



EQUITABLE
ORIGIN
CERTIFIED



VERMILION
E N E R G Y



Site Overview

Certificate Issuer:	Equitable Origin, Inc.
Certificate Number:	EO100-30092024-123-CAN
Operator:	Vermilion Energy Inc.
Certifiable Unit Name:	<i>West Pembina Operations</i>
Certification Standard:	EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022)
Location of Certified Unit:	Drayton Valley, Alberta, Canada
Area:	480,000 net acres
Production Volume:	Approximately 175 mmcf/d
Number of Employees:	Approximately 60
Segments of Supply Chain Covered:	Natural Gas Production
Re-Certification Date:	30 September 2024
Re-Verification Date:	30 September 2025
Expiration Date:	29 September 2027
Assessment Period:	July to September 2024
Assessment Body:	Impact Resolutions Ltd.

ABOUT THIS REPORT

The purpose of this report is to publicly document the EO100™ Certification assessment conducted of Vermilion Energy Inc. (VEI) natural gas operations in Drayton Valley, Alberta, Canada. The assessment scope covered VEI's *West Pembina Operations*, detailed below, which were treated as one Certifiable Unit.

The EO100™ Standard for Responsible Energy Development is a set of rigorous performance standards for energy development projects. Developed through an extensive multi-year, and multi-stakeholder [engagement process](#), the EO100™ Standard is the product of extensive consultation with over 1,000 representatives from the energy industry, international NGOs, Indigenous Rightsholders, financial institutions, government officials, and communities affected by energy projects. The Standard establishes metrics and performance targets that aim to objectively and independently evaluate environmental, social and governance (ESG) impacts of energy development projects. The EO100™ Standard includes a Technical Supplement for Natural Gas and Light Oil Production that was originally released in 2017 and updated in 2022.

In selecting the management obligations, metrics and performance targets to represent under these Principles, the EO100™ Standard synthesizes leading international and sectoral Environmental, Social and Governance Performance standards, initiatives and reporting frameworks, including: international human rights standards and conventions (Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights), IFC Performance Standards, Global Reporting Initiative, ISO 26000, AA1000 Assurance Standard, ISO 14001, ISO 45001, Oil and Gas Methane Partnership, the Task Force on Climate Related Financial Disclosure, and the Extractives Industries Transparency Initiative. These global and sectoral good practice benchmarks are selected and codified as specific and auditable indicators, with the guidance of a multi-stakeholder expert Advisory Committee. Standards are reviewed periodically to remain consistent with evolving guidelines, benchmarks and expectations.

A total of over 500 metrics are incorporated in the EO100™ Standard and associated project-related Supplement that are grouped under the following Principles:

1. Corporate Governance, Transparency & Ethics
2. Human Rights, Social Impact & Community Development
3. Indigenous Peoples' Rights
4. Fair Labor & Working Conditions
5. Climate Change, Biodiversity & Environment

The EO100™ Standard allocates over 500 of these metrics across three successive levels of Performance Targets (PTs):



- PT1 targets “meet” global or sectoral “good practice” benchmarks;
- PT2 targets “exceed” or go beyond these benchmarks in terms of transparency, management or stringency, or operational performance;
- PT3 targets represent “leadership” and achievement of sector best practices in this area of management or operational performance.

Scoring of an Energy Development Project against the EO100™ Standard and relevant Supplements is undertaken annually by an expert Assessment Body based on representative sampling of a cross section of observation points following documented procedures and international assurance good practice, including periodic site visits and interviews. The Assessment Body is required to substantiate their recommended scoring based on evidence provided by the Operator, and on their observations gathered onsite, through interviews and document review. The Assessment Body’s findings are subject to expert peer review and periodic Witness Assessment by EO, to ensure consistency of interpretation across sites and assessors.

Participating Producers must at least partially meet all applicable ~270 PT1 targets to achieve certification under the Standard, score a minimum of 70% overall, and commit to fully meet all applicable PT1s by the end of the first 3-year certification cycle. Additional points are awarded for achieving PT2s and PT3s, which indicate that the producer has gone beyond industry good practice to demonstrate leadership and innovation.

Established in 2009, Equitable Origin is a non-profit 501(c)3 charity based in the US that partners with business, communities and government to incent and reward more transparent, equitable, and sustainable development of energy resources through standards and certification. Our mission is to protect people and the environment by ensuring that energy development is conducted under the highest social and environmental standards.

Read more about our Standards here:

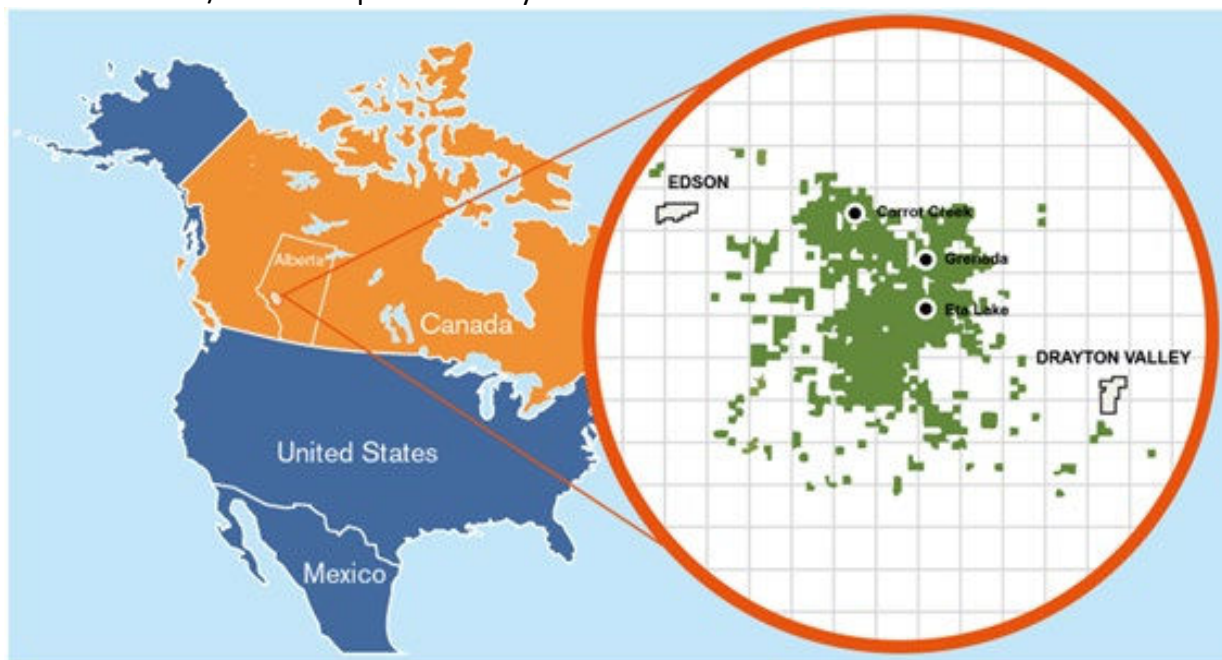
<https://energystandards.org/responsible-energy-development/>

Site Profile

Vermilion Energy Inc (VEI) is an international energy producer with corporate headquarters in Calgary, Alberta. VEI shares trade on the Toronto Stock Exchange under the symbol VET and on the New York Stock Exchange under the same symbol. A significant portion of VEI's Canadian production and assets are in the West Pembina area, northwest of Drayton Valley, Alberta, or approximately 160 kilometres west of Edmonton, in central Alberta.

The *West Pembina Operations* include operating facilities at Carrot Creek, Cynthia, Eta Lake, Ferrier, Granada, McLeod River, Sunchild and Lodgepole that produce natural gas, natural gas liquids, and light oil. VEI's land position includes approximately 480,000 net acres in West Pembina with over 250,000 net condensate-rich Mannville acreage around the Drayton Valley area and high-productivity, liquids-rich gas acreage near Ferrier. It holds a 100,000 net acre land position in the West Pembina Cardium resource play. The Certifiable Unit's position is the most dominant portion of VEI's Canadian Business Unit (CBU) production.

VEI's drilling activities generally occur each year during the winter drilling season to facilitate logistics and reduce impacts during equipment transportation. VEI uses water-based drilling fluids and directional drills horizontally for 1 to 2 kilometres. VEI has also standardized its Cardium oilwell packages with electric drive pumping units and Mannville NGL sites with full solar-electric or solar-electric/low-bleed pneumatic hybrid controls.





Early in 2021, VEI announced its aspirational goal of net-zero emissions in its operations, specifically Scope 1 and Scope 2 emissions, by 2050. VEI has set two interim targets in support of this goal: to reduce Scope 1 emission intensity from its operations by 15 to 20% by 2025, using 2019 as the baseline year, and to reduce Scope 1 and 2 emission intensity by 25 to 30% by 2030, again based on 2019. Planned activities to accomplish this goal within its business units with higher emissions intensities will have an initial focus on efficiency, including process changes, venting reductions, instrumentation upgrades from gas to air and power efficiency options, along with improved metering and field measurements.

Stakeholders

In the course of operating this Certified Unit, VEI engages with:

- Investors
- Staff
- Communities
- Government
- Partners and suppliers

Indigenous Peoples and Rights Holders:

Equitable Origin-approved independent Assessors, Impact Resolutions Ltd., reports that VEI operating facilities are within the traditional territories of five Treaty 6 Signatory communities, including Paul First Nation, Alexis Nakota Sioux Nation, Alexander First Nation, O’Chiese First Nation, and Enoch Cree First Nation.

Assessment Activities

VEI engaged Equitable Origin-approved independent Assessors, Impact Resolutions Ltd., to conduct the recertification assessment of their operations from July to September 2024.

To assess conformance of the Certifiable Unit to the associated performance obligations, the assessment team conducted verification activities including a desktop review of policies, standards and procedures, internal interviews with employees, consultants and management, and external interviews detailed further below.

A one-day site investigation took place in August 2024 across the development region focusing on recently acquired facilities and reclamation sites. The Assessors performed observations at 13 facility locations. This Assessment reviewed previously identified concerns related to soil erosion sedimentation, invasive plant management, hydrocarbon stains, and Greenhouse Gas emissions. The range of facility locations allowed GHG emissions investigation to review the full range of site types, including aging sites where operational efficiency was utilized, updated sites where low bleed mechanics were applied and recent sites where VEI adopted electrification upon start-up.

As part of this work, Impact Resolutions spent approximately three days performing desktop reviews, reviewed 137 documents, and (from 22 requests) conducted 12 interviews with external stakeholders and 17 interviews with internal stakeholders. In addition, the Assessors reviewed applicable regulations and guidance documents from the Alberta Energy Regulator (AER), including relevant content found on the AER Dashboard.

The Assessors made interview requests via email and phone to representatives of the five First Nations on whose traditional territories VEI's West Pembina asset has operating activity. Alexander First Nation (AFN) and Paul First Nation (PFN) acknowledged the request and were willing to participate.

Certification Results

Based on the information obtained, Impact Resolutions finds that VEI has met the requirements for the continued certification of its *West Pembina Operations* in Drayton Valley, Alberta, Canada, to the EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022).

This recertification assessment concludes that VEI has succeeded in meeting or partially meeting all the applicable Level 1 Performance Targets (see Figure 1, below). During this recertification assessment, VEI confirmed that its continuous improvement plan would continue its focus on development of management systems and documentation where needed. Furthermore, additional engagement and relationships must be developed and improved with Indigenous Peoples.

The Assessors recommend that VEI operations increase vegetation control measures, including personnel training on noxious weeds. Some erosion control mechanisms and vegetation management control have been installed to date, but more work is required to meet the Standard's requirements fully. Sites developed within the past few years have improved erosion and sediment control outcomes and vegetation management control within the Asset.

Over the past year, VEI was able to complete the recommended actions in its Continuous Improvement Plan, which resulted in several Performance Target Level 1 performance objectives being met in the areas of: Management Systems, Transparency & Disclosure, Human Rights & Security Personnel, Resettlement, Cultural Heritage, Child Labor, Forced Labor, Equal Opportunities & Treatment, Environmental Management & Mitigation, Waste Production & Management, Remediation & Environmental Liabilities, Closure & Restoration, Biodiversity & Ecology, Air, Water, Land, Land Restoration, and Visual and Ambient Impact.

VEI has been provided with a list of the remaining gaps identified during this recertification for incorporation into the Continuous Improvement planning process initiated following the first year's certification assessment. Outstanding gaps, including additional gaps added during reassessment from 2022 re-verification, have been identified within the continuous improvement plans for 2024/2025.

Table 1 shows the results summarized by Principle for each Performance Target level.

Table 1: Summary Results by Principle

B-
Letter Grade

Principle	2024 Re-Certification Assessment
1: Corporate Governance, Transparency & Ethics	98%
2: Human Rights, Social Impact & Community Development	96%
3: Indigenous Peoples' Rights	84%
4: Fair Labor & Working Conditions	100%
5: Climate Change, Biodiversity & Environment	83%

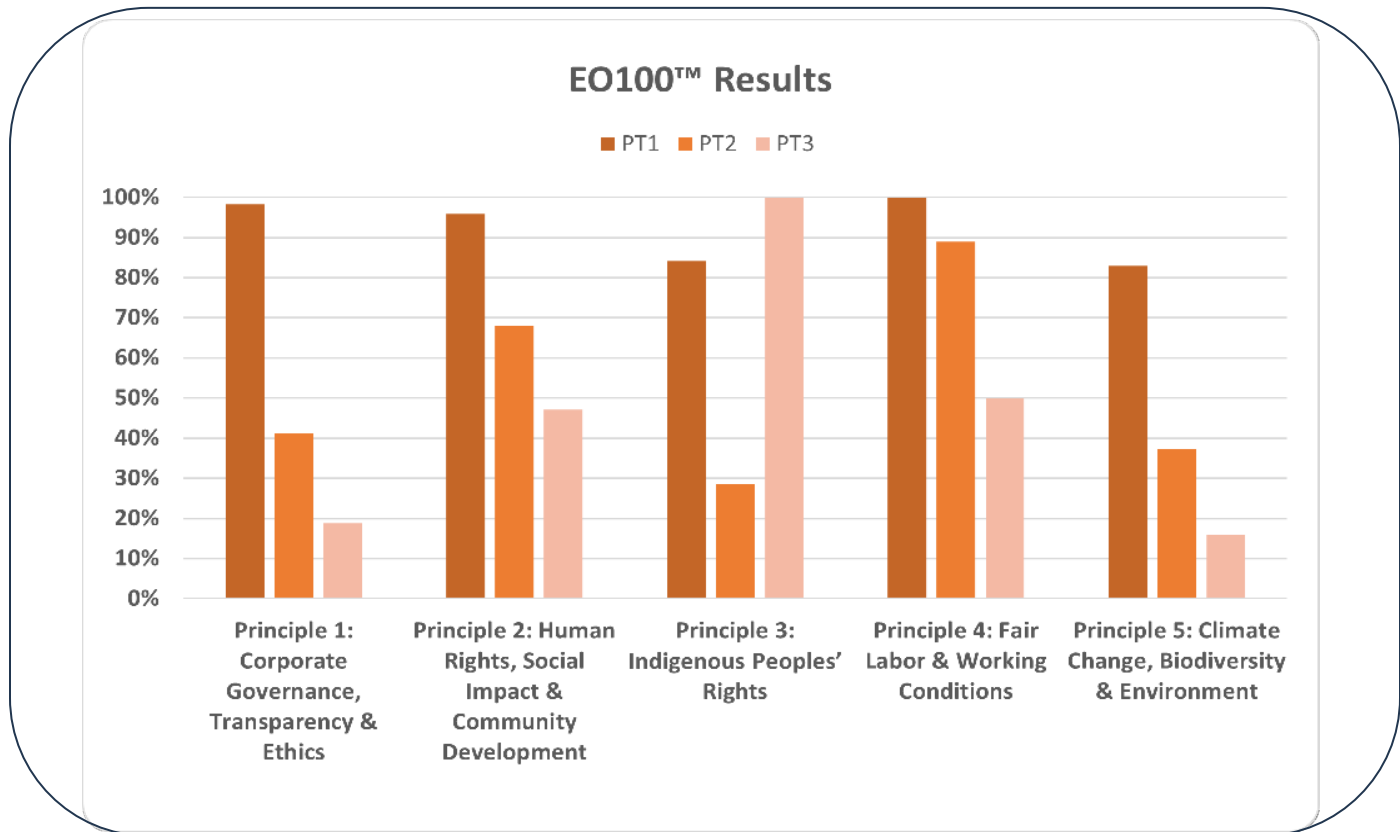


Figure 1: EO100™ Re-Certification Assessment Results

EO100™ Certificate



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ENERGY

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Assessor: Impact Resolutions Ltd.

B-
Letter Grade


Jason Switzer
CEO, Equitable Origin

Contact Information:

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If organizations or individuals have concerns, complaints, or comments about the operator's EO100™ Certification, they should first contact the Certified Operator directly: 1-866-895-8101.

Equitable Origin: contact@equitableorigin.org

For more information on Equitable Origin's Certification System Comments, Complaints and Appeals processes, please visit our website: www.energystandards.org.