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# Selling **to** Sercel

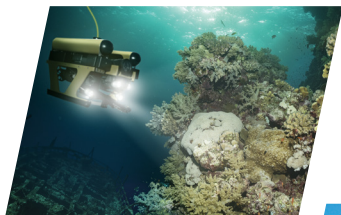
Our Market, our Commitments, our Requirements

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**SERCEL**

A Viridien Business



# Introduction

Sercel develops and provides high performance equipment dedicated to the exploration of the underground and the monitoring of infrastructures.

Within its diversification operations, Sercel also delivers solutions for harbor operations, for defense applications and for any kind of potential usage of its know-how and its advanced technologies.

We are the worldwide leader of seismic solutions.

Our suppliers are key partners to our success. We value your contributions in our projects and our industrial activity. This document will give you the information to help you to know us better, meet our expectations and develop our relationship.

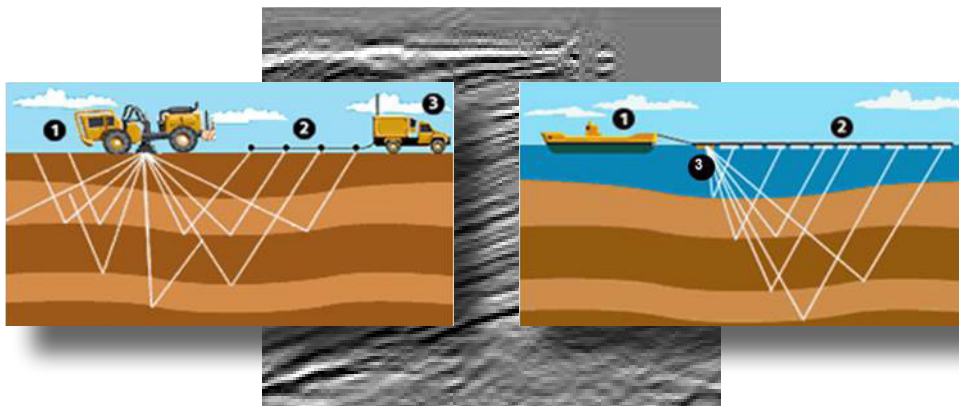


# Our Market

Geophysics uses many techniques to analyze the sub-surface environments. Our customers, seismic service companies, perform a scan of the underground <sup>(1)</sup> from the sub surface to a few kilometers deep, to identify Oil and Gas reserves, analyze soils and infrastructures or other underground analysis. We manufacture and supply the equipment needed for these operations:

- ① The source of the seismic signal: vibrator truck or marine source.
- ② The highly-sensitive sensors: Geophones or Hydrophones, connected to our signal processing electronics.
- ③ Recording systems: data monitoring and control of operations.

After processing, the raw data is analyzed by our customers in their data centers or used on a real time basis. The result is then delivered to the end customer (Oil companies, Geoscientists, Infrastructure Supervisory companies and other services).



The survey of infrastructures, (bridges, dams, railways, buildings,...) apply the same principles as the Geophysical, with dedicated equipment.

In addition, our know-how in acoustics and hydraulics technologies is deployed for other diversified activities.

<sup>(1)</sup> The frequency range used in Geophysics extends generally from 0 Hz to 100 Hz. By comparison, medical ultrasonic scan uses sound waves in a range of 1MHz to 5MHz.

# Our Products

Seismic missions and infrastructure surveys are huge operations mobilizing important resources all over the world (2).

Those crews operate 24/7, in extreme conditions with high productivity goals.

Our products are designed and tested to meet these constraints for use: (-45°C/+75°C on the land), (180°C down the wells) humidity (tropical climate, marine environment), handling (shocks, falls, all ground transportation).



<sup>(2)</sup> A typical mission uses more than 100,000 sensors, a fleet of vibrator trucks, hundreds kilometers of cables, thousands of acquisition boxes and batteries, calculators, test equipment and all maintenance parts.

# Purchasing Organization and Practices

Our Worldwide Purchasing Team acts globally and interacts at every level of the organization, covering the whole spectrum of spend: raw material, mechanical and electronical components, IT, CAPEX, services and maintenance operations.

Our buyers are specialized by categories and markets, to address the specific needs of every Division. Purchasing teams are connected together and world markets are coordinated by lead buyers.

All buyers apply the same policies and procedures across our different locations.

We share our purchasing information and our knowledge regarding the supply market and suppliers.

Our supplier selection is based on the same criteria and our sourcing practices are regularly assessed.

We share and have to comply with the same rules concerning audit, control and compliance.



# Our Policy, our Target

We protect Sercel interests and conduct our actions in accordance with the company's strategy: defend our leading position, reinforce our performance, secure our operations and care on safety.

Our purchasing action is daily driven by 5 main targets :

- Reduce the material cost of our products (TCO).
- Control the whole spectrum of expenses.
- Secure our supply chain.
- Optimize our operating costs.
- Guarantee our compliance with regulations and laws.

We provide our support in the design cycle, we ensure the protection of our innovations, and contribute to continuous quality improvement and reduction of procurement cycles.





# Our Commitments, our Expectations

We are dedicated to honor and respect our purchasing commitments.<sup>(3)</sup>

In the same way, we expect that you also honor your own commitments:

- Conformity with our specifications and on-time delivery.
- Compliance with your legal obligations.
- Prompt response in cases of non-conformities.
- Supplying quality products and services.
- Bearing of non-quality costs.



<sup>(3)</sup> Anticipated production, material procurement managed by the sole decision of the vendor without any confirmed order or contract shall not be responsibility of Sercel in any case.



# Innovation and Partnership

Most of our equipment has a life cycle of more than fifteen years.

Your involvement in the design of our products helps us to ensure the relevance and sustainability of our technical choices.

The Purchasing department should be your preferred point of contact in order to ensure that all aspects of your proposal have been considered and to protect our mutual interests. Thus, we ask you to fulfil our internal rules to facilitate your registration as a Sercel preferred vendor:

- contact the Sercel buyers team before entering into relationship with other people within Sercel.
- do not forget to inform the buyers team of your visits to Sercel.

The information we provide must be considered confidential by nature and must be covered by a confidentiality agreement.

Your collaboration with Sercel should not result in advertising or public communication without the prior written consent of Sercel.



# Ethics

We are committed to comply with Sercel Code of Ethics, available on our website.<sup>(4)</sup>

We act in full conformance with Responsible and Ethics Purchase standards.

We abide by the principles of independence with our suppliers in all our decisions.

We ask our partners to also comply with our ethics and independence rules available on our website<sup>(5)</sup> :

- Refusal to accept any sollicitation or any other request from any Sercel employee.
- Prohibition of offering and giving any gifts or any other benefit to any Sercel employee.
- Immediate information of any conflict of interest.
- Compliance with laws and rules.
- Refusal of any corruption, commercial or public, active or passive.
- Prompt disclosure of all deviations, accidental or deliberate, to these rules and prompt correction.

Sercel may perform an Audit of your company to check your level of compliance with our Ethical requirements.

Please inform us in case of occurrence of any issue regarding the application of these Ethical rules in the relations with our Group. You either mail to [ethicscommittee@cgg.com](mailto:ethicscommittee@cgg.com) or go to our Ethical Portal: [www.ethicspoint.com](http://www.ethicspoint.com).

We do guarantee a professional use of your alert, with full confidentiality.

<sup>(4)</sup> <sup>(5)</sup> Please find the full document available on our website: [//www.sercel.com/about/](http://www.sercel.com/about/)

# Sustainable Development

We adhere to the following principles:

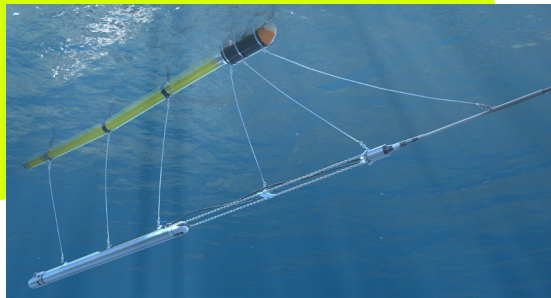
- Respect for human rights.
- Respect for international labor standards.
- Environmental protection.
- Fight against corruption.

We continually review compliance with laws and regulations.

We will not work with any supplier who does not meet its obligations to fight against illegal working and against indirect financing of armed conflicts (Dodd Frank Act – Conflict minerals).

We aim to develop a long term partnership with our suppliers.

Our industry is cyclical and exposed to events affecting the Oil & Gas market. This may affect your own business: stay vigilant in your dependence on Sercel market.



# Health, Safety, Environment and Energy Performance

We support compliance with standards related to environmental protection (RoHS Directive, REACH Regulation, ...) and are committed to reducing our overall carbon footprint.

Our goal is to limit our impact on the environment by reducing our waste and controlling our rejects.

We also strive to improve the energy performance of our activities.

Thus, we count on your commitment and ask you to:

- To offer us products and services that have a reduced impact on the environment and improve our energy efficiency.
- Reduce the amount of packaging waste for the products supplied.
- Provide us with and maintain the necessary information on the products you deliver to us, in particular hazardous product safety data sheets and energy performance data.
- Comply with current environmental and energy standards and regulations.

In order to ensure a safe working environment for our employees, please take the necessary steps to limit the weight of the delivered packages and facilitate their handling in accordance with our logistics requirements available at our site, [www.sercel.com](http://www.sercel.com). For example, any individual package weighing more than 15 kg must be packed on a pallet.

During your visits to our facilities, you must adhere to our safety rules, respect every zone and traffic speeds, and set up a prevention plan as may be needed.



# Logistics and Supply

We expect a rigorous treatment of our orders:

- Check references, drawings and specifications.
- Acknowledgement of receipt within 3 days after issuance.
- Follow up until full delivery.

Unless otherwise noted, requested delivery dates on our Purchase orders are expected receipt dates at our place, not your own shipping dates.

Any difficulty should be reported immediately to the Buyer/Planner in charge of your account.

Follow our logistics instructions, as specified in each purchase order and in particular the rules on handling packages.

Due to the market conditions, we have to respond to the changes in very short notice. This market constraint requires the flexibility of our suppliers.



# Quality

Our quality standards are high and must be followed.

You must ensure that your products/services comply with our purchase orders by reviewing our specifications and your ability to deliver.

In case of any issue, please send us a request for waiver and wait for our approval before delivering parts that would not fit our requirements, as per our specifications, drawings or purchase order description

The means necessary to obtain the best quality are under your responsibility.

We may require to Audit your plants on all aspects regarding the Quality Management: Organization and rules, technical means, HSE, risk management.



# Non Compliance

Any non conformity to our requirements, either contractual or legal, can have a significant impact on our products/services and the activities of our clients.

Therefore, in case of non conformity of your products or services, we expect your immediate response and the following actions:

- The replacement or repair of defective parts.
- The organization of sorting operations.
- Transportation by the fastest means.
- Bearing the cost related to corrective actions.

Your liability might be extended, in some cases, to non conformance of goods or services, appearing after the period of warranty, when considered as hidden defects.

Each supplier working with us has to subscribe and maintain in force appropriate insurance policies as prescribed by applicable law and as is otherwise customary for supplier's business.





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[www.sercel.com](http://www.sercel.com)