



Supplier Code of Conduct

This Supplier Code of Conduct applies to all suppliers engaged by PGS ASA and its subsidiaries (PGS).



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A Introduction

PGS ASA and its subsidiaries (“PGS” or the “Company”) has set out its requirements and expectations to its personnel, business partners and suppliers in the PGS Code of Conduct. The PGS Code of Conduct is available on www.pgs.com. This governs the way we manage our business. The PGS Global Supply Chain Policy determines how we manage our supply chain. PGS require that all of 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 set for its own activities.

Our procurement processes are designed to ensure that we maintain a healthy supply chain that complies with our policies and our commitments. These include sourcing strategy, selection of suppliers and engagement with suppliers.

This Supplier Code of Conduct clarifies PGS’ Requirements imposed on our suppliers when working for PGS and shall be read in conjunction with the PGS Code of Conduct. These Requirements apply both to large and small suppliers, as well as to single transactions and long-term relationships. Our procurement contracts and purchase orders embed the Requirements in this Supplier Code of Conduct as contractual obligations.

Most of the below Requirements apply to all suppliers. However, some of the Requirements only apply to our key suppliers. Our procurement process will make clear which suppliers are regarded as a key supplier.

All PGS approved suppliers are bound by the PGS *General Terms and Conditions for Procurement of Goods and Services* or a negotiated agreement. In both cases, key suppliers shall be committed to abide by PGS policies and procedures. Deliveries must conform to our instructions.

All suppliers shall make this Supplier Code of Conduct available throughout its organization and to its employees. We also encourage that suppliers make their employees aware of the PGS Compliance Hotline. All suppliers and their sub-suppliers and employees can raise suspicions of violations of this Supplier Code of Conduct or other ethical concerns with PGS by either contacting the PGS Legal & Compliance department or reporting into the anonymous PGS Compliance Hotline.

We require that key suppliers in a long-term business relationship with PGS annually confirm compliance with this Supplier Code of Conduct, and that key suppliers procure that its sub-suppliers adhere to the PGS Supplier Code of Conduct.

Violation by any supplier of this Supplier Code of Conduct or applicable laws may lead to remedies for breach of contract.

B Requirements

B.1 Compliance with Laws – Acting with Integrity

All suppliers and sub-suppliers shall conduct their business with integrity and in a responsible and ethical manner with high professional standards and in full compliance with applicable laws and regulations.

PGS conduct a thorough due diligence processes prior to approving suppliers and seeks to choose suppliers that have the same ethical standards as PGS. We expect that our key suppliers do the same. Our key suppliers shall only engage with employees, agents, intermediaries, consultants, representatives, distributors, partners, contractors and sub-suppliers who both meet PGS and their own standards with regard to reputation and conduct.



High standards of ethical behavior and compliance with laws and regulations are essential to protecting the reputation and long-term success of our and your business. PGS require all suppliers to behave ethically, to comply with legal and industry requirements and seek to implement best practice in your industry.

B.2 Anti-Corruption

PGS has zero tolerance for corruption and bribery in any form. No supplier and anyone working for a supplier shall in relation to PGS' business (1) improperly influence any business activity by illegally offering, providing or receiving bribes, kickbacks, or other inducements, or (2) offer, provide or receive anything of value or advantage (either financial or other), directly or indirectly, to or from any person for the purpose of illegally (a) influencing any act, omission or decision in violation of the recipient's duty, (b) inducing the recipient to use their influence with a government entity, public international organization or commercial enterprise, (c) influencing any act or decision of a government entity or instrumentality, public international organization, or commercial enterprise, or (d) securing any improper advantage, in order to obtain, retain or direct business.

Each key supplier shall ensure that all of its affiliated companies, sub-suppliers and its and their personnel are made aware of and properly trained to ensure full compliance with this Requirement.

B.3 Gifts and Entertainment

No supplier shall in relation to PGS' business offer gifts, directly or indirectly, to government officials, PGS employees or representatives or anyone closely associated with them (excepting only minor gifts of customary nature and promotional items of minimal value).

Modest entertainment, such as social events and meals, may be offered if there is a legitimate business purpose.

Notwithstanding the above, gifts and entertainment may not be offered in connection with any ongoing tender and decision-making processes, irrespective of value.

B.4 Conflict of Interest

All suppliers commit to not take part in or seek to influence any decision where there is an actual or perceived conflict of interest. A conflict of interest arises when an employee's self-interest, such as personal relationships, participation in external activities or interest in another venture, collide with or are opposed to those of the employer or PGS. Should any supplier or any of its personnel at any level become aware of any such conflict of interest, PGS require that this is reported immediately to the PGS person responsible for the procurement contract or purchase order. Alternatively, the PGS Compliance Hotline found on PGS' website may be used.

B.5 Human and Labor Rights

The below requirements in this Section B.5 apply to all parts of the supply chain for all suppliers. Key suppliers shall undertake a risk assessment and an appropriate due diligence of its own operation and their supply chain to identify, detect and implement measures to alleviate risks for negative impact on human and labor rights. This includes having procedures in place to prevent all forms of modern slavery in their own operation and supply chain. Key suppliers shall use a thorough selection process to secure high standard security staff and sub-suppliers, and avoid or appropriately manage such negative human and labor rights impacts. PGS reserves the right to audit and request full information relating to key suppliers' management of human and labor rights, including information relating to key suppliers' supply chain.

a. Minimum age of Labor

With reference to the ILO *Minimum Age Convention*, 1973 (No. 138), no supplier shall for both hired labor and permanent employees tolerate, and PGS prohibit, the employment of children younger than 15 years and persons younger than 18 years for performance of hazardous work.

b. Forced Labor and Modern Slavery

PGS prohibit and no supplier and sub-supplier shall use and any form of forced or compulsory labor, or engage in any form of modern slavery or human trafficking. Forced and compulsory labor is defined 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.

All suppliers and sub-suppliers shall otherwise comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force, including but not limited to the *UK Modern Slavery Act 2015*, the *ILO Forced Labor Convention*, 1930 (No. 29) and the *ILO Abolition of Forced Labor Convention*, 1957 (No. 105).

c. Freedom of Association and Collective Bargaining

All suppliers and sub-suppliers shall recognize the freedom of association and to be represented in collective bargaining agreements. If there are legal restrictions under applicable laws, all suppliers shall acknowledge that employees will have the right to influence their work situation. PGS otherwise require all suppliers and sub-suppliers to comply with the *ILO Freedom of Association and Protection of the Right to Organise Convention*, 1948 (No. 87) and ILO [Right to Organise and Collective Bargaining Convention](#), 1949 (No. 98).

d. Diversity/Inclusion/Non-discrimination/Non-harassment

All suppliers and sub-suppliers shall treat all employees and personnel equally and fairly, and not discriminate on the basis of political conviction, religious belief, age, gender, sexual orientation, family status, disability, race, color, nationality, ethnic origin, social origin or any other basis prohibited by law. This shall apply in all aspects of employment, including for recruitment, training, promotion, remuneration, work assignments, hours of work and rest. You are committed to promote equal opportunities for all and value diversity, and comply with the ILO [Equal Remuneration Convention](#), 1951 (No. 100), and [Discrimination \(Employment and Occupation\) Convention](#), 1958 (No. 111).

No supplier and sub-supplier shall tolerate any form of harassment and abusive behavior that creates an intimidating, hostile or offensive work environment, or any degrading treatment or sexually offensive behavior.

e. Wages and Working Conditions

All suppliers and sub-suppliers shall ensure decent wages that meet minimum local standards, and that they are actually paid to permanent and hired employees. All suppliers shall commit to not use wage deduction as a disciplinary measure and that overtime shall be paid at a premium or higher rate.

All suppliers and sub-suppliers shall ensure decent working conditions that meet minimum local standards, and that working hours in general shall not exceed internationally recognized minimum standards of 48 regular hours of work per week, a rest period of at least 24 hours every seven days and maximum of 12 hours of voluntary overtime per week. In compliance with union agreements and minimum local standards, offshore work may be subject to different rotations. All suppliers are also committed to ensure that overtime is voluntarily, and that both hired labor and permanent employees are offered vacation time, leave and holidays, all in accordance with applicable law.

f. Employment contract

All suppliers and sub-suppliers shall to the extent required by applicable law ensure that all hired labor and permanent employees are given a written employment contract setting out all required employment conditions in a language understandable to the employee and that they are given access to effective grievance mechanisms. In jurisdictions where employment contracts are not required, suppliers and sub-suppliers shall ensure that all hired labor and permanent employees are provided in writing an offer or other such similar document with all the employment conditions in a language understandable to the employee and that they are given access to effective



B.6 Minorities and Indigenous Peoples Rights – Local Communities

All suppliers and sub-suppliers shall respect the special importance of the social, cultural, religious and spiritual values and practices of minorities, indigenous and tribal peoples and their relationship with waters, land or territories, and to the extent your work affects these peoples, together with PGS undertake a process to minimize and manage such effects.

All suppliers and sub-suppliers shall also respect the local community and work according to internationally recognized principles together with PGS seek to prevent and mitigate adverse impact on local community.

B.7 Personal Data Protection & Data Privacy

All suppliers and sub-suppliers shall respect the rights of data subjects to data privacy, and only process personal data to the extent and in a manner consistent with applicable data protection and privacy laws. Suppliers are committed to maintain appropriate technical and organizational measures to protect personal data and shall ensure that personal data processed and stored is sufficient, adequate, accurate and updated, and is not stored longer than necessary for its approved purpose.

B.8 Information Security

All key suppliers shall comply with PGS' information security policies and standards. All suppliers shall abide by applicable laws and regulations and implement appropriate technical, physical, and contractual security measures to protect data and systems from unauthorized access, use, disclosure, modification, or destruction. PGS require that all key suppliers conduct regular security risk assessments and audits and report any security incidents or breaches to PGS immediately. PGS reserves the right to monitor, review, and audit such suppliers' and their sub-suppliers' security performance.

B.9 Environment & Climate

PGS' ambition is to cause minimum harm to the environment. All suppliers and sub-suppliers shall work according to internationally recognized environmental management principles and practices, and aim for continuous improvement towards best practices. All suppliers and sub-suppliers shall comply with applicable environmental legislation and permits, and work to achieve resource efficiency, including reducing energy, water and material consumption. Further, all suppliers shall be committed to prevent harm to the environment, and ensure proper pollution prevention and control, and waste management.

PGS acknowledges the need for an energy transition to prevent severe consequence of climate change. All suppliers and sub-suppliers shall be committed to work towards reducing its own emissions of greenhouse gases and those of sub-suppliers.

B.10 Health, Security & Safety – Drugs & Alcohol

PGS is committed to protecting the health and safety of its employees, contractors, visitors, and third parties, and our ambition is zero injuries. All suppliers and sub-suppliers shall work ambitiously through continuous improvement for a healthy working environment, and a safe and secure conduct according to internationally recognized health and safety management principles, practices and applicable law.

PGS does not tolerate anyone being under the influence of alcohol or drugs while working for PGS. Subject to applicable laws, PGS reserves the right to randomly test suppliers' personnel for alcohol or drug influence.



B.11 Responsible Sourcing – Conflict Minerals

All suppliers and sub-suppliers must provide PGS with products made from materials, including constituent minerals that are sourced responsibly and verified as “conflict free” in accordance with the guidelines of the *Organization for Economic Co-operation and Development* (OECD). Key suppliers shall provide supporting data on their supply chain of minerals when requested by PGS or anyone else. In the event of an “unknown” supply chain, key suppliers shall ensure appropriate certifications or expected to find other materials that can comply with such.

B.12 Accurate, Correct and Complete Records

All suppliers shall maintain accurate, correct and complete records of all business transactions.

B.13 Safeguarding our Resources and Protecting Confidential Information

PGS require that technologies, intellectual property and commercially sensitive and confidential information (Proprietary Information) are protected from unauthorized use and disclosure. No Proprietary Information shall be shared which is not approved by the disclosing party. No Proprietary Information shall be used for any other purpose than its permitted use. All suppliers and sub-suppliers shall adhere to the same principles regarding Proprietary Information obtained in projects and/or business with PGS.

B.14 Export Controls and Sanctions laws - import obligations

All suppliers and sub-suppliers shall comply with applicable export control laws and regulations for the transfer, sale or shipment of items, services, software or technology, and in particular those of the United States, European Union, the United Kingdom and Norway. All suppliers will ensure that any shipment or transfer in relation to working for PGS is properly authorized with an export license, as required.

All suppliers and sub-suppliers shall also comply with international economic and trade sanctions, in particular those of the United States, European Union, the United Kingdom and Norway, and we expect that key suppliers undertake to screen all of their counterparties and sub-suppliers to ensure compliance.

B.15 Competitive Behavior and Antitrust

PGS business is conducted in compliance with applicable competition laws. All suppliers and sub-suppliers shall equally comply with such laws in all countries where they operate or sell services/products, and undertake not to engage in any practices which have the purpose of restricting competition, or which unlawfully has such effect.

B.16 Anti-Money Laundering - Preventing Facilitation of Tax Evasion

PGS is committed to complying with all applicable anti-money laundering laws, and to implement measures to make appropriate counterparty checks. Suppliers shall only do business with reputable sub-suppliers and business partners being involved in legitimate business activities having funds derived from legitimate sources. Suppliers shall not facilitate any attempt of tax evasion from any of their sub-suppliers or business partners.

We expect that our key suppliers shall conduct appropriate due diligence of their sub-suppliers and business partners to determine the origin and destination of financial interests, and be attentive to unusual payment transactions, invoicing and banking arrangements, and tax status of counterparties.

B.17 Payment of Taxes

PGS is committed to being a responsible corporate citizen by paying taxes when legally due and in compliance with tax laws and regulations. We expect no less of our suppliers. All suppliers shall ensure timely and accurate reporting and filing of tax returns.