Introduction
Shearwater GeoServices Holding AS and its subsidiaries (“Shearwater”) have prepared this Modern Slavery Statement (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 and contains future objectives, as detailed herein.

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.

Shearwater’s Commitment and Policies
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. Shearwater recognises that through its global operations it is exposed to activities in nations and regions with under-developed frameworks of human rights and corruption.

Shearwater has developed a Code of Conduct, located at www.shearwatergeo.com/219/about-us/our-company, which provides basic principles for behaviour and business practice. This Code of Conduct applies to all Shearwater board members, managers, employees, hired personnel, consultants, agents and other third parties acting on behalf of Shearwater. It describes Shearwater’s main principles on issues such as human and labour rights, health and safety, business ethics, legal compliance and other relevant issues related to the company’s operations. Shearwater’s Business Associates and 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.

Due Diligence in Supply Chains and Future Objectives
Shearwater’s on-boarding model means that it can only transact and pay a supplier once they have been on-boarded. To be on-boarded, a supplier must sign up and adhere to Shearwater’s Policies, which includes its Code of Conduct. This is further reinforced in Shearwater’s contract templates that places further obligations upon the supplier to comply with Shearwater’s Policies. If the supplier transacts only on its terms and conditions, Shearwater ensures that the supplier has suitable policies and/or processes in place that deals with the Act.

When on-boarding a supplier and prior to entering into any form of business relationship, the supplier must complete an on-boarding questionnaire and Shearwater shall assess the level of risk by screening all relevant parties using Dow Jones, an online third-party screening provider. This searches against denial lists and also brings up any adverse media results. Any ‘red flags’, or other findings of concern raised throughout the screening process will prevent the supplier from being on-boarded and/or transacted with until these have been investigated.

In addition to the above, Shearwater has recently implemented a dynamic screening list ("DS") using the Dow Jones screening tool for its marine supply chain. This is an automatic screening check for already on-boarded suppliers to enable Shearwater to monitor on an ongoing basis up to 1000 suppliers. Any supplier located in a high-risk country is also automatically added to the DS. The DS will then notify Shearwater automatically of any new adverse media or denial lists for its suppliers, which enables Shearwater to follow up directly with its suppliers in the event of any changes that would otherwise have not been notified to Shearwater without repeating its due diligence process. Shearwater is looking to expand the DS to its non-marine supply chain during 2023.
Further, Shearwater recently updated its marine supply chain on-boarding questionnaire to specifically request its suppliers to provide information on the systems and processes it has in place for modern slavery compliance, including external audits, spot checks or questionnaires on lower-tier suppliers, to adhere to the Government’s proposed changes to 41(5A) of the Act, which are expected to become law in 2023. Shearwater is looking to introduce these additional questions to its non-marine supply chain questionnaire during 2023.

Statistics
In accordance with the United Nations Office for the Coordination of Humanitarian Affairs, at the time of writing, there are 16 countries associated as high-risk areas for modern slavery to exist. Throughout 2021, Shearwater ordered from 30 suppliers located in five out of these 16 countries, namely India (17 suppliers), Indonesia (3 suppliers), China (8 suppliers), Democratic Republic of Congo (1 supplier) and Mauritania (1 supplier). This limited number of placed orders equates to 4% of the total amount of orders placed throughout 2021 by Shearwater’s marine and non-marine supply chains.

Training
In 2021 Shearwater introduced an online training tool that issues specific and/or mandatory training for all employees, including the board of directors. Training on the Act and the Statement will go live in Q3 2022 and will be mandatory for all Shearwater employees to complete on an annual basis. This training will be revisited and updated regularly to reflect any changes in both the law and the Statement.

Summary
Shearwater has a comprehensive on-boarding model that seeks to ensure modern slavery does not exist in its supply chains. Along with its on-boarding processes already in place, these have been further reinforced by recent changes to its processes, such as, the ongoing DS for its marine supply chain and the inclusion of suppliers located in high-risk countries to the DS. Shearwater has elaborated on its marine supply chain on-boarding questionnaire and now requires its suppliers to provide information on how and what actions, such as audits, its suppliers are taking to ensure compliance with the Act. Shearwater is looking to extend the ongoing DS and the additional questions to the on-boarding questionnaire to its non-marine supply chain during 2023.

APPROVED BY THE SHEARWATER BOARD 14TH JUNE 2022

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CEO