

Vermilion Energy Inc.

VERMILION
ENERGY

Modern Slavery Report: FY2023



Introduction

This is the Modern Slavery Report (“the Report”) for Vermilion Energy Inc. (“Vermilion”, “we”, “our”), including our material subsidiary Vermilion Resources, for the year ending 31 December 2023.

Vermilion is an international energy producer headquartered in Canada, with global operations spanning North America, Europe and Australia. As a responsible energy producer, we focus on three priorities: the safety of our operations and our communities, environmental stewardship, and profitability – in that order. Our efforts to identify and mitigate modern slavery risks, including forced labour and child labour risks, in our own operations and in our supply chain, align with our focus on safety.

The purpose of this Report is to provide an overview of Vermilion’s commitments and efforts to address potential modern slavery risks in our operations and supply chain in accordance with Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (“Canada’s Act”) and Australia’s *Modern Slavery Act* (“Australia’s Act”) (Canada’s Act and Australia’s Act collectively, “the Acts”). It provides details relating to our structure, operations and supply chain, and an overview of associated modern slavery risks, including key mechanisms adopted and actions taken to assess and address modern slavery risks.

This Report was approved by the principal governing body of Vermilion, the Board of Directors, on May 21, 2024.

Definitions

This report has adopted the definitions of modern slavery, forced labour and child labour in accordance with the Acts.

Further, we follow the modern slavery definition from the ILO Forced Labour Convention (No. 29) (1930) as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.”

In practical terms, modern slavery is used to describe a wide range of exploitive labour practices in which a person is forced to work under threats or penalties. Specifically, we understand that modern slavery can include the following types of human exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

Human Rights Policy

Vermilion Energy is committed to respecting human rights in its business and operations as represented by the United Nations Universal Declaration of Human Rights and the Conventions of the International Labour Organization. All directors, officers, employees, contractors and suppliers must comply with all applicable human rights laws and regulations, and the Corporation's policies and standards, whichever are higher, with respect to human rights.

To be clear, Vermilion will not tolerate human rights abuses within its own operations or in its supply chain. This extends to human rights as informed by the UN Guiding Principles on Business and Human Rights, including addressing risks of modern slavery, forced labour and child labour, while respecting rights related to freedom of association and collective bargaining.

Whistleblower Policy: Also known as our "Reporting of Inappropriate Activity Policy", this policy works in alignment with our Human Rights Policy, providing for anonymous reporting of concerns from any stakeholder, whether inside or outside Vermilion. Our policy also prohibits retaliation, harassment or discrimination against anyone making a complaint or reporting a concern.

Structure

Vermilion is incorporated pursuant to the provisions of the *Alberta Business Corporations Act*, and is headquartered in Calgary, Alberta, Canada. It directly controls its material subsidiary Vermilion Resources, which holds Vermilion's Canadian assets. Vermilion is listed on the Toronto and New York Stock Exchanges.

Activities

Vermilion is an international energy producer that seeks to create value through the acquisition, exploration, development and optimization of producing assets in North America, Europe and Australia. Vermilion's operations are focused on the exploitation of light oil and liquids-rich natural gas conventional and unconventional resource plays in North America and the exploration and development of conventional natural gas and oil opportunities in Europe and Australia.

Vermilion's business is managed at the country level through business units which form the basis of our operating segments. These business units and the material crude oil and natural gas properties, facilities and installations in which Vermilion has an interest as of our 2023 Annual Report publication on March 6, 2024 are shown below.

Business Unit	Production (boe/d)	Oil sales (\$ millions)	NGL sales (\$ millions)	Natural gas sales (\$ millions)	Sales (\$ millions)	Gross Proved Reserves (mboe) ⁽¹⁾	Gross Proved Plus Probable Reserves (mboe) ⁽¹⁾
Canada	50,503	621,985	68,753	170,653	861,391	172,715	278,475
France	7,584	285,626	—	—	285,626	26,015	35,846
Netherlands	4,768	2,306	—	184,548	186,854	4,646	11,327
Germany	5,310	57,464	—	138,017	195,481	16,547	29,032
Ireland	8,520	74	—	302,330	302,404	16,258	23,371
Australia	1,492	36,381	—	—	36,381	7,563	11,921
United States	5,754	129,775	15,240	6,143	151,158	22,970	37,565
Central and Eastern Europe	63	—	—	3,260	3,260	1,670	2,302
Total	83,994	1,133,611	83,993	804,951	2,022,555	268,385	429,838
North America	56,257	751,760	83,993	176,796	1,012,549	195,685	316,040
International	27,737	381,851	—	628,155	1,010,006	72,700	113,798

⁽¹⁾ "Gross Reserves" are Vermilion's working interest (operating or non-operating) share before deduction of royalty obligations and without including any royalty interests of Vermilion.

Our countries of operation are described below.

Canada: Vermilion's Canadian operations are primarily focused in the West Pembina region of West Central Alberta, in southeast Saskatchewan and Manitoba, and in the Mica property straddling the Alberta and British Columbia borders. In West Pembina, the Company targets condensate-rich Mannville natural gas and Cardium light oil, while in southeast Saskatchewan and Manitoba the Company targets light oil in the Mississippian Midale, Frobisher/Alida and Ratcliffe formations. At Mica, the Company targets tight oil and shale gas in the Montney formation.

United States: Our US operations include mineral land and producing oil assets in the Powder River Basin of northeastern Wyoming, specifically in the Hilight crude oil field. The majority of our working interest ownership in Wyoming is company-operated.

France: Vermilion is the largest oil producer in the country with approximately two-thirds of the domestic market share. Our main producing areas in France are located in the Aquitaine Basin southwest of Bordeaux, France and in the Paris Basin just east of Paris. The two major fields in the Paris Basin area are Champotran and Chaunoy and the two major fields in the Aquitaine Basin are Parentis and Cazaux.

Netherlands: Vermilion is the second largest onshore operator in the country. Our Netherlands assets consist of onshore (100% operated) and offshore concessions (non-operated), with production primarily natural gas with a small amount of associated natural gas liquids.

Germany: Our producing assets in Germany consist of operated and non-operated interests in 11 natural gas fields and 9 light and medium crude oil fields with extensive infrastructure in place.

Ireland: Vermilion has a 56.5% operated interest in the offshore Corrib natural gas field and related processing facilities located off the northwest coast of Ireland. Corrib first began natural gas production in late December 2015, and constitutes 100% of Ireland's domestic natural gas production.

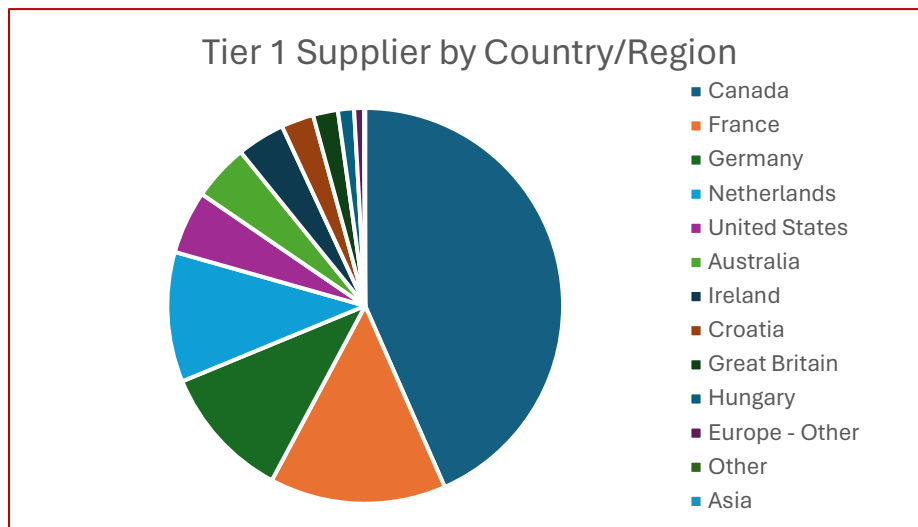
Central and Eastern Europe: The CEE business unit manages the exploration and development opportunities associated with the Company's land holdings in Hungary, Slovakia and Croatia.

Australia: Vermilion holds a 100% operated working interest in the Wandoo offshore crude oil field and related production facilities, located on Western Australia's northwest shelf. Production is sourced from two platforms, Wandoo 'A' and Wandoo 'B', the latter of which is permanently manned.

Supply Chain

Vermilion engages with two types of suppliers that are essential to our operations: suppliers of materials and equipment, and suppliers of services. Vermilion typically negotiates mutually acceptable terms with its suppliers; however, there are instances where our negotiating ability is limited (e.g. liabilities, insurance and indemnification). Once agreements are established, Vermilion does not typically enact a high level of influence over suppliers of key materials or equipment. We enact a higher level of influence over suppliers providing services at our facilities, as risks may be considered to be substantially increased.

During the reporting period, Vermilion's supply chain comprised 7,373 first-tier suppliers of goods and services, and \$1.2 billion in spend, with the vast majority (95%) based in our countries of operation.



Risks, Policies and Due Diligence Processes

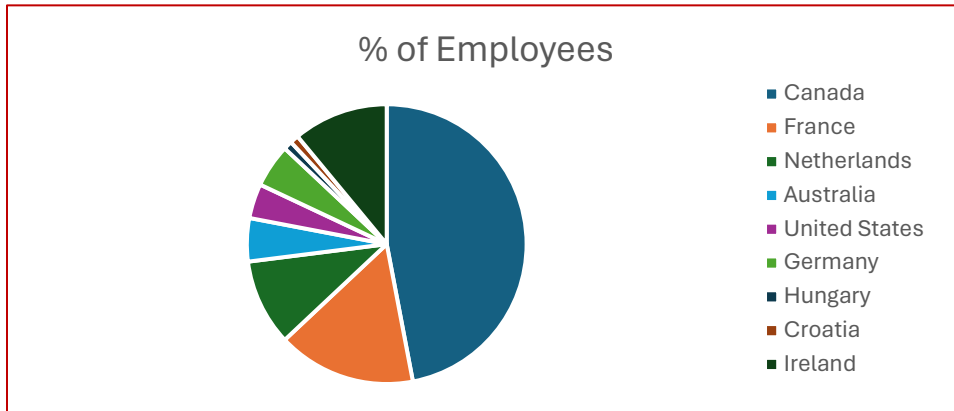
Own Operations

Risks

We have undertaken a review of our operations to understand the potential risks relating to modern slavery. In doing so, we have reviewed resources and guidance provided by the Global Slavery Index and the United Nations Global Compact. It is noted that these organizations identify modern slavery risks as higher in industries:

- Considered at-risk in our countries of operation: agriculture, construction, domestic work, meat processing, cleaning, hospitality and food services
- With complex or changeable multinational supply chains
- With higher proportions of migrant workers, and
- With operations in countries with weak human rights regulations.

As at December 31, 2023, we had 740 full-time employees, located in North America, Europe and Australia:



Our operations are based in countries with clear human rights legislation, and our workforce comprises primarily permanent, locally based employees. During the reporting period, we did not engage the services of base-skilled employees, international migrant workers or other workers that would typically be considered more vulnerable to exploitation.

Policies

We have developed appropriate policies and procedures to ensure that all employees are treated equally and all conduct falls within our expectations around ethical business practices and compliance; key policies are summarized below.

Code of Business Conduct and Ethics, which includes but is not limited to conflicts of interest, compliance with the law, outside business interests, confidential information and securities trading, retention and destruction of records, accounting and auditing, fair dealing, non-profit and professional association, human rights, workplace conduct and safety, reporting of inappropriate activity, no retaliation, responsibility, and improper payments, including bribes and facilitating payments.

Anti-Corruption, Sanctions and Anti-Money Laundering Policy, which includes but is not limited to improper payments, facilitating payments, due diligence, agents, contractors in high-risk jurisdictions, foreign joint ventures, employment of public officials, violations, audit, private-to-private corruption, workplace conduct and safety, economic sanctions, anti-money laundering compliance, reporting and corrective action.

Discrimination, Harassment and Workplace Violence Policy, which ensures that all staff are provided with the opportunity to work in a supportive environment within which individuals are treated with respect, provided with equal opportunities, and kept free of discrimination, harassment and violence from other staff, and that they understand the different reporting options.

Fair Culture Policy, which provides fair and consistent procedures to review, investigate, document and resolve events or potential violations of company policies and guidelines or local laws. These Fair Culture policies apply to all Vermilion staff and third parties performing work in all our business units.

Due Diligence

Policy Compliance. To ensure that 100% of our employees have confirmed that they understand the policies and are not aware of any contraventions, either by themselves or others, we track the response rate from the annual employee sign-off for compliance with our Code of Conduct and other policies. Sign-offs that are not completed are followed up, to ensure that the policies are understood and complied with. In addition, we have robust internal controls designed to identify potential contraventions of our policies. In 2024, our human rights policy will be added to our contractor sign-off.

Recruitment. Our recruitment practices and skills requirements significantly limit the risk of modern slavery occurring directly within our operations by ensuring that recruitment is handled by human resources specialists in all business units, with consistent procedures followed across the organization. These procedures involve vetting of candidates, such as reference checks for all positions, criminal and credit checks for financial positions and fit for duty checks for certain operational positions. It also includes ensuring payroll is done through banking transfers (i.e., not cash), which requires the provision of government-issued identification.

We are aware that recruitment fraud is a widespread issue, and it has come to our attention that persons or organizations claiming to represent or to be affiliated with Vermilion have contacted potential candidates offering false employment opportunities with Vermilion through unsolicited e-mail. We have prominent warnings on our website in this regard, which are reinforced through periodic LinkedIn posts. For example, we communicate that our recruitment process does not involve any formal offer being made prior to an official interview taking place, and that we do not require payment from anyone seeking employment at any point during the recruitment and selection process. We also monitor activity related to Vermilion on LinkedIn to proactively identify concerns.

Technical Standards and Compensation. Our staff are typically experienced in a highly technical industry, which decreases the risk of various forms of modern slavery. We acknowledge the value our people bring via a market-competitive compensation and benefits approach. Our programs are designed with a common structure across all geographies where possible, with alignment to local markets. Our compensation philosophy and program objectives are the same for employees at all levels, with details publicly shared in our annual Information Circular and Proxy Statement.

Supply Chain

Risks

We acknowledge that modern slavery risks cannot be ruled out in our supply chain. We have a reasonable level of confidence in our first-tier suppliers of goods and services, many of whom we have worked with over a span of years, due to the jurisdictions in which they operate, our Health, Safety and Environment pre-qualification of on-site contractors ensuring that their standards align with ours, and our oversight of on-site contractors. Our initial work to assess modern slavery risk and mitigation is focused on this level.

We have conducted a high level risk assessment of our Tier 1 (direct) suppliers based on geographic location and type of goods or service provided by suppliers engaged during the reporting period. The geographic assessment is a country-based modern slavery risk assessment based on the Global Slavery Index, and accounts for key indicators, including: governance issues, lack of basic needs, inequality, disenfranchised groups and effects of conflict.

Industry classifications were also assigned to suppliers, to the extent possible, based on the goods or services provided, and were then screened for five risk categories: labour rights and decent work; health and safety; human rights; governance; and community infrastructure.

Our high level assessment indicates that in our countries of operations, our risk tends to be generally low:

- While modern slavery prevalence is low (between 0.6 and 6.6 people per 1,000 people, depending on the country according to the Global Slavery Index), cases of forced labour exploitation do occur, predominantly in industries such as agriculture, construction, domestic work, meat processing, cleaning, hospitality and food services
- Migrant populations are particularly vulnerable to modern slavery, including within the above industries; however, the type of higher skilled first-tier suppliers that Vermilion uses, particularly for the suppliers with whom we spend more than \$1 million per year, limits this risk.

A small number of our international suppliers are located in higher risk locations, including the following countries: China, South Africa, India, Thailand and Indonesia.

Policies

Key policies related to risk identification and management in our supply chain include the following:

HSE Policy: Vermilion is committed to ensuring we conduct our activities in a manner that protects the health and safety of our employees, our contractors and the public, including maintaining health, safety and environmental practices and procedures that comply with or exceed regulatory requirements and industry standards. This applies to all those engaged in work for Vermilion.

Pre-Qualification Requirement: We require third-party contractors and sub-contractors to be HSE pre-qualified prior to commencing service work. We also observe and interact with our vendors on an ongoing basis to ensure that they are adhering to Vermilion’s HSE practices, procedures and rules.

Contractor Selection and Management Standard: Related documents include Contractors Selection and Management Guidance and a Pre-Qualification Questionnaire; together, they provide contractor management principles, guidance and a pre-qualification tool and questionnaire for contractor selection and management across the company.

Due Diligence

Policy Review: We established a cross-functional project in 2023 that reviewed our current policies and procedures, and conducted a gap analysis that identified areas for development in subsequent years, including contracts, master service agreements, shipping policies and a supplier-specific code of conduct.

Supply Chain Review: Within our supply chain, we review suppliers with which we spend more than \$1 million annually, using a desk-based assessment of their public commitments to human rights such that each of these suppliers is reviewed at least once every three years. Policies reviewed include those related to Indigenous peoples, children, migrant labour, and contracted labour, health and safety, environmental stewardship, labour standards, anti-corruption, and sustainable procurement.

In 2022, we also initiated a pilot project to evaluate human rights risks via sustainability data provided by suppliers to our Canada and US business units via a third-party questionnaire. This included policies and management related to human rights, social certifications, forced labour, modern slavery, hiring practices, migrant labour, Indigenous relations, child labour, security services training, labour rights, ethics and inclusion and diversity, along with HSE, emissions and environmental stewardship.

These reviews have provided the foundation for work beginning in 2024 to prioritize those companies at higher risk of modern slavery for additional due diligence.

Third Party Vendors: As part of our management guidelines, authorized Vermilion personnel must ensure that third-party vendors – suppliers and service providers – who enter an agreement with Vermilion for the handover of work and properties must communicate all appropriate Vermilion policies, standards, procedures and practices, and must monitor for their compliance. This is in place in all of our business units, and an audit protocol has been established to ensure this communication occurs. Examples of these policies include our Code of Business Conduct, and our obligations to provide a workplace free of harassment and violence.

New Business Development, including Joint Ventures: This report focuses on our operated activities; however, we have clear procedures in place for non-operated activities. For example, analysis of corruption risks is specifically included in all new business development. When we hire consultants and services in other countries as part of business development or new ventures, we provide our anti-corruption policies and require they sign a compliance certificate to abide by our policy and the country’s anti-bribery laws. Joint venture partners are also required to acknowledge both local and

Canadian laws, and warranty that they will not violate anti-corruption laws, or authorize or provide any kind of payment that would be in contravention of those laws or our policies.

Reporting and Remediation

Whistleblower Policy Reporting: Vermilion’s Whistleblower Hotline is hosted by a third-party provider: Grant Thornton CARE. This provides a confidential, accessible tool for anyone wanting to report a concern or ask a question. Anonymous reports can be made 24 hours a day, 7 days a week. All reports are promptly and thoroughly investigated in accordance with Vermilion’s Fair Culture Policy.

Remediation: We understand that remediation is a key step in this process. Vermilion will work towards setting out remediation expectations for those identified as victims of modern slavery in the future. To date, no modern slavery has been identified; therefore, remediation has not been required.

Training Provided to Employees

We recognize the need to support our staff in delivering on our commitments. We already provide anti-corruption training that includes our senior executive and management, financial, sustainability and business development / new ventures teams. Employees who are leading our approach to human rights management have undergone additional training in this area. In 2024, human rights training will be expanded to a larger cohort, including those involved with contracts and procurement.

Assessment of Effectiveness

Our foundational review of policies and procedures related to modern slavery have identified areas for policy development that we are working on in 2024, including the development of a code of conduct specific to suppliers. Our expectation is to continue to further develop our processes to ensure we can review the effectiveness of the actions we are taking to assess and address modern slavery risks, including forced labour and child labour, in our operations and supply chains in future periods.

Attestation

This report was approved pursuant to section 11(4)(b)(ii) of Canada’s Act for Vermilion Energy Incorporated and Vermilion Resources on May 21, 2024.



Dion Hatcher,

Director, President and CEO, Vermilion Energy Inc.