Modern Slavery Statement

1. Introduction
Shearwater GeoServices Holding AS and its subsidiaries¹ ("Shearwater") have prepared this Modern Slavery Statement, applicable for the period 14 June 2022 until 19 June 2023, (the "Statement") in accordance with section 54(1) of the United Kingdom’s Modern Slavery Act 2015 (the "Act"). This Statement is issued on an annual basis, following approval by the board of directors. The Statement shall address the previous years’ objectives and detail any further findings thereof, along with any proposed future actions.

2. Organisation
Shearwater is a global provider of geophysical marine seismic acquisition and processing services. It provides 3D and 4D marine seismic data, imaging products, has its own proprietary data processing software and a fleet of modern purpose-built vessels with towed and ocean bottom seismic acquisition capabilities. Shearwater’s head office is located in Bergen, Norway.

3. Shearwater’s Commitments
Shearwater openly supports the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the standards advocated by the International Labour Organisation, Norway’s Enterprises’ Transparency & Work on Fundamental Human Rights & Decent Working Conditions (Transparency Act) and the Act.

Shearwater is committed to promoting transparency, accountability and ethical behaviour in all aspects of its business. Shearwater obeys the laws and regulations of the jurisdictions in which it operates and recognises that through its global operations it is exposed to activities in nations and regions with under-developed frameworks of human rights and corruption.

4. Shearwater’s commercial Policies
If required, Shearwater’s commercial policies, including its Code of Conduct, are updated annually and any amendment is then approved by the board of directors.

The Code of Conduct provides basic principles for behaviour and business practice. It applies to all Shearwater board members, managers, employees, hired personnel, suppliers, consultants, commercial agents and other third parties acting on behalf of Shearwater.

The Code of Conduct describes Shearwater’s main principles and reinforces its ethical practices and compliance with the global frameworks of human rights and anti-bribery & corruption on issues such as human & labour rights, health & safety, business ethics, legal compliance and other relevant issues related to Shearwater’s operations.

Shearwater’s Business Associates & Sanctions Guidelines supplements Shearwater’s Code of Conduct. These guidelines provide details on Shearwater’s commitment to comply with applicable laws and to ensure the ethical conduct of its suppliers.

5. Shearwater’s Supply Chain

Shearwater has six supply chains located in the UK, Norway, Singapore, Kuala Lumpur, Penang and Houston. The functions of the individual supply chains deal with procurement for either marine, non-marine, research & development or consumables.

Irrespective of the supply chain or its procurement objective, Shearwater now operates by a global centralised model and all suppliers (including commercial agents who operate on Shearwater’s behalf) must abide by Shearwater’s onboarding model. Fundamentally, the onboarding model means that Shearwater shall only transact and pay a supplier once they have been onboarded.

6. Shearwater’s Supplier Onboarding Model

The first stage of the onboarding model is the suppliers are objectively categorised, depending on the nature and importance of the goods and/or services to Shearwater’s business operations. The two categories are business-critical and business non-critical.

Irrespective of what business category the supplier is allocated, when onboarding any supplier and prior to entering into any form of business relationship, the supplier must complete an onboarding questionnaire.

The business-critical supplier onboarding questionnaire is more extensive than the business non-critical onboarding questionnaire, although essentially, the questions concerning modern slavery & corporate social responsibility are present in both questionnaires. However, the business-critical onboarding questionnaire goes into further detail on these topics, by requiring the supplier to provide its policies and divulge its processes and compliance with anti-bribery & corruption and human trafficking & forced labour laws.

Further, since the last Statement, Shearwater has elaborated on these questions and all suppliers must provide information on the systems and processes it has in place for modern slavery compliance, including external audits, spot checks or questionnaires on its own supplier’s.

The onboarding questionnaire also requires the supplier to sign up and adhere to Shearwater’s commercial policies, which includes the Code of Conduct. The supplier must also agree to transact on Shearwater’s terms and conditions, which further reinforces compliance with Shearwater commercial policies and places further contractual obligations upon the supplier to comply with anti-bribery & corruption and human trafficking laws.

In the event that the good and/or services to be provided requires more tailored terms and conditions provided by the supplier, Shearwater ensures that the supplier has suitable policies and/or processes in place that are reinforced by the applicable contractual obligations that are either equivalent or more stringent than Shearwater’s, all of which address and abide by the Act.
7. Supplier Trade and Compliance Check

Once a supplier has completed the onboarding questionnaire, it undergoes a risk assessment by Shearwater, who performs a trade and compliance check (TCC) by screening the supplier using Dow Jones, an online third-party screening provider.

This risk assessment, which is performed in real-time, searches the supplier against denial lists, news relating to financial crime or reputational risk, as well adverse media, the identification of sanctions risk and politically exposed persons.

Any "red flags", or other findings of concern raised throughout the screening process will prevent the supplier from being onboarded and/or transacted with, until these have been investigated. Shearwater takes such findings seriously and declined onboarding a supplier in 2023, as a result of the responses given in the onboarding questionnaire and findings in the TCC.

8. Shearwater's Additional Compliance Processes and Checks

The following bullets describe the additional compliance services Shearwater has put in place to extend the processes it already has and the checks it performs that now incorporate human rights.

(i) Dynamic Screening

In addition to the TCC, Shearwater has continued with its dynamic screening ("DS") using the Dow Jones screening tool. DS is an automatic re-run of the TCC for already onboarded suppliers that takes place on an annual basis. It notifies Shearwater automatically of any new adverse media or denial lists for its suppliers, which enables Shearwater to follow up directly with the supplier in the event of any changes that would otherwise have not been notified to Shearwater without repeating its due diligence process.

As per last year's Statement, originally the DS was intended for Shearwater's marine supply chains only. However, since implementing the global centralised model for all supply chains, Shearwater now uses DS for all critical suppliers, commercial agents and top spend suppliers across all its supply chains.

Going forward, Shearwater will use the United Nations Office for the Coordination of Humanitarian Affairs to determine what is a high-risk country for potential breach of the Act and any supplier located in a high-risk country will automatically be added to the DS.

However, since using DS, Shearwater is aware that although it re-runs the TCC, it does not:

(a) necessitate the supplier to re-confirm its original responses provided in its onboarding questionnaire, which contained the supplier's declaration on its policies, processes and compliance with anti-bribery & corruption and human trafficking & forced labour laws; or

(b) include suppliers that are not part of the DS.

In light of this, Shearwater is in the process of facilitating retrospective compliance on its critical suppliers, high spend suppliers and suppliers located in high-risk countries, by reperforming the TCC and for the supplier to confirm its original responses provided in
the onboarding questionnaire. This exercise will also be performed at point of a supplier’s contract renewal, irrespective of the category of supplier.

(ii) **Agent Screening**
Currently, Shearwater uses 10 commercial agents to operate on its behalf. However, it transpired that four of these commercial agents were engaged by Shearwater prior to completing the onboarding process. Shearwater is therefore currently performing retrospective onboarding compliance to ensure that all of its commercial agents have been onboarded correctly. Shearwater aims to have this action completed by Q3 2024.

(iii) **Shearwater Reporting Tools**

*MyVoice / Mittvarsel*
Shearwater engaged Mittvarsel to provide the MyVoice services, which is an internal anonymous reporting tool. With clear ethical guidelines, good whistleblowing routines and visibility of the consequences of breaches of regulations, employees experience that Shearwater and its board of directors takes whistleblowing seriously. Further, this service is adapted to coincide with Norway’s and the European Union’s Working Environment Act, GDPR and the Equality and Anti-Discrimination Act.

*Shearwater’s Integrated Management System*
Further, any concerns, complaints or issues with suppliers from a Quality, Health, Safety and Environment perspective are also logged onto Shearwater’s Integrated Management System (SWIMS). This means that, irrespective of whether part of the DS list, anything logged on SWIMS concerning a supplier’s (non)performance that contradicts its original responses to its onboarding questionnaire, are taken seriously, addressed on a case-by-case basis and if needs be, a supplier is removed from Shearwater’s supplier portfolio.

(iv) **EcoVadis**
Towards the latter end of 2022, Shearwater engaged with EcoVadis, who perform sustainability assessment on Shearwater’s behalf. This invite is currently for critical suppliers and the sustainability assessment evaluation by EcoVadis details how well the supplier has integrated the principles of Sustainability, Environment, Health & Safety, Corporate Social Responsibility and Environmental, Social and Governance into its business and management system.

9. **Statistics**

In accordance with the United Nations Office for the Coordination of Humanitarian Affairs, at the time of writing, there are now 17 countries associated as high-risk areas for modern slavery to exist.

Throughout the duration of this Statement, Shearwater ordered from 24 suppliers located in six out of these 17 countries, which is one extra country, but six less suppliers since the previous Statement. This limited number of placed orders equates to 2% of the total amount of orders
10. Training

Since the last Statement, Shearwater released its mandatory training modules that include, amongst others, modern slavery & human trafficking and anti-bribery & corruption for all employees. At the time of writing, 84% of Shearwater employees have successfully completed the modern slavery & human trafficking module. This training module will be revisited and updated regularly to reflect any changes in both the law and the Statement.

Summary

As further detailed in this Statement, Shearwater has a comprehensive and centralised onboarding model that seeks to prevent modern slavery existing in any of its supply chains, irrespective of the supply chain procurement function or its location, or the category of supplier.

Nevertheless, Shearwater recognises that it operates within geographical areas and industries with under-developed framework for fundamental human rights and decent working conditions, and there will always be room for further improvements. By continuously addressing its processes and procedures on how it onboards and engages with its supplier’s, Shearwater shall continue to strive towards advancing and developing its processes and procedures, to ensure that Shearwater, its suppliers and supply chains do not contain human rights violations.

APPROVED BY THE SHEARWATER BOARD 20 JUNE 2023

Irene Waage Basili
CEO

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