

CGG GENDER PAY GAP 2018 REPORT



GENDER PAY GAP REPORT

In the second year since the UK government introduced the requirement (for all UK companies with 250 employees or more) to gather and disclose gender pay gap statistics, CGG now publishes its own report which includes data, analysis and initiatives actioned in the aim to overcome this important challenge.

As a reminder, the gender pay gap is different from equal pay. Whereas equal pay refers to the pay of individuals doing the same job, the gender pay gap deals directly with the situation at a company level, regardless of jobs, experience or level of responsibility.

Looking at our gender pay gap helps us to analyse the organisation as a whole and identify macro actions that will help to continue developing CGG as a workplace where both women and men can have stimulating and successful careers.

Today, even though management is committed to integrity and equality as part of the vision and values of CGG, and focuses on aspects such as skills, experience, potential, performance, talent, and market, when it comes to making decisions relating to employees and their careers, our gender pay gap is a good indicator that we have to continue to remain vigilant and proactive.



The data disclosed for April 2018 shows that we have maintained a similar level to the one observed last year, with modest improvements compared to April 2017.

To support transformation within CGG, we need all of our talent engaged and invested in our new challenges. From the entry level of the organisation to the top, where Sophie Zurquiyah was appointed last year to become our CEO, we need to build career paths and opportunities and continue developing an inclusive and diversified work environment in the UK as well as in all countries where CGG operates.

Samantha Boast, Head of Legal EAME, Company Secretary and member of the Board of CGG Services (UK) Ltd, says “It is encouraging within this first year to see CGG indicators starting to improve, though we recognise it is still early in the process. CGG believes our initiative in recruitment, to involve STEM and more student networks, will help bring even greater gender diversity and ultimately reduce the gender pay gap in our organisation. CGG is committed to addressing this issue and will actively work towards development of women as leaders within the group.”

GENDER PAY GAP

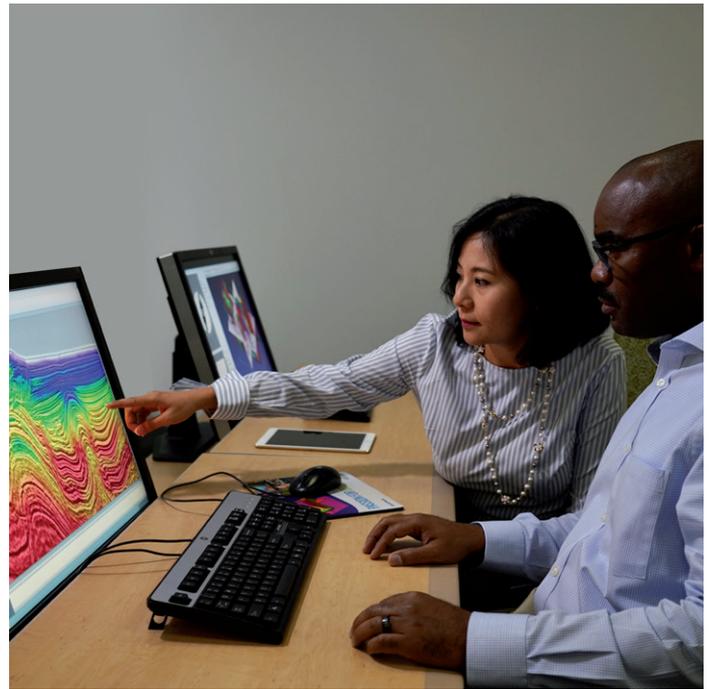
The gender pay gap is based on ordinary pay received for the pay period including 5th April 2018. Ordinary pay includes:

- Basic Pay
- Allowances
- Shift Premium Pay
- Pay for leave (Including holiday, family leave and sick leave)

Any employees not receiving full pay in April are excluded from the calculation as they are not considered to be “full-pay relevant”. Excluded are:

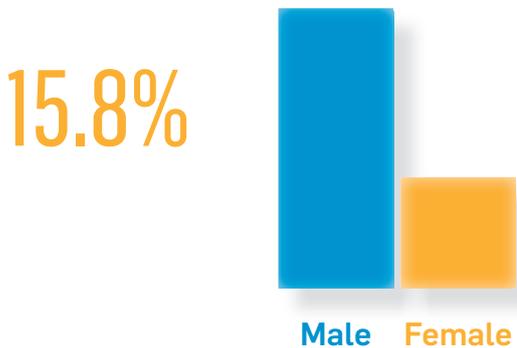
- Maternity/Shared Parental/Paternity leave
- Sabbatical
- Long-term sick leave
- Unpaid leave

The gender pay gap calculation shows the difference between the average (mean and median) male and female pay, based on an hourly pay rate for the April period.



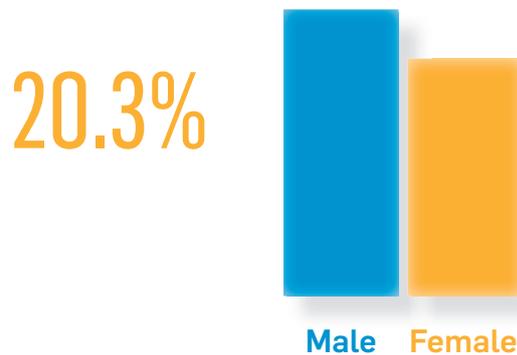
The CGG UK gender split is **70%** male and **30%** female.

MEDIAN PAY GAP



1.2% drop in median pay gap between April 2017 and April 2018.

MEAN PAY GAP



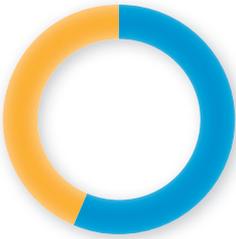
0.9% drop in mean pay gap between April 2017 and April 2018.

O&G Industry in the UK: 24.4 average and 18.4% mean in 2017. Source (<https://oilandgasuk.cld.bz/Workforce-Report-2018>, page 30)

MALE AND FEMALE EMPLOYEES IN EACH QUARTILE PAY BAND

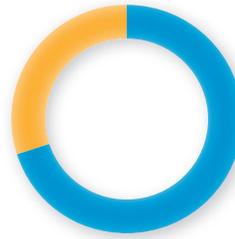
Lower Quartile

Female 43%
Male 57%



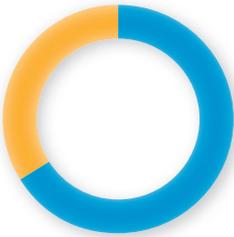
Upper Middle Quartile

Female 27%
Male 73%



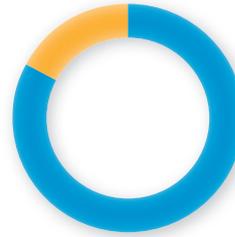
Lower Middle Quartile

Female 35%
Male 65%



Upper Quartile

Female 17%
Male 83%



Pay Quartiles	Male	Female
Upper	83%	17%
Upper Middle	73%	27%
Lower Middle	65%	35%
Lower	57%	43%

BONUS PAY GAP

The bonus pay gap reflects the difference between the average (mean and median) bonuses paid to men and women between 6 April 2017 and 5 April 2018. Any bonuses received during the period are included in the calculation.

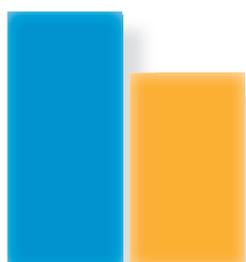
For CGG the bonus pay gap includes GPIIP, Production Bonus, and Sales Commission Plans.

96.8%
of Men received
a bonus

98.1%
of Women received
a bonus

MEDIAN BONUS GAP

25%

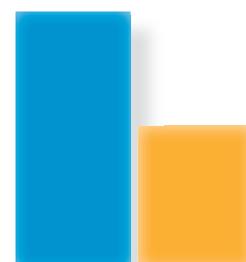


Male Female

7.5% drop in median bonus gap.

MEAN BONUS GAP

44.4%



Male Female

0.9% increase in median pay gap.

ANALYSIS

Most of the indicators have improved slightly between April 2017 and April 2018. The total headcount of CGG Services (UK) Ltd decreased but the gender gap remained the same.

The underlying causes of our gaps in pay and bonuses identified last year remain the same and we acknowledge it may take time to effectively address this but we remain committed to rectifying this situation with the same passion as we draw on to overcome the other challenges we face.

We operate within an industry that historically has attracted more men than women. We, therefore, still have fewer women in senior positions currently. This imbalance is reflected in the gender pay gap and the bonus pay gap statistics.

Moreover, women, many in positions with a high variable remuneration (senior and sales), are still underrepresented.

Finally, a much higher proportion of female employees work on a part-time basis: 16% of female employees compared to 3% of male employees. This has a significant impact since calculation of the gender pay gap doesn't differentiate between full-time and part-time salaries, considering both as ordinary full pay. It is important, however, to note that most employees who work on a part-time basis do so as a result of flexible working requests.

ACTION PLAN

We identified three areas where we can actively initiate a reduction in these gaps, by ensuring equal opportunities between women and men in the workplace:

- **Recruitment:** aiming at attracting and recruiting more women into the industry
- **Career progression:** aiming at developing and promoting our employees regardless of their gender
- **Working environment and conditions:** offering a safe and engaging working environment where our employees, both women and men, will equally commit to perform their job with passion and engagement and be able to enjoy a better work-life balance

Between April 2017 and April 2018, we remained focused on actions that have been successful and implemented new ones that should help to improve our gap year after year.

Recruitment

The vast majority of CGG recruitments in the UK target new graduates for technical positions. We aim to attract talented students in Maths, Physics, Geophysics, Computer Sciences, Geology, etc. Some curricula attract greater female uptake than others



do. Our actions focus, on the one hand, on inspiring female students to pursue scientific careers at the earliest stages of their lives, while, on the other, ensuring we ourselves recruit as many women as we can from these disciplines.

STEM: CGG has been actively involved in a number of Women in STEM-oriented events for our Graduate programmes. These have included regional community events, run by STEM Women, which were held in Manchester and London; attracting students from nearby universities. The events included networking opportunities, employer talks and panel discussions.

In addition, we also delivered a presentation to the Women in STEM society at Edinburgh University as well as sponsored an event that took place in March 2019.

CGG recruitment plan in the UK for 2017/2018: 33.3% of our 2017/2018 new recruits were women. Our recruitment process has been designed to remove biases of any kind, focusing on how candidates match our technology, service and collaboration selection criteria.

Career progression

Developing our employees to provide them with the best opportunities to progress their career is a building block of CGG's strategy. In all CGG activities, whether technical, operational, sales or support, we make sure we offer men and women the same access to a bright future.

Training: we have a systematic approach to the development of our new hires in our core businesses. Cohorts of new hires attend the same training programs developing their technical, business and soft skills. We make sure they all have access to the latest technologies, they can all interact successfully with our clients and they all develop their interpersonal skills.

Leadership training: From entry to senior management level, CGG offers diverse opportunities to develop into leadership positions. 27% of participants in our recently created training to develop our technical and support middle managers as transformational leaders were women. We expect each annual session to help develop our senior leaders for tomorrow.

Identification and exposure: CGG built diverse opportunities to promote its talented women to the senior management. Particular attention is also given to this during the people review cycle where

high-performing profiles, from any level of the organisation, are presented to senior management. The Tech Talks is another opportunity for young technical talents to present their work to senior management. In 2017-2018, we promoted many female scientists from CGG UK in this way.

Promotions: Since 2017 we saw female employees account for 26% of promotions overall. When we look at our technical roles that figure rises to 29%, which is encouraging for a technology company and vindicates our effort to recruit and develop highly talented women in our organisation.

When we look at the women/men ratio in our entry and middle management levels, we can see there was a slight increase in the number of women in these categories between 2017 and 2018.

Board: In 2018 a vacant seat on the CGG Services UK board of directors was filled by a recently promoted woman, reducing the gender gap to 50%.

Working environment and conditions

Flexible working: CGG supports flexible working for all and in 2018 we saw a 2.5% increase in the overall proportion of men working part-time.

In addition to formal flexible working, we introduced more flexibility in the organisation of working time to allow a better work-life balance and help employees to deal with expected or unexpected personal commitments.

Maternity leave, Paternity leave and Parental leave: our policies are aimed at enabling an equal share of work and childcare so that our employees can focus on fulfilling their potential.

For example in 2018 we saw an increase in interest and uptake of shared parental leave by our male employees. In addition, we have also received more requests from female employees to utilise shared parental leave, and in doing so eschewing the traditional maternity leave option.

I confirm that the gender pay gap data contained in this report for CGG Services (UK) Limited is accurate and has been produced in line with the Gender Pay Gap Reporting regulations, as set out by the UK government.



Peter Whiting
UK Director

