



QA PROCEDURE • Supporting & Corporate • Legal & Compliance

## UK Modern Slavery and Norwegian Transparency Statement

This statement relates to the financial year 2023. It is approved by the Board of - and published by - PGS ASA on behalf of itself and its subsidiaries ("PGS") in compliance with the requirements of the UK Modern Slavery Act 2015 and Norwegian Transparency Act 2021 (Åpenhetsloven).

### Introduction

PGS is a leading, international, marine geophysical group of companies. Our business is technology driven. We provide a broad range of seismic and reservoir services, including acquisition, imaging, interpretation, and field evaluation. PGS operates in the Americas, Europe, Africa, the Middle East, Asia and the Pacific. We have a fleet of vessels to perform our seismic acquisition projects. The ultimate parent company is PGS ASA and has its head office in Oslo, Norway.

PGS sets policies on conduct at a group level. We are committed to conducting our business legally and with integrity and honesty, and to high ethical standards whilst respecting human rights.

Since the last financial year of 2023, we have made some improvements to our standards and practices to comply with the recently enacted Norwegian Transparency Act having the overall objective to integrate the requirements to identify and handle actual and potential adverse impacts on, prevent human and labor rights in our supply chain and operations.

### Our organization and supply chain structures

PGS' activities are organized into the following business areas:

**Sales & Services** promotes and sells seismic services and data, including acquisition and imaging, to support both oil and gas exploration and production and New Energy's sales efforts.

**New Energy** develops technology and collaborative business models to support energy companies' seeking sustainable energy transition, including carbon capture use and storage and offshore wind installations.

**Operations** plans, manages, and executes our seismic acquisition projects.

**Technology and Digitalization** operates Enterprise IT and manages R&D and digital transformation projects.

Our business is supported by a supply chain that includes both global and local suppliers, some of which are used regularly and others that are used infrequently or ad-hoc.

Our vessels are supported by a supply chain that covers the operation and maintenance of the fleet over time. We work with global and local suppliers daily to ensure that our vessels have adequate fuel, food, consumables, spare parts, and access to approved facilities to manage waste generated onboard. Our operations on a survey location may last weeks- or months. During this time, we are dependent on local suppliers for fuel, food, consumables, accommodation, transport, and other services that may be required in that location.

Our seismic equipment is supported by a specialized supply chain of equipment- and component manufacturers that provide equipment according to our designs and specifications.

Our offices and data processing centers are supported by a supply chain that provides computer hardware and software, supplies, and consumables sources from suppliers in the country of operation.

### Our policies on human and labor rights

We are committed to combatting any form of modern slavery or human trafficking in our supply chains or in any part of our business. Our Code of Conduct and Human Rights Standard reflect our undertaking to act lawfully and with integrity in all our business relationships and reinforce our efforts to avoid slavery and human trafficking in any aspect of our business. Our Human Rights Policy draws on the principles articulated in the UN Universal Declaration of Human Rights and the ILO Core Conventions on Labor Standards as guidance for the values PGS wishes to uphold in our global activities. Respect for the dignity and rights of all people across our operations is a core principle.

PGS's [Code of Conduct](#) and [Corporate Responsibility Policy](#) contain PGS' overarching commitment to respect Human and Labor Rights throughout our global activities. These commitments shall not be compromised.

PGS's [Supplier Code of Conduct](#) requires that all its suppliers and sub-suppliers adhere to the same standards of compliance with laws, ethics, anti-corruption, human & labor rights, and health, safety, environment & quality as PGS does for its own activities.

PGS's [Global Supply Chain \(GSC\) Standard](#) requires that all employees engaged in sourcing, purchasing and logistics of materials, products and services in PGS shall comply with PGS's Code of Conduct, the [Human Rights Standard](#), and ensure all new suppliers and existing suppliers within the scope of the GSC Standard, comply with the requirements reflected in PGS' GSC procurement risk process.

PGS is also a signatory to the UN Global Compact in which we undertake to operate in ways that meet fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption. And in 2023, the OECD Guidelines for Multinational Enterprises have been applied to our sustainability risk process which includes supplier risk assessments.

We encourage transparency. Our employees are expected to take responsibility for acting in compliance with our policies and in accordance with the law, and they are encouraged to report any conduct that falls short of our high standards. We have a dedicated compliance hotline where employees and others can report any concerns anonymously and without fear of reprisals. In addition, we have a grievance process for employees. These channels have generated insights, although not related to breaches of human rights, to

improve our management of relevant human rights risks.

All our employees globally have written contracts of employment and all contractors have written contracts of engagement. Offshore crew must complete all safety courses prior to engaging in any offshore work. In 2023, all offshore crew contractors completed all required safety courses. Workforce and governance statistics such as training, diversity, pay gaps, tax, payments to government and economic activity for 2023 is available in the publicly available [Sustainability metrics](#) document.

In 2023, ninety percent of employees had completed the e-learning training on our Code of conduct and Compliance program.

### **Community focus**

To be able to conduct a seismic survey, PGS may sometimes need to remove Fish Aggregation Devices (FADs) placed by local communities in the survey area. In such cases, we engage well in advance with the affected communities through official channels and public consultation and help the safe removal of such devices and provide compensation to the communities for loss of revenue caused by such temporary removal. These initiatives are coordinated with the regulating authorities, customers, and in accordance with environmental regulation by MARPOL and local permit requirements.

Due to local regulatory requirements and necessary local expertise, these processes are sometimes conducted with support from 3<sup>rd</sup> parties. In these cases, we conduct due diligence of these parties, including training on our commitment to human rights and other ethical expectations, such as anti-corruption. All third-party assignments are documented for each seismic survey, recording information such as public notifications, notice of assemblies and channels to reach populations, minutes of meeting summarizing discussions and decisions, any actions performed, and any compensation given.

In 2023, no legal challenges were raised by affected communities and all project requirements were fulfilled according to local law and regulation.

### **Due diligence**

We are conscious that parts of the industries we operate in, primarily the oil and gas sector and the maritime sector, may be at risk of labor abuses or of Human and Labor Rights violations.

Since the last financial year, we have continued to improve our due diligence with suppliers in respect of modern slavery and human rights abuses. A risk assessment is done for new significant suppliers, which includes risks of human rights and labor law violations. Risks pertaining to existing suppliers are regularly reviewed and updated. We also continue to include human rights and modern slavery checks in our reviews of vessel suppliers and business partners, and risk assessments for entering new countries, which include risks of human rights violations.

Finally, we integrated the requirements of the enacted Norwegian Transparency Act, in the Global Supply Chain work process which is part of PGS's digital management system, enabling accessibility, transparency, and understandability for all involved employees.

### **Assessing Impact**

We identify any changes in each salient Human and Labor Rights issue over time. We do this by regularly conducting a context-, stakeholder-, and value chain analysis, which includes an evaluation of ESG indicators, including Human and Labor Rights. This is analyzed from various perspectives, such as our business model and market, the nature, scale and complexity of our operations, our position in the value chain and the locations and sectors in which we operate.

In 2023, PGS had four thousand suppliers in its supplier database, of which 2,000 were active. Of this pool, suppliers with an estimated annual spend of US\$1 million were assessed, yielding 13 suppliers with medium to high risk. Of the 13 suppliers, three product providers with manufacturing in their value chain were selected as part of the critical supplier yearly audit plan. The audit scope included human and labor rights based on the previously delivered Supplier Sustainability Assessment.

### **Integrating findings and taking action**

The iterative impact assessment process allows us to identify any actual or potential adverse impacts and integrate adequate control mechanisms in our governance and operations. In the case an adverse impact occurs, our remediation process includes action plans in which mitigations are identified and implemented. Mitigations may include termination of contracts.

Of the 3 critical supplier audits scheduled for 2023, two resulted in zero non-compliance cases relative to the supplier's human and labor rights management processes. One audit was deferred due to delays in setting up a Master Service Agreement with the supplier, which was defined as a prerequisite for the audit.

### **Tracking performance**

To ensure PGS's exposure mitigations are effective in practice, we have implemented several mechanisms to monitor compliance with salient Human and Labor Rights. This includes establishing and monitoring metrics for our own workforce, such as age, gender, pay, location, and turnover, as well as metrics for key suppliers such as type of provided goods or services, country of operation/establishment, due diligence, and audits. In addition, we monitor detection indicators such as accident frequency and reports of non-compliance.

Further, we have implemented a tool enabling global adverse media monitoring for our critical suppliers. This allows us to receive extracts in English of news written in local media that could indicate illegal or unethical activities within our supply chain or among our business partners.

Regular reports of statistics, issues and status on matters are presented to PGS Senior Management. Any status reports with material findings are also presented to the PGS Board's Audit Committee.

### **Looking ahead**

As much as we are proud of the improvements made in the previous 12 months, we will not be complacent.

Learning from the improved global supply chain work process and the experience gained by our employees and partners, we will continue to improve the processes related to impact assessment, planning for action, transparency and understanding.

We will continue to improve our knowledge of the risks related to human and labor rights in our supply chain and in our business, and endeavor to mitigate negative findings, and continue to follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Lastly, we will continue to expand our understanding of the risks present in the sectors we operate in, so that we may build on our capabilities and make our contribution to eradicating human and labor rights abuses.

## **PGS ASA**

13 February 2024

Walter Qvam  
Chairperson

Anne Grethe Dalane  
Director

Richard Herbert  
Director

Trond Brandsrud  
Director

Ebrahim Attarzadeh Director  
Stina Grant Director

Emeliana Rice-  
Oxley Director

Anette Valbø  
Director

Carine Roalkvam  
Director

Eivind Vesterås  
Director

Rune Olav Pedersen  
President & Chief  
Executive Officer

*This statement covers all subsidiaries of PGS ASA including without limitation:*

*Petroleum Geo-Services (UK) Limited*

*PGS Exploration (UK) Ltd*

*PGS Holding I Ltd*

*PGS Holding II Ltd*

*Petroleum Geo-Services AS*

*PGS Geophysical AS*

*PGS Falcon AS*

*Multiklient Invest AS*

*PGS Titan AS*

*PGS Shipowner AS*

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