



VERMILION & THE TOM D'AQUI TOMATO COMPANY

National French ecology award received for sharing geothermal energy

**VALUE MATTERS | 2013 SUSTAINABILITY HIGHLIGHTS**

For Vermilion's complete sustainability report, please visit [vermilionenergy.com/sustainability](http://vermilionenergy.com/sustainability)

VERMILION  
ENERGY



## CONTENTS

ABOUT VERMILION	3
MESSAGE FROM OUR CEO	4
OUR APPROACH TO SUSTAINABILITY	5
ABOUT OUR REPORT	6
OUR LEADERSHIP	8
OUR PEOPLE	10
OUR COMMITMENT TO HEALTH, SAFETY & ENVIRONMENT	12
OUR FOCUS ON SAFETY	13
OUR FOCUS ON ENVIRONMENT	14
OUR COMMUNITIES	17

## HANDY ABBREVIATIONS AND TERMS

In this report, we refer to Vermilion Energy Inc. as “Vermilion”, the “company”, “we” or “our”

<b>bbl(s)</b>	barrel(s)
<b>boe</b>	barrel of oil equivalent, including: crude oil, natural gas liquids and natural gas (converted on the basis of one boe for six mcf of natural gas)
<b>boe/d</b>	barrels of oil equivalent per day
<b>CO<sub>2</sub> e</b>	carbon dioxide equivalents
<b>GHG</b>	greenhouse gas
<b>GRI</b>	Global Reporting Initiative
<b>HSE</b>	Health, Safety, Environment
<b>NGLs</b>	natural gas liquids
<b>\$M</b>	thousand dollars
<b>\$MM</b>	million dollars





**Vermilion is a publicly traded, international oil and gas producer.**

We are headquartered in Calgary, Alberta, Canada, with operations positioned around the world in regions noted for their stable fiscal and regulatory policies pertaining to oil and gas exploration and development.

Our core business involves the acquisition, exploration, development and optimization of producing properties in Western Canada, Europe and Australia.

## IN 2013, VERMILION:

- produced nearly **15 MILLION BOE OF OIL AND GAS**
- generated **NET REVENUE OF MORE THAN \$1.2 BILLION**
- distributed **\$240 MILLION IN DIVIDENDS** to our shareholders
- paid almost **\$290 MILLION IN TAX AND ROYALTIES** in our operating jurisdictions
- invested more than **\$1.1 MILLION IN COMMUNITY SUPPORT**
- devoted **\$37 MILLION TO PROTECTING OUR ENVIRONMENT**

### CANADA

Production	<b>17,117</b> boe/d
Staff	<b>279</b>
Net revenue	<b>\$341.1</b> MM
Reserves	<b>86,105</b> Mboe

### FRANCE

Production	<b>11,440</b> boe/d
Staff	<b>171</b>
Net revenue	<b>\$426.3</b> MM
Reserves	<b>55,168</b> Mboe

### NETHERLANDS

Production	<b>5,967</b> boe/d
Staff	<b>72</b>
Net revenue	<b>\$139.6</b> MM
Reserves	<b>13,717</b> Mboe

### AUSTRALIA

Production	<b>6,481</b> boe/d
Staff	<b>75</b>
Net revenue	<b>\$298.9</b> MM
Reserves	<b>19,463</b> Mboe

**Notes:**

**Net revenues** = sales less royalties

**Staff** = employees + contractors

**Reserves** = proved + probable



# OUR FIRST SUSTAINABILITY REPORT



I am very pleased to welcome you to Vermilion's first sustainability report. As an international oil and gas producer with operations in Canada, Europe and Australia, we have always been mindful of our accountability to our stakeholders and the environment. It is a privilege to be entrusted to safely and responsibly produce the energy that makes so many elements of daily life possible around the world.

At Vermilion, we are conscious of the potential impacts that our business activities have, both positive and negative, on the economy, the environment, and the communities where we operate.

**Our vision for sustainability looks for opportunities to generate economic, environmental and social benefits for the company and our stakeholders.**

Developing this report provided a framework to assess how we approach sustainability in our operations, and to recognize our achievements, detail our challenges, and establish targets for progress. **Through stakeholder engagement our leadership further solidified the following priorities:**

- Focusing on **a safe, healthy and positive workplace** for our staff and those who work with us
- **Reducing our impacts on the environment**, including using **innovative technology** and **processes** to **decrease greenhouse gas emissions, reduce waste, and lower the amount of energy and fresh water used in our operations**
- Driving **operational excellence** and **efficiencies** to continue delivering **strong, consistent economic returns**
- Ensuring that **our communities share in our success**

In so many ways, our people have contributed to the creation of a compassionate and giving organization. This was reflected in the revitalization of our community investment program in 2013, and the caring demonstrated when disaster struck close to home last June with the flooding in Southern Alberta. We responded with financial and in-kind assistance, and so did our staff, as they stepped up to volunteer in incredibly difficult conditions. It is during such trying times that our core values are tested, and I am very proud of how our staff responded.

Vermilion's core values of **excellence, trust, respect** and **responsibility** are woven throughout our sustainability strategy. Last year, we were honoured to receive the French government's Circular Economy Award for Industrial and Regional Ecology for our geothermal energy partnership with the Tom d'Aqui tomato greenhouse in Parentis. As we were preparing this report, we learned of Vermilion's inclusion on the **2014 Corporate Knights Future 40 Responsible Corporations** listing. Recognition such as this speaks volumes about our performance to date, and further inspires our commitment to continue on this path. For more details, and our full sustainability report, I invite you to **visit our website at [vermilionenergy.com/sustainability](http://vermilionenergy.com/sustainability)**.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Donadeo', written in a cursive style.

Lorenzo Donadeo  
Chief Executive Officer

# OUR APPROACH TO SUSTAINABILITY

Our exploration and production activities have potential effects on a wide range of stakeholders throughout our value chain, from the landowners with whom **we share the landscape, to the families and businesses that rely on our oil and gas to fuel their homes, workplaces and vehicles daily.**

Our stakeholders expect us to deliver consistently strong financial results in a responsible and ethical way. We must operate in a manner that protects the health and safety

of our staff and communities, provides responsible stewardship over the environment, and treats staff, contractors, partners and suppliers respectfully and fairly.

Our Board of Directors and our Executive and Leadership teams recognize our stakeholders' expectations as critical to Vermilion's success, and integrate them into our ongoing processes for governance, strategy and performance. They are incorporated as goals into our strategic long-term vision, identified as commitments for annual planning, and assessed on a quarterly basis for progress against those commitments.



To meet our commitments, we rely on the framework provided by **our sustainability policy**, which integrates sustainability into all facets of our business in the following five key areas:

- 1. GOVERNANCE AND ETHICS**
- 2. ECONOMIC PERFORMANCE**
- 3. PEOPLE**
- 4. HEALTH, SAFETY AND ENVIRONMENT**
- 5. COMMUNITIES**

## OUR SUSTAINABILITY VISION

As a responsible oil and gas producer, Vermilion Energy Inc. consistently delivers long-term shareholder value by operating in an economically, environmentally and socially sustainable manner that is recognized by our stakeholders as a model in our industry.

# ABOUT OUR REPORT

To identify Vermilion’s material issues for sustainability reporting, we began by describing the major elements in our value chain.

We then identified our key stakeholders, and prioritized the issues based on the relevance and anticipated impact to Vermilion or its stakeholders. We then developed our materiality matrix using the GRI’s G4 framework, and selected issues with potential for high-impact consequences to both stakeholders and the company for discussion in our sustainability report.

## STEP 1 OUR VALUE CHAIN

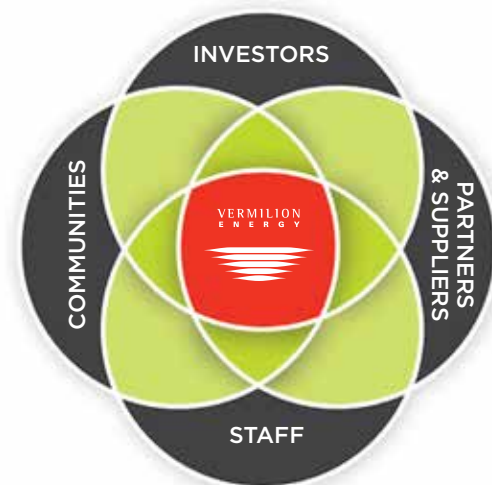
Vermilion’s operations influence an extensive value chain that connects petrochemical resources with activities that are essential to our daily lives, including transportation, manufacturing and heating, thus contributing to the strength and resilience of the global economy.



EXPLORATION	SUPPLY	PRODUCTION	TRANSPORTATION	PRODUCT USE
How we identify, analyze and develop new oil and gas opportunities	The external contractors, suppliers, materials and expertise we leverage throughout our business, from exploration to remediation	How we extract oil, gas and associated byproducts from our operating properties, covering the full lifecycle of development of our oil and gas resources	How Vermilion transports and markets our products and byproducts, along with any subsequent transportation of those products to the end consumer	The midstream and downstream refiners who constitute our customers, and the companies and individual consumers who use the products that result from their activities

## STEP 2 OUR KEY STAKEHOLDERS

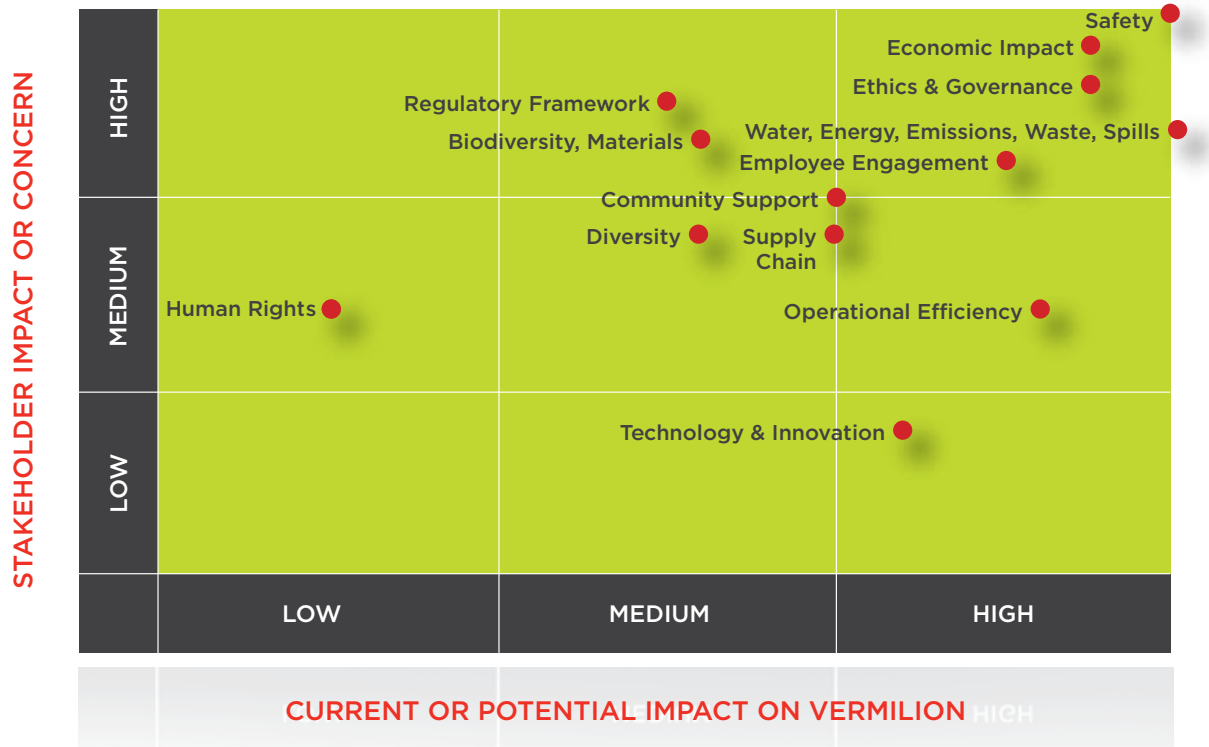
Our employees, partners, suppliers, investors and the people located in the communities in which we operate have the highest likelihood of being directly affected by our operations. For all of these groups, a failure in our economic, environmental and/or social performance could have negative and long-lasting effects. In turn, these groups influence our business and operations in several ways, including through the provision of capital to fund our activities as well as the setting of expectations regarding safety and environmental performance. Meeting these expectations is the key to maintaining our social license to operate and to increasing our productivity. Therefore, we must engage with these stakeholders on a regular and ongoing basis.



### STEP 3 OUR MATERIALITY MATRIX

Once we had identified issues relevant to Vermilion or its stakeholders, we then identified whether they were of high, medium or low impact on Vermilion, and high, medium or low impact from the perspective of our key stakeholder groups.

It is important to note that materiality in this context is not a judgment on societal importance. For example, the issues surrounding human rights are of significant concern; however, their impact on Vermilion and our stakeholders is considered low as a result of our operations being located in countries with robust laws and enforcement around these issues.



### STEP 4 OUR REPORT CONTENT

We used our materiality matrix to identify the high-impact issues to discuss within our sustainability report. These are identified in the following table, along with their key components.

SAFETY	ECONOMIC IMPACT	ETHICS & INTEGRITY	ENVIRONMENT	EMPLOYEE ENGAGEMENT
Personal Health & Safety	Economic Performance	Ethics & Integrity	Energy Consumption	Employment
Process Safety	Reserves	Governance	Greenhouse Gas Emissions	Training & Education
	Community Investment	Anti-corruption	Water Use	
			Effluents & Waste, Including Spills	

# OUR LEADERSHIP

## LIVING OUR VALUES

At Vermilion, **our core values guide everything we do**, creating a context for our daily operations and the decisions we make.

To support our values, we require all of our directors, officers and employees to follow our **Code of Business Conduct and Ethics**, which covers issues such as:

- Anti-corruption and anti-bribery
- Avoiding conflicts of interest
- Outside business interests
- Corporate disclosure
- Confidential information
- Culture of ethical business conduct
- Securities trading
- Appropriate entertainment, gifts and favours
- Fair dealing
- Workplace conduct and safety
- Responsibility for the environment



EXCELLENCE

TRUST

RESPECT

RESPONSIBILITY



## GOVERNING SUSTAINABILITY

**As of December 31, 2013, Vermilion's Board of Directors was comprised of eight Directors**, seven of which were independent (eight of nine are independent as of July 31, 2014), who oversee all matters related to sustainability performance, including our **economic, environmental, social and governance impacts**, through four separate committees:

- Audit
- Governance and Human Resources
- Health, Safety and Environment
- Independent Reserves

To ensure that all of these areas are well addressed, Vermilion annually updates a Board members skills matrix that ensures potential gaps are identified and creates a foundation for new director searches. Along with significant experience in leadership and the oil and gas sector, the current board skills matrix reflects a depth of experience in sustainability issues such as **Health, Safety, Environment, Social Responsibility and Diversity**.





## MANAGING RISKS

One of the key roles of the board is to provide risk oversight for Vermilion, including sustainability-related risks.

Overall, our business strategy focuses on delivering modest annual growth in production and cash flow while also providing reliable and growing dividends to our shareholders. Our Management's commitment to this is reflected in **a long-range plan that covers business strategy and related goals and objectives to 2020.**

**To achieve this long-term success, Vermilion has identified and continually monitors risks - including economic, environmental and social risks - in the following categories:**

- Operational and environmental
- Regulatory and compliance
- Credit and counterparty
- Market and financial
- Organizational
- Political
- Strategic and reputational

# OUR PEOPLE

## RECOGNIZING A GREAT PLACE TO WORK

At Vermilion, we are very proud to have been recognized by the Great Place to Work Institute® for the past five years as a Best Workplace in both Canada and France.

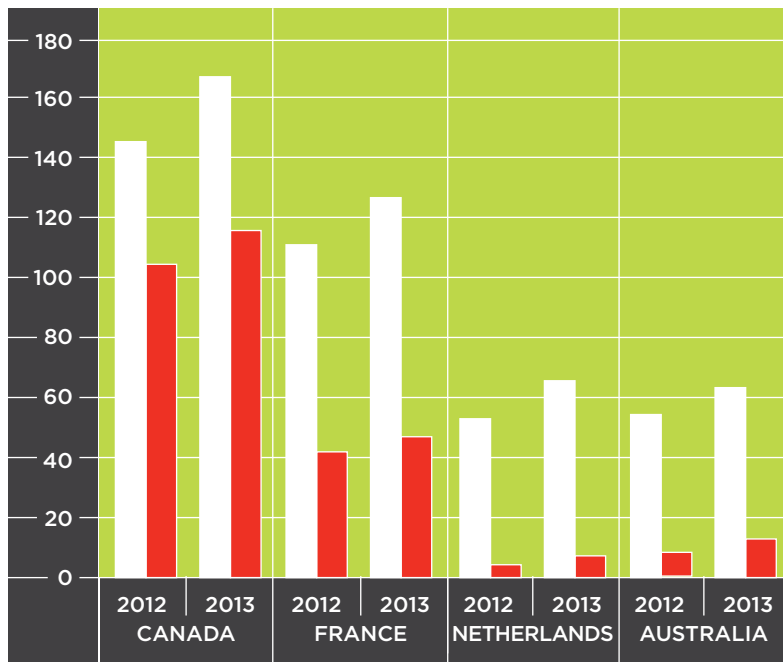
Netherlands placed 10th in its category in 2014, the first year of its eligibility, making it the highest ranked energy company in the Netherlands survey.

The rankings are based on the Institute's two-fold approach, which includes an independent assessment of our culture along with our employees' confidential responses to the Institute's survey. **All of our business units participate annually in this assessment and feedback process**, which provides an important third-party perspective on our culture and benefits. Our Australia Business Unit participates in the assessment and survey, but as of 2014 did not meet the minimum size requirement to compete for Best Workplace recognition.

Through the survey, our staff tell us that they choose to come to Vermilion - and to stay - because in addition to a **strong rewards and benefits package**, they experience a **high degree of personal satisfaction** from the opportunities we offer and take pride in how **we give back to the communities where we do business**.

**We also have a great sense of camaraderie within the company** - we make it a priority to create occasions for our people to meet, mingle, share ideas, have fun and celebrate our successes.

### BREAKDOWN OF EMPLOYEES BY REGION AND GENDER



MALE FEMALE



Vermilion staff participating in activities at Vermilion's annual charity golf tournament.

**"I value community, Vermilion supports that. I value work/life balance, Vermilion supports that. I value intellectual/professional growth, Vermilion supports that. I'm happy here."**

- Great Place to Work 2013 survey response

## WOMEN IN LEADERSHIP

(Number of women)



## NET EMPLOYMENT CREATION

(Number of employees)



We remain conscious of the lack of female representation in leadership positions, both at Vermilion and in the petroleum industry in general.

**In 2013 and moving forward, we have increased our focus on supporting more women to reach leadership positions through both external hiring and internal promotions.**

## 10 TIMES AROUND THE WORLD

**There's nothing like good company and a little healthy competition to get people moving** - and there's nothing like a target of 10,000 steps a day to build good health.

That's why Vermilion joined the Global Corporate Challenge (GCC) in 2012. This annual program encourages participants to take a minimum of 10,000 steps daily (or the equivalent in swimming, biking and other activities). In 2013, our second year, we had 448 staff participate: an increase of 112 staff over the previous year, and an 85% participation rate globally.

The program helps Vermilion promote healthy lifestyles for our employees across all geographic locations.



## DURING THE 2013 GCC CHALLENGE, VERMILION STAFF:

- Took **630,467,265 steps**
- Burned **25,420,440 calories**
- Averaged **13,653 steps a day per person**
- Lost **1,652 lbs**
- Covered **403,499 km**, the equivalent of walking **10 times around the world!**

# OUR COMMITMENT TO HSE

We are committed to conducting our activities in a manner that will **protect the health and safety of our employees, contractors and communities.**

**Our vision is to fully integrate Health, Safety and Environment into our business, creating a culture recognized as a model by industry and stakeholders, resulting in a healthy workplace free of incidents.** This is reflected in the all-encompassing motto that describes our program:

**HSE: EVERYWHERE. EVERYDAY. EVERYONE.**

The maturity of the company and the rapid growth of our operations in the past two years required a thoughtful assessment of our HSE strategy. In completing our review, **we took a proactive approach toward fully understanding the clear linkages between strong HSE performance and strong business performance.**

We established a robust framework for our HSE program by 2009. In 2012, we began the integration of our existing HSE and Asset Integrity System with our developing Process Safety Management System. **This integrated HSE plan incorporates Vermilion's core values and lays out our guiding principles, including five key pillars:**

- HSE Culture
- Communications and Knowledge Management
- Technical Safety Management
- Incident Prevention
- Operational Stewardship and Sustainability

## HSE PERCEPTION SURVEY

In April 2013, **we reached out to our staff to find out what their opinions were of our HSE culture,** establishing an internal baseline and identifying areas of importance in our journey toward achieving our HSE mission.

More than **90% of global staff completed our first voluntary HSE Perception Survey,** providing key insights into ten areas of focus. Staff reported all factors in the favourable range, with particularly strong results in the areas of personal responsibility for safety and management commitment. **This indicates that our personnel are aware of their responsibility for maintaining positive health and safety outcomes.**

The survey also revealed areas requiring further development – including reporting, feedback on the status of corrective actions, an open and fair reporting culture, and training – which we are now addressing.

## INFORMATION AND TRUST

**We see information and trust as driving forces for HSE maturity.**

To build both, **we launched our new company-wide intranet in 2013.** HSE forms a significant portion of our intranet content including a comprehensive section of **policies, access to our event management tracking system, and blog posts from all levels of staff** that share how safety and the environment connect with every aspect of their lives.

# OUR FOCUS ON SAFETY

Vermilion maintains **health, safety and environmental practices and procedures that meet or exceed regulatory requirements and industry standards**, and that reinforce our Core Values.

Our HSE policy includes:

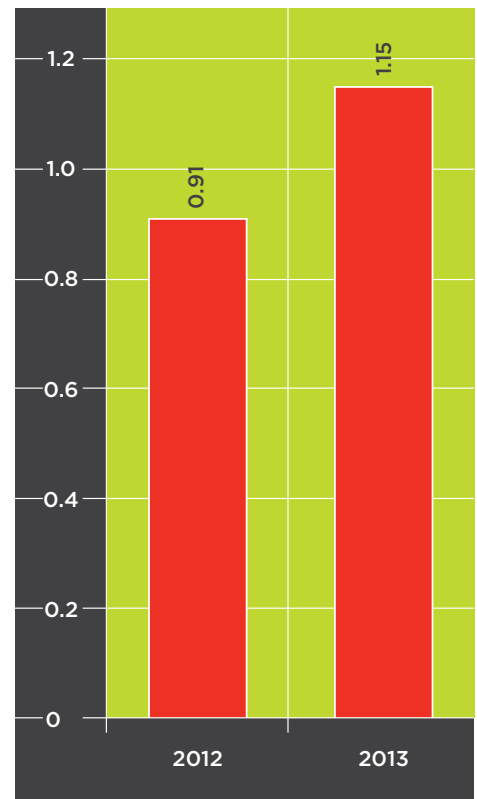
- Maintaining a strong integrated Management System to identify and manage risks
- Accepting responsibility and accountability for providing leadership, visible commitment, direction and resources to meet our HSE performance targets
- Continuously evaluating and improving policies and operating practices
- Integrating HSE into business objectives
- Providing every employee and contractor with a safe and healthy workplace
- Making a positive contribution to the protection of the environment in which we operate and seeking improvements in the efficient use of natural resources
- Responding promptly, responsibly and effectively to emergencies
- Focusing on continual improvement of HSE performance
- Ensuring open and timely HSE communication with all stakeholders
- Ensuring the resources necessary to support this policy are provided

As you can see from the recordable injury frequency per million boe chart, Vermilion has been successful in reducing our recordable injury frequency over time. Historically, Vermilion has opted to use various injury frequency measures including on a per BOE basis (as shown) in order to better represent our activity across multiple regions while also recognizing variations in industry maturity. However, to be consistent with the industry standard TRIF calculation using 200,000 man hours, we have also provided results on this basis for 2012 and 2013.

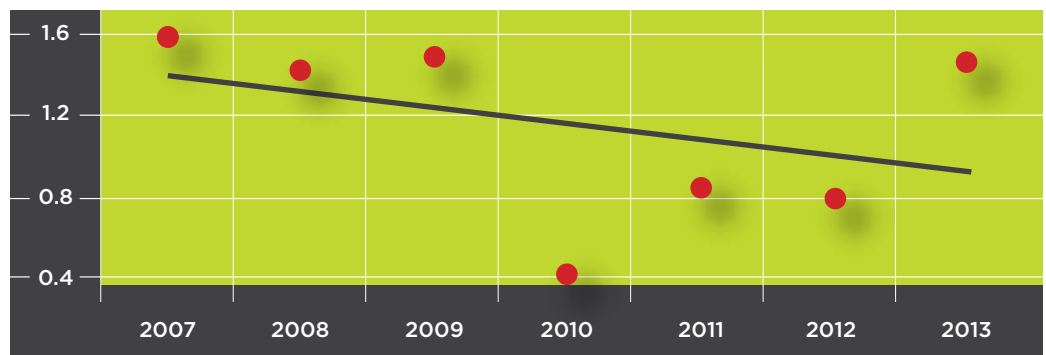
As shown, we experienced a slight increase from 2012 to 2013. While it is too early to identify this as a trend, we are investigating potential causes to assist our business units in their focus on safety performance.

## TOTAL RECORDABLE INJURY FREQUENCY

(PER 200,000 MAN HOURS)



## TOTAL RECORDABLE INJURY FREQUENCY (PER MILLION BOE)



## ENHANCING ROAD SAFETY IN PARENTIS

In 2013, a roundabout (traffic circle) close to Vermilion's operations near the town of Parentis-en-Born was completed to reduce congestion and improve road safety on this increasingly busy traffic route.

We contributed to this project through an **Urban Partnership**, a new form of public infrastructure funding in France where private investors and industry contribute to developing public facilities and infrastructure in which they are stakeholders. The result not only **protects our staff, contractors and visitors, but makes the road safer for the local community.**

## WHAT'S NEXT?

In 2013, we made excellent progress on developing our **Process Safety Management System (PSMS)**, which blends engineering and management skills focused on **preventing low probability, high consequence events.**

By the end of the year, we had developed a clear timeline, strategy and framework for developing a system that includes creating a PSMS development team, establishing PSMS standards, guidelines and practices, delivering training and ensuring competency, and establishing metrics and assurance auditing for performance standards.

# OUR FOCUS ON ENVIRONMENT

Vermilion operates in deeply rich and varied environments – from the boreal forest of Alberta to the waters off Australia’s shores.

In Europe, we share the landscape with centuries-old communities, agricultural pastures, and natural bodies of both fresh and salt water. Working and living in these regions, we see firsthand the value of protecting the environment.

**The result is our commitment to pursue Best-in-Class HSE.** This is founded on compliance with all environmental regulations and leading the development of industry best practice standards in the areas in which we operate. **We seek to operate our businesses in the most environmentally protective manner possible.**

## PROTECTING WHAT’S IMPORTANT

We have identified **four areas of focus for continuous improvement** related to environmental stewardship within our operations:

- Improving energy efficiency
- Reducing greenhouse gas emissions
- Reducing our water use
- Caring for the land, especially protecting against spills and releases

Our process begins with **an analysis of high-level global risks, including the risks of climate change.** This allows us to identify and prioritize areas that require related operational and technical assessments. From there, we look to measure our operations and establish baselines; evaluate potential technology and process changes; and implement pilot program testing. We pursue the changes deemed to offer **the best combination of operational efficiency, environmental performance, community benefit, risk mitigation, and financial return.**

## HSE EVERYDAY

Staff have a bright and cheerful daily reminder of Vermilion’s HSE program, thanks to the efforts of their children – and their nieces, nephews and grandchildren. Each year, staff and families throughout our operations submit drawings, 12 of which then decorate our annual calendar.



*Manouk's drawing for our 2013 HSE calendar in the six- to eight-year-old category.*

## GREENHOUSE GAS EMISSIONS INTENSITY CO<sub>2</sub>e per boe



## REDUCING GREENHOUSE GAS EMISSIONS WITH GEOTHERMAL ENERGY

The use of geothermal technology and a shared focus on environmental responsibility earned the partnership between Vermilion and the Tom d'Aqui tomato company a national ecology award from the government of France in 2013.

The project teamed up Vermilion with four local agricultural engineers who wanted to create an economically and ecologically viable greenhouse operation in which to grow tomatoes. The result is a 10-hectare greenhouse heated without carbon emissions thanks to the waste heat from Vermilion's produced water source. **This project reduces the cost of traditional tomato growing operations in the region**, allowing the producers to compete with warmer climate producers. Thanks to its success, **we are now researching how Vermilion can apply similar technology and principles in our other locations.**



### BY THE NUMBERS

- **10 HECTARES OF GREENHOUSE BUILT** (the equivalent of more than 12 Canadian football fields)
- **150 LOCAL JOBS CREATED**
- **3,000 TONNES OF TOMATOES PRODUCED** annually
- **10,000 TONNES OF CO<sub>2</sub>E SAVED** annually



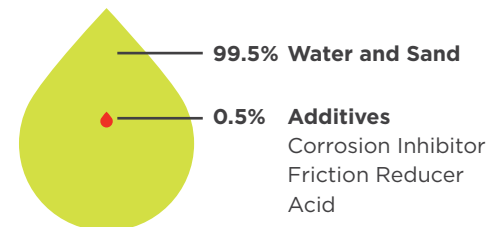
## PROTECTING WILDLIFE FROM SPILLS

In 2012 and 2013, we led the industry in Australia in the development of oiled wildlife response capability necessary to effectively manage the impact of a large oil spill on wildlife. We funded the necessary equipment (a rapid response unit that would receive, assess and treat oiled wildlife) and training, created a register of wildlife responders, and developed "at call" capacity for support specialists. To enable all-industry access, we subsequently donated this equipment to the Australian Marine Oil Spill Centre, which is funded by the Australia Upstream and Downstream Industry group which includes Vermilion. This is currently the only oiled wildlife response unit available in Western Australia. While we hope there is never a reason to use this equipment, **we are proud to have meaningfully increased the spill response capabilities of industry in our operating area.**

## REDUCING WATER USE BY RECYCLING FRAC WATER

As the largest single component used in fracturing operations, water is essential to developing unconventional oil and gas reservoirs in Alberta.

**We recover approximately one-third of the water used in fracturing our Cardium and condensate-rich Mannville gas wells in Alberta immediately following completion activities, and we're working to increase recycling and reuse all of the initially recovered fluids from these operations.** We are also working to optimize, through technology, the removal of contaminants from the water. We are further striving to refine logistics for the transport of water between wells and locations in order to reduce the resulting cost, energy consumption and greenhouse gas emissions currently associated with trucking water to disposal or treatment facilities.



# OUR FOCUS ON ENVIRONMENT

## **CALGARY, ALBERTA** – We aim for our workplaces to conserve as much energy and other resources as possible.

When we moved into new corporate headquarters in Centennial Place in 2010, we worked hard to design our offices to achieve LEED® Gold Certification, including low-flow appliances and plumbing fixtures, Energy Star-certified computers and appliances, recycled content in furniture and carpet, and active participation in the building's Zero Waste program.



## **FRANCE** – We have reduced water per boe of production.

Since 2006, we have strategically reduced water usage by approximately 56%. Our fresh water use occurs mainly in the Paris Basin. Although our operations are not considered a significant water draw on this aquifer, we endeavour to do all we can to support the surrounding communities.

## **ALBERTA, CANADA** – We have strategically positioned Vermilion to benefit from the development potential of three significant reservoirs at different depths in the West Pembina region – Cardium light oil, Mannville condensate-rich gas and Duvernay condensate-rich gas.

The co-location of these stacked plays will allow us to utilize existing surface infrastructure helping to maximize our operational efficiency while reducing land disturbance, through a reduction in road construction and other environmental impacts.



## **AUSTRALIA** – In 2012, we conducted a review of flare rate and identified that gas was passing pressure control valves leading to increased flaring.

Replacing the valves with better quality seals resulted in a reduction of flared gas volumes from 2,500 m<sup>3</sup> per day to approximately 500 m<sup>3</sup> per day.

## **NETHERLANDS** – Every four years in our Netherlands operations, we complete an emissions and energy efficiency review.

In 2013, we implemented a compressor reconfiguration project at our treatment centre in Garijp. The electrically driven units resulted in a 35% reduction in power consumption. This translates into an annual power reduction of 26,280 megawatt-hours and cost savings of €1.7 million.





# OUR COMMUNITIES



VERMILION WAYS OF CARING  
give back. give time. give together.

We care about the communities where we live and work.

**Giving to our communities, in both funding and time, contributes to the quality of life in those communities for everyone.** At Vermilion, it's a key part of how we do business.

**Our Ways of Caring program helps us to support non-profit and charitable organizations in our communities in three ways:**

# 3



give back.

**GIVE BACK:** Vermilion's charitable giving focuses on four key areas:

- Homelessness & Poverty
- Health and Safety Promotion
- Environmental Stewardship
- Celebrating Vermilion's Cultures



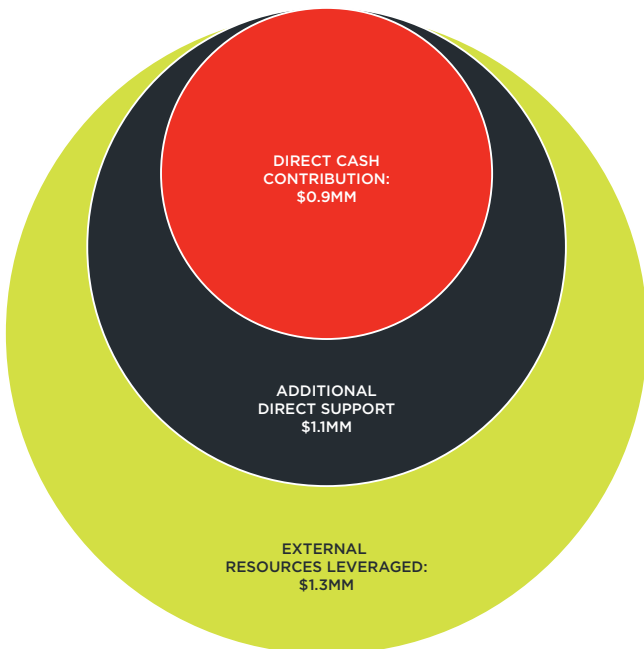
give time.

**GIVE TIME:** When our employees volunteer for local community organizations on their own time, we support those organizations with grants of up to \$1,000 annually.



give together.

**GIVE TOGETHER:** Our employees are able to volunteer up to two days per year on company time, for team or corporate Days of Caring projects.



## LONDON BENCHMARKING GROUP (LBG) CANADA

As a member of LBG Canada, we report our community investment using their standard "circles" of investment, reflecting our total contribution to our communities:

- **DIRECT CASH CONTRIBUTION:** our donations to non-profit and charitable organizations
- **ADDITIONAL DIRECT SUPPORT:** adds in-kind support, such as donations of materials for Days of Caring and staff volunteering during working hours
- **EXTERNAL RESOURCES LEVERAGED:** adds staff donations and volunteering outside working hours

## COMMUNITY INVESTMENT 2013



## WOOD'S HOMES

In 2013, Vermilion committed \$1 million to the Bowness Campus of Wood's Homes in Calgary to help build the Vermilion Energy Family Centre, where families can come together and support the successful transition of children back into their community.

Founded in 1914, Wood's Homes is a nationally accredited children's health organization that serves more than 20,000 children, youth and families a year through some 30 programs; up to 32 at-risk youth call the 36-acre Bowness Campus home. We also hosted our 2013 Day of Caring there, laying sod, painting lockers, cleaning newly constructed buildings, assembling care packages and cooking meals for the kids' freezers.



## YWCA OF CALGARY

The Vermilion Energy / YWCA of Calgary Skills Training Centre was launched in 2007, through a \$2.5 million donation from Vermilion, along with \$1.5 million raised by Vermilion's founders, board of directors and staff.

This 20-week program ran for five years, providing students with carpentry skills training, mentorship and employment support. In this time, it helped to transform the lives of 265 women (173 graduates) by offering construction and life skills to help these women lift themselves out of poverty. In 2013, the program transitioned into the Employment Resource Centre, providing access to essential career skills and knowledge, including life skills support, job search techniques, resume writing assistance, career coaching and connections to educational partners and employers.



## SOUTHERN ALBERTA FLOODING

In June 2013, southern Alberta experienced unprecedented flooding. Vermilion responded with charitable donations for flood relief, two rented pressure washer / vacuum trucks and teams of volunteers for the town of High River, one of the hardest hit communities.

There, we helped clear basements, removing furniture, carpet, drywall and studs, piece by piece, to give people a start for rebuilding their homes and their lives. As we helped, we were touched by the overwhelming generosity of others, providing lunch and safety equipment. In the darkest of hours, spirits shone brightest.

## CALGARY, ALBERTA

Each month, 15 to 20 staff members visit the Calgary Drop-In and Rehabilitation Centre to serve up lunch, which Vermilion sponsors.

We also supported The DI's flood recovery efforts in 2013.



## DRAYTON VALLEY, ALBERTA

Our partnership with the town helped us identify where we could create the most value in the community: **our V-Powered Kids at the Early Childhood Development Centre.**

We support the critical before-school hours with a nutritious breakfast that the kids help prepare. We also assist with transportation to school, along with an early childhood coach and additional recreational programming for families after school.

## PARENTIS, FRANCE

**Restaurants du Coeur provides food and shelter to the homeless throughout France.**

In 2013, Vermilion provided materials and volunteer hours to help the non-profit organization build and paint walls and shelving in a donated building in Parentis. The location serves more than 70 families in seven local communities through winter food donations and supplies such as clothing, furniture and other household needs.



## HARLINGEN, NETHERLANDS

**Each Christmas, Vermilion staff in Harlingen auction gifts to raise funds for the local food bank - bringing in more than €7,600 in 2013.**

We also support the community's major annual festival, Fishery Days, helping to keep most festival events free and accessible to everyone.



## PERTH, AUSTRALIA

**Social housing is a critical need in Western Australia, where some 14,000 people are homeless.**

Vermilion has supported St. Bartholomew's House in Perth since 2009, providing integrated housing and supportive services. In 2013, staff painted, paved, gardened and cooked their way through a Day of Caring at one of St. Bart's community-supported residential buildings.



For more information,  
please contact us at:

**VERMILION ENERGY INC.**  
3500, 520 3rd Avenue SW  
Calgary, Alberta T2P 0R3

**Phone** 1.403.269.4884

**Fax** 1.403.476.8100

**Investor Relations**

Toll Free Line: 1.866.895.8101

**E-mail:**

[sustainability@vermillionenergy.com](mailto:sustainability@vermillionenergy.com)

Or visit us on the web at:

[vermillionenergy.com](http://vermillionenergy.com)



Printed on 100% recycled paper.



Vermilion's head office staff at the Wood's Homes Bowness Campus in October 2013, for Vermilion's corporate Day of Caring.



**VERMILION  
ENERGY**

