

2024 Environment, Society & Governance



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A MESSAGE FROM OUR CHAIRMAN & CEO



Charles (Chuck) Duginski
Board Chairman & CEO

As we share our latest ESG report, I'm reminded of why we do what we do each day at Canvas Energy. Oklahoma is our home, and we feel a deep responsibility to protect its environment, support its communities and invest in its people. These aren't just corporate goals — they're personal commitments that each of us at Canvas takes to heart.

At Canvas, we regularly and consistently refer to our core values, and there's a reason for that — they truly guide everything we do as a company. These principles of Pursuing Excellence, Driving Results, Valuing Relationships and Leading with Integrity are the foundation for how we operate and make decisions. Our values begin

with Pursuing Excellence because we understand that in order to drive results, truly put people first and act with integrity, we need to strive for excellence in all aspects of our work.

In the Environment section of this report, you'll read about our focused efforts to reduce our environmental footprint, especially when it comes to emissions. We're constantly finding new ways to operate more sustainably, always keeping our commitment to Driving Results top of mind. We know that what we do today impacts the Oklahoma we leave for the next generation.

The Society section reflects our belief that true impact goes beyond mere compliance. We have deliberately chosen the term "Society" instead of "Social" to emphasize our broader

commitment to the safety, wellness and development of our workforce and active engagement with the communities we serve. Valuing Relationships is foundational to our company, ensuring that our efforts make a genuine, positive impact on people's lives and contribute to a brighter future for all.

The Governance section highlights our dedication to Leading with Integrity. Our Board, company leadership and every employee are committed to ethical practices and accountability. We foster a culture of trust and openness throughout our organization and extend that approach to external stakeholders. Even as a private company, we choose to share this information because we hold ourselves to a high standard and believe in being transparent in all we do.



2023 ESG HIGHLIGHTS



Environmental Excellence: *Delivering great results over the long term requires consistent efforts to minimize our environmental footprint.*

- » Methane intensity (metric tons CH₄ / MBoe produced) decreased by 4% from 2022
- » Cut approximately 320 metric tons of CO₂-equivalent emissions annually through our management of produced water
- » Continued to invest in advanced technologies and practices to reduce our environmental impact



Bettering Society: *We put people first — ensuring the safety of our neighbors and co-workers, investing in our communities and promoting wellness.*

- » Achieved 57 consecutive Zero Days without spills or recordable injuries
- » Maintained high employee satisfaction and engagement, with Canvas being recognized as one of Oklahoma's Top Workplaces for the second consecutive year
- » Contributed 500+ hours of volunteer work and over \$20,000 dollars in corporate giving to local initiatives



Effective Governance: *Our culture fosters integrity and accountability through regular and transparent communication.*

- » Held quarterly all-employee meetings to promote direct communication and engagement throughout the organization
- » Completed annual risk evaluations that attend to, among other things, cybersecurity, financial controls and legal compliance, reporting findings directly to the Audit Committee

None of our progress would be possible without our incredible team. Dedication, skills and passion shine through in everything we do. I want to extend my heartfelt thanks to each Canvas employee for their hard work and commitment. It is our collective effort that drives our success and makes this company a great place to work.

Throughout this report, you will see the significant strides we have made and our unwavering commitment to continuous improvement. We are proud of what we have accomplished together and are excited about the path ahead. The future of Canvas is bright, and we believe that after reading this report, you will share in our optimism and confidence.

Thank you for your continued support and partnership.

Chuck Duginski
Chairman & Chief Executive Officer



Pursuing Excellence

WHO WE ARE

“We strive to excel, and we expect constant improvement in every aspect of our business.”

Based in Oklahoma City, Canvas Energy is an independent oil and natural gas exploration and production company. We focus on the oil and liquid-rich gas areas of the Anadarko Basin, with core acreage that includes the Meramec, Osage and Woodford formations. Our production is primarily liquid-based, accounting for about 60% of our total output.

Our logo pays homage to Oklahoma, reflecting our deep-rooted pride and connection to our state. The name “Canvas” carries several meanings:



In Art:

A blank canvas symbolizes creativity and innovation



In Surveying:

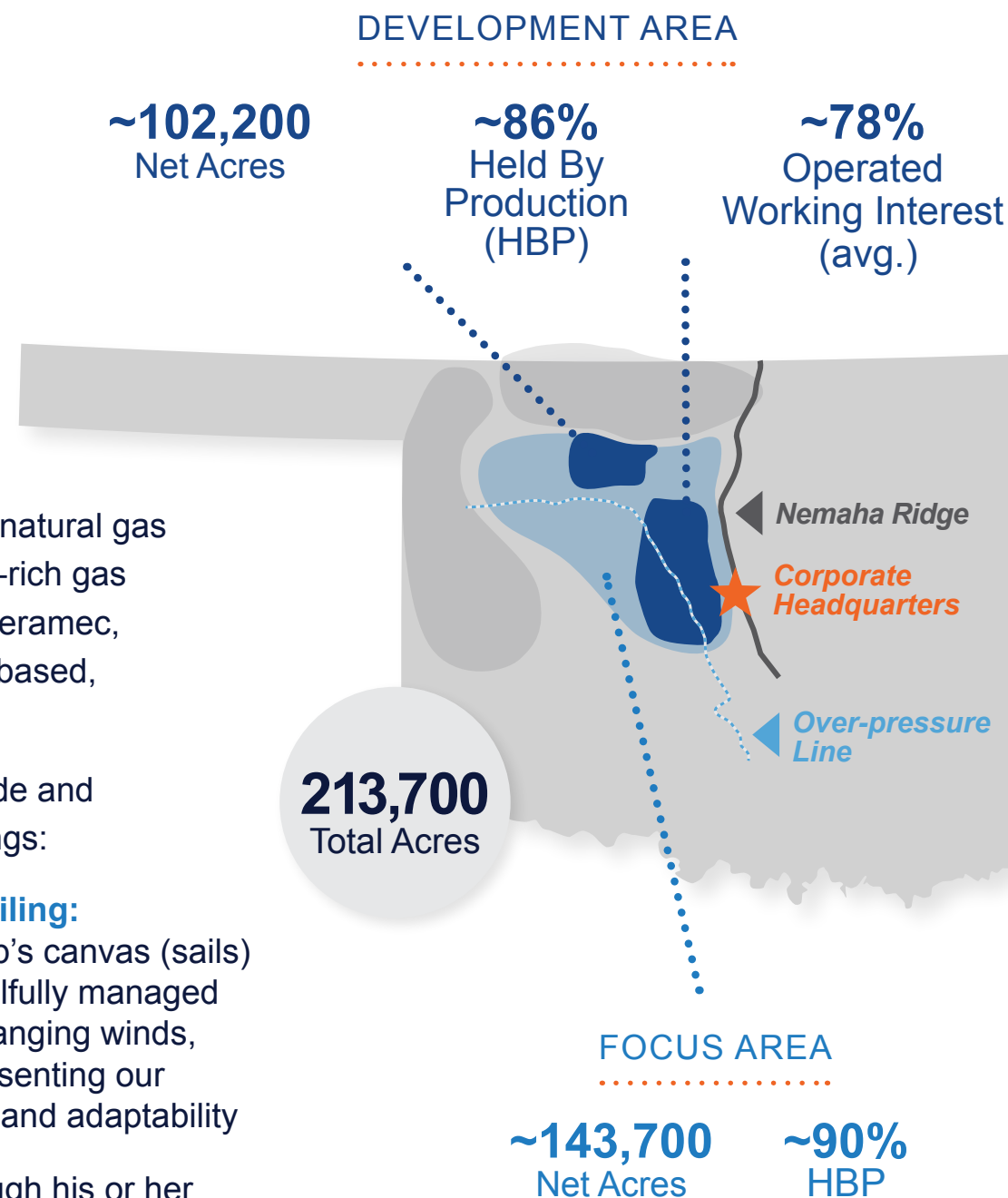
To canvas is to examine thoroughly, reflecting our detailed approach



In Sailing:

A ship’s canvas (sails) is skillfully managed in changing winds, representing our drive and adaptability

As you can see, “Canvas” represents a multifaceted concept. Through his or her effort, every employee adds richness to its various meanings, guided by their passions and motivations while working toward our shared company goals.



Core Values

Our core values are the heart of everything we do here at Canvas. These values of Pursuing Excellence, Driving Results, Valuing Relationships and Leading with Integrity are not just ideals we talk about — they guide every decision we make. We live these values by constantly improving, focusing on what matters, prioritizing people and acting with honesty. Our commitment to these principles helps us create a safe, efficient and responsible company that our employees, stakeholders and communities can rely on and trust.

Statement of Corporate Purpose

Petroleum-based products and fuels benefit the lives of people around the world immeasurably. We are responsible environmental and financial stewards who are proud to find and develop this valuable natural resource and offer it to the market.

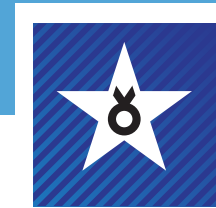
About This Report

At Canvas, we believe in being transparent about our efforts and progress. The following pages showcase how we are living out our core values and serving the people and communities across our footprint. Data is year-end 2023 unless otherwise noted.

A summary of 2023 Sustainability Accounting Standards Board (SASB) metrics is available on request. For additional information about our ongoing efforts, please visit the ESG page of our website at canvasenergy.com/esg.

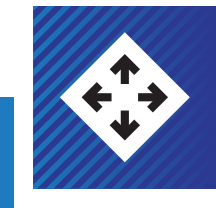
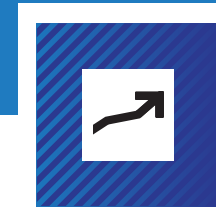
PURSUING EXCELLENCE

We strive to excel, and we expect constant improvement in every aspect of our business.



DRIVING RESULTS

We focus on what matters, making the highest and best use of ourselves and our resources.



VALUING RELATIONSHIPS

People and relationships matter — we prioritize the people who work for us and with us, and our neighbors who live in the communities in which we operate.



LEADING WITH INTEGRITY

We will always act purposefully and with integrity. We hold our employees to a high standard of excellence and place a tremendous emphasis on our relationships with our neighbors, partners and vendors through our Code of Business Conduct and Ethics.



Driving Results

ENVIRONMENTAL EXCELLENCE

“Delivering great results over the long term requires consistent efforts to minimize our environmental footprint.”

At Canvas, our commitment to Oklahoma runs deep. This state is not just where we operate – it is our home, and we recognize the importance of reducing our environmental impact while upholding our dedication to operational excellence. Embracing our core value of Driving Results, we have implemented innovative solutions and sustainable practices that have significantly lessened our effect on the environment. Our efforts reflect a steadfast determination to preserve Oklahoma’s natural resources and beauty for generations to come.

While we are proud of our progress in this area, we acknowledge there is always more work to be done and we are unwavering in our pursuit of continuous improvement. As a private company, we voluntarily share our environmental initiatives and outcomes because we believe in transparency and accountability. And we understand that our success is intrinsically linked to the well-being of the land and the people we serve.

OUR ENVIRONMENTAL COMMITMENT IN ACTION

Methane intensity (metric tons CH₄ / MBoe produced) decreased by **4%** from 2022 and **38%** from 2021

Reduced methane emissions by removing **over 250** natural gas-driven pneumatic devices from service and converting **over 700** more by installing non-vent retrofit kits

Total fresh water withdrawn and consumed **dropped** by **12%** from 2022

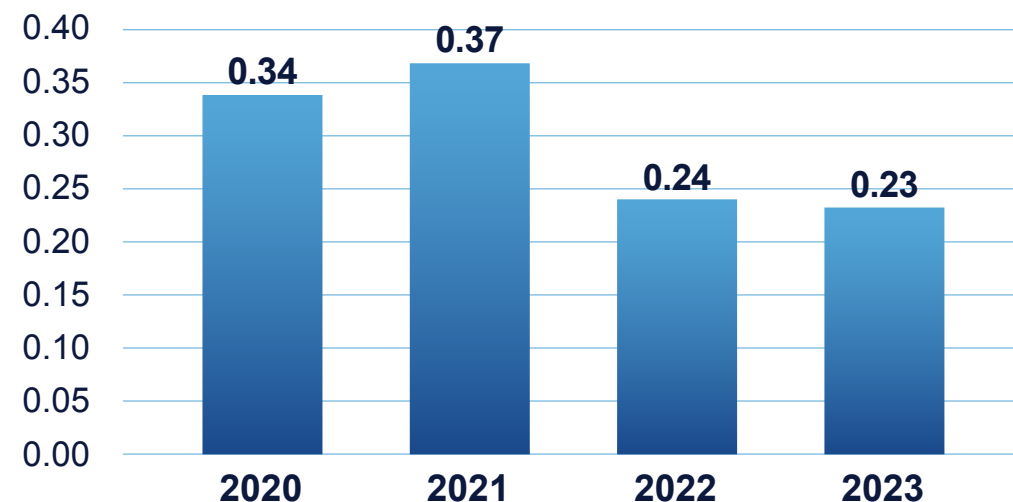
Maintained a **100%** disclosure rate of all fracturing fluid chemicals used in hydraulic fracturing

Mitigating & Reducing Emissions

As an independent oil and natural gas exploration and production company, we recognize the environmental challenges associated with methane and carbon dioxide emissions. Our team works diligently to minimize our impact in these areas by leveraging proactive strategies to address venting, flaring and fugitive emissions, and improve the efficiency of our gas-powered engines.

METHANE INTENSITY

(mtons CH₄/MBoe Produced)



Venting & Flaring

At Canvas, we are dedicated to minimizing routine venting or flaring of natural gas – practices that are often a result of inadequate takeaway capacity for the natural gas produced alongside oil.

Our exploration and production teams work closely with our gas marketing department before bringing new wells online. This proactive approach helps ensure that gathering lines are in place and midstream companies are ready to collect our gas as soon as production begins.

We also employ combustors to manage emissions from liquid storage tanks, chosen for their high efficiency and enclosed flame. This approach aligns with regulatory requirements to reduce emissions while also minimizing the effect of any visible nuisances, further demonstrating our commitment to environmental responsibility.

In 2023, Canvas encountered a challenge in the Glass Mountain area when midstream companies could not accommodate our gas, which temporarily increased flaring and overall GHG emissions. In response, we started laying new lines and strategically pivoted among midstream providers to better manage excess volumes. These efforts contributed to a 4% reduction in methane intensity in 2023.

Fugitive Emissions

Fugitive emissions – unintended leaks of methane or volatile organic compounds (VOCs) from equipment and processes – are a significant concern to us due to their potential environmental impact. As a company, we leverage proactive management practices to prevent leaks, address potential issues promptly and safeguard the integrity of our assets. These include:



Optical Gas Imaging (OGI) Inspections: Using a third party, we conduct OGI inspections using FLIR camera technology semiannually on all wells completed after September 18, 2015 but before December 6, 2022, and quarterly on all wells completed after December 6, 2022. Locations subject to FLIR camera inspections accounted for more than 88% of our gas production in 2023. These inspections meet the requirements set forth in recent federal regulations to detect leaks of methane or other VOCs.



Audio, Visual, Olfactory (AVO) Inspections: Site-wide AVO inspections are performed by field personnel every other month on all locations completed after December 6, 2022 in compliance with federal regulations. Monthly visible emissions testing on combustors is also performed at these locations.



Prompt Leak Repairs: If a leak is detected, our goal is to repair it within 48 hours. Subsequent inspections confirm the effectiveness of repairs, allowing us to maintain operational reliability.



Telemetry Monitoring: Approximately 75% of our combustors are equipped with alarms monitored through our telemetry system. This enables an immediate response to any combustor status changes, minimizing downtime and securing continuous emissions management.

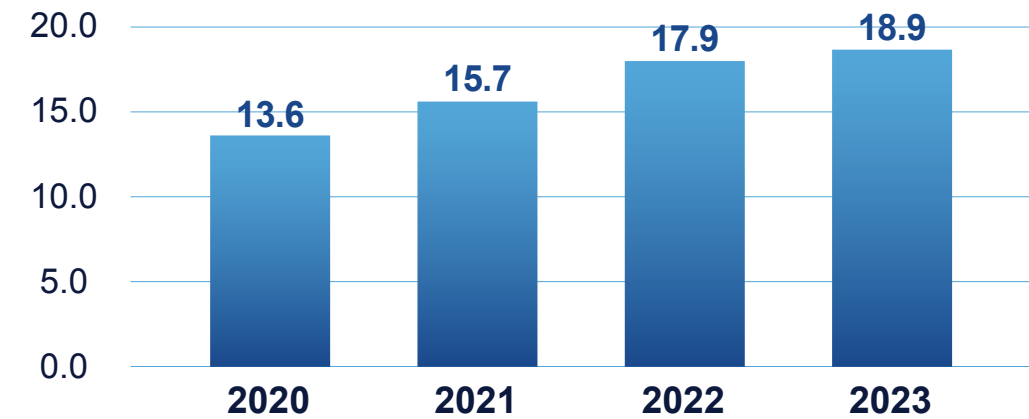


Efficiency Initiatives

- » Reduced estimated driving mileage by about 6,800 miles per month and eliminated approximately 30.2 metric tons of CO₂-equivalent emissions per year through our corporate work-from-home program
- » Reduced field driven miles by more than 27,000 miles annually through our “Operate by Exception” program, which uses remote monitoring, artificial intelligence (AI) and GPS to optimize daily routes, reducing road time for field employees and cutting emissions from gasoline and diesel engines

As a company, we are committed to Driving Results, not only in our operational efficiencies, but also in reducing our environmental impact through strategic choices in power generation and transportation.

GHG INTENSITY
 (mtons CO₂e / MBoe Produced)



» **Grid-Based Power Utilization:**
 We prioritize using electricity from the grid for production lift and fluid transfer at our well sites (when available), reducing our carbon footprint by more than half compared to traditional engine-based power sources



» **Transition to Natural Gas Engines:**
 Transitioning to cleaner-burning natural gas engines instead of diesel where feasible has not only reduced greenhouse gas (GHG) emissions but also enhanced performance, contributing to more sustainable energy production



» **Air Quality Compliance:**
 All combustion engines used for electricity generation and compression undergo thorough evaluation by our air quality team to maintain compliance with stringent state and federal permitting and emissions testing requirements, promoting cleaner operations across all our facilities

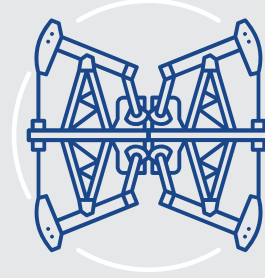


Protecting Our Natural Resources

At Canvas, we are steadfast in our efforts to preserve the natural resources and beauty of our state. We prioritize sustainable practices to protect our environment, so Oklahoma can remain vibrant and resilient for future generations.

Fresh water sources are crucial to the communities we serve, which is why we actively safeguard these resources. When drilling new wells, we set surface casing to maximum permitted depths to protect groundwater. When feasible, we even seek and obtain waivers to exceed regulatory limits on surface casing depth.

Additionally, we procure surface water from local landowners with whom we already partner and take proactive steps to ensure our actions do not contribute to water scarcity in these areas. This allows us to reduce heavy truck traffic and minimize our impact on water-stressed regions.

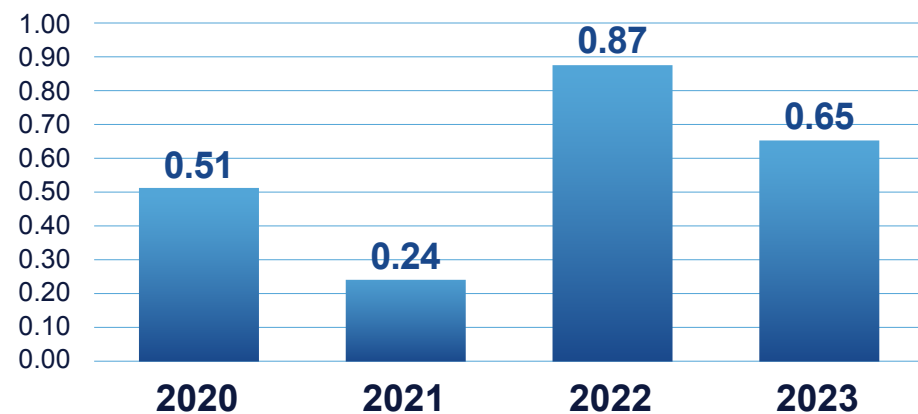


CANVAS' MULTI-WELL PAD STRATEGY IN ACTION

- » Prior to 2018, Canvas utilized separate pads – the designated area of land where one or more wells are drilled from a single location – for each of its wells. These typically occupied about 3.5 acres of land per well. We have since transitioned to drilling wells from multi-well pads (averaging 2.5 wells per pad). Since 2018, we have drilled **162 wells from 66 multi-well pads**, with **only 20 wells from single well pads**.
- » This shift has **conserved more than 300 acres of land, minimized new road construction and strengthened relationships with landowners** in our primary drilling areas. By consolidating wells onto fewer pads, we not only reduce our environmental footprint but also achieve cost efficiencies and promote sustainable land use practices.

FRESH WATER INTENSITY

(Bbl/Boe)



Spill Prevention, Protection & Control

Handling fluids like oil, gas, and produced water involves potential for spills — a risk we work to mitigate through our Zero Day mindset. This is a measure of the number of consecutive days the company goes without a spill or recordable incident. Either a spill or incident results in a reset of the “streak,” prompting immediate investigation and root cause analysis to prevent recurrence.

But Zero Days only tell part of the story. For any day to achieve Zero Day status, it requires meticulous planning and execution. This starts with our comprehensive Spill Prevention, Control, and Countermeasures (SPCC) plans, which are crafted for all storage facilities. These plans are developed in collaboration with independent engineering experts and undergo rigorous annual inspections to maintain compliance and effectiveness. Our Environmental, Health, and Safety (EHS) team oversees these efforts, promptly remediating any identified issues and implementing sustainable solutions.

We also utilize an app-based Safety Observation System (SOS), empowering all employees to report potential environmental issues swiftly. Since its rollout in 2018, SOS has facilitated reporting and remediation of more than 4,100 environmental concerns, leveraging each instance as a learning opportunity.

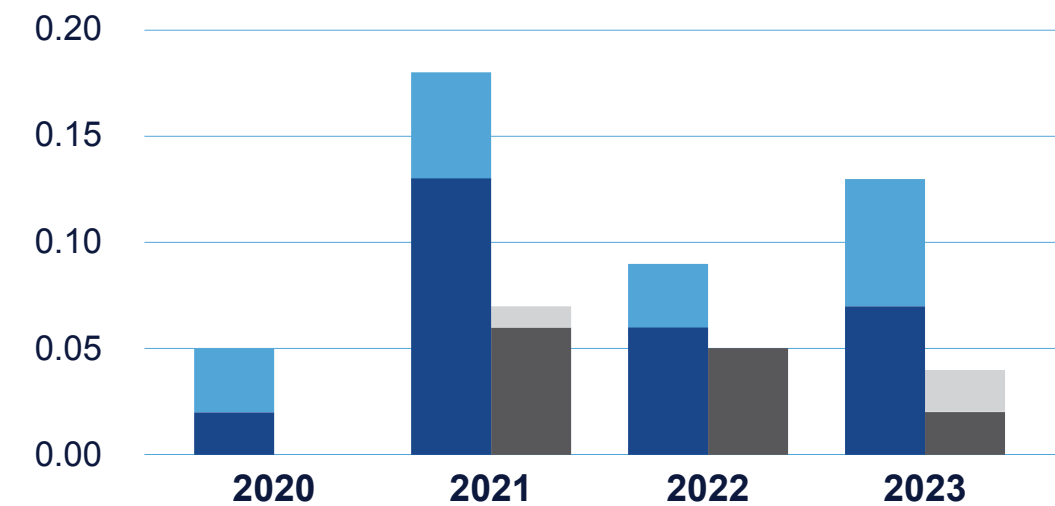
We have achieved a significant reduction of 78% in total spill volume since implementing these enhanced spill prevention measures. We continue to monitor our performance using spill intensity metrics – gross spill intensity and net spill intensity – to measure spills occurring outside primary containment.

Gross spill intensity represents the volume of liquid barrels spilled outside primary containment per 1,000 barrels of produced liquid, while net spill intensity indicates the volume of liquid barrels net of recovered barrels.



SPILL VOLUME INTENSITY: GROSS AND NET OF RECOVERED

(Bbls per 1,000 Bbls Produced)



- Gross Crude Oil/Condensate Intensity
- Gross Produced Water Intensity
- Net Crude Oil/Condensate Intensity
- Net Produced Water Intensity

Waste Management

Our waste management strategy is designed to minimize waste generation, optimize disposal methods and maximize resource reuse. At Canvas, more than 71% of our produced water is transported to disposal wells via pipelines instead of trucks. This approach reduces our carbon footprint by eliminating more than 19,000 miles of heavy truck traffic monthly and cutting approximately 320 metric tons of CO₂-equivalent emissions annually. In fact, our partnerships with water disposal providers include economic incentives favoring pipeline transport.

Additionally, we prioritize resource conservation through innovative reuse initiatives. We systematically assess opportunities to repurpose equipment and materials once considered single use, such as reusing inspected tubing and vessels in new drilling projects and repurposing unused casing. These efforts reduce waste while supporting our economic and environmental goals.

As a company, we remain dedicated to minimizing our environmental impact, conserving resources and continually improving waste management practices to achieve sustainable operational excellence.

Transported more than **71%** of produced water to disposal wells via pipelines instead of trucks

Eliminated more than **19,000 miles** of heavy truck traffic monthly

Cut approximately **320 metric tons** of CO₂-equivalent emissions annually



Valuing Relationships

BETTERING SOCIETY



“We put people first – ensuring the safety of our neighbors and co-workers, investing in our communities, and promoting wellness.”

At Canvas, we are dedicated to improving society through our actions. This commitment is evident in every facet of our operations, from fostering a robust safety culture and embracing a Zero Day mindset (a day free from spills or recordable injuries) to prioritizing the well-being of our people and contributing our time, talents and resources to strengthen the communities in which we work and call home.

We use the term “society” deliberately, as it signifies our pledge to promote safety, support the communities across our operating footprint and enhance the lives of our employees through comprehensive wellness and development initiatives. This shift in language from the broad “social” term underscores our dedication to creating meaningful and measurable change that extends beyond mere compliance and reflects our genuine commitment.





Our Safety Culture

At Canvas, safety is integral to everything we do. We believe most incidents are preventable through a robust safety culture and our Zero Day mindset. From initial planning and training to the final decommissioning of assets, safety is embedded in all stages of our operations.

When field and operational employees join Canvas, they receive comprehensive safety training. This not only meets all regulatory requirements, but it also includes specific modules

designed to address risks unique to our operations, known as the **Canvas 'Critical 10:'**

- » **Fall protection**
- » **H2S safety**
- » **Electrical hazards**
- » **Excavation procedures**
- » **Confined space entry**
- » **Mobile equipment operations**
- » **Lockout/tagout**
- » **Machine guarding**
- » **Hot work safety**
- » **Housekeeping/fire prevention measures**

We also hold monthly safety meetings at our field offices to emphasize safe behaviors. These sessions review general safety practices and recent near-incidents, ensuring our team stays updated with the latest safety practices and maintains a secure working environment.

2023 SAFETY HIGHLIGHTS

329
total
Zero Days

57
consecutive
Zero Days

1 preventable
auto accident
in more than
1 million
miles driven

ADDITIONAL SAFETY INITIATIVES



Stop Work Authority

- » Empowers every employee and contractor to halt work when imminent environmental, health and safety risks are identified
- » Supervisors are trained to support and celebrate the use of Stop Work Authority



Focus on Continuous Improvement

- » Safety updates are provided during each quarterly all-employee meeting



Innovative Safety Practices

- » Utilization of safety observation system (SOS) application for proactive identification of safety and environmental concerns
- » Rewards for employees who identify and address potential problems before incidents occur



External Validation & Improvement

- » Independent third-party surveys gauge employee perception and prioritization of safety
- » Our continuous improvement efforts maintain high safety culture scores and exceed industry benchmarks



Zero Day Mindset

One of the cornerstones of our safety culture is our Zero Day Mindset. We start each workday with a commitment to achieving a Zero Day – a day free from spills or recordable injuries. This initiative reflects our proactive approach to safety, where every new activity in the field begins with a thorough “Zero Day Site Orientation.” During these sessions, field supervisors outline tasks, review safety procedures, identify potential hazards and empower employees to discuss any safety concerns.

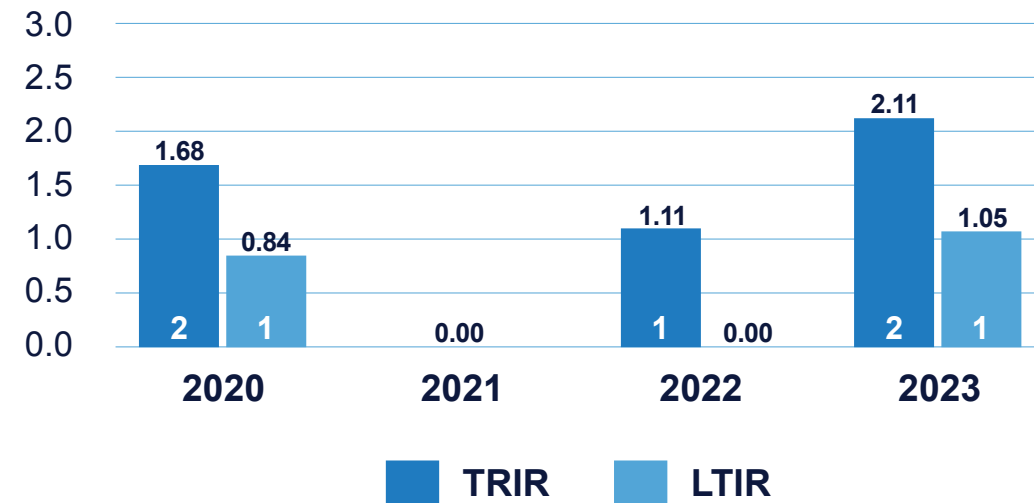
Over 90% of days in 2023 were Zero Days

2023 DISTRICT INCIDENT MILESTONES



EMPLOYEE INCIDENT RATE

(Incidents per 200,000 Work Hours)



Whole numbers indicate incidents occurring in each period



Safe Driving

Driving remains one of the most critical, yet hazardous, activities in onshore oilfield operations. That's why we prioritize safe driving practices as a fundamental part of our focus on employee well-being and operational integrity. Safe driving is not just a standard practice – it's a reflection of our core values and commitment to putting people first. By prioritizing safety on the road, we do our part to make sure our team members and neighbors return home safely each day. Canvas' overall driving compliance score, as measured by telematics software, has shown consistent improvement each month since the program began. Starting at 96% error-free miles in July 2022, Canvas' Driver Score has increased to 98.2% error-free in 2023.

In 2023, our team achieved 200 consecutive days without a preventable motor vehicle accident, covering more than 500,000 miles.

SAFE DRIVING SAVES LIVES

We believe one accident is one too many and are continually improving our safe driving practices, striving for zero preventable accidents.



Monitoring & Training

- » We rigorously track driving records and real-time habits of company vehicle operators
- » We discuss safe driving practices throughout the year during safety meetings



Technology-Driven Safety

- » GPS-based telematics help us promote and reward safe driving habits, as well as detect and address unsafe driving practices promptly



Continuous Oversight & Compliance

- » We partner with an independent third party to ensure ongoing monitoring of motor vehicle records across states, confirming all drivers meet qualification standards

Emergency Response Plans

Canvas established tailored Emergency Response Plans for each operational area over a decade ago. These plans address various emergency scenarios at field locations and our company headquarters, identifying critical decision points and detailing response actions to manage situations effectively. We review and update these plans annually to ensure they remain robust and current. They have also been tested through rigorous tabletop exercises and have proven effective during real-life emergencies.

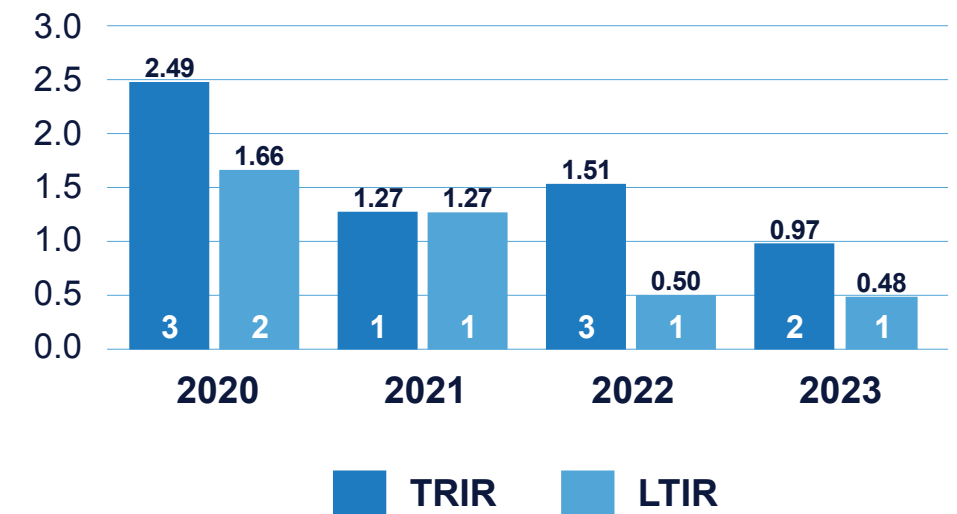
Contractor Management

Prior to working with Canvas, all contractors undergo a thorough evaluation to make sure they meet our strict safety and operational standards. This includes:

- » **Pre-contract Diligence and Evaluation:** Assessing the contractor's previous work and safety history
- » **Contractual Commitments:** Requiring contractors to adhere to our safety protocols and operational guidelines
- » **Third-Party Validation:** Submitting the contractor's safety records to an independent third party for verification

CONTRACTOR INCIDENT RATE

(Incidents per 200,000 Work Hours)



Whole numbers indicate incidents occurring in each period

Strengthening Our Communities

We take pride in our Oklahoma roots, with our employees and their families calling this great state home. Our core values drive us to be more than just a business presence in Oklahoma. Instead, we are active, invested members of our local communities striving to make them better places to live, work and grow. This commitment drives our efforts to contribute positively to local initiatives and support causes that matter most to our neighbors and employees alike.

Cultivating Local Connections

We engage with residents, landowners, policymakers, educators and local businesses to understand their views on our operations' environmental and societal impacts. Through one-on-one dialogue and public forums, as appropriate, we gather insights on their concerns and aspirations.

With this feedback, we take proactive measures to reduce our environmental footprint and support local communities. For example, we address concerns like noise and traffic by investing in sound barriers around urban well sites and prioritizing pipeline transport for over 71% of our produced water to minimize truck traffic. We also work with local authorities to reroute transportation away from sensitive areas. Efforts like these help build trust, enhance community well-being and positively impact the areas where we operate.

Volunteerism & Corporate Giving

Community engagement is at the heart of who we are. Oklahoma is our home, and we understand that our employees and their families are deeply intertwined with the communities we serve. We believe in giving back not out of obligation, but because we genuinely care about making a difference.

Our corporate giving program is driven by the passions and ideas of our team. Through surveys and open discussions, we identify and support causes that resonate with our employees and benefit our neighbors. Whether it's volunteering our time and talents, contributing resources or providing financial support, we strive to broaden our collective impact.



COMMUNITY INVOLVEMENT HIGHLIGHTS



Financial Support

- » Continued annual contributions to organizations like the United Way of Central Oklahoma and the Regional Food Bank of Oklahoma
- » These partnerships help address critical community needs and support local initiatives

Employee Volunteerism

- » Participated in community clean-up during the LitterBlitz campaign with Oklahoma City Beautiful
- » Volunteered at the Wings Thanksgiving Feast, which supports adults with developmental disabilities

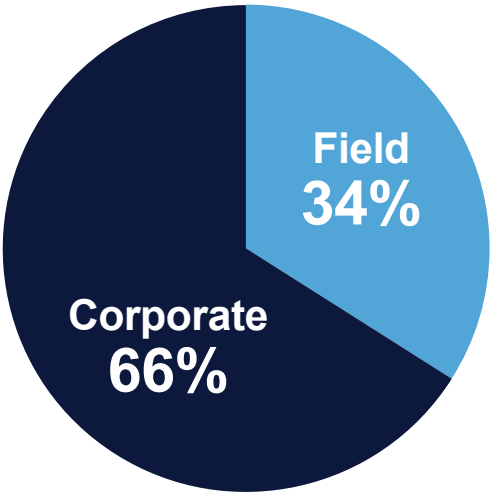
Community Engagement

- » Employees are motivated and incentivized to volunteer outside of work, with many serving as Little League coaches or referees
- » Others serve on local boards and in teaching roles, reflecting our core value of Valuing Relationships and supporting community well-being

Energizing Our Workforce

At Canvas, we prioritize the people who work with us, recognizing their integral role in our collective success. We work diligently to create an environment where every Canvas team member feels valued, supported and motivated to excel personally and professionally. This approach fosters a culture of collaboration and growth, ensuring that our workforce remains engaged and empowered to contribute positively to our company's mission and the communities we serve.

EMPLOYEE BREAKDOWN



93
Employees



In 2023, Canvas was recognized as one of Oklahoma's Top Workplaces for the second consecutive year.



Professional Development

From day one, every Canvas employee receives comprehensive training, valuable mentorship and opportunities to gain diverse experiences, ensuring they are set up for success. Led by seasoned industry professionals, our teams offer deep expertise and mentorship, encouraging a broad spectrum of skills development and cross-functional collaboration.



EMPLOYEE GROWTH & DEVELOPMENT

Our annual cross-functional initiatives have boosted cash flow by over \$31 million from 2020 to 2023, driven by employee ideas and teamwork across disciplines



Our Qualified Educational Assistance Program (QEAP) supports full-time employees with over six months of service, reimbursing tuition, books and fees for approved courses up to \$5,250 per year



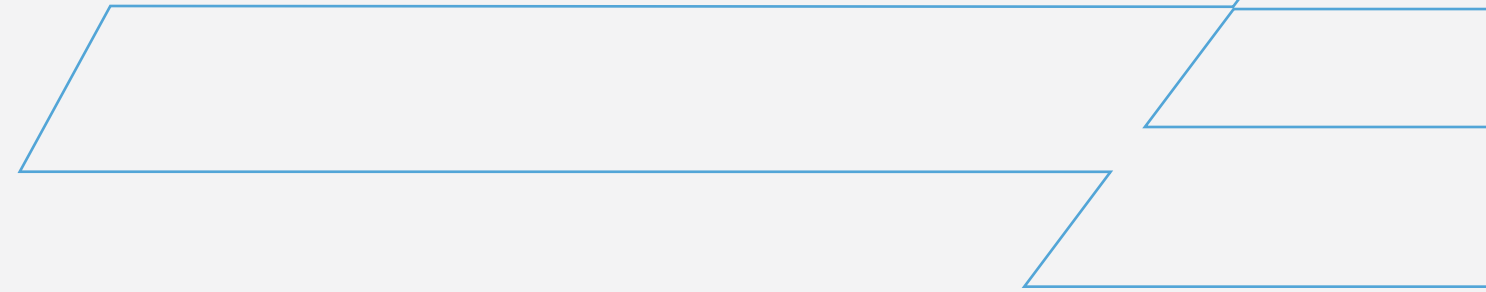
We sponsor renewals, certifications and multi-modal training to keep our team up-to-date with industry advancements

Championing a Diverse & Inclusive Culture

Canvas values a diverse workforce, believing that varied perspectives and experiences drive innovation and success. We foster an inclusive culture that embraces different viewpoints and promotes equal opportunity, reflecting the richness of our communities and empowering every individual to share his or her unique talents.

Health & Wellness

We prioritize employee well-being through a comprehensive approach focused on prevention, healthy living and accessible healthcare. Our wellness programs have kept medical insurance premiums flat or below national averages. We partner with a third-party administrator to provide high-quality care with transparent, bundled pricing, reducing overall healthcare costs and out-of-pocket expenses.



EMPLOYEE WELLNESS BENEFITS HIGHLIGHTS



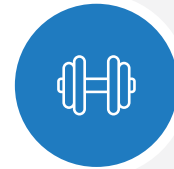
Discounts on health insurance premiums for completing wellness requirements, including an annual physical, preventative care and community volunteerism (encouraged during work hours)



Covers annual physical exams, vision and dental exams, colonoscopies, mammograms, prostate exams and well-woman exams



Flexible work-from-home policy for many corporate employees



Quarterly fitness membership reimbursement



Life Assistance Program (LAP) offers confidential support for childcare, financial advice, stress management, legal aid and behavioral health services



Weight management and tobacco cessation program reimbursement



Leading with Integrity

EFFECTIVE GOVERNANCE

“Our culture is built on integrity and accountability through regular and transparent communication.”

At Canvas, our core values are more than just words on a poster – they are the guiding principles that shape our actions and decisions every day. We believe in Leading with Integrity, and this commitment is reflected in our governance practices. Our Board of Directors, senior executives and employees are dedicated to maintaining high ethical standards, mitigating risks, engaging shareholders and fostering an open and inclusive workplace. By embedding our core values into our

governance framework, we ensure that Canvas operates safely, responsibly and in the best interests of our stakeholders.

Though privately held, Canvas’ corporate history and our team’s extensive experience have led us to adopt governance standards that emulate those expected of a public company. This alignment boosts our credibility, confirms our commitment to strong oversight and helps us attract top talent.



TRANSPARENCY IN ACTION

Effective governance means prioritizing open and honest communication. Each quarter, following Canvas’ Board of Directors meeting, our CEO holds an all-employee meeting to share updates and insights about the company. Employees hear directly from the management team about recent developments, allowing for transparency both up and down the organization. Corporate employees join in person, while field employees participate via Zoom.

During the COVID-19 pandemic, our CEO increased the frequency of these meetings to a weekly schedule, keeping everyone engaged and informed during a challenging, unpredictable time. This approach reflects just one way we promote openness and accountability at every level of Canvas.

BOARD OF DIRECTORS

	Shareholder Representative	Independent Representative	Employee Representative	Financial Expert	Industry Specialist	Chief Executive Experience	Audit Committee	Compensation Committee
Charles (Chuck) Duginski		●		●	●			
James (Jim) Addison	●			●	●			●
Samuel Barker	●		●					●
Craig Carlozzi	●		●				●	
Jason Hammerman	●		●				●	
Craig Kelleher	●		●		●			●
Randy Limbacher		●		●	●	●		

Board Overview

Canvas' Board of Directors plays a pivotal role in guiding our company's strategic direction and upholding effective governance practices. Composed of shareholder designees, as well as independent and employee directors with deep industry experience, the Board is dedicated to promoting operational excellence and ethical leadership.

Under the leadership of Canvas' Chief Executive Officer, who serves as Board Chair, our Board prioritizes open communication and alignment between management and shareholders. It oversees key governance functions through dedicated committees, including the Audit and Compensation Committees. Although these committees are not required of Canvas, the Board has chosen to maintain them to ensure diligent oversight and advisable practices in critical areas like financial reporting, executive compensation and governance.

We expect a substantial investment of time and resources from our Board members, and they work diligently to fulfill their responsibilities. Our Board members are dedicated to Canvas and prioritize their focus on the company by limiting their service on other boards. Similarly, our CEO does not hold positions on any other corporate boards. Each director is actively engaged, attending at least 80% of scheduled Board and committee meetings. Comprehensive and anonymous evaluations of Board and committee performance occur annually to guide our efforts to ensure we have high functioning bodies populated by leaders with an appropriate mix of skills, experiences and perspectives.



BOARD COMMITTEES



Audit Committee

- » Composed of non-employee directors and chaired by a seasoned financial executive
- » Oversees risk management, financial reporting, internal controls and compliance
- » Regularly reviews and discusses the effectiveness of the company's disclosure controls, internal financial reporting controls and any proposed enhancements
- » Regular executive sessions allow for candid discussions without management presence, reinforcing transparency and accountability in financial oversight
- » Operates independently of management



Compensation Committee

- » Composed of non-employee directors and chaired by an executive with extensive experience in both public company and private equity models
- » Responsible for reviewing and approving executive compensation plans, aligning them with company performance and shareholder interests
- » Operates independently of management

To ensure transparency and accountability, no shareholder has more than one representative on either committee, and the CEO refrains from committee membership to avoid undue influence. Like the Board itself, each committee holds regular executive sessions without the CEO or management present, encouraging candid discussions. However, all directors are welcome to participate in regular committee sessions. Additionally, other functions typically held by committees, such as Governance and Nominating Committees, are addressed by our full Board. This approach enhances Canvas' governance, fostering comprehensive oversight and collective responsibility.

Ethical Standards

At Canvas, we hold ourselves to the highest ethical standards in our daily business activities. We expect every director, officer and employee to strictly adhere to our Code of Business Conduct and Ethics, which guides us in aligning our business decisions with our core values of Pursuing Excellence, Valuing Relationships, Driving Results and Leading with Integrity.

We foster a culture of open and transparent communication at Canvas, encouraging all stakeholders to report any ethical concerns or complaints. We provide an anonymous, 24-hour hotline, managed by a third-party, for reporting such issues. This hotline

connects directly to a cross-disciplinary ethics committee with senior executive sponsorship. Members of this committee operate independently and report directly to the CEO to maintain impartiality in handling concerns.

The availability and functionality of the hotline, along with the composition of our Ethics Committee, are prominently featured on our company website and intranet. This accessibility empowers employees to voice concerns without fear of retaliation. Any ethical violations or inappropriate behavior are addressed promptly and can result in remedial actions, including termination when necessary.

Supplier Relations

We recognize the pivotal role our contractors and suppliers play in our company's success, and we pride ourselves on maintaining ethical business relationships with these organizations and individuals. When identifying potential contractors or suppliers, we prioritize alignment with our core values. Through this approach, our partnerships not only enhance operational efficiency but also uphold our commitment to integrity and responsible business practices.

Since Canvas' recapitalization, there have been no transactions involving any company, organization, entity or individual connected to a director, officer or 5% shareholder.

ETHICAL PROTOCOLS & PRACTICES



Maintains a Related Party Transaction Policy, which requires prior approval by the Audit Committee of any material transaction between the company and any officer, director or 5% shareholder



None of the company's directors or officers serve on the boards or management teams of competing companies



Conduct annual surveys of directors, officers and significant shareholders to identify any affiliations with other entities



Managing Risk

Acknowledging the critical role of risk management and oversight in our business success, Canvas has established a robust risk management program. This program is designed to systematically identify, assess and mitigate various risks across our operations.

Guided by our Audit Committee and senior executives, we at least annually conduct a comprehensive evaluation of risks across multiple categories. Teams composed of subject matter experts work to identify inherent risks, assess their severity, probability and velocity, and evaluate the effectiveness of existing mitigation measures. We also explore innovative strategies to further enhance our risk mitigation efforts, so our approach can remain agile and effective.

RISK MITIGATION PRACTICES



Proactive measures are taken to address emerging risks, including cybersecurity threats



Financial statements are audited annually by independent registered public accountants to maintain compliance with Generally Accepted Accounting Principles (GAAP) standards



Oil and gas reserves undergo annual audits by independent reservoir engineers to validate accuracy and reliability



Our Audit Committee regularly reviews and enhances disclosure controls and internal financial reporting controls



Prompt corrective actions are taken to address any identified deficiencies, with management reporting on remediation efforts

RESERVE ACCURACY & AUDIT EXCELLENCE

As a company, we uphold stringent standards in financial integrity and audit assurance, maintaining transparency and reliability in our financial reporting and reserves management.

Over the past four years, independent assessments of our oil and gas reserves have consistently aligned closely with our internal estimates, with deviations on both volumetric and value bases not exceeding 5%. Our practice is to adopt the independent auditor's estimate as our official year-end reserves. This validation underscores the accuracy and reliability of our reserve estimation practices.

Our financial statements undergo annual audits by independent registered public accountants, adhering to GAAP. Our auditors have consistently provided unqualified opinions, affirming the integrity of our financial reporting practices.

Employee Focused

At Canvas, we understand that building a strong connection between management and employees is crucial to our success. We believe that transparent and continuous communication empowers our employees and aligns their efforts with our strategic vision.

Our CEO and management team engage with employees through various channels, including regular all-employee meetings that are both in-person and virtual. These sessions offer a platform for employees to interact directly with executive management, ask questions and share feedback in real time – letting every voice be heard and valued.

In addition to company-wide meetings, our executives hold weekly meetings with their direct reports, including remote employees. This consistent dialogue helps us stay attuned to the needs and perspectives of our workforce, fostering a culture of openness and collaboration.

We also prioritize incorporating employee feedback into our decision-making processes. By actively listening to our employees, we can make informed decisions that reflect the collective insights and experiences of our team. This collaboration helps us cultivate long-term, productive relationships that are essential to our company's growth and success.

Our compensation program is designed to recognize and reward the contributions of our employees and executives. By linking compensation to both short-term performance and long-term value creation, we motivate our team to achieve excellence across all areas of the company. Operational and financial metrics focus on driving cash flow and growth, while ESG measures incentivize continuous improvement in environmental and safety performance.

This holistic approach to compensation reflects our commitment to sustainable success. By aligning individual rewards with the company's broader goals, we create a motivated and engaged workforce dedicated to achieving our shared vision.

Shareholder Engagement

We actively engage in transparent, two-way communication with our shareholders and other stakeholders. Shareholder rights are valued and protected, with all shareholders party to a shareholder's agreement that provides specific contractual protections. Our single class of common stock allows for equal voting rights for each share, and shareholders enjoy "tag-along" rights for proposed transfers of a majority of shares of our common stock.

We work diligently to keep stakeholders informed and educated on relevant business decisions. All shareholders have access to annual and quarterly financial statements on a schedule comparable to public companies. All shareholders are invited to attend an annual, live conference call with management, which includes a Q&A session, fostering transparency and open communication between shareholders and company leadership.





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