

2025

ESG REPORT

Empowering Communities, Driving Sustainability,
Building a Resilient Future

ARROW
EXPLORATION





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➤ Message from our CEO



At Arrow Exploration, we continue to demonstrate that responsible growth and strong ESG performance go hand in hand. Over the past several years, we have built a foundation for sustainability that is both ambitious and practical, anchored in transparency,

guided by global standards, and shaped by the priorities of the communities where we operate.

In 2024, we achieved approximately 60% production growth and delivered about US\$50 million in adjusted EBITDA. As our operations, workforce, and output expanded, we recognize that increased activity naturally influenced certain environmental and operational KPIs. Despite this, our focus on innovation, efficiency, and adherence to environmental best practices enabled us to maintain strong performance, including zero reportable spills and continued safety improvements.

Looking ahead, we remain focused on deepening our ESG integration. In 2025, we are advancing disclosure by incorporating ISSB concepts, expanding KPI coverage for safety, water, waste, and spills, and refining Scope 1 and 2 baselines and targets. We are also progressing toward management system certification and expanding community programs in Colombia that support health, education, and local infrastructure. By 2026, we aim to complete alignment with ISSB, GRI, and SASB standards and enhance assurance over priority metrics.

Our first ESG report established the roadmap and materiality assessment that guide our progress. Since then, we have expanded our commitments, introduced measurable targets, and increased

transparency across environmental, social, and governance areas. This year's report reflects meaningful progress while recognizing there is still more to do.

Environmentally, we continue to advance stewardship of land, biodiversity, and water. We improved emissions accounting, established a solid baseline for reduction planning, and enhanced reporting transparency while aligning with leading global frameworks. Socially, we are deepening our investment in safety, employee development, and community partnerships in both Colombia and Canada. In governance, we continue to uphold integrity, reinforce board oversight, and integrate ESG risk management into our overall business strategy.

ESG excellence is a journey of continuous improvement. In 2025 and beyond, we are committed to further enhancing disclosure, integrating Scope 3 into our climate strategy, and strengthening alignment with international best practices. Through this commitment, we aim to build lasting trust with our employees, investors, communities, and regulators, demonstrating that growth and responsibility can thrive together.

Our strategy is clear: deliver shareholder value through disciplined growth while respecting people, the environment, and the communities we serve. I am proud of our progress and confident that with the dedication of our team, the strength of our partnerships, and our ongoing commitment to ESG leadership, Arrow is well positioned for a sustainable and successful future.

Marshall Abbott
Chief Executive Officer
Arrow Exploration Corp.



About Arrow

Arrow Exploration Corp. ("Arrow") is a growth-focused energy company advancing the exploration and development of oil and gas in Colombia. With operations in the Llanos, Middle Magdalena Valley, and Caguan/Putumayo Basins, Arrow combines high-impact exploration with disciplined, low-risk development to create long-term value for shareholders, employees, and host communities.

In 2024, Arrow achieved record operational results, with corporate production increasing by more than 60% year-over-year. Successful development drilling at Carrizales Norte, combined with exploration success in the Alberta Llanos field, significantly expanded the production base. A combination of horizontal and vertical wells contributed to meaningful growth in reserves, with year-end 2P reserves reaching 13.6 MMboe. Throughout this activity, Arrow maintained a strong safety record with zero accidents or environmental incidents.

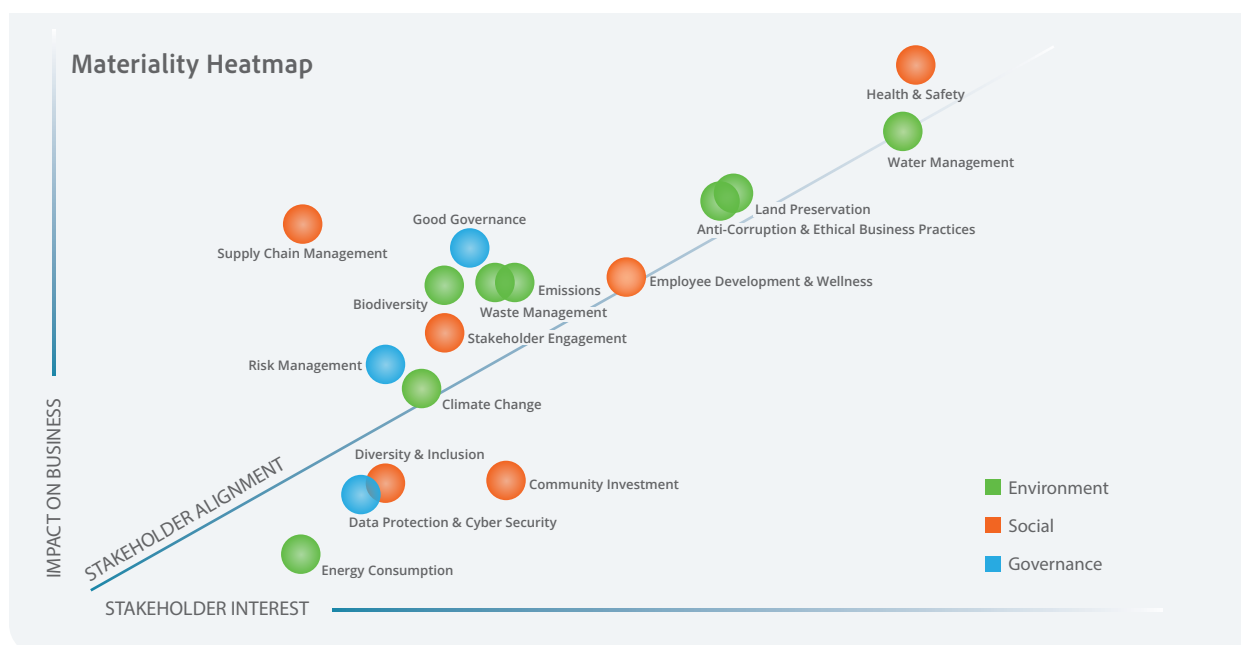
Alongside operational achievements, Arrow delivered solid financial performance, generating nearly US\$50 million in adjusted EBITDA, supported by higher production, efficient execution, and disciplined capital spending. These results demonstrate the strength of Arrow's strategy and the potential of its diversified 65,000 net acre portfolio across Colombia.

The company's success also reflects its commitment to communities and responsible growth. Arrow emphasizes local hiring, sourcing goods and services from Colombian businesses, and investing in community development initiatives that provide lasting benefits. Environmental stewardship is a core focus, with attention to water management, biodiversity protection, and emissions tracking to ensure sustainable operations.

Looking ahead, Arrow enters 2025 with a fully funded capital program of approximately US\$50 million. The company remains focused on disciplined growth, responsible resource development, and strengthening partnerships with employees, communities, and stakeholders, reinforcing its commitment to operational excellence and ESG leadership.

Arrow Exploration's Approach to ESG

In 2024, Arrow continued to advance its sustainability journey by building on the foundation established with our inaugural ESG report. Having completed a comprehensive materiality assessment in 2023, we focused this past year on strengthening our data collection, enhancing transparency, and embedding ESG considerations more deeply into our business planning and operational decision-making.





We broadened our disclosure practices and improved internal systems to ensure our reporting remains relevant, comparable, and trusted by stakeholders. Arrow continues to closely monitor evolving sustainability regulations and reporting frameworks to ensure that our disclosures and practices keep pace with global expectations and investor needs.

Throughout 2024, Arrow also advanced practical initiatives across our Environmental, Social, and Governance pillars: implementing more robust emissions tracking, reinforcing our safety and workforce development programs, and continuing to strengthen governance oversight of ESG-related

risks and opportunities. These efforts demonstrate not only compliance with emerging expectations but also our conviction that ESG integration drives long-term resilience and value creation.

As we look ahead to 2025, our priority is to deepen alignment with ISSB standards, provide more granular performance metrics, and communicate clear progress against our ESG targets. We remain committed to operating responsibly, transparently, and in close partnership with the communities where we work – ensuring that our growth as a company contributes to shared, sustainable outcomes.

MATERIAL TOPIC	TARGET	PROGRESS
Community Investment	Increase community investment dollars by 25% from 2023 to 2026, with a focus on education, healthcare, and local infrastructure.	Arrow exceeded its 25% community investment target, achieving a 300% increase and contributing USD \$600,000 in 2024 toward health, education, and local infrastructure initiatives. This included formalizing an agreement with the regional health authority to staff one doctor and one nurse and supporting upgrades to local school facilities. Arrow plans to maintain this elevated level of community support going forward.
Health & Safety	Achieve a zero Lost Time Injury Frequency Rate (LTIFR) by 2025.	Arrow continued strengthening its safety performance, achieving an H1 2025 LTIFR of 0.17 (improving from 0.84 in 2024). Enhanced operational controls, employee training, and proactive hazard management practices support ongoing progress toward achieving a zero Lost Time Injury rate.
Good Governance	Align 100% with ISSB standards by 2026.	Arrow advanced its governance and management systems, achieving ISO 9001, 14001, and 45001 certifications, which enhance quality, environmental, and occupational health and safety practices. Alignment with ISSB standards and ISO 26000 certification efforts are underway and remain on track for completion in 2026.
Land & Biodiversity	Restore or reforest 25 hectares by 2027 and 100 hectares by 2030 through Arrow's habitat restoration program.	In 2025, Arrow initiated habitat restoration by establishing 3 hectares on an easement property. We are identifying additional sites, preparing plans for ANLA approval, and organizing the next phase of restoration to stay on track for our 2027 and 2030 targets.
Stakeholder Engagement	Maintain 100% local hiring for entry level operational roles and at least 60% for technical and professional positions, while increasing local supplier participation by 15% by 2027.	Through the Padrino Plan (Godfather Program), Arrow supports small and medium-sized local businesses with mentorship, coaching, and capacity-building to enhance management, administration, and service delivery, strengthening local suppliers and regional employment.

NEW TARGETS



Environment



Arrow recognizes the significant environmental impact of our operations and places utmost importance on environmental sustainability. We are dedicated to implementing sustainable strategies aimed at preserving the land, protecting wildlife, conserving water resources, managing our carbon footprint, and minimizing waste.



Land Preservation

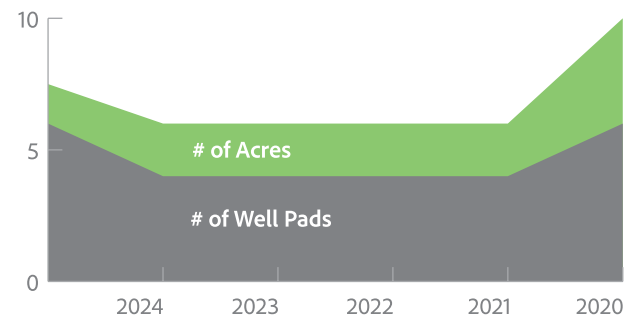
Arrow integrates land stewardship, environmental protection, and operational efficiency into every stage of its activities. The company's approach focuses on minimizing its physical footprint, optimizing the use of licensed areas, and maintaining strict environmental controls across all operations. Through proactive planning, compliance with environmental regulations, and collaboration with local communities and authorities, Arrow continues to demonstrate responsible resource management and a commitment to sustainable development.

Land Use Optimization

Current environmental licenses authorize the construction of well pads of up to five hectares, each initially designed to accommodate five wells. Through the use of legal mechanisms such as the "Minor Change" procedure, Arrow has successfully increased drilling density to up to 15 wells per pad – without expanding the authorized footprint.

This innovative approach enables the company to:

- Significantly reduce new land disturbance.
- Maximize the use of previously intervened areas.
- Preserve sensitive ecosystems across the Casanare and Cesar regions.



Spill Management and Environmental Control

Arrow maintains rigorous monitoring and reporting of potential spill events in compliance with Colombian environmental regulations.

- All incidents, regardless of size or impact, are documented and reported to the environmental authority.
- Internal tracking of minor events and near misses supports continuous learning and preventive measures.
- Annual Health, Safety, Environment & Quality (HSEQ) training ensures all employees and contractors receive spill prevention and emergency response instruction.

No environmental claims have been received from local communities or authorities, reflecting effective management of environmental risks.



Innovation and Continuous Improvement

Arrow continuously adopts new technologies and methodologies to enhance efficiency and minimize environmental impact. Recent actions include:

- Optimized well pad design allowing up to 15 wells per pad in previously authorized areas.
- Reduced size of new locations to further limit direct land disturbance.
- Repositioning worker camps to already intervened areas, avoiding unnecessary clearing.
- Application of the “Minor Change” procedure to expand operational capacity without increasing land footprint.
- Reduced logistics movements, lowering fuel use, truck trips, and vegetation clearing – resulting in cost and emissions savings.
- Adoption of Inflow Control Device (ICD) technology in horizontal wells over the past two years. This innovation reduces water production from wells, enabling more efficient hydrocarbon recovery while minimizing environmental footprint through lower water disposal volumes and associated costs.

These measures enhance operational efficiency and sustainability while reducing environmental impact. The company is evaluating the introduction of Key Performance Indicators (KPIs) to track:

- Adoption of optimization technologies.
- Reduction in land footprint and logistical costs.
- Positive effects on biodiversity and conservation.

Asset Abandonment

This aspect is not currently applicable, as all areas intervened by the company remain in active operation. No abandonment or environmental remediation processes have yet been initiated for wells or operational sites. Future restoration and closure activities will follow strict environmental and social guidelines, ensuring full rehabilitation and long-term ecological recovery once operations conclude.

Biodiversity

Arrow Exploration is committed to minimizing environmental impacts and conserving biodiversity across its operations in Canada and Colombia. The company integrates ecosystem protection and wildlife conservation into its operational planning, emphasizing responsible land use, proactive management, and continuous improvement in environmental performance.

Wildlife Protection & Monitoring

In compliance with environmental license requirements, Arrow conducts comprehensive wildlife monitoring every five years across its Colombian operations. These studies assess the presence and health of species within the project's area of influence, including open tropical grasslands known as “sabanas” that have been historically modified by agricultural activities such as palm and rice cultivation. Despite this altered landscape, monitoring confirms the continued presence of diverse species and the preservation of ecological connectivity.

The company operates a wildlife relocation program, primarily focused on protecting vulnerable species such as the morrocoy tortoise. Whenever animals are identified within active work zones, trained personnel safely relocate them to nearby undisturbed habitats. This practice minimizes the direct impact of operations on wildlife and aligns with Arrow's commitment to coexistence with local ecosystems.

Reforestation & Habitat Restoration

Arrow has restored three hectares as part of its exploratory environmental license requirements. These areas have been planted and are now in the regulatory monitoring and maintenance phase, which will continue for a minimum of three years. In parallel, Arrow is identifying additional restoration sites, preparing plans for ANLA approval, and organizing the next phase of planting to ensure long-term success and meet its 2027 and 2030 targets.

**Future plans include:**

- Restoration of over 100 hectares of natural habitat in partnership with environmental authorities.
- Investment exceeding USD 2 million to advance ecosystem recovery and conservation.
- Acquisition of areas of ecological interest for eventual transfer to municipalities or environmental agencies.

Reforestation progress is tracked through measurable indicators, including tree survival and growth rates, canopy coverage, and species diversity. Additional biodiversity indicators – such as restored hectares per year and the return of native flora and fauna – are being established to evaluate long-term ecological outcomes.

In collaboration with Colombia's National Authority of Environmental Licenses (ANLA), Arrow is executing a multi-year reforestation initiative targeting approximately 10 acres of tree planting over four years. In Canada, Arrow partners with the Ann and Sandy Cross Conservation Area (ASCCA) in Alberta to support wildlife habitat preservation and environmental education programs. Over the past decade, the ASCCA has planted trees across approximately 230 acres, creating vital habitat for native species that have been displaced by the expanding urban landscape. This long-term effort aligns with Arrow's commitment to ecosystem restoration and biodiversity protection across all regions of operation.

Innovation & Environmental Technology

To enhance biodiversity monitoring and environmental performance, Arrow integrates advanced technology into its management systems:

- Drone surveillance supports real-time monitoring of surrounding landscapes, allowing early detection of risks such as floods, fires, or deforestation.
- Geographic Information System (GIS) mapping is used to compile, analyze, and share environmental data with regulatory authorities, ensuring transparency and contributing to national environmental databases.

These innovations improve data accuracy, decision-making, and regulatory collaboration while reinforcing Arrow's leadership in environmental management.

**Incident Prevention & Environmental Management**

For every project, Arrow develops a detailed Environmental Management Plan (EMP) that evaluates potential impacts on biodiversity and prescribes prevention, mitigation, and compensation measures. Monitoring systems capture environmental incidents or near-misses related to habitat disturbance or species displacement, allowing for adaptive management and continuous improvement.

Ongoing Commitment

Arrow's approach extends beyond compliance. Through the Elk Preservation Project in Canada and the reforestation and species protection initiatives in Colombia, the company demonstrates a clear commitment to safeguarding ecosystems, restoring natural environments, and achieving measurable biodiversity outcomes that contribute to long-term ecological resilience.

Water Management

Responsible water management is central to Arrow's environmental strategy and operational sustainability. The company ensures efficient use, protection, and transparent oversight of water resources across its operations in Colombia and Canada.

All water used in drilling is recovered and treated within company facilities, with 100% repurposed for activities such as irrigation or delivered to



authorized third parties, in full compliance with environmental licensing requirements. This recycling approach reduces reliance on freshwater sources and supports Arrow's environmental and economic sustainability goals.

A comprehensive Water Quality Monitoring Plan ensures the protection of local ecosystems through quarterly groundwater testing, semi-annual surface-water sampling, and monitoring of deep wells in nearby communities. All analyses are performed by IDEAM-certified laboratories, with results submitted annually to the National Environmental Licensing Authority (ANLA). Key indicators, including the percentage of samples meeting or exceeding regulatory standards, reflect Arrow's strong performance in water stewardship.

Arrow provides full disclosure of all chemicals used in hydraulic stimulation and other operational activities, reinforcing transparency and safe materials management.

Arrow has reported zero instances of ground or surface-water quality deterioration, supported by continuous risk monitoring, inspections, and prompt corrective action tracking. Results of all monitoring activities are publicly available through ANLA's Environmental Compliance Reports (ICA), underscoring Arrow's commitment to transparency, regulatory compliance, and the protection of shared water resources.

Waste Management

Arrow Exploration prioritizes responsible waste management as part of its commitment to environmental stewardship and sustainable resource use. Our strategy focuses on reducing waste generation, diverting materials from landfills, and promoting recycling and resource recovery to conserve natural resources and minimize environmental impact.

We systematically monitor and classify all waste generated across operations – hazardous, non-hazardous, recyclable, and organic – ensuring full traceability from generation through treatment and final disposal. This allows us to calculate landfill diversion rates and measure our contribution to the circular economy.

Our approach includes:



Office and Operational Recycling:

Comprehensive programs across offices and field sites for segregating and recycling paper, plastics, metals, glass, and other materials. Employees are encouraged to adopt responsible consumption habits and support a zero-waste culture.



Advanced Recycling Partnerships:

Collaboration with certified recycling facilities to ensure all recyclable materials are processed and repurposed in line with the highest environmental standards. These partnerships enhance transparency and enable measurement of waste diversion performance.



Hazardous Waste Management and Reduction:

Arrow Stringent protocols govern the safe handling, storage, transport, and disposal of hazardous materials, following Colombian regulations and international best practices. Full traceability is maintained through the RESPEL registration system with IDEAM, and data are reported annually to ANLA via the Environmental Compliance Report (ICA).



Resource Efficiency and Waste Reduction:

Ongoing programs target efficiency in water and energy use, digitalization to reduce paper consumption, and decreased reliance on single-use materials. Performance is measured through indicators such as training hours and waste reduction metrics.



Incident Preparedness:

Comprehensive contingency procedures ensure rapid response to any waste-related incidents, with corrective actions tracked for accountability and continuous improvement.

All Arrow facilities have approved waste management plans in place, ensuring 100% coverage and compliance. Through these initiatives, Arrow demonstrates its commitment to sustainable operations, circular economy principles, and a long-term goal of achieving a low-waste, high-efficiency culture.



Social



Social responsibility is a cornerstone of Arrow's corporate vision. Arrow's dedication extends beyond its internal operations to actively supporting the well-being of local communities. Through focused initiatives in health and safety, diversity, equity, and inclusion (DEI), employee development, stakeholder engagement, supply chain management, and community investment, Arrow continually strives to create lasting positive impacts. These efforts reinforce the company's long-term commitment to social sustainability and responsible corporate citizenship.



Arrow is committed to maintaining the highest standards of health and safety, fully aligned with Canadian oil and gas industry guidelines and international best practices. The well-being of our employees, contractors, communities, and the environment is central to every aspect of our operations and embedded within our culture.

Across the Tapir and Oso Pardo Blocks, Arrow continues to demonstrate strong safety performance and disciplined operational control. Total man-hours worked reach 1,431,333 a 26% increase from 2023, reflecting steady operational activity and an unwavering focus on safety excellence.

Key performance indicators demonstrated continued progress across core metrics:

	2024	2023	Change
Frequency rate of incidents with loss of time (LTIFR)	0.84	1.05	😊
Total Frequency Rate of Recordable Cases (TRIF)	0.84	1.23	😊
Man-Hours Worked (MHW)	1.43M	1.14M	⬆️
Average Number of Workers per month	393	263	⬆️
Lost Time Incidents (LTI)	6	6	😊
Medical Restrictions (Restricted Work Case – RWC)	0	1	⬇️
Medical Treatment Cases (Medical Treatment Case – MTC)	0	0	😊
Lost Days	101	46	⬇️ *
Spills ≤ 1 Bbl	1**	0	🌀

* Note: The reduction reflects the KPI (lost time injury frequency rate (LTIFR)), not total lost days. While lost-day hours increased, total man-hours rose significantly, resulting in a lower Lost Days KPI and improved performance.

** Note: Minor release of 0.88 Bbl occurred in 2024, fully contained and remediated.

Arrow's safety management system integrates risk assessment, preventive monitoring, and continuous improvement to identify and mitigate hazards before they become critical. Regular field inspections, audits, and performance reviews ensure that all operations remain safe, compliant, and continuously improving.

Training and Competence

- More than 36,000 hours of safety and environmental training are delivered annually to employees and contractors.
- Programs cover industrial safety, first aid, emergency response, and site-specific procedures.
- Field operators receive specialized training for high-risk environments, ensuring preparedness and compliance across all operations.

Workforce Health and Wellness

- Comprehensive occupational health programs support employee well-being through preventive assessments and targeted initiatives such as musculoskeletal and hearing-conservation programs.
- Contractors participate in Colombia's national Social Security System (health, pension, and occupational risk).
- Regular medical evaluations monitor long-term employee health and support early intervention where needed.

Audits and Compliance

- All operations are certified under ISO 9001, ISO 14001, and ISO 45001 standards.
- Internal, contractor, and third-party audits verify compliance and drive continual improvement.
- Corrective and preventive actions are tracked through a centralized matrix to ensure accountability and transparency.

Safety Culture and Leadership

- Daily safety talks, toolbox meetings, and management site visits reinforce awareness and engagement at all levels.
- Recognition programs reward exceptional safety performance and encourage shared accountability.
- Feedback mechanisms – including perception and field dialogues – help identify opportunities for improvement and strengthen safety culture.



Dedicated HSE Personnel

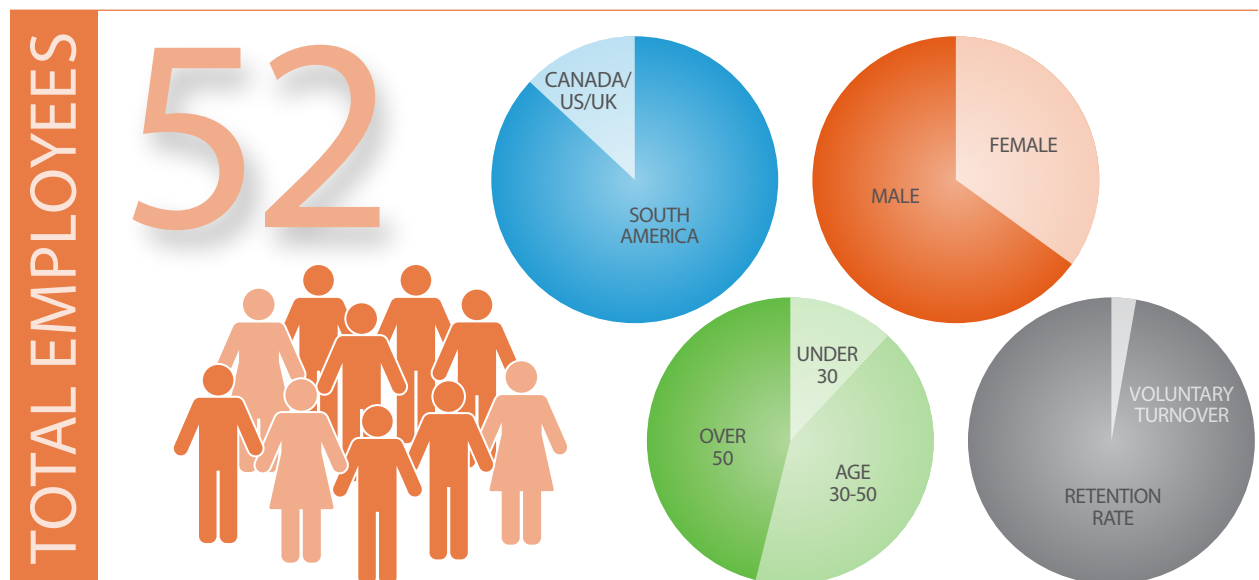
- Each operational site includes on-site HSE professionals responsible for supervision, safety drills, and compliance monitoring.
- These professionals manage real-time risk response, ensuring alignment with Arrow's HSEQ Plan and maintaining safe, reliable operations.

Through rigorous standards, ongoing training, and a culture of shared responsibility, Arrow continually advances toward its goal of zero harm – protecting people, the environment, and the integrity of its operations.

Diversity Equity and Inclusion

Arrow Exploration recognizes that diversity, equity, and inclusion (DEI) are essential to building a resilient, innovative, and high-performing organization. The company is committed to fostering a workplace where every individual is valued, respected, and empowered to contribute fully. DEI principles are integrated across recruitment, training, and community engagement, ensuring equitable opportunities and inclusive growth in every region of operation.

Arrow's employees continues to expand and diversify in support of operational growth across Colombia and Canada.





Employee Representation

Arrow continues to enhance its understanding of workforce composition to inform meaningful inclusion strategies:

- **Gender Diversity:** While continuous monitoring across all organizational levels is still in development, an annual workforce report is produced that includes data on gender, age, ethnicity, nationality, and disability status. These insights form the foundation for future equity and inclusion initiatives.
- **Local Hiring:** Arrow maintains a strong commitment to local employment. 100% of unskilled labor is sourced from local communities, while 50–60% of skilled positions are filled by local or regional personnel. This significantly exceeds Colombian legal requirements and strengthens economic resilience in host communities.
- **Broader Diversity Metrics:** While Indigenous participation, age distribution, and international representation are not yet systematically tracked, the existing dataset provides a framework for expanding DEI reporting and evaluation in future years.

Integration with Local Communities

Local hiring and inclusion are central to Arrow's approach to shared value creation and sustainable community development:

- **Monitoring and Transparency:** Continuous tracking of local and regional employment ensures compliance and accountability. Indicators are reviewed regularly to guide future hiring and contracting practices.
- **Economic Contribution:** Equitable and transparent wage structures are maintained for unskilled labor. Arrow also sustains an active roster of local suppliers and delivers capacity-building through its Supplier Development Program, supporting greater participation in the value chain.
- **Local Talent Development:** Training programs are tailored for local workers, helping to build technical capacity and provide clear pathways for advancement within the company.

- **Community Engagement:** Regular meetings with community leaders and members provide a platform for open dialogue, local procurement planning, and project updates – strengthening trust and collaboration.

A dedicated team works within the communities daily, focusing on community development and public affairs.

Arrow continues to integrate DEI principles throughout its operations, linking workforce representation, local engagement, and equitable opportunity. In collaboration with the Human Resources team, the company is advancing initiatives in employee well-being, inclusion and culture, temporary assignments, and skills development – ensuring that equity and opportunity remain at the heart of Arrow's long-term sustainability strategy.

Employee Development & Wellness

Arrow recognizes that an engaged, healthy, and diverse workforce is fundamental to achieving long-term success and sustainable growth in the oil and gas industry. Employee well-being is not simply a priority – it is a strategic pillar that underpins every aspect of the company's operations.

Arrow actively invests in local hiring, mentorship, and professional development to build technical capacity and strengthen leadership across its organization. These initiatives not only enhance operational capability but also promote long-term sustainability and shared value creation within the communities where the company operates. While Arrow does not have a formal training and development plan for every position, it actively supports employee growth by funding post-secondary education, language courses, industry participation, and customized training for certifications, diplomas, and technical or administrative skills.

Taking a holistic approach to wellness, Arrow offers comprehensive programs that support physical, mental, and emotional health. These initiatives include competitive health benefits and flexible work arrangements designed to promote a strong work-life balance for both field and office personnel. Guided by a leadership team that fosters a culture



of care and accountability, Arrow's wellness strategy is aligned with international best practices in the oil and gas sector. Through continuous feedback and improvement, the company enhances employee satisfaction, productivity, and safety, ensuring its people remain at the center of Arrow's sustainable growth.

Stakeholder Engagement

Arrow is committed to sustainability through proactive engagement with communities, regulators, and business partners. The company fosters open and transparent relationships to understand and address stakeholder needs, emphasizing clear communication and collaboration. In Colombia, Arrow ensures compliance with all social management requirements under its environmental licenses by holding information sessions with local communities before project initiation, keeping residents informed about activities, potential impacts, and mitigation measures. Feedback is regularly gathered through meetings, surveys, and forums, building trust and mutual understanding.

A structured process is in place to manage all Petitions, Complaints, and Claims (PQRs), which are tracked and resolved in accordance with established timelines. Performance is measured through indicators such as the number of community meetings held and the percentage of PQRs resolved on time, ensuring continuous improvement in stakeholder relations.

Arrow collaborates closely with environmental authorities on impact assessments and compliance monitoring, maintaining the highest standards of environmental and social responsibility. The company also works with suppliers and business partners to promote sustainable practices across the value chain.

Active participation in organizations such as CAPP, APEGA, AER, ANLA, CORPORINOQUIA and ANH enables Arrow to stay aligned with evolving industry standards and regulatory frameworks. Through open dialogue, collaboration, and shared accountability, Arrow strengthens its social license to operate and reinforces its commitment to responsible and sustainable resource development.

Supply Chain Management

Arrow Exploration places strong emphasis on responsible supply chain management as an integral component of its ESG strategy. The company is committed to maintaining a supply chain that upholds the highest standards of ethics, transparency, and sustainability, ensuring that all partners align with legal, social, and environmental expectations.

Ethical and Responsible Sourcing

Arrow's supplier management process is guided by integrity, transparency, and fairness. Suppliers are expected to adhere to the same ethical principles that govern Arrow's operations.

- **Ethical Compliance:** All suppliers must comply with legal and ethical standards, including human rights, anti-corruption, and fair labor practices.
- **Audits and Oversight:** Regular audits and evaluations are conducted to monitor compliance with ESG and HSE requirements. When non-compliance is identified, corrective actions are implemented collaboratively to achieve alignment with Arrow's standards.
- **Modern Slavery Oversight:** Although Arrow is not currently subject to Canada's new Modern Slavery reporting requirements, the company actively monitors the framework and maintains internal controls to ensure its supply chain remains free from forced or exploitative labor.





ESG Management in the Supply Chain

Supplier evaluation and selection are managed within Arrow's Integrated Management System, which incorporates technical, financial, and HSE criteria into procurement decisions.

- **Pre-Contractual Evaluation:** Each supplier undergoes a comprehensive pre-qualification process assessing technical capabilities, financial health, and HSE compliance before engagement.
- **Governance Framework:** The Procurement Procedure for Goods and Services and the Contractor Manual define clear expectations for quality, safety, and legal compliance throughout the supply chain.
- **Audits and Follow-Up:** Periodic audits identify opportunities for improvement and verify that corrective actions are closed on time. Findings are tracked to ensure continuous improvement and accountability.

Local Supplier Development and Capacity Building

Arrow's commitment to local development extends beyond hiring practices to include supplier engagement and capacity building.

- **Supplier Development Program:** The program strengthens local suppliers' capabilities, enabling them to participate effectively in Arrow's value chain.
- **Community Integration:** Local suppliers are identified through regular community meetings, where project progress is shared, and feedback is gathered. This process ensures that procurement decisions reflect both operational needs and community priorities.

- **Economic Contribution:** Arrow maintains an active registry of local vendors and prioritizes contracting with regional service providers whenever possible, contributing to local economic resilience.

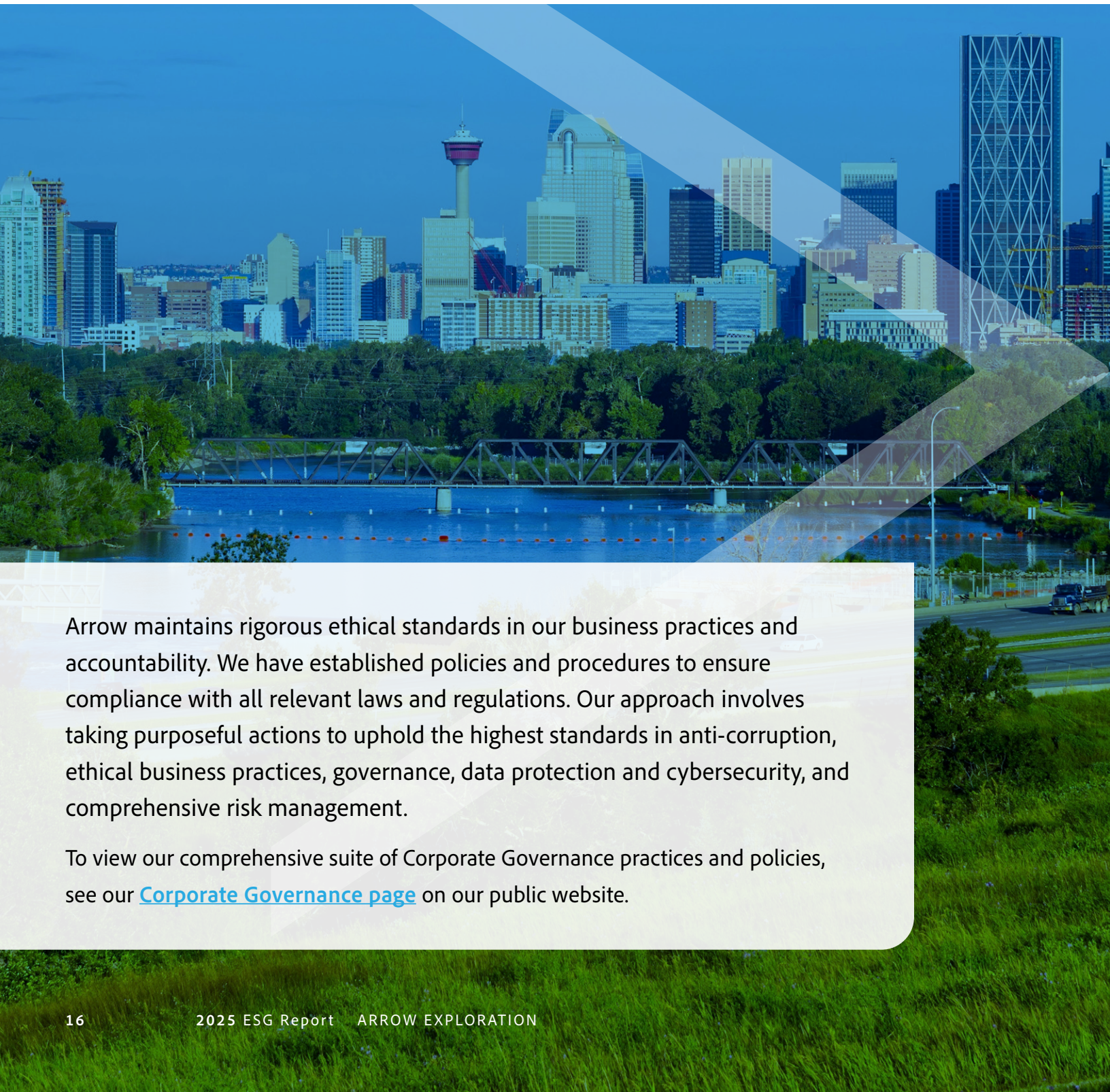
Through its structured procurement systems, ethical oversight, and collaborative engagement with local stakeholders, Arrow ensures that its supply chain supports responsible growth while upholding the company's values of integrity, transparency, and social responsibility.

Community Investment

Arrow values the well-being of local communities and understands the significant impact our projects can have. We are committed to fostering positive relationships and actively supporting these communities through employment opportunities and financial aid. In 2024, Arrow invested nearly USD \$600,000 in gross community initiatives in Colombia – up from approximately USD \$150,000 in 2023 – including water tank installations, road maintenance, support for schools, community events, and training programs. We prioritize creating sustainable employment opportunities within the regions where we operate by hiring local talent and providing training and skill development. This approach not only contributes to local economic growth but also ensures that the benefits of our projects are shared with the community.



Governance

A background image of a city skyline, likely Toronto, featuring the CN Tower and various skyscrapers. In the foreground, there is a river with a bridge and a green park area. A large, semi-transparent blue arrow graphic points from the top right towards the bottom right, partially obscuring the skyline.

Arrow maintains rigorous ethical standards in our business practices and accountability. We have established policies and procedures to ensure compliance with all relevant laws and regulations. Our approach involves taking purposeful actions to uphold the highest standards in anti-corruption, ethical business practices, governance, data protection and cybersecurity, and comprehensive risk management.

To view our comprehensive suite of Corporate Governance practices and policies, see our [Corporate Governance page](#) on our public website.



Anti-Corruption & Ethical Business Practices

Arrow is firmly committed to anti-corruption and ethical business practices, prioritizing transparency across all regions of operation. The company maintains rigorous internal management systems supported by comprehensive policies that focus on prevention, detection, and reporting of unethical or corrupt activities. This commitment ensures operational integrity and strengthens trust with stakeholders.

To further support its ethical standards, Arrow has established an anonymous whistleblower line, allowing employees, partners, and stakeholders to report any concerns regarding misconduct or unethical behavior confidentially and without fear of retaliation. This system promotes accountability, encourages transparency, and provides an additional layer of protection against corruption, ensuring that Arrow continues to operate with the highest level of integrity.

Good Governance

Arrow is deeply committed to strong governance practices that are essential for sustainable and ethical operations, with a focus on transparency, integrity, and accountability. The company enforces a zero-tolerance policy on corruption, supported by robust internal systems designed to prevent unethical behavior at all levels.

Ethical conduct is central to Arrow's operations, reinforced by clear policies and procedures that prioritize integrity, honesty, and fairness. The company offers confidential reporting channels, including an anonymous whistleblower line, to ensure swift issue resolution and preserve operational integrity.

Arrow's governance framework closely monitors performance, ensures regulatory compliance, and supports timely decision-making and transparent information disclosure. In alignment with Canadian Securities Administrators' standards, the Environmental, Social, Governance and Compliance Committee oversees key areas such as ESG strategy, risk management, communications, and legal compliance.

A core aspect of Arrow's governance strategy is ensuring diversity and strength within the Board of Directors. Currently, one director represents a visible minority, and Arrow recognizes that diverse backgrounds enhance decision-making and problem-solving processes, with a commitment to further increasing diversity.

The Environmental, Social, and Governance (ESG) Committee plays a vital role in assisting the Board with oversight of the company's social responsibility and sustainability efforts. The Committee ensures the ESG strategy is integrated into the business plan, corporate values, and objectives, fostering a culture of responsibility and transparency. It reviews and approves the company's annual Sustainability Report and ensures the external party providing assurance on the report meets the necessary qualifications, independence, and performance criteria.



Data Protection & Cyber Security

Arrow places a high priority on data protection and cybersecurity across all operational regions, ensuring the highest levels of security, confidentiality, and regulatory compliance. This commitment is global, extending even to countries with lower transparency and governance rankings, underscoring Arrow's dedication to safeguarding information regardless of the operational environment.

To mitigate cybersecurity risks, Arrow employs a comprehensive approach that includes daily local and offsite backups, ensuring data redundancy and protection against potential cyber threats. The company's data protection framework features advanced encryption protocols, secure access controls, and continuous system monitoring to identify and address vulnerabilities proactively.

Arrow's approach to cybersecurity is further strengthened by ongoing employee training programs designed to enhance awareness and vigilance in data privacy and cybersecurity best practices. These programs empower staff to identify potential threats, reinforce security protocols, and foster a culture of accountability and responsibility.

As part of its commitment with cybersecurity, Arrow has completed a vulnerability analysis and ethical hacking test, conducted by third party contractors, to identify, classify and mitigate risks that may compromise the confidentiality, integrity and availability of information. This exercise identified some specific risks that have been classified as low since they are mainly related to interaction with external networks.

By maintaining these stringent data protection measures, Arrow not only ensures compliance with international regulations but also builds and strengthens trust with stakeholders, partners, and local communities. This proactive stance on cybersecurity is integral to Arrow's long-term operational sustainability, safeguarding both company assets and the sensitive information of those it serves.

Risk Management

Arrow places a strong emphasis on risk management as a cornerstone of operational safety and stakeholder well-being. The company prioritizes maintaining robust Process Safety Event (PSE) rates, a key performance indicator that provides critical insights into safety performance and informs its unwavering commitment to the health and welfare of both its employees and the communities in which it operates.

Risk management is deeply embedded in Arrow's organizational culture. Directors and senior leadership are actively involved in daily operational meetings, fostering a collaborative environment for open communication and comprehensive risk assessment. This engagement ensures that risk factors are promptly identified, evaluated, and mitigated, with findings reported to the Board of Directors on a quarterly basis. Such oversight promotes accountability at the highest levels of the organization and enables strategic decision-making aligned with the company's risk profile.

Arrow's approach to risk management is not static—it is continuous and iterative, grounded in a philosophy of ongoing improvement. The company proactively monitors and addresses emerging risks, whether they stem from operational, environmental, or geopolitical factors. By implementing forward-looking risk management strategies, Arrow not only safeguards the safety and integrity of its operations but also strengthens its resilience in the face of evolving challenges.

This proactive, multi-layered approach to risk management ensures that Arrow remains agile and adaptive, prioritizing the safety of its workforce, the sustainability of its operations, and the trust of its stakeholders. The company's commitment to risk management extends beyond regulatory compliance, aiming to create a culture where continuous improvement and risk mitigation are integral to long-term success.

➤ Data Overview

	UNIT	2024	2023	2022
ECONOMIC				
Revenue	Thousands of dollars	\$ 81,559	\$ 50,597	\$ 28,135
Production Expense	Thousands of dollars	\$ 11,878	\$ 41,635	\$ 16,536
Production Total	BOE/D	3,542	2,126	1,345
Gross Total Wells	Count	29	15	8
EMISSIONS				
Scope 1 – Direct	Tonnes CO ₂ e/yr	1,240	704	34
Scope 2 – Indirect	Tonnes CO ₂ e/yr	81,373	46,199	78,688
ENERGY				
Total Energy Consumption	kW/Day	15,300.00	1,549.92	746.48
WATER				
Fresh Water Withdrawals	m ³ /year	76,768	4,921	4,495
Fresh Water Intensity	m ³ /boe	0	0	0
SPILLS				
# of Reportable Spills	Count	1	0	0
Total Volume of Reportable Spills	m ³	0.14	0	0
HEALTH & SAFETY				
Total Injuries	Count	6	7	1
Lost-Time Injury Frequency (LTIF)	Per 200,000 man hours	0.84	1.05	0.82
Total Recordable Injury Frequency (TRIF)	Per 200,000 man hours	0.84	1.23	0.82
Total Fatalities	Count	0	0	0
EMPLOYEE RETENTION				
Voluntary Turnover	Count	3	0	1
Involuntary Turnover	Count	5	1	0
Involuntary Turnover (term contractors)	Count	1	8	6
EMPLOYMENT DIVERSITY				
Female	Count	19	17	11
Male	Count	33	31	25
Canadian/American	Count	7	7	7
South American	Count	45	41	29
Under 30	Count	6	6	4
30-50	Count	22	20	11
Over 50	Count	24	22	22
BOARD COMPOSITION & DISCLOSURE				
Size of Board	Count	6	6	6
Executive Directors	Count	2	2	2
Independent Directors	Percentage (%)	67	67	67
Board Meeting Attendance	Percentage (%)	90	100	100
Board Education	Y/N	Y	Y	Y
Women on Board	Y/N	N	N	Y
BUSINESS ETHICS & TRANSPARENCY				
Code of Business Conduct	Y/N	Y	Y	Y
Breaches of Code of Conduct	Count	0	0	0
Whistleblower Complaints	Count	0	0	0
# of Cyber Security Breaches	Count	0	0	0



A Growing & Socially-Responsible Colombia-Focused Energy Company

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