



GEOLOG INTERNATIONAL
Sustainability Report: Communication on Progress 2016



Message from the CEO

“Looking ahead to the future, GEOLOG’s goal is to be even closer to the UNGC principles: we work on daily basis to guarantee top quality standards and sustainable growth”.

As GEOLOG International, we are building a company that puts Health, Safety, Environment and Community at the very heart of what we do. In line with our strategic vision, we continue to improve our environmental standards, human and labor rights responsibility and remarkable charity initiatives worldwide.

We pride ourselves on engaging and working together with local communities in the countries where we operate.

Despite the oil crisis that is affecting our industry, we are taking significant steps on our journey to continue to be a Company that employees, partners and clients can trust and rely on in terms of social responsibility commitment and sustainability.

We are members of the United Nations Global Compact program since 2009, our goal for 2016 is to go ahead and guarantee even higher standards of integrity, quality, safety and transparency.

Antonio Calleri
President
Geolog International
March 2016



Mission Statement

Our Mission

- ***To help our clients make quantified, informed, substantial improvements*** in their drilling efficiency, hydrocarbon detection and reservoir characterization.
- ***To constantly build a leading edge service company*** that attracts, develops and retains exceptional people.
- ***To respect and improve the highest safety and environmental standards*** whilst actively participating in the ***development and know-how of the countries in which we operate.***



Company Overview

The leading independent surface logging company

GEOLOG International B.V. ("GEOLOG") is a leading global oilfield services company that provides surface logging services to a substantial and diversified client base. Founded in 1982 in Milan, Italy, the firm is headquartered in Amsterdam, The Netherlands, and maintains offices in most major oil producing countries. GEOLOG operates at the forefront of technology and its services are centered on the optimization of the overall drilling times and costs of each well and the acquisition of quality data for formation characterization.

GEOLOG services national and international oil companies and integrated service providers, both onshore and offshore across more than 45 countries and is presently involved in exploration, development, deep offshore, HP/HT wells and unconventional (shale) reservoirs. GEOLOG's significant growth since its inception over 30 years ago is to be attributed, amongst others, to its technological leadership in surface logging and its strong focus on proprietary research and development. As such, GEOLOG invests heavily in R&D (up to 5% of annual turnover) with a target to produce a new patent, on average, every two years. In line with its strategy to be the leading global supplier of choice for highly technological surface logging services to the oil and gas industry, GEOLOG focuses on those markets where its leadership in highly complex drilling projects is required and recognized. These typically include deep-water, deep-onshore and horizontal drilling with extended reach as well as compartmental reservoir. In particular, GEOLOG is now a world leader in gas detection and gas extraction from drilling mud thanks to its

advanced constant volume and temperature degasser and DualFid™ chromatograph technology.

GEOLOG's products and services are centered on 3 key industry requirements:

- **To reduce overall drilling time and costs**
- **To improve rig safety**
- **To characterize reservoirs**

GEOLOG is the largest independent international surface logging company in the world and presents itself as the only solution to clients seeking an independent surface logging company versus one of the fully integrated service providers.

GEOLOG's surface logging services provide data which are critical for the drilling, geology and reservoir groups of clients. GEOLOG delivers services which include the monitoring of (i) geological data obtained by physical evaluation of cuttings; (ii) hydrocarbons data obtained from analysis of gases in and out and (iii) surface drilling data (including mechanical, hydraulic and engineering variables) obtained using several high-end sensors and quasi real time enhanced analysis. GEOLOG provides key information to evaluate the well in terms of hydrocarbons ratios, pressure balances and relative positions of its lithological layers. GEOLOG's services also provide early warning on dangers to ensure well safety and to prevent formation damages for optimum data acquisition and field productivity.



Company History

Three decades of field experience

GEOLOG was founded in Italy in 1982 to provide mud logging services to AGIP on geothermal, oil and gas wells. From its early years, GEOLOG's strong technological and R&D culture led to the development of a number of innovative solutions and highly technological patents in the mud logging arena. The Italian crisis of 1994, during which the Company moved abroad, opening bases in Tunisia, Congo and Venezuela, servicing AGIP's international operations, acted as a catalyst for the Company's international expansion. Current management acquired the Company in 2001 and has been able to develop its innovative solutions and technological patents into commercial products and services, thereby significantly growing the customer base across not only International Oil Companies but also across National Oil Companies worldwide. Whilst retaining its R&D and production facilities in Milan, Italy, in 2009 the Company reorganized its corporate structure under GEOLOG International BV, based in Amsterdam. Under current management, GEOLOG has consistently grown at double digit rates purely organically, expanding its operations from its established footholds in North and West Africa and Central America and by opening new bases in the Middle and Far East, South America, the North Sea and Australasia. Today, GEOLOG remains privately owned and has grown to become the largest international independent mud logging company in the world.



Client References

Onshore

- Exploration Wells
- Development Wells
- Geothermal Wells
- Unconventional (Shale) Reservoirs
- Extended Reach Drilling

Offshore

- Exploration Wells
- Development Wells
- Extended Reach Drilling
- Narrow Mud Weight Window
- Wells Drilled Under Balanced

Deep & Ultra-Deep Water Wells (Up to 2,600 Meters Water Depth)

- | | |
|--------------|---------------|
| • Angola | • Sri Lanka |
| • Australia | • Tanzania |
| • Ghana | • Timor Leste |
| • Italy | • Togo |
| • Malaysia | • Turkey |
| • Mauritania | • Trinidad |
| • Mozambique | • Venezuela |
| • Namibia | |

HP / HT Wells

- | | |
|-------------|---------------|
| • Argentina | • Mexico |
| • Austria | • Mozambique |
| • Brazil | • Netherlands |
| • Ghana | • Romania |
| • Italy | • Sri Lanka |
| • Kuwait | • Turkey |

Extreme Weather

- North Africa: + 55 °C
- Russia: -50 °C

National Oil Companies:



International Oil Companies



Integrated Service Providers



HSE & Quality

Health, safety and environment are fundamental to everything we do

HSE CAPABILITIES

GEOLOG's vision about Health, Safety and Environmental is to make measurable improvements in the HSE aspects of our services and operations and to do so continually. As such, GEOLOG HSE goals are:

- ✓ **No personal injuries**
- ✓ **No accidents**
- ✓ **No environmental damages**

To ensure that these objectives and expectations continue to be met, GEOLOG has in place a solid HSE Management System, which sets out GEOLOG's approach in identifying and managing Safety, Health and Environment.

GEOLOG is certified since 2010 in ISO 14001:2004 for Environmental Management System and OHSAS 18001:2007 for Occupational Health and Safety Management System by Det Norske Veritas (DNV), both for office and field activities. This demonstrates that GEOLOG's operations are managed efficiently and responsibly, providing reliable services to its clients, free of downtime associated with QHSE matters.



Some of the major benefits of having an integrated certified system worldwide are:

- To provide more effective operational service to our clients.
- To provide more efficient support to personnel in the rig site.
- To have standardized planning and procedures worldwide, enabling GEOLOG to work at the highest standards available on the market.
- To have an integrated system that involves and encourages the participation of both office and field personnel.
- To have an active system for continuous improvement.

Top Management is fully committed to HSE issues through constant personal involvement i.e. review meetings, audits, provision/assignment of training, amongst others. Furthermore, GEOLOG corporate HSE Policy statement is issued directly by the President of the Company, Mr. Antonio Calleri. Given the importance of HSE in GEOLOG's operations, its structure has been growing with the increase of GEOLOG presence worldwide: from field staff to base personnel, with direct reporting lines into the central HSE team.

To comply with ISO & OHSAS standards, GEOLOG constantly monitors and evaluates if the HSE requirements are being met. For this reason, the following items are monitored and reported to Top Management monthly: man-hours worked, number of Lost Time Incidents (LTI), LTI Frequency rate (LTIFR), Minor Incidents and Environmental Spills.

In 2015, GEOLOG reported excellent HSE performance: 0 LTIs, a LTI Frequency rate of 0.00, and zero Environmental spills in nearly 2.5 million man-hours worked.

QUALITY CAPABILITIES

GEOLOG's Quality Management System is founded on the belief that continuously improvement of the quality of our services must be pursued. As such, Top Management routinely communicates this mind-set in-house (offices and field) as well as to clients and the media.

GEOLOG's Quality Management System is certified in ISO 9001:2008 by Det Norske Veritas (DNV). This allows GEOLOG to have an integrated QHSE Management System with also its certificates in ISO 14001:2004 and OHSAS 18001:2007. This integration between the three standards helps GEOLOG to have a fully operational QHSE Management System with the objective of achieving excellence in QHSE performance. To ensure the QHSE Management System is in place in the certified bases, GEOLOG has trained several of its employees as internal auditors in the ISO & OHSAS standards.

Apart from the ISO & OHSAS certificates, GEOLOG QHSE Management System is also approved and certified as per Achilles system, a community used by major buying organisations within the Oil & Gas sector. GEOLOG is registered in many Achilles communities, such as FPAL, Achilles JQS, Connexio, CEOqs, Repro Spain, Achilles Supply-Line, Sicclair Argentina, Regic Chile and Repro Peru.

Maintaining outstanding QHSE performances that follows the ISO & OHSAS standards are a core value for GEOLOG. Our successful QHSE performance has been made possible through the leadership and teamwork of all employees and all Managers. GEOLOG QHSE standards are based on the continual improvement of the QHSE Management System:

^[1] A Lost Time Incident (LTI) is a work-related incident, injury or illness to an employee in which a physician or licensed health care professional recommends day(s) away from work due to the incident.

^[2] The Lost Time Incident Frequency rate (LTIFR) is measured as the number of Lost time incidents per million hours worked in the period analyzed.



PLAN

- QHSE goals and objective
- Field risk analysis
- Client requirements

VERIFY

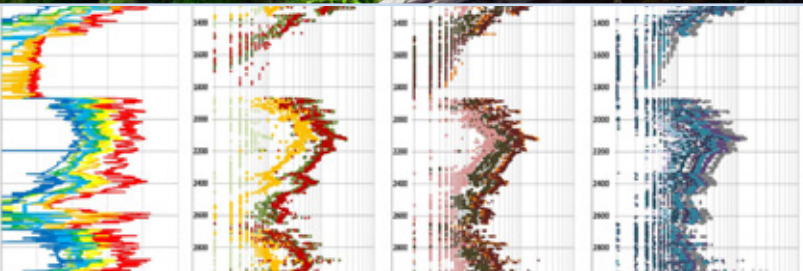
- Audits
- Records
- Incident investigation and analysis

IMPLEMENT

- Training awareness and competence
- Document Control
- Emergency planning
- Operational control

REVIEW

- Management review
- Recommendations



SUSTAINABILITY REPORT: Communication on Progress

Human Rights Principles

GEOLOG is devoted to the protection of human rights; consequently we strive to conduct our business based on ethical and responsible actions in the areas where we operate. We encourage our local representatives to sponsor, support and actively participate in projects that benefit communities. In this way, we look forward to support and improve local conditions.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

Charity Contributions and Social Responsibilities

Angola – Charity donation

For the last few years GEOLOG has been supporting the Institute Don Bosco in Angola. In Luanda alone, Don Bosco provides schooling for over 8000 children, through schools and 5 apprenticeship programs for teenagers.

One of the major basic need problems the Institute faces on a daily basis is the access to a clean water supply: there are limited available sources to provide drinking water to pupils and adults. Until few months ago the Institute was forced to purchase water from a local distributor and rent a water truck to deliver this.

GEOLOG decided therefore to help build a sustainable solution by donating a water truck to the Institute, thereby enabling it to be fully in control of the water supply chain. Because purchasing a truck in Luanda is not easy, GEOLOG decided to source the truck in Europe and then export to Luanda.

The project took many months, as the truck was customized for use: the stainless steel tank comes from the southern Italy and the truck itself comes from Piacenza (northern Italy). A mechanical garage based in the north of the country was responsible for fixing the tank on the truck body and eventually the truck was driven to La Spezia harbor to board a ship for Angola. We took care to ensure to use equipment and brands that are already present in Luanda to ensure future maintenance will be easier and we also included many spare parts and consumables. The truck finally arrived in Luanda and after lengthy and bureaucratic customs process it was finally delivered to the Don Bosco facilities of Luanda. It is working at full capacity, enabling children to have access to get drinking water on daily basis.



South Africa – School Furniture Donation

GEOLOG donated in South Africa school material (such as desks and chairs) to the Andile Primary School.

This Primary School is located in New Crossroads area, a very poor district approximately 15 km from the center of Cape Town. The school was founded in 1976 and at the moment the school has a total number of 500 students and 16 teachers.

GEOLOG's QHSE Coordinator of Cape Town office visited the school and personally delivered the material to the teachers and the students, making a big surprise to them!



Mexico – Social initiatives for children

The personnel of GEOLOG Mexico were involved in social activities, such as the donation of toys to kids of an orphanage and the organization of an event with clowns to entertain kids who are in treatment in a children's hospital.

The goal of these initiatives was to let the kids spend happy moments... nothing is better than to make children happy and smiling!!!



Venezuela – Funding charity activities together with Clients

In Venezuela GEOLOG invests 3% of yearly country revenues in social and charity initiatives promoted by the main Client. In 2015 main activities were the reparation and improvement of water network system in order to provide the community with drinkable water and other works related to waste collection, electrical connections and public green areas maintenance.

Funding UNICEF

We believe that investing in initiatives that advocate for education, health conditions and respect of children rights is a key element to build a better society in the future. Therefore, GEOLOG also funds programs that contribute to give better opportunities for children. In line with this, GEOLOG made a monetary contribution to the United Nations Children's Fund (UNICEF).



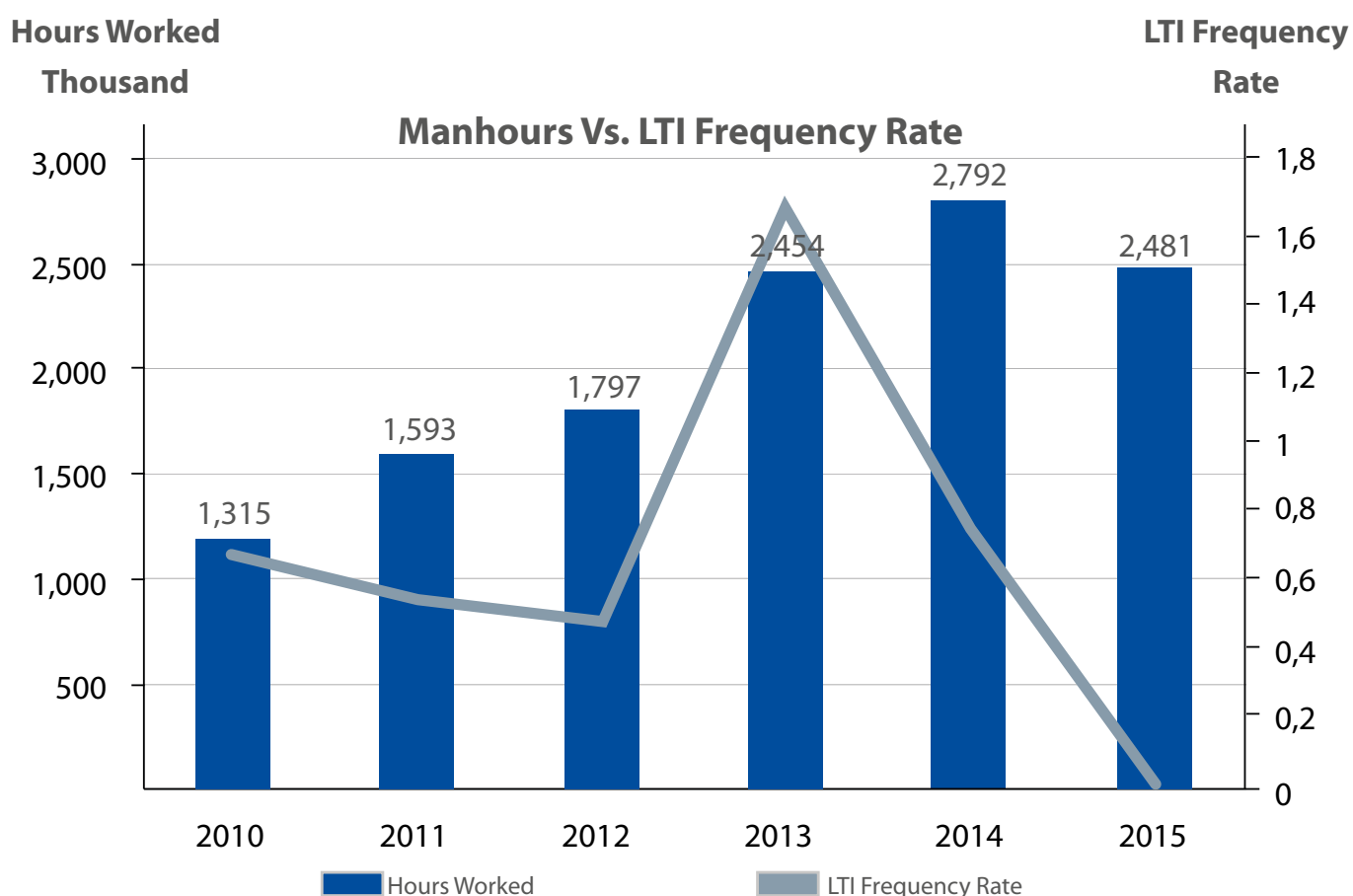
Priority on accident and incidents

GEOLOG's QHSE Management System is built in the belief that most workplace injuries, illnesses and accidents are preventable. Hazards leading to these incidents are often known prior to their occurrence; prevention of incident and injuries are the best way to safeguard the most important part of the workplace, GEOLOG and Third Party People.

GEOLOG focus its attention not only on occupational safety (conventional safety risks, e.g. slips or trips), but also on process safety (major hazards risks). This interaction between the two safety levels leads GEOLOG to good results in terms of injuries and incidents.

Below some GEOLOG's key performance statistics for the year 2015, followed by the graphic overview of the trends Man-Hours worked versus Lost Time Injury frequency rate.

Year	Man-hours worked	Lost Time Incidents (LTIs)	LTI Freq. Rate	Lost Days	Gravity Rate	Fatalities	Env. Spills
2015	2,481,122	0	0.00	0	0.00	0	0



In 2015 no Lost Time Incidents (LTI) happened in GEOLOG. This is the best result since 2004, and this proves the excellent results achieved.

In general the numbers of all kind of incidents decreased significantly compared to 2014:

- Medical Treatments: 40% reduction compared to 2014.
- First Aids: 66% reduction compared to 2014.
- Near Misses: 49% reduction compared to 2014.
- Unsafe acts: 40% reduction compared to 2014.

Labour Principles

GEOLOG, through its internal policies, is committed and strives to respect the labour rights and to guarantee gender equality to all its employees with the objective to ensure no discrimination.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation

GEOLOG as a global employer forbids child labour and any type of abuse and forced labor. All GEOLOG employees are older than 20 years and over 95% are university graduated.

It is a guiding principle of GEOLOG to conduct its services according to the principles of respect and dignity, providing fair working environments for its employees. Consequently, GEOLOG does not tolerate any kind of discrimination among others, race, religion, color, gender, for its employees.

GEOLOG is characterized by the multicultural background of its employees. For example, there are 64 different nationalities among the total of its employees.

GEOLOG is also committed to support the development in the areas in which provides services by local empowerment and use of local providers. For instance, 67% of GEOLOG's employees are local.

Next to this, GEOLOG acknowledges women's empowerment as a crucial element in its social responsibility commitment. At the moment 20% of GEOLOG employees in office positions are women and 7 management positions are held by women. In line with this, GEOLOG promotes women in achieving leadership positions.

GEOLOG has implemented flexible work arrangements for its employees, especially for women with families and young children in order fit work and family needs. GEOLOG gives special attention to pregnant women, allowing them to work from home in the final stage of pregnancy and making work arrangements for the post-delivery.

GEOLOG is also aware of opportunities to extend our scope of influence and extend our commitment among our business community. Purchasing process is a key part of GEOLOG operations; therefore, we give priority to local providers and local purchasing. Whenever possible, services and materials are acquired from local providers that comply with GEOLOG standards. In this way, we promote social and economic development by creating more job opportunities, involving local stakeholders and minimizing indirect environmental aspects of our business.

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

One of the keystones of GEOLOG's HSE Management System is its HSE Policy. Through the commitment to achieve remarkable performance in Health, Safety and Environmental, we inform our employees and communicate to all our interested parties that we operate our business in an environmental responsible manner.

GEOLOG Milan Home Office powered by sunlight

The new building of Milan HQ has been designed taking into consideration the use of renewable energy sources focusing on environmentally friendly solutions.

After the thermal station installed in 2014, and now perfectly operating, GEOLOG started at the end of 2015 the installation of photovoltaic panels to produce the electric energy for the daily activities by using solar energy.

The photovoltaic system installed is composed by 680 modules, and considering all the variables (such as annual average solar radiation, azimuth and tilt angles and the balance and losses of the system) the energy that can be produced in a year reach the value of 202.130 kWh (maximum production in August, minimum production in January).

This initiative reinforce the commitment of GEOLOG towards solutions that help to reduce our carbon footprint and the impact on the environment.



GEOLOG is committed to continually improve its QHSE performance through site certification programs. In this way, the scope of GEOLOG's Management System is beyond environmental performance and integrates health, safety and quality aspects associated to its services. Consequently, GEOLOG has a multi-site certification in accordance with ISO 9001, ISO 14001 and OHSAS 18001.

In 2015 GEOLOG passed successfully the audits of external certification bodies for ISO/OHSAS standards in many locations: Amsterdam (The Netherlands), Luanda (Angola), Macae (Brazil), Milan (Italy), Hassi Messaoud (Algeria), Balikpapan (Indonesia) and Villahermosa (Mexico).

The scope of the certifications of GEOLOG's Management System is the provision of "Mud Logging services, data acquisition and elaboration for exploration and development wells for oil and gas research".

For GEOLOG excellent Environmental, Safety, Health and Quality performance is an essential element for our business.

Anticorruption principles

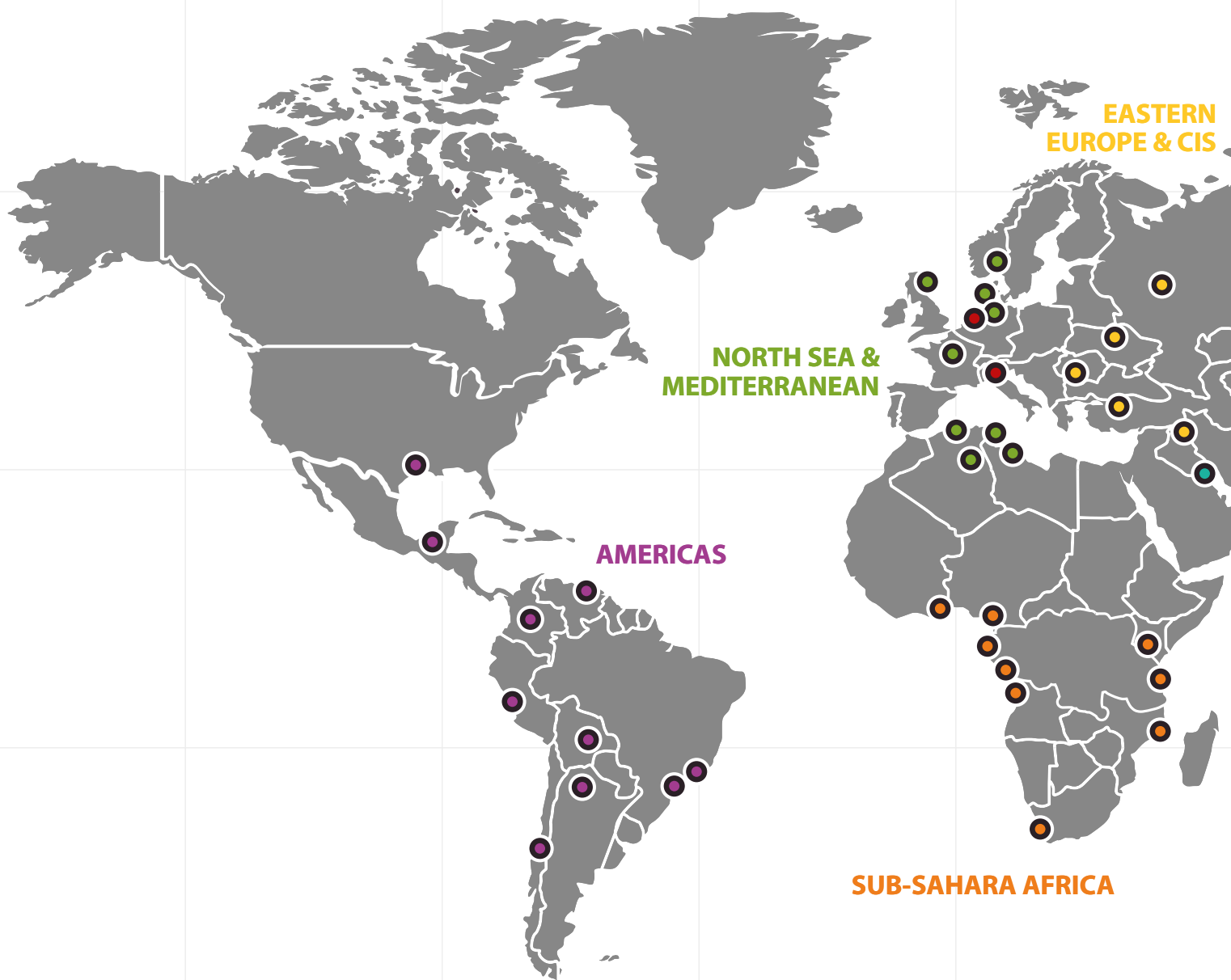
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

GEOLOG is strongly committed to the highest ethical and legal standards. Each company within GEOLOG has been provided with the internal Code of Business Conduct and Anti-Bribery and Anti-Corruption Policy both aimed at raising awareness of the relevant national and international laws, standards and principles in order to ensure compliance by GEOLOG as a whole, and all directors, officers and employees with the Anti-Bribery and Anti-Corruption business principles accepted worldwide.

In particular GEOLOG fully adhered and implemented all Anti-Bribery and Anti-Corruption principles set forth in the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and UK's Bribery Act 2010.

In light of the above, GEOLOG developed and implemented a specific Anti-Bribery and Anti-Corruption plan through the actions described below:

- ✓ Conducted a risk assessment to identify potential exposure to bribery and corruption.
- ✓ Involved its top management and Board members to (i) clearly communicate the core values of the Group and (ii) devote appropriate time and internal resources to anti-bribery compliance issues and to monitor the effectiveness of anti-bribery programs and controls.
- ✓ Issued a detailed Code of Business Conduct and Anti-Bribery and Anti-Corruption Policy covering all anti-bribery and corruption aspects and explaining which procedures each department should put in place and which rules should be followed, both at a Group level and locally, to avoid forbidden and/or unethical behaviors and business practices.
- ✓ Recruitment procedures have been updated to be fully compliant with relevant Anti-Bribery and Anti-Corruption principles and regulations.
- ✓ Set up of whistleblowing facilities and compliance helpline and other reporting procedures.
- ✓ All GEOLOG personnel at risk of bribery and/or corruption behaviors and practices is being trained via face-to-face individual meetings, seminars, e-learning tools etc. to understand how bribery and corruption situations can arise and which are the procedures and/or remedies to avoid that.
- ✓ GEOLOG is also starting to apply risk-based compliance due diligence checks on third parties the company works with such as agents, sales representatives, external counsels, etc. to ensure their compliance.



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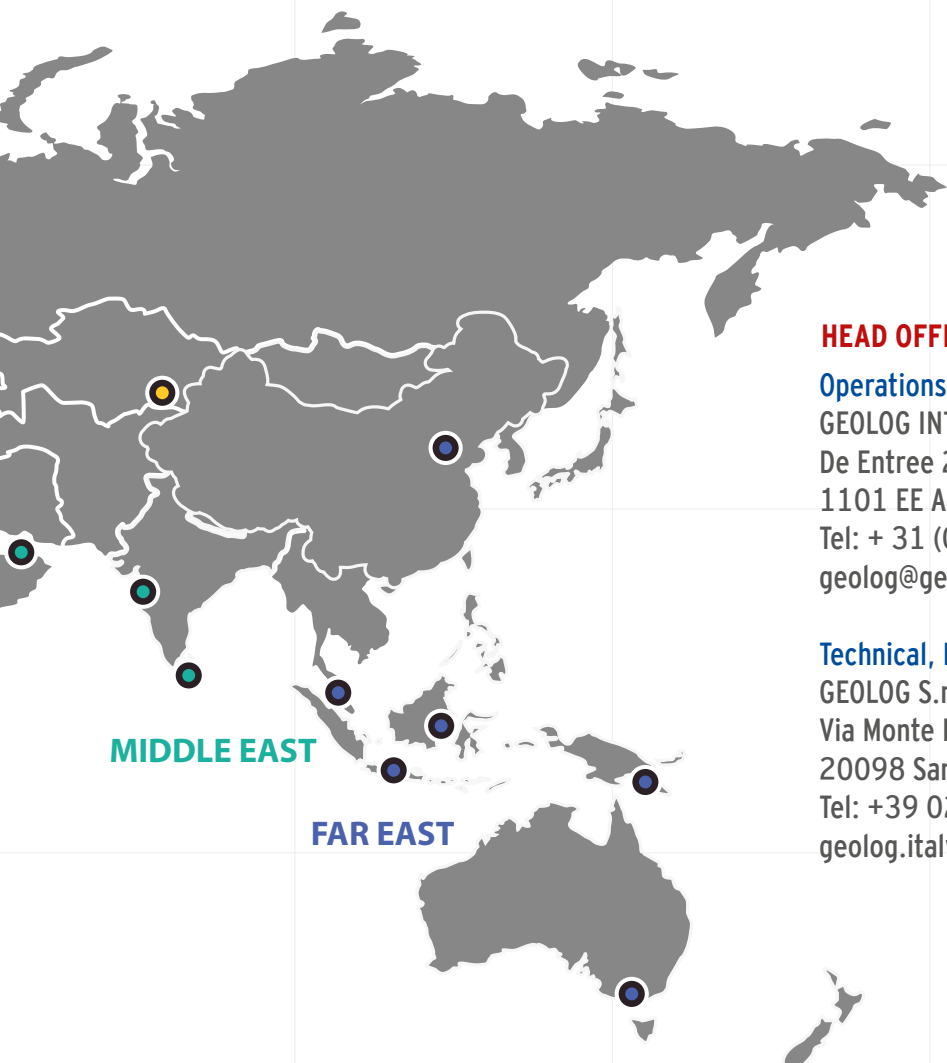
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