i> Forest Reserve: located in the towns of <i>Colosó</i>, <i>Chalán</i> and <i>Toluviejo (Sucre)</i>, the southern part of this reserve forms part of SSJN7. 2. <i>Galeras</i> Regional Integrated Management District for Open and <i>Shrub Savanna</i> Ecosystems and Associated Systems (DRMI): located in the towns of <i>Galeras</i> and <i>San Benito Abad (Sucre)</i>, the western part of this DRMI forms part of SSJN7. 3. Regional <i>Santa Inés</i> Forest Reserve: located in the town of <i>San Marcos (Sucre)</i>, this entire reserve is located within VIM5, specifically <i>APE Llamador</i>. <p>In the areas surrounding our operations, there are other zones that are part of the Unique National Registry of Protected Areas (RUNAP). Areas identified within a maximum of 5 kilometers from the company's areas of operations include:</p> <ol style="list-style-type: none"> 1. Regional Integrated Management District: DRMI comprising wetlands located in <i>Ayapel (Córdoba)</i>. 2. Bird Conservation Area (AICAS): <i>Ayapel Wetlands</i>, located in <i>Ayapel (Córdoba)</i>. 3. Civil Society Nature Reserve: <i>Roca Madre</i> Reserve located between <i>Colosó</i> and <i>Toluviejo (Córdoba)</i>. 	Not verified		GC8 / SDG6
304-2	Significant Impacts of Activities, Products, and Services on Biodiversity	Biodiversity Protection Action Plan. P. 70	Not verified		GC8 / SDG15

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
304-3	Habitats protected or restored	Biodiversity. P. 70-71	Not verified		GC8 / SDG15
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Identification of Protected Species. P. 70	Not verified		GC8 / SDG15

Oil & Gas G4 Sector Disclosures

OG4	Number and percentage of significant in the operational sites at which a biodiversity risk has been assessed and monitored	Site Assessment and Monitoring. P. 70	Not verified		
-----	--	---------------------------------------	--------------	--	--

GRI 305: EMISSIONS 2016

305-1	Direct (Scope 1) GHG Emissions	<p>Carbon Footprint. P. 63-64</p> <p>Since 2017, the company has been identifying and measuring the sources of greenhouse gas emissions, achieving the following results over the past three years:</p> <ul style="list-style-type: none"> • 2017: 50% of Scope 1 measured. • 2018: 80% of Scope 1 and Scope 2 measured. • 2019: 100% of Scope 1 and Scope 2 measured. <p>As such, 2019 has been taken as the base year during which 100% of Scope 1 and 2 emissions were measured.</p>	Not verified		DJSI / CDP / B / GC 7 , 8 / SDG 3, 12, 13 , 15
-------	--------------------------------	--	--------------	--	---

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
305-2	Energy indirect (Scope 2) GHG Emissions	<p>Carbon Footprint. P. 63-64</p> <p>Since 2017, the company has been identifying and measuring the sources of greenhouse gas emissions, achieving the following results over the past three years:</p> <ul style="list-style-type: none"> • 2017: 50% of Scope 1 measured. • 2018: 80% of Scope 1 and Scope 2 measured. • 2019: 100% of Scope 1 and Scope 2 measured. <p>As such, 2019 has been taken as the base year during which 100% of Scope 1 and 2 emissions were measured.</p>	Not verified		CDP / B / GC 7 , 8 / SDG 3, 12, 13 , 15
305-3	Other indirect (Scope 3) GHG emissions		Not verified	In 2019, only the emissions derived from scopes 1 and 2 were measured, however for 2020, the measurement of the emissions generated by the most critical activities within the company's value chain and which are developed by contractors, is projected (Scope 3).	
305-4	GHG emissions intensity	2.95 KgCo ₂ e / bbls eq Emission Intensity. P. 64	Not verified		CDP / GC8 / SDG13 , 15
305-5	Reduction of GHG emissions		Not verified	The calculation has not been made, since 2019 is being taken as the base year.	CDP

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
305-6	Emissions of Ozone-Depleting Substances (ODS)	Zero, since these types of emissions are not generated within our operation.	Not verified		
305-7	Nitrogen Oxides (NOX), Sulfur Oxides (SOX), and other Significant Air Emissions	Air quality. P. 64	Not verified		CDP / B / GC7 , 8 / SDG3, 12 , 15
GRI 306: EFFLUENTS AND WASTE 2016					
306-1	Water Discharge by Quality and Destination	Water-Related Risk Management. P. 66	Not verified		GC8 / SDG 3, 6 , 12
306-2	Waste by type and disposal method	Solid Waste Management and Disposal. P. 67	Not verified		DJSI / B
306-3	Significant spills	Discharge and disposal. P. 67	Not verified		B / GC8 / SDG3, 6 , 12
306-4	Transport of hazardous waste	Solid Waste Management and Disposal. P. 67-68	Not verified		GC8 / SDG 3 , 12
306-5	Water bodies affected by water discharges and/or runoff	Solid Waste Management and Disposal. P. 67	Not verified		GC8 / SDG14
GRI 307: ENVIRONMENTAL COMPLIANCE 2016					
307-1	Non-Compliance with Environmental Laws and Regulations	In 2019, we received no fines or penalties as a result of issues regarding environmental compliance. Environmental Compliance. P. 61	Not verified		CDP / B / GC8 / SDG16
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016					
308-1	New suppliers that were screened using environmental criteria	Environmental compliance in our value chain. P. 61	Not verified		B / GC8
308-2	Negative environmental impacts in the supply chain and actions taken	Environmental compliance in our value chain. P. 61	Not verified		

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
Economic and Operational Performance					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Results that generate wellness. P. 77-80 Coverage of Material Topics. P. 10	Not verified		
103-2	The management approach and its components	Results that Generate Wellness. P. 77-80	Not verified		
103-3	Evaluation of the management approach	Results that Generate Wellness. P. 77-80	Not verified		
GRI 201: ECONOMIC PERFORMANCE 2016					
201-1	Direct economic value generated and distributed	Overall Performance. P. 15 Results that Generate Wellness. P. 77-78	Not verified		DJSI / B
201-2	"Financial implications and other risks and opportunities due to climate change"	Results that Generate Wellness. P. 77	Not verified		
201-3	Defined benefit plan obligations and other retirement plans	There are no retirement plans. Pension payments are made through private and public funds.	Not verified		
201-4	Financial assistance received from government		Not verified	Not applicable.	

Disclosure	Content	Page / Direct Answer	Assurance	Identified omission / justification	Methodological indices
Operational Efficiency					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Our Management System. P. 20-21 Coverage of Material Topics. P. 10	Not verified		
103-2	The management approach and its components	Our Management System. P. 20-21	Not verified		
103-3	Evaluation of the management approach	Our Management System. P. 20-21	Not verified		
Own	Gas production volume	Operational Performance. P. 79	Not verified		
Energy Transition					
GRI 103: Management approach 2016					
103-1	Explanation of the material topic and its Boundary	Operational Performance. P. 79-80 Coverage of Material Topics. P. 10	Not verified		
103-2	The management approach and its components	Operational Performance. P. 79-80	Not verified		
103-3	Evaluation of the management approach	Operational Performance. P. 79-80	Not verified		
Own	Decrease in crude oil production and increase in natural gas production	Operational Performance. P. 79-80	Not verified		

Closing Statement and Contact Details

At Canacol we will continue investing and working to generate more value for our stakeholders utilizing an ESG-focused approach to become an increasingly more sustainable Corporation.

CANACOL ENERGY LTD
ALL RIGHTS RESERVED

WWW.CANACOLENERGY.COM
E-MAIL: ESG@CANACOLENERGY.COM

Corporate Headquarters: Suite 2650, 585 – 8th Avenue SW, Calgary, Alberta T2P 1G1.
Branch in Colombia: Calle 113 No. 7-45, Bogota, Torre B, Oficina 1501.