



Sustainability.  
At Our Core.

2019 Sustainability Report







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# CORE LAB OVERVIEW





# Commitment to Sustainability

## Welcome from our CEO

Welcome. We are pleased to introduce Core Lab's 2019 Sustainability Report (CSR), which shows how we have grown and continue to create sustainable value for our stakeholders. For over 80 years, we have provided advanced innovative technology to enhance our clients' crude oil production.

We have stayed committed to delivering on our three financial strategies: maximizing free cash flow, maximizing return on invested capital, and returning excess capital to our shareholders. Our business success is powered by our people and their commitment to achieving top results each and every day for Core's clients. As a leading technology service and product provider with a global presence and impact, together we strive to respect the communities and environments in which we do business.

We remain focused on generating maximum amounts of Free Cash Flow, which resulted in the highest revenue to free cash flow conversion ratio among comparable companies.

## Environment, Safety, & Integrity

We are committed and strive for a zero accident environment, which makes safety first in all of our locations and those of our clients. Throughout our longstanding history, Core Laboratories has built a solid and reliable reputation among our clients, communities, employees, and investors.

The principles of integrity and ethical conduct are paramount in everything we do and we take this responsibility very seriously. Our continued success depends on a culture of high integrity and ethical and safety standards to get results the right way.

Thank you for taking the time to learn more about Core Laboratories. We encourage you to ask us questions, tell us how we're doing and let us know what we can do to improve.

*Larry Bruno*



**Larry Bruno**  
Chairman of the  
Board and CEO





# Awards & Recognition

At Core Lab, we are committed to advancing our environmental, social, and governance performance. To demonstrate our continued focus, we have been recognized for the following:

## Environment and Workplace Safety



## Advancing Women's Leadership Globally



## Social Responsibility in Sector







# The Reservoir Optimization Company™

Core Laboratories is a limited liability company incorporated in The Netherlands and publicly traded in the United States on the New York Stock Exchange and in The Netherlands on the Euronext Amsterdam stock exchange.

We were established in 1936 and are one of the world's leading providers of proprietary and patented reservoir description and production enhancement services and products to the oil and gas industry. These services and products are directed toward enabling our clients to improve reservoir performance and increase oil and gas recovery from their producing fields. We continue to develop new technologies that complement our existing services and products, and we disseminate these technologies throughout our global network. We have over 70 offices in more than 50 countries and have approximately 4,300 employees.



## Reservoir Description

To maximize the production and total recovery of hydrocarbons, oil companies must have a complete understanding of the reservoir rocks and fluids present in their producing fields. Core Laboratories is the leading provider of services that characterize the porous reservoir rock and all three reservoir fluids.

## Production Enhancement

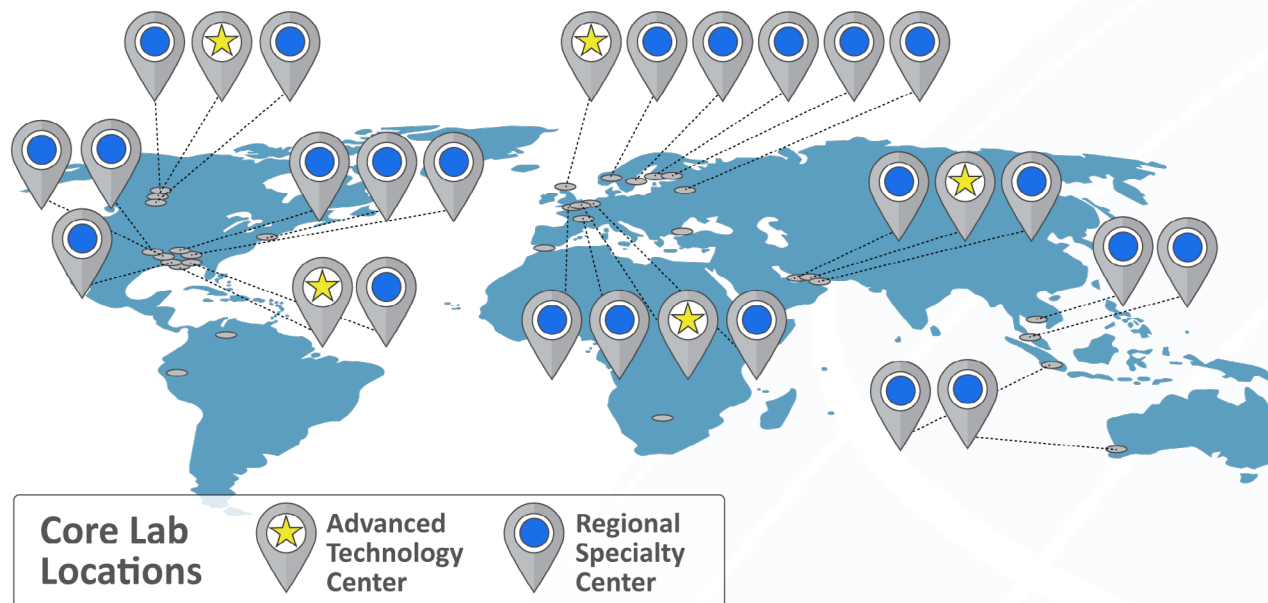
Includes services and products relating to reservoir well completions, perforations, stimulations and production. We provide integrated services to evaluate the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.

Core Laboratories has taken extensive measures to ensure the services, products and data provided by all of our worldwide locations are of the highest quality and integrity. Our commitment to applying and developing new technologies to optimize reservoir performance is unsurpassed in the oilfield service industry. This commitment to technology and to our clients' bottom line makes Core Laboratories, The Reservoir Optimization Company™.





# Our Company



“Global Presence.  
Global Impact.”

## Clients

Core Laboratories provides services and products to the world's major, national and independent oil companies.

## Employees

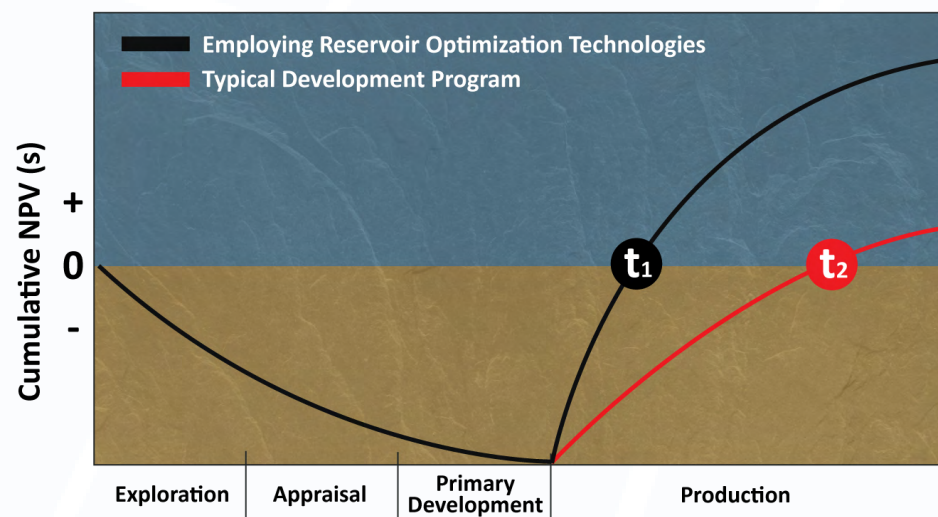
Core Laboratories has a workforce of approximately 4,300 employees in over 50 countries providing technology to enhance our clients' production in major oil-producing provinces around the world.

## Shareholders

The Company's loyal investors, some of whom have owned shares since our initial public offering (IPO) in 1995, have been rewarded with a share price that has outperformed industry peers. In addition, the Company has paid quarterly dividends since 2008. Core's management equity compensation is heavily based on return on invested capital performance metrics, which promote management and investment decisions aligned to maximize shareholder value.

## Business Strategies

- Develop New Technologies
- Leverage International Office Network
- Acquire Complementary & Strategically Positioned Technologies







# Financial Strategies

- ✓ **Maximize Free Cash Flow**
- ✓ **Maximize Return on Invested Capital**
- ✓ **Return Excess Capital to Shareholders**

Core continues to follow the three financial tenets that have led to our industry-leading total shareholder returns over the long term.

## 1. Maximize Free Cash Flow (FCF) through Fiscal Discipline

Core follows a strict discipline for allocating capital for investment in growing our business, which is focused on generating high returns and positive free cash flow. The quality of a company's earnings is typically supported with cash flow from operations, and value is created with the ability to generate cash flow in excess of what is required for capital investments to maintain and grow the business.

We believe measuring the ratio of FCF generated from revenue is an important metric for shareholders when comparing companies' financial results, particularly for those shareholders who utilize discounted cash flow models to assess valuations.. This discipline towards capital investments produced a conversion ratio of 10% for our Revenue into Free Cash Flow during 2019 placing Core Lab at the top of our peer group. Core will continue to demonstrate strict fiscal discipline in 2020 and beyond.

### Revenue to Free Cash Flow Conversion Rate

Company	Conversion %
<b>Core Laboratories NV</b>	<b>16.0%</b>
Oil States International Inc	9.0%
Schlumberger Ltd	0.0%
Halliburton Co	5.3%
Wood Group (John) PLC	3.4%
Oceaneering Intl Inc.	2.2%
RPC Inc	1.0%
Franks International NV	0.6%
<b>Average</b>	<b>-0.2%</b>
TechnipFMC PLC	-0.3%
Superior Energy Services Inc	-3.3%
Fugro NV-CVA	-4.6%
Forum Energy Technologies Inc	-8.2%
Baker Hughes a GE Co	-8.5%
Weatherford International PLC	-10.8%
Nabors Industries Ltd	-20.0%
CARBO Ceramics Inc	-24.0%
Helix Energy Solutions Group	-30.9%

*Source: Bloomberg and company filings, 12 month trailing revenue and free cash flow as reported through March 5, 2018.*





## 2. Maximize Return on Invested Capital

Core's Board has initiated an incentive compensation program for the executive and senior management teams based on the Company achieving a leading relative ROIC performance compared with the oilfield service companies listed as Core's Comp Group by Bloomberg Financial.

Core's Board believes that stock price performance over time is directly related to ROIC. The following table lists ROICs for major oilfield service companies as recently calculated by Bloomberg Financial.

Core's leading ROIC was more than nine times the next highest peer in 2018. Note that Core is the only company showing returns above their Weighted Average Cost of Capital ("WACC") and the other oilfield service companies shown have ROICs below their WACC, a product of overinvestment in their company or vast overpayment for perceived growth via acquisitions.

Core strives to have the industry leading ROIC through capital discipline and continued execution of our three Growth Strategies.

We believe that our commitment to this approach will result in a continued dominance of long-term share price performance by Core versus other oilfield service companies.

Return on Invested Capital, %			
Company	Return on Invested Capital	Weighted Average Cost of Capital (WACC)	Returns Above WACC
<b>Core Laboratories NV</b>	<b>26.4%</b>	<b>10.1%</b>	<b>16.3%</b>
Halliburton Co	2.8%	8.4%	-5.6%
TechnipFMC PLC	2.5%	8.5%	-6.0%
Oceaneering Intl Inc	-0.5%	10.3%	-10.8%
Schlumberger Ltd	-2.1%	8.8%	-10.9%
Wood Group (John) PLC	-0.7%	10.5%	-11.2%
Nabors Industries Ltd	-4.4%	7.4%	-11.7%
Baker Hughes a GE Co	-2.7%	9.0%	-11.8%
Helix Energy Solutions Group	-1.2%	10.9%	-12.0%
Fugro NV-CVA	-4.1%	9.2%	-13.3%
<b>Average</b>	<b>-4.3%</b>	<b>9.9%</b>	<b>-14.2%</b>
Forum Energy Technologies Inc	-5.5%	12.4%	-17.8%
Oil States International Inc	-7.1%	12.5%	-19.6%
Superior Energy Services Inc	-10.6%	9.5%	-20.1%
Frank's International NV	-20.4%	13.2%	-33.6%
CARBO Ceramics Inc	-28.7%	10.3%	-39.0%
Weatherford International PLC	-30.1%	9.8%	-39.9%

Source: Bloomberg and company filings, Return on Invested Capital and Weighted Cost of Capital reported through March 5, 2018.

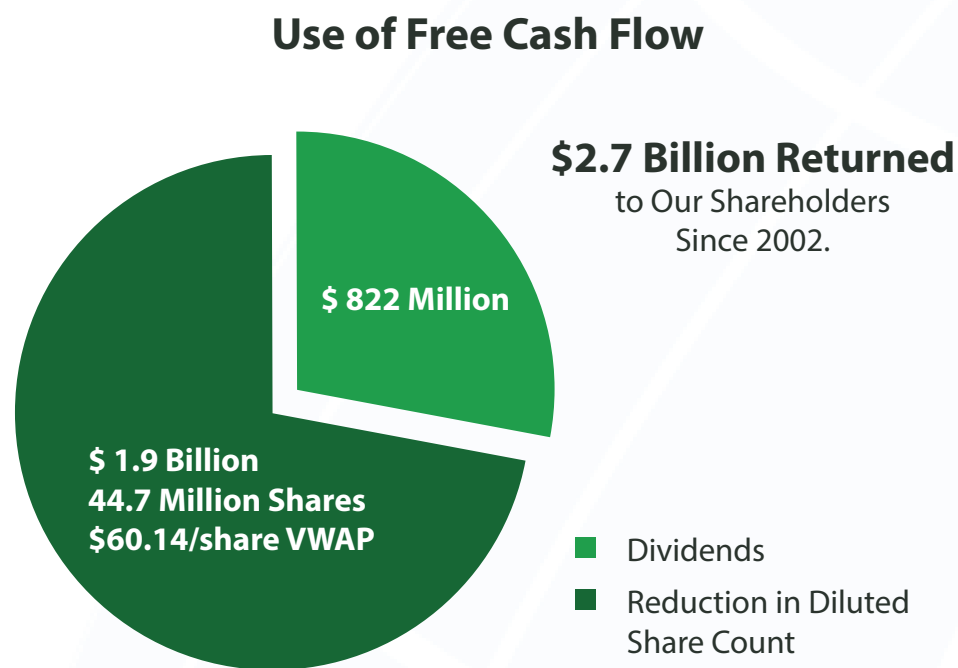




### 3. Return Excess Capital to Our Shareholders

Since October 2002, Core Laboratories has returned our excess capital to our shareholders in the form of share repurchases, warrant settlements, dividends, and special dividends, totaling \$2.7 billion, or approximately \$60.14 per share.

As the energy markets continue to mend, the Company will continue to return our excess capital to our shareholders via dividends, as well as possible share repurchases depending on the stability of the industry recovery.



### Stakeholders FAQ

#### Question

How will Core Lab's Financial tenets and growth strategies drive sustainability?

#### Answer

Core Lab's three financial tenets and growth strategies were put into place during our IPO in 1995. Since that time we have followed a strict discipline to produce results for our shareholders. These financial tenets and growth strategies are in combination with our views and commitment to corporate sustainability. We will continue to allocate capital only if the investment will grow our business and reflects our sustainability commitment. This disciplined focus has resulted in industry-leading results.



# Corporate & Social Responsibility Strategies

## Ethics & Equality

To ensure that the Company and its employees operate at the highest level of ethical conduct and behavior. We have established:

- Company-wide Ethics Program and Code of Ethics and Corporate Responsibility
- Full-time Compliance Officer
- Full-time (24/7) Helpline to the Compliance Officer available for reporting any suspected wrongdoing or for obtaining answers on ethical, technical or other questions
- Annual training and certification of compliance with the Code of Ethics and Corporate Responsibility
- Enforcing Company policy against retaliation
- Posters at each office with our Code of Ethics and Corporate Responsibility and Helpline access information
- Zero tolerance on unethical conduct, including termination
- Annual reporting of conflicts of interest and reportable transactions.
- Employee review of the Law Departments' Anti-Bribery and Export Control Presentation on an annual basis

## Health

To protect the health, lives and security of our employees, and those around us we carefully assess and mitigate the risks of our business to make sure everyone is aware of the environment in which they operate. We will:

- Take a behavior based approach to Health and Safety
- Engineer better solutions and improvements on our existing services and products
- Empower employees to make smart decisions

## Safety

To provide a safe work environment for all. Safety does not just happen; it requires commitment by everyone from management to our field teams. Safety starts with a strong leadership team that is committed and accountable. It is our management's responsibility to set the tone and be the example. Core Laboratories' goal is to eliminate injuries from the work environment. We will:

- Continually provide training and education
- Achieve a zero incident culture
- Systematically identify risks, addressing them and follow up to closure

## Environmental

To protect the environment and its natural resources. It is the goal of Core Laboratories to be recognized by our clients, employees, and community as a responsible business committed to reducing impact on the environment in all business activities. We will:

- Comply with all applicable local, state, and federal environmental laws and regulations
- Be responsible for protective environmental management
- Focus on research and development of products that minimize impact on the environment
- Educate all employees on their roles and responsibilities for protecting the environment



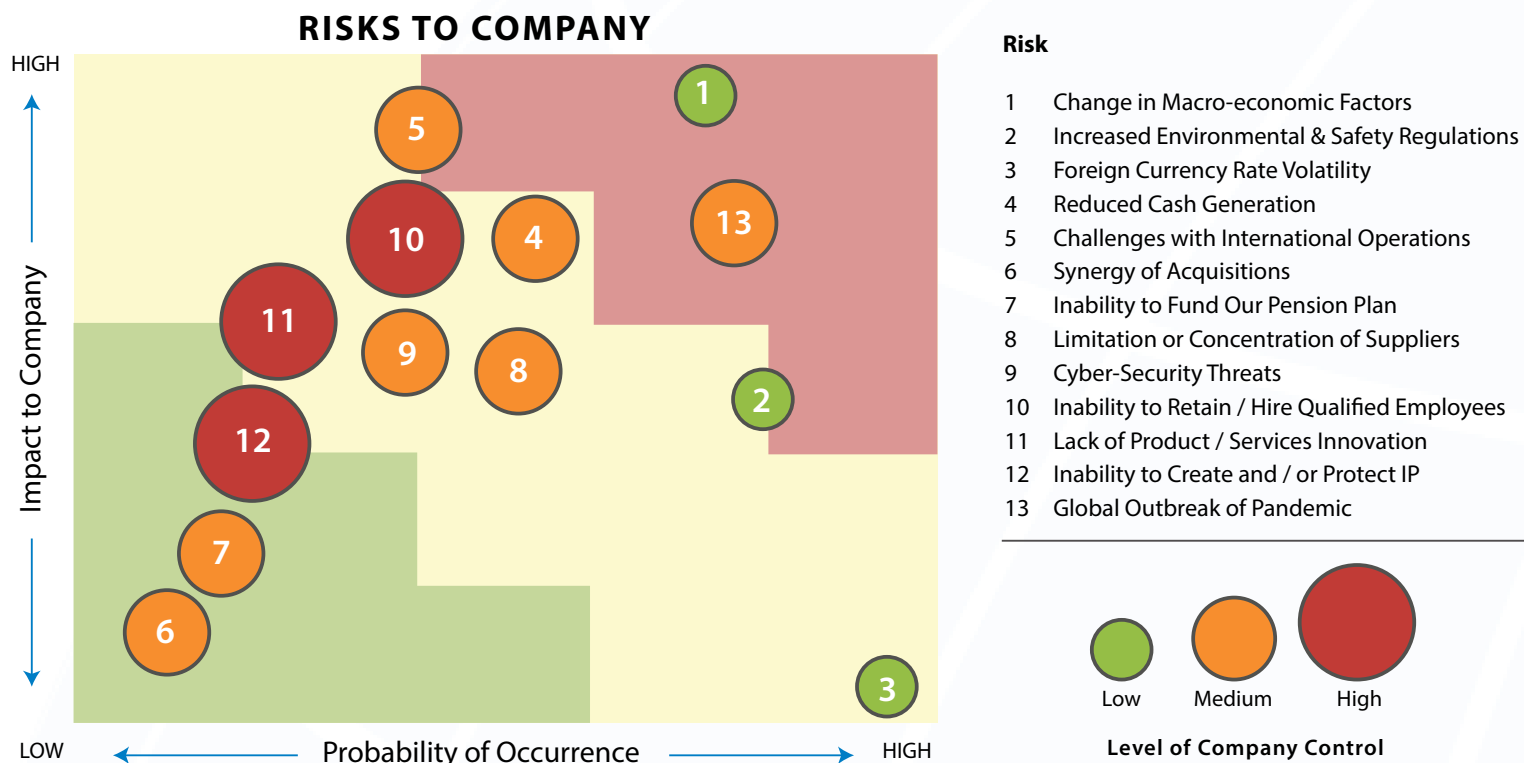




# Trends and Developments

## Nature of Oil & Gas Industry

The oil and gas industry is highly cyclical and has been subject to significant economic downturns at various times as a result of numerous factors affecting the supply of and demand for oil and natural gas, including the level of capital expenditures of the oil and gas industry, the level of drilling activity, the level of production activity, market prices of oil and gas, economic conditions existing in the world, interest rates and the cost of capital, environmental regulations, tax policies, political requirements of national governments, coordination by the Organization of Petroleum Exporting Countries (“OPEC”), cost of producing oil and natural gas, and technological advances. Potential changes in the business environment are not expected to have any effect on our business model, corporate strategies, management approach or value chain.





# Our Priorities

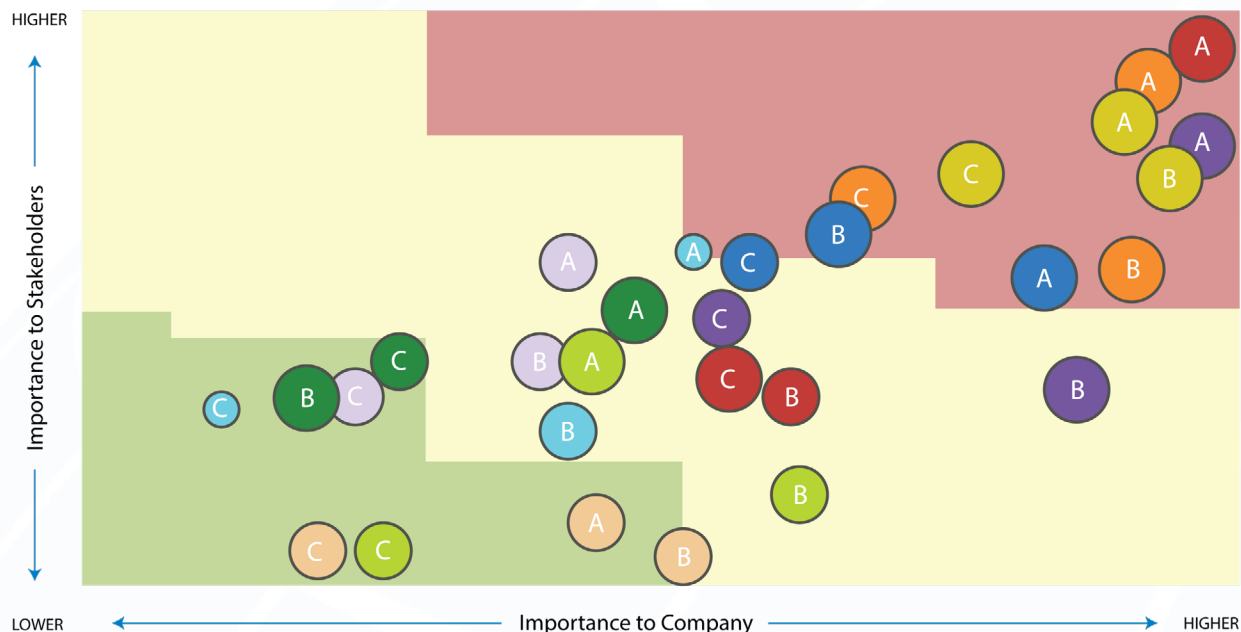


## Material Issues for the Company

We selected a list of themes of varying importance to the company and its sustainability. Alongside traditional priorities such as social and economic aspects, our stakeholders are increasingly interested in environmental aspects and innovation. The list of themes on this page represent a wide range of topics of interest, and were used to survey the Company's management team and employees to measure:

- 1) Importance to Stakeholders
- 2) Importance to the Company
- 3) Degree of Control Maintained by the Company

MATERIALITY MATRIX



**HSE**

- A Health and Safety of Company Employees
- B Company Security of its Property
- C Workplace Violence

**Governance**

- A Transparency
- B Supervisory Board / Corporate Stakeholder Dialogue
- C

**Human Resources**

- A Workplace Discrimination
- B Workplace Well-Being
- C Workplace Balance

**Climate Change**

- A Energy Usage and CO2 Emissions From Operating Locations
- B Energy Generation From Low Carbon Sources
- C Climate Change Which Could Affect Business Locally and Globally

**Financial**

- A Economic Performance
- B Company Policy Compliance
- C Investment Policy

**Ethics**

- A Anti-Corruption
- B Business Ethics
- C Legislation and Regulation Compliance

**Community**

- A Financial Crisis
- B Widely Available Education
- C Political Instability

**Operations**

- A Customer Satisfaction
- B Complaint Handling
- C Risk Management

**Business Development**

- A Innovation of Products and Services
- B Marketing and Communications
- C Market Presence

**Suppliers**

- A Reliability of Supply
- B Vendor Assessments
- C Supply Chain Responsibility







# Board of Supervisory Directors

## Board Structure

The Company has a two-tier board structure consisting of a Management Board and a Supervisory Board, each of which must consist of at least one member under the Company's Articles of Association. Under Dutch law, the Supervisory Board's duties include supervising and advising the Management Board in performing its management tasks. The Management Board consists of one managing director, Core Laboratories International B.V. ("CLIBV"), an affiliate of the Company. As a Managing Director, CLIBV's duties include overseeing the management of the Company, consulting with the Supervisory Board on important matters and submitting certain important decisions to the Supervisory Board for its prior approval.

## The Supervisory Board

The Supervisory Board currently consists of seven Directors that exercise oversight of management with the Company's interests in mind. The Board is divided into three classes, with each class subject to re-election every third year by the shareholders at the annual meeting. Mr. Larry Bruno serves as the Company's Chief Executive Officer and as Chairman of the Supervisory Board. Given the size of the Company, we believe our shareholders are well served by having Mr. Bruno hold the Chief Executive Officer role along with being Chairman of the Supervisory Board of the Company; and that this is the most effective leadership structure for us at the present time. We also note that within our industry, the common practice is for the same person to hold both positions. We believe this structure has served us and our shareholders well for many years.



**Lawrence Bruno**  
**Chairman of the Board**

*Chief Executive Officer*



**Martha Z. Carnes**  
**Lead Director**

*Former Chief Executive, Price-WaterhouseCoopers LLP*



**Gregory B. Barnett**  
**Director**

*Former President of Enercom Inc.*



**Monique van Dijken Eeuwijk**  
**Director**

*Founder MGM Regulatory & Governance law firm*



**Margaret A. van Kempen**  
**Director**

*Managing Director, Van Kempen Associates*



**Harvey Klingensmith**  
**Director**

*Co-founder, Chief Executive Officer and Board member Ajax Resources, LLC, and President of Wyatt Energy LLC*



**Michael Straughen**  
**Director**

*Former Chief Executive of the Engineering Division John Wood Group PLC*



## The Lead Director

During sessions without the Chairman, Ms. Martha Carnes conducts the meetings of directors in the role of our Lead Director. The Lead Director has leadership authority and responsibilities and sets the agenda for, and leads, all executive sessions of the independent directors, providing consolidated feedback, as appropriate, from those meetings to the Chairman.

## The Board and Risk Management

In its role in the risk oversight of the Company, the Supervisory Board oversees our stockholders' interest in the long-term health and the overall success of the Company and its financial strength. The Supervisory Board is actively involved in overseeing risk management for the Company, and each of our Supervisory Board committees considers the risks within its areas of responsibilities. The Supervisory Board and each of our Supervisory Board committees regularly discuss potential financial impact and the steps we should take to manage them.

## Shareholder Rights and Engagement

To support shareholder rights and ongoing engagement with our investor community, we have expanded our disclosures held within this annual Sustainability Report, implemented enhancements in our Proxy Statement and Annual Report to clearly outline our efforts with communicating with our shareholders when they have questions or feedback regarding Core Lab.

In addition to our Annual Shareholder Meeting, Proxy Statement, and Sustainability Report communication, the financial investment and shareholder communities can make inquiries at any time via our Company website. Our company communication page is made available to anyone seeking to ask a question regarding our two Business Segments, Corporate Responsibility, Investor Relations, Human Resources or general inquiries. We review all inquiries and make timely responses.

## Committees of the Supervisory Board

The Supervisory Board has three standing committees, the identities, memberships and functions of which are described below:

**1) Audit Committee** - The current members of the Audit Committee are Ms. Martha Carnes (Chairman), Mr. Michael Straughen and Mr. Harvey Klingensmith. The Audit Committee's principal functions, which are discussed in detail in its charter, include: (i) making recommendations concerning the engagement of the independent registered public accountants, (ii) reviewing with the independent registered public accountants the plan and results of the engagement, (iii) approving professional services provided by the independent registered public accountants and (iv) reviewing the adequacy of our internal accounting controls. Each member of the Audit Committee is independent, as defined by Section 10A of the Exchange Act and by the corporate governance standards set forth by

the NYSE and, to the extent consistent therewith, the Dutch Code. Each member of the Audit Committee is financially literate and qualifies as an audit committee financial expert under the rules promulgated pursuant to the Exchange Act. The Audit Committee held 5 meetings in 2019.

**2) Compensation Committee** - The current members of the Compensation Committee are Mr. Michael Straughen (Chairman), Ms. Margaret van Kempen, and Mr. Gregory Barnett. The Compensation Committee's principal functions, which are discussed in detail in its charter, include: (i) a general review of our compensation and benefit plans to ensure that they are properly designed to meet corporate objectives, (ii) reviewing and approving the compensation of our Chief Executive Officer and our senior executive officers, (iii) granting of awards under our benefit plans and (iv) adopting and changing major compensation policies and practices. The Compensation Committee also regularly discusses a succession plan for senior executive management. In addition to establishing the compensation for the Chief Executive Officer, the Compensation Committee reports its recommendations to the whole Supervisory Board for approval. Pursuant to its charter (see below), the Compensation Committee has the authority to delegate its responsibilities to other persons. The Compensation Committee held 3 meetings in 2019. The Compensation Committee periodically retains a consultant to provide independent advice on executive compensation matters and to perform specific project-related work. The consultant





reports directly to the committee, which pre-approves the scope of the work and the fees charged. The Committee communicates to the consultant the role that management has in the analysis of executive compensation, such as the verification of Executive and Company information that the consultant requires.

**3) Nominating, Governance and Corporate Responsibility Committee** - The current members of the Nominating, Governance and Corporate Responsibility Committee (“NGCR Committee”) of our Supervisory Board are Ms. Margaret van Kempen, Ms. Monique van Dijken Eeuwijk and Mr. Harvey Klingensmith. The NGCR Committee’s principal functions, which are discussed in detail in its charter, include: (i) recommending candidates to the Supervisory Board for election or appointment as Supervisory Director, (ii) advising about, and recommending to the Supervisory Board, an appropriate set of corporate governance and social responsibility practices, (iii) reviewing and overseeing compliance with the Company’s corporate governance and social responsibility policies, and (iv) leading the Supervisory Board in its annual review of the performance of the Supervisory Board, its committees and management. Each member of the NGCR Committee is independent as defined by the corporate governance standards of the NYSE. The NGCR Committee held 3 meetings in 2019.

### Supervisory Director Independence

In connection with determining the independence of each Supervisory Director of the Company, the Supervisory Board inquired as to any transactions and relationships between each Supervisory Director and his or her immediate family and the Company and its

subsidiaries, and reviewed and discussed the results of such inquiry. The purpose of this review was to determine whether any such relationships or transactions were material and, therefore, inconsistent with a determination that a Supervisory Director is independent, under the standards set forth by the NYSE and, to the extent consistent therewith, the Dutch Corporate Governance Code (the “Dutch Code”). Under the Dutch Code, the Supervisory Board is to be composed of members who are able to act critically and independently of each other and of the Management Board.



(top) Gwen Schreffler, Chris Hill  
(bottom) Mark Elvig, Larry Bruno

## Quick Links

[Articles of Association](#)

[Code of Ethics & Corporate Responsibility](#)

[Insider Trading Policy](#)

[Audit Committee Charter](#)

[Corporate Governance Guidelines](#)

[Code of Ethical Conduct for Senior Financial Officers](#)

[Supervisory Board Prohibits Loans to Exercise Options or Other Transactions](#)

[Compensation Committee Charter](#)

[Nominating, Governance & Corporate Responsibility Committee Charter](#)



# CORE VALUES AND ETHICS





# Core Values and Business Ethics

## Core Compliance and Ethics

Our global Compliance and Ethics program is led by our Corporate Compliance Officer (CCO) who reports to the General Counsel, Senior Vice President and Secretary. Our CCO provides regular updates to the audit committee of Core Laboratories' supervisory board of directors. The board of directors plays a critical and active role in overseeing the company's ethics and compliance program. Our compliance and ethics program is enforced by corporate management who sends a clear message that misconduct is not tolerated. Our program is designed for maximum effectiveness in preventing and detecting wrongdoing. Our culture of ethics and integrity defines who we are as a company and how we treat each other, our customers, and our suppliers. Through effective, established policies and procedures, we have incorporated a culture of compliance into our day-to-day operations. We summarize our ethical principles in the company's Code of Ethics at <https://corelab.com/cr/core-values>.

Our 4400+ global workforce is provided with resources to help them succeed and to promote and recognize ethical choices. We create awareness through annual and periodic training and communication. In addition to our annual training, we provide periodic presentations regarding the following topics:

- Anti-Corruption and Compliance
- Export Controls and Sanctions Compliance
- Code of Ethics

## Employee Ethics Hotline

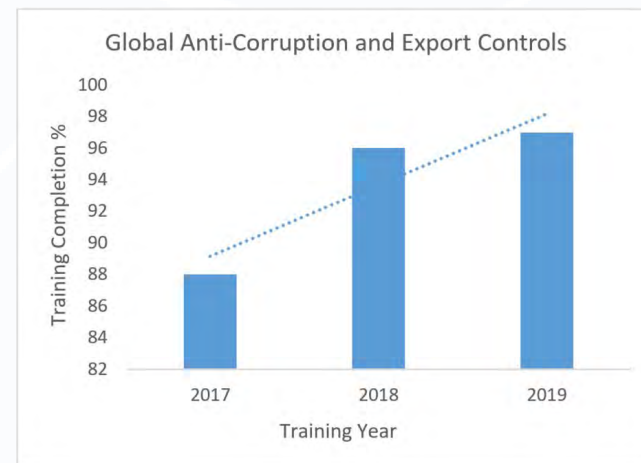
Core Lab has an efficient and trusted mechanism by which employees can anonymously or confidentially report allegations of a breach of the company's Code of Ethics, company policies, suspected or actual misconduct, fraud, or human rights violations. Our complaint handling process includes pro-active measures to create a workplace atmosphere without fear of retaliation, appropriate processes for the submission of complaints and processes to protect whistleblowers.

A hotline, email and mail are the primary means for employees to raise concerns. The CCO sorts, categorizes and routes complaints to proper personnel. All legal matters are reviewed and resolved by the company's General Counsel. Face-to-face meetings with the company's General Counsel or Corporate Compliance Officer is also encouraged. Independent arbitration is also supported.

## Investigation of Misconduct

Core Lab has processes in place to ensure company investigations of any allegations or suspicions of misconduct by the company or its employees, are properly scoped, independent, objective, appropriately conducted and properly documented. Applicable investigative findings are communicated to appropriate middle and senior management. The company's response to investigations is documented, including any disciplinary or remediation measures taken.

## Global Annual Training Data



I am **C**ourageous **O**bservant **R**espected **E**thical



# Code of Ethics

**Core Laboratories maintains a corporate self-governance and compliance program that is specifically structured to ensure that the Company and its employees operate at the highest level of ethical conduct and behavior. Core Laboratories' Ethics Program has been recognized as a model for other private and regulatory organizations.**

This Code of Ethics and Corporate Responsibility covers a wide range of ethical business practices and corporate social responsibility matters. It sets basic principles to guide all employees and all non-employee Management Board and Supervisory Directors.

## Conduct Business in a Legal Manner

First and foremost, obey the law, both in letter and in spirit. This is the foundation on which the Company's ethical standards are built.

## Respect for Others

Core Lab promotes a work environment that encourages trust, mutual respect, support, honesty, accountability and responsibility. This includes respecting all those we work with whether fellow employees, clients, vendors, or the community.

## Corporate Responsibility

Being a good corporate citizen extends beyond the walls of our workplace. Awareness of human rights, fair employment practices and protection of the environment are integrated into our business strategy and decision making.

## People and Safety

We accept responsibility for the health and safety of our workforce. We are committed to conducting our business in compliance with all environmental and worker health and safety laws. Our goal is to drive an accident-free workplace through our various safety programs and initiatives.

## Conduct Business in an Ethical Manner

Through our exceptional technology offerings and hard working talented employees, we strive to earn our clients' business through excellent service, products and fair dealing. This goes so far as to ensure that our suppliers and contractors also have policies and procedures in place that meet the Core Lab Standards.

## Employee Reporting Process

To drive awareness and action to supporting the Code of Ethics and Corporate Responsibility within the company, all employees, no matter the level, are accountable for reporting any illegal or unethical behavior. Core Lab is committed to addressing and reporting any violations should they arise.

## Safeguarding Information and Assets

Honesty and accuracy in data reporting is paramount in driving consistent record keeping. All employees are committed to protecting the company's assets including proprietary information and ensuring their efficient and proper use.



I am **C**ourageous **O**bservant **R**espected **E**thical





# Fraud Prevention

Core Laboratories believes it promotes a positive workplace environment through the following:

- **Background Investigations and Reference Checks** - These investigations, which include verifying a candidate's education, employment history, criminal record, and professional references, are performed for all individuals being considered for employment.
- **Delegation of Responsibility- Management** has developed policies and procedures to ensure that employees to whom significant responsibility has been delegated have the necessary skills and experience.
- **Effective HR-** HR manages Company directives and related practices inclusive of training and regular performance evaluations.
- **Management and Development-** The Company has a Human Resources department that promotes the management and development of effective human resources programs.

Presentations and training are provided throughout the Company during the year regarding the following topics: Anti-Bribery, Contract Governance, Export Controls, and Fraud Prevention.



## Deterrence, Detection, & Remediation of Fraud

The Company's anti-fraud program and controls have been implemented throughout the Company and are considered an entity-level control which management relies upon to establish the Company's "tone at the top" relative to fraud and financial reporting.

The program and controls address each element of the COSO framework. Accordingly, it is tested at Corporate, at Level 1 locations, and Level 2 locations selected for entity-wide testing and through the use of internal controls. Evaluation of the design effectiveness of the anti-fraud program has been performed through a detailed analysis of specific organizational policies and procedures. Discussions with management identify documentation critical to establishing the Company's "tone at the top" (e.g., Code of Conduct, ethics hotline policy, etc.) and each item is compiled and reviewed for appropriateness and availability to appropriate personnel.



# Conflict Minerals

The term “conflict minerals” refers to certain minerals being tin, tantalum, tungsten and gold, the metal ores from which these minerals are extracted, or their derivatives. The “conflict minerals” term originates from the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Act”) and associated rule issued by the U.S. Securities and Exchange Commission (“SEC”). The SEC rule and related parts of the Act were issued in response to violence and human rights violations in the mining of those minerals from the Democratic Republic of the Congo (“DRC”) and adjoining countries (the “Conflict Region”).

The SEC rule requires SEC registrants to disclose, on an

annual basis, whether the products they manufacture or contract to manufacture contain conflict minerals that are “necessary to the functionality or production” of those products, and if so, certain information about the source of those conflict minerals.

## We Evaluated 100% of the Parts and Materials Necessary to the Functionality or Production of Products

### Importance of Supply Chain

In response to the Act, we formed a multidisciplinary task force early in 2014 to examine all products that we either directly manufacture or contract with third parties to manufacture to determine which of our products, if any, contain conflict minerals. The review of our supply chain associated with these conflict minerals is now included in our routine review of suppliers and the supply chain management policy and process. During this process, we evaluated 100% of the parts and materials necessary to the functionality or production of products, manufactured by us or contracted to be manufactured for us, and have concluded that, while some of our products contain conflict minerals, the information we obtained shows that all of those conflict minerals came from countries outside of the Conflict Region.

### Alignment to Vision

The ethical sourcing of minerals is an important part of our mission to ensure safe and fair working conditions in our supply chain. We strive to use only conflict-free minerals in our products.



[Link to Specialized Disclosure Report](#)







# Discrimination and Harassment Policy

## Policy against workplace discrimination and harassment:

At Core Laboratories, each and every employee, supervisor, manager and executive is responsible for preventing harassment by:

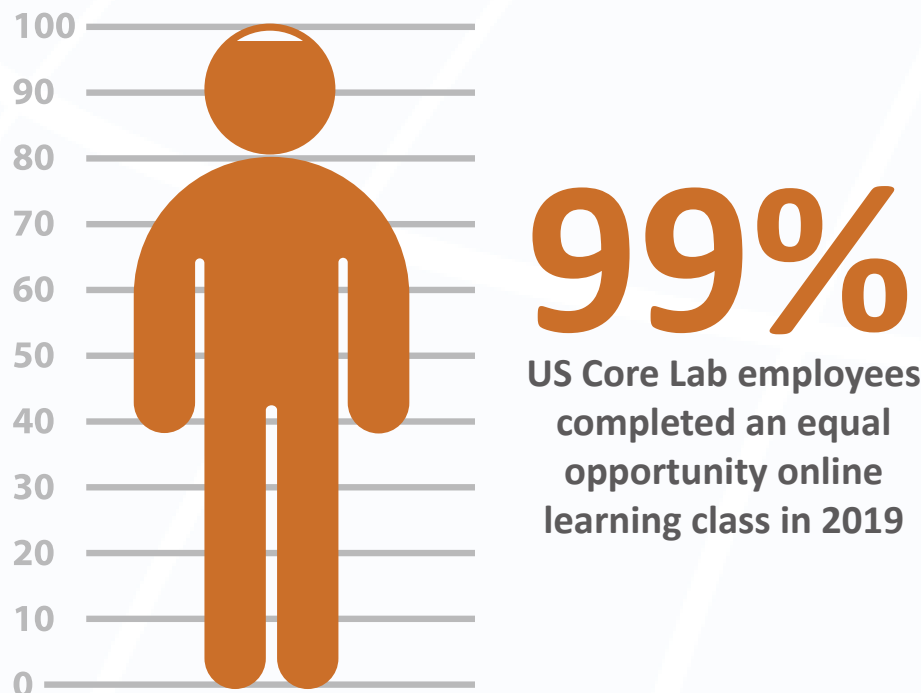
- Treating others with courtesy and respect in all work relationships.
- Eliminating harassing conduct, including unwanted touching, or comments or behavior that is sexual, sexist, racially or religiously based, or otherwise discriminatory.
- Reporting harassment to the HR Manager or generalist for their Business Unit, the Vice President of Human Resources, or to the Law Department via the Ethics Hotline at [Ethics@corelab.com](mailto:Ethics@corelab.com).



Core Laboratories recognizes that ascertaining whether a particular action or incident is purely a personal, social relationship without a discriminatory employment effect will require a factual determination based on all facts in the case. Therefore, Core Laboratories diligently investigates every alleged harassment claim and effectively remedies them when an allegation is determined to be valid.

Core Lab's Code of Ethics and Corporate Responsibility includes an Equal Employment Opportunity Policy which states, in part:

It is the policy of Core Lab to provide equal employment opportunity in conformance with all applicable laws and regulations to individuals who are qualified to perform job requirements.





# EMPOWERING PEOPLE



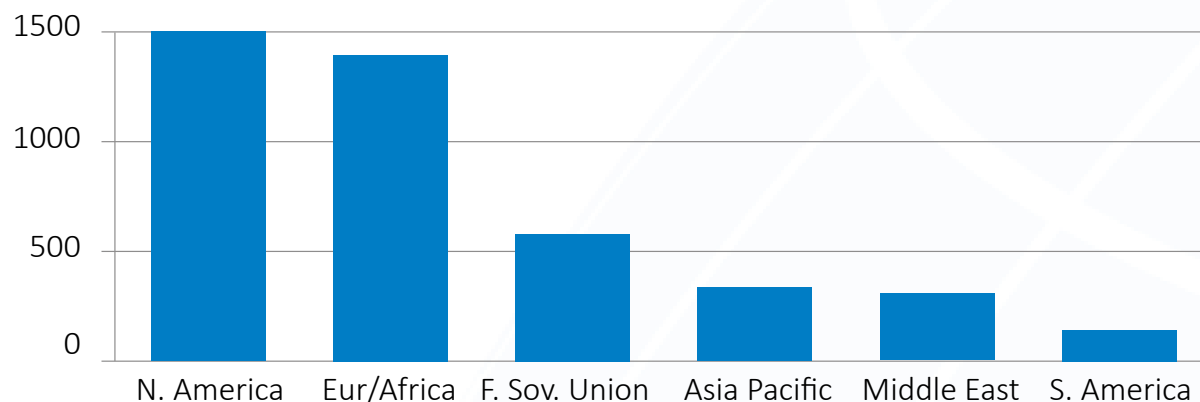


# Our Global Workforce

## Who We Are

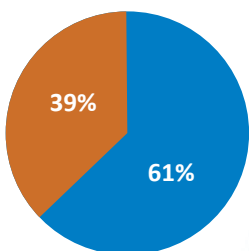
Scientific innovation, industry leading technology, diversity of solutions it's who we are. Our talented workforce is as diverse as our business presence. The Core Lab community is represented on 6 continents in more than 50 countries around the world. We have approximately 4,300 employees and speak over 30 languages. Each one of us is different; our talented people bring their own experiences, backgrounds and perspectives which is paramount to our success.

### Employee Headcount



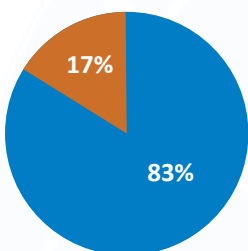
### Science & Technology

Male Female



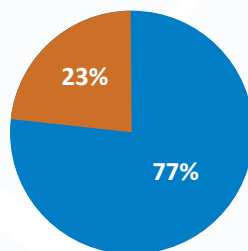
### Exec/Senior Mgmt.

Male Female



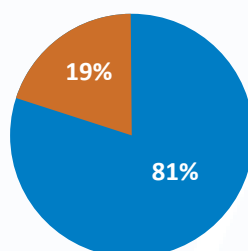
### Global Population

Male Female



### Mid/Other Mgmt.

Male Female



## Our Global Diversity & Inclusion Strategy

At Core Lab, we aspire to attract a diverse group of employees and create an inclusive work culture where differences are valued. We want our employees to feel supported and encouraged to collaborate, learn and grow because we recognize the unique perspectives and thoughts that all people bring to our environment stimulates innovation and generates out-of-the-box solutions that benefit our employee, clients, and industry.

### Events:

- Participated as a guest speaker at the Greater Houston Women's Chamber of Commerce luncheon on Advancing Women in the Workplace
- Sponsored employee attendance at the Greater Houston Women's Chamber of Commerce luncheon on Advancing Women in the Workplace
- Sponsored employee attendance at a Houston Energy Evening Event on "Diversity of Thought"
- Hosted an internal Development Luncheon Roundtable to discuss advancing gender equality initiatives at Core Lab

### Recognition:

- 2019 Bloomberg Gender Equality Index recognition measuring gender equality in the workplace
- 2019 20 by 20: Women on Boards recognition that women make up more than 20% of our Supervisory Board
- 2019 PAX elevate recognition for commitment to advancing women's leadership globally



# Human Rights

**Core Laboratories is committed to the optimum utilization of human resources. The Company is committed to providing positive, productive and supportive work environments throughout its global operations. The Company has established programs to attract, develop and retain a highly talented workforce that is representative of the regions in which it operates.**

## Our Approach

Core Lab is located and does business in various environments and diverse cultures. Wherever Core Lab operates, certain principles consistently apply to the Company's relationships with its employees and its expectations of conduct in the workplace.

Core Lab's Code of Ethics and Corporate Responsibility provides a worldwide framework for responsible operations and is consistent with the spirit and intent of the Fundamental Principles and Rights at Work of the 1998 International Labour Organization (ILO) Declaration. The ILO Declaration sets an obligation on Member States to promote and realize the following principles:

- Freedom of Association and effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labor
- Effective abolition of child labor
- Elimination of discrimination in respect of employment and occupation

## Freedom of Association

Core Lab recognizes and respects its employees' right to join associations and choose representative organizations for the purpose of engaging in collective bargaining in a manner consistent with applicable laws, rules and regulations as well as local customs as appropriate.

As of December 31, 2019, less than 10% of our workforce had elected to be represented under collective bargaining agreements or similar type labor arrangements, the majority of which are outside the United States.

## Policy Against Compulsory Labor

Core Lab does not utilize forced or compulsory labor. Core Lab recruits its employees and provides working conditions and hours, and payment of wages and benefits that comply with applicable laws and regulations. Management will focus on reducing excessive overtime.

## Policy Against Child Labor

Throughout Core Lab's worldwide operations, we prohibit the use of children in our workforce. All Core Lab employees are at or above the legal employment age in the country of their employment.







# Corporate Citizenship

## Global Support

Core Laboratories supports local communities all over the world through contributions of resources and the involvement of employees, particularly when we can leverage technical capabilities to provide a higher level outcome for those that we are supporting.

## Improving Worldwide Technology

We prefer to support efforts aimed at improving education in science, technology, and business. It's our way of giving back to the community in order to improve career and social opportunities for young adults around the globe.



### Helping Hands Program

The Helping Hands Program builds prosthetic hands that are donated to amputees who are victims of land-mines.

In 2019, a joint workshop was facilitated by Woodside Petroleum and 30 staff from Core Lab Malaysia. These volunteers helped build prosthetic hands while becoming more aware of how hand injuries can have a devastating effect on the livelihood of employees and their families.



### SOS Children's Villages

SOS Children's Villages International is a global federation working to protect and care for children who have lost parental care, or who stand at risk of losing it. They work with communities, partners, and states to ensure that the rights of children, in every society, are fulfilled.

Core Lab supports SOS Children's Villages International to ensure those children most in need can have a brighter future and ultimately help their communities lift themselves out of poverty.



### Extern Program

Core Lab representatives from every business unit participate in hosting students interested in pursuing careers in the oil industry; this program provides insight and hands-on experience that will help them decide their future path.



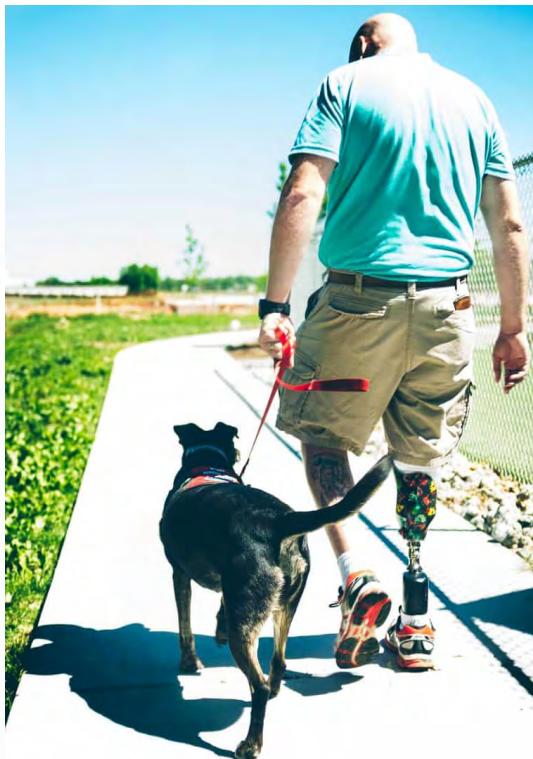
## Faces of Freedom



Freedom Service Dogs trains highly specialized service dogs for returning veterans in need. These dogs are trained to assist veterans

with post-traumatic stress disorders, traumatic brain injuries, amputations, mobility constraints and other limitations, helping them find a new level of independence when transitioning back into society.

Since 2013, Core Lab has helped raise nearly \$2 million. In 2019, Core Lab (along with EOG Resources) sponsored the Faces of Freedom Sporting Clay Tournament, which raised \$225,000. Core's monetary and fund raising contributions go directly to the training program that provides returning veterans in need with service dogs. Core Lab is committed to continue its support for this important program.



### JAM - Joint Aid Management

Joint Aid Management (JAM) is a South African based non-profit organization working in Mozambique since 1984. The JAM program seeks to empower communities and school children with agricultural skills and at the same time building resilient communities in food security programs.

Core Laboratories partnered with JAM to design, facilitate and sponsor the rehabilitation of the school dwelling and desks for the Mapihe Primary School of which 126 children will attend.



# Building a Talented Workforce

Core Lab's talented workforce is as diverse as our business presence. We respect the diversity within our global employee base because we believe this is what makes us stronger and gives us a cutting edge. To maintain and foster more diversity, Core Lab strives to ensure an equal employment opportunity workplace free of harassment and discrimination while creating a harmonious environment where our employees are encouraged to learn and grow from the different perspectives around them. Our priority is to ensure we have the ability to attract and retain a talented workforce without regard to race, ethnicity, color, national origin, religion, creed, gender, sexual orientation, marital status, ancestry, disability, age, political affiliation, or any other legally protected status.

## Organizational & Employee Development

At Core Lab, we make a commitment to support our workforce in multiple ways to be proactive toward their personal development and their career. To assist in ensuring the programs we develop for our employees are accessible and executed with the highest quality standards and objectives, we utilize a Talent Management System which provides our employees an online suite of integrated tools designed to support the "Employee Life Cycle" in five key areas of talent management: Recruitment, Performance Management, Succession Management, Learning Management and Total Rewards. By creating visibility in these areas, we are driving consistency and clear expectation towards the execution of business strategies, goals and objectives.

## Leadership Competencies

At the heart of our Employee Life Cycle is our framework of leadership competencies which provide a foundation for driving excellence. Each of our five defined leadership levels (Executive Leader, Business Leader, Operational Leader, Frontline Leader, and Individual Contributor) has relevant competencies assigned to it. In addition, there are four Core Competencies for all our employees that communicate the core values we share as a whole.

These competencies help us identify and describe the behaviors, skills, knowledge, attitudes and abilities that we use to promote our development culture while strengthening Core Lab's capability to meet future challenges and needs. We actively encourage competency development as essential towards professional and career development.

## Stakeholders FAQ

### Question

What is Core Lab doing to ensure their employees grow and develop within the company?

### Answer

Core Lab is a service company with innovative strengths. As such, we focus on attraction, development and retention of talent. It starts with the Employee Life Cycle- Recruitment, Total Rewards, Performance Management, Development, and Succession. Through these priority areas, our programs are built and deployed through the company.

We track our progress with metrics, which are evaluated on a quarterly basis. As a result, we improve employee programs and processes accordingly to ensure their effectiveness.





# Performance Management & Career Development Planning

Core Lab's annual Performance Management cycle is an ongoing process that enables managers and employees to collaborate throughout the cycle to:

- Clarify expectations and set business goals and development objectives
- Track employee progress on goal completion, allowing managers to offer coaching and feedback along the way
- Conduct a final review of the employee's performance at the end of the year

This process is designed to help employees understand where they add value to the organization, provide focus on and discussion around career aspirations, and reward employees for high performance.

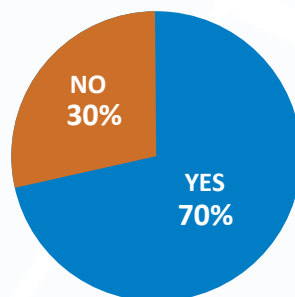


## Employee Self Evaluations

During the Review portion of our performance cycle, employees had an opportunity to voluntarily complete a self-evaluation of their 2019 performance. This gave our employees a voice in the review of their accomplishments and completion of performance goals.

2,922 employees completed a self-evaluation of their 2019 performance, illustrating our employees' commitment to their performance and the overall success of the organization.

### 2019 Core Lab Employee Self-Evaluation Completion



## Employee Development

Throughout the year we actively encourage our employees to focus on their professional and career development needs. An online competency-based development plan template is available and is designed to be an on-going plan that evolves with the employee as they continue their career with Core Lab. Employees and managers engage in discussions to create the plan, focusing not only on current development needs, but also development needs for possible future positions.

## Coaching and Feedback

Providing ongoing feedback and coaching is a prime driver for creating an environment where people have the clarity, engagement, and energy to deliver great results. At Core Lab, managers are actively encouraged to provide on-going coaching and feedback to their employees throughout the year to ensure a successful outcome for business and development goals. To help managers successfully implement and execute in this area, several training platforms are made available and are among our highest requested trainings.





# Succession Planning

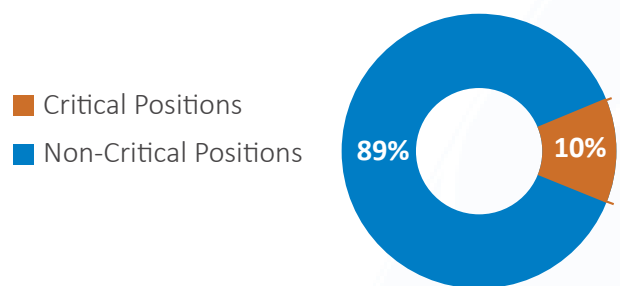
Core Lab's commitment to building a strong pipeline of future leaders in our organization is stronger than ever. One way that we identify and develop the individuals capable of rising to higher levels is through our Succession Management Process.

## The Process

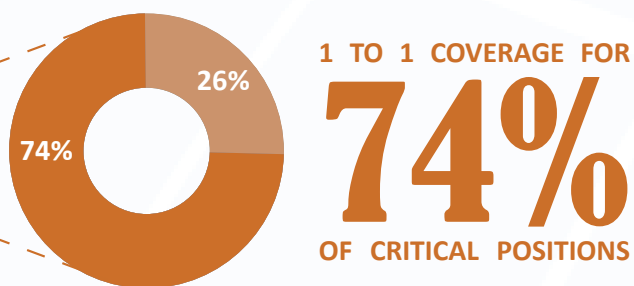
The process begins following our performance review, goal setting and development planning activities, enabling us to be proactive around strategic human capital planning and career development. We focus on assessing talent capabilities, identifying successors for critical positions, and ensuring candidate readiness in the organization. We currently have 1-1 coverage for 74% of our critical positions, meaning that a person identified as a successor for one role is not also identified as a successor for another role. This allows us to focus the development of those individuals to the specific role he or she is in line to move into.

Talent Calibration Meetings are held throughout the organization to review key talent, agree on succession plans, and identify key actions to prepare employees for their next position. We make choices for successors based on consistent criteria, utilizing and linking to our competency model.

Critical Position Status



1-1 Succession Coverage (Critical Positions)



## Targeted Development Plans

Targeted development plans are encouraged for all people included in the talent pool. The development plans tie to our Learning Management System where we can leverage the learning curriculum and assign training based on leadership level and needed development.

## Stakeholders FAQ

### Question

How is Core Lab focused on developing future leaders to fill critical roles?

### Answer

We have identified 5 leadership levels with accompanying competencies. Leaders are assessed as part of our Succession Management program against these competencies. We are then able to focus on assessing talent capabilities and identifying successors for critical roles.

Through development planning, we understand the risk and development opportunities to ensure our employees are prepared for the opportunities of tomorrow.



# Learning & Development

We believe our people are amongst the biggest assets contributing to the success of our organization. This hinges on the knowledge, skills and abilities these individuals bring into our organization as well as the knowledge, skills and abilities we help them develop over time. This is why Core Lab is committed to supporting and offering a wide range of technical and non-technical development opportunities to our employees.

## Educational Assistance Program

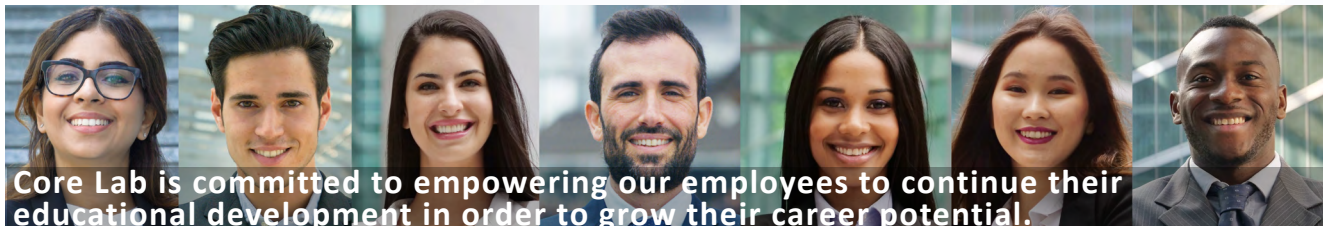
This program provides employees with opportunities to earn a university degree that enhances their ability to perform in their current or future job responsibilities by reimbursing a portion of tuition costs.

## Continuing Education Program

Much like the Educational Assistance Program, the Continuing Education Program is designed to assist employees in fulfilling their desire for continued growth and development. This program specifically focuses on technical competence and reimburses employees for the costs related to obtaining professional licensing and certifications.



[Training and Development Policy](#)



## Flagship Leadership Development Program

- **Core Leadership Essentials I:** introduces first time managers, supervisors, field and team leads to the essentials needed to build the foundation to manage and lead teams. Although we are continually revising material to ensure we are providing information to meet the needs of these new leaders, this 4-day program typically focuses on Behavioral Awareness, Communication, Delegation, Motivation, and Coaching.
- **Core Leadership Essentials II:** is the second installment in our Flagship Leadership Development Program designed for mid-level managers. It focuses on the leadership skills needed to support their transformation from leading teams to leading managers and works to help build skills in the areas of Strategy, Change, Presentation Skills, and Adaptive Leadership.
- **Business Leadership Program:** is reserved for our senior business leaders and is designed to build these leaders' capability to lead Core Laboratories into the future. Working in partnership with the University of Rotterdam Erasmus School of Management to deliver this program, we are able to provide information in the areas of Leadership, Strategy and Customer Focus, Financial Management and Change Management. The nineteen day program is delivered over a nine month period, enabling the participants time to digest the information which will enable them to apply the newly learned skills in the work environment.

## Learning Management System

Core Lab's Learning Management System allows our employees to manage their learning online through their personalized transcript. They are able to browse for relevant training opportunities, register for training, and complete course evaluations through the system.

In 2019, Core Lab further enhanced the learning offered through our Learning Management System by partnering with a provider of online training programs. Through this partnership we are now able to provide over 70 additional courses to our employees around the globe and in multiple languages including: English, Dutch, Spanish, German, French, and Italian.





# Engaging Employees

## Why It's Important

We are a people driven company and as a result our employees are our greatest asset. We are committed to engaging our employees on our progress and core values that define us as a company. We believe that the more our people feel engaged and aligned to our business and goals, the more likely they are to invest and contribute to our success. We would not be the company we are today without our talented network of employees, it is critical that we demonstrate to them the importance of their contributions and value.

## myCORE Experience

To drive understanding of our employment culture the Company connected with various employees and managers around the globe to understand the Core Lab experience from their perspective. The results created a snapshot of the employee experience. It defines who we are and is used within the Company and publicly to tell our story.

## Core Lab LinkedIn Page

Our vision is to attract, connect and engage in a meaningful way with customers, employees, the global community and future talent by sharing the Core Lab story through social media partnerships. We want to grow our following using social media as a medium to share all the great things we accomplish.

## CoreConnect

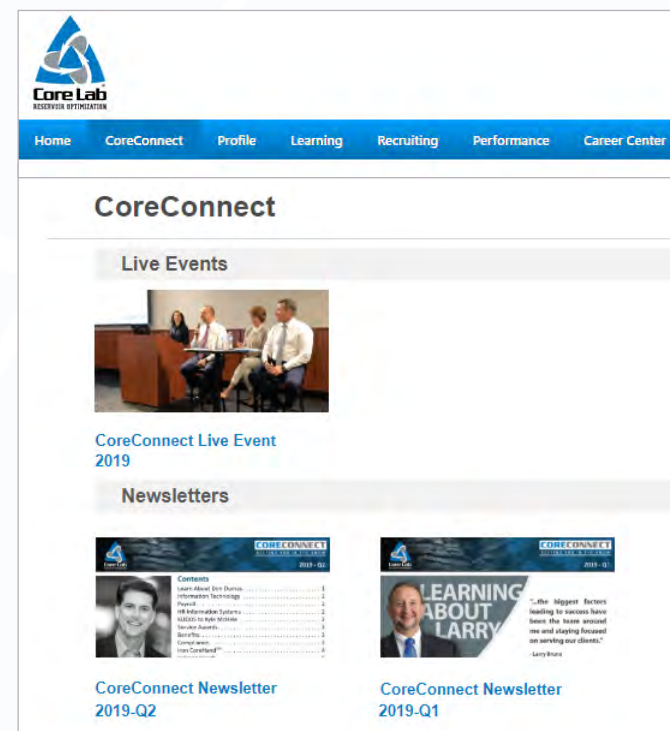
A communication initiative to drive connection and engagement between employees and executive leadership has been established.

The initiative has been branded as “CoreConnect” and shares information in different forms with the goal of continuous engagement. For example, a CoreConnect newsletter goes out quarterly to the approximately 4,300 employees. In addition, a live event is held annually which allows employees to ask questions to the executives in person.

These communications - periodic emails, quarterly newsletters, quarterly reports, and annual live events- are well received by Core Lab employees and these communications greatly benefit the overall corporate culture.

# CORECONNECT

## KEEPING YOU IN THE KNOW





# Total Rewards

## Core's Performance Management & Total Rewards Approach

### Performance Management

As part of our workforce engagement strategies, Core Lab has established a Performance Management process. The objective of this process is to provide:

- Timely and planned feedback regarding performance in relation to the requirements of the position
- A management tool designed to ensure that organizational requirements are met by measuring, tracking, and improving employee productivity and development
- A structured opportunity for management and the employee to discuss individual capabilities, career interests, and development
- An objective basis for salary change recommendations related to the annual merit process or promotion considerations
- Tools attracting, motivating and retaining a talented workforce that can achieve business results
- Our benefits programs are country-specific enabling our compensation programs to be designed to deliver competitive base salaries

### Total Rewards

At Core Lab, we use a Total Rewards approach which is aligned to our business strategy and country-specific market influences. The basic foundation of our Total Compensation model is hinged on our three financial tenets, which have consistently driven our business results throughout our Company's history. We offer competitive compensation and benefit programs in each country where we operate.

Total Rewards at Core Lab not only encompasses competitive compensation and benefits, but also personal and professional growth opportunities within a global performance culture.

[Total Reward Summary](#)[Performance Management Review](#)



# ENVIRONMENT PERFORMANCE





# Minimizing Environmental Impact

**We recognize the diversity of the communities and people where we operate. We commit that we will act responsibly and will obey all applicable laws, minimize the impact of our operations on the environment, protect the communities' safety, and respect cultural backgrounds.**

## Environmental Performance

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment and anticorruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere. This ever-increasing understanding is reflected in the Global Compact's rapid growth. With over 8,700 corporate participants and other stakeholders from over 130 countries, it is the largest voluntary corporate responsibility initiative in the world. The Global Compact is global and local; private and public; voluntary yet accountable.

The Global Compact incorporates a transparency and accountability policy known as the Communication on Progress ("COP") which is mandatory to communicate to our stakeholders. In 2002, certain operations within our Reservoir Description business segment joined the UN Global Compact.

## Alternate Energy Sources

In FY2018, the total electricity sourced from renewable sources was approximately 9% whereas in FY2019 it has increased to 15%. Total energy consumption in FY2019 across all sites was 43,695 MW h. This has decreased approximately by 2% from the FY2018 consumption of 45,807 MW h. The energy use across scope 1 and 2 is dominated by non-renewable electricity use, which contributors to 60% of the total FY2019 energy consumption. With the renewable electricity representing 9% of the total energy use in FY2019, Core Lab continues to seek energy from renewable sources where available in the energy mix.

## Environmental Training

Core Lab provides guidance to managers and employees regarding environmental issues. The Company provides employee training and conducts audits to ensure compliance. Each employee will be responsible for performing his/her job function with constant consideration of Core Lab's commitment to this policy.





# Managing Environmental Impact

**We recognize the diversity of the communities and people where we operate. We will act responsibly, obey all applicable laws, minimize the impact of our operations on the environment, protect the communities' health and safety, and respect cultural backgrounds.**

## Environmental Policy

Consistent with the requirements of Global Compact membership, it is the policy of Core Lab to conduct its business in a manner consistent with applicable environmental regulations.

In areas where environmental regulations do not exist, Core Lab will exercise practical care in its efforts to protect employees and preserve the environment. Country managers will manage their business in a manner consistent with established Company policies and applicable laws and regulations.

## Biodiversity - Natural Lands

Our impact on biodiversity and the ecosystem where we operate is limited as we do not have locations that are in a natural, rural environment. Our biodiversity protection efforts are focused on ensuring we comply with good international industry practice ("GIIP") as well as local laws and regulations. In the event we do choose to add to our existing facilities or open new locations, our senior operating managers consider local biodiversity issues to ensure we exceed GIIP where possible. This biodiversity assessment is then reviewed by senior management before final approval is given for the new location.

## Our Locations

Although operations outside of our offices are conducted on our clients' property, we continue to follow our corporate policies regarding health, safety, and the environment; as well as our Code of Ethics and Corporate Responsibility. Before opening a new location, impact to the environment and community are considered.

In the event we do leave a particular location, we ensure that the land and building are properly returned to their agreed condition. We also take steps to ensure that any potential environmental conditions have been dealt with as required by local regulation and standards.

## Stakeholders FAQ

### Question

What is Core Lab's public policy on environmental concerns?

### Answer

We recognize the diversity of the communities and people where we operate. We commit that we will act responsibly and will obey all applicable laws, minimize the impact of our operations on the environment, protect the communities' health and safety and respect cultural backgrounds.



# Footprint - S&P Global Trucost Report

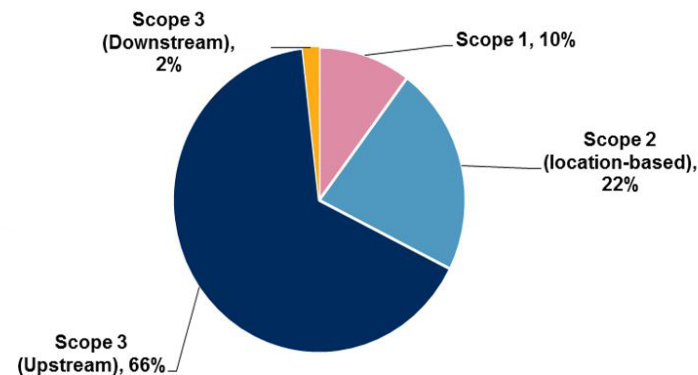
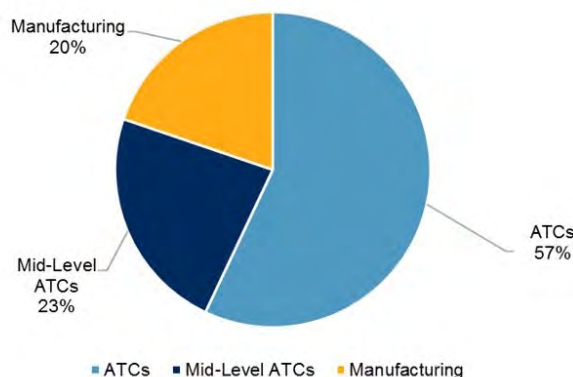
## Our Footprint

To better understand the Company impact, we engaged Trucost, a sustainability data company. With their expertise, we are able to assess Core Lab's operational and value chain greenhouse gas emissions in line with the World Resource Institute ("WRI")/World Business Council for Sustainable Development ("WBCSD") Corporate Standard (Scope 1 and 2) and Corporate Value Chain (Scope 3) Guidelines (GHG Protocol).

The assessment allows us to report Scope 1, 2 and 3 GHG emissions in annual accounts and in the Carbon Disclosure Project ("CDP") Climate Change Questionnaire.

We have already been reporting company-wide Scope 1 and 2 GHG emissions to the CDP since 2014. Engaging Trucost allows us to improve our operational (Scope 1 and 2) GHG emission quantification methodology by integrating primary data. Furthermore, Trucost quantified Scope 3 GHG emissions according to the fifteen Scope 3 categories outlined in the Guidelines to help understand and disclose our Scope 3 emissions from a deep dive into our suppliers. In 2017, Core Lab increased our data collection boundary from the six Advanced Technology Centers (ATCs) to 21 locations world wide. This increased collection has allowed Core Lab to begin carbon pricing and better understand our carbon impact thus better understand risk and opportunities as well.

IMPACT	SCOPE	FY2017	FY2018	FY2019	CHANGE
Direct	Scope 1	3,800	4,541	4,795	-6%
Indirect	Scope 2 (location-based)	11,984	11,114	10,381	7%
	Scope 2 (market-based)	13,481	12,693	11,904	6%
Value Chain	Scope 3, upstream	34,276	33,174	30,798	7%
	Scope 3, downstream	645	1,080	829	23%
<b>TOTAL (LOCATION-BASED)</b>		<b>50,704</b>	<b>49,909</b>	<b>46,803</b>	<b>6%</b>



Finally, Trucost has helped us set science-based targets for our Scope 1 and 2 emissions. Science-based targets aim to help companies work towards limiting the increase in global average temperatures to below 2°C, a limit agreed upon by leading climate scientists and governments to ensure long-term sustainability and profitability. The charts present the results and findings of the Trucost assessment of operational and value chain GHG emissions for the 2019 financial year.



**Trucost  
Reports  
Online**





## Science-Based Target

As of February 2019 the SBTi updated its recommendations regarding science-based target setting to update the previous recommendations to achieve 2°C limits in global climate change. It now encourages companies to set GHG emissions reduction targets consistent with the most ambitious aim of the Paris Agreement, to limit average global warming to 1.5°C. SBTi communicated the new targets submitted for validation will only be accepted if they are consistent with limiting warming to well-below 2°C (WB2C) or 1.5°C (1.5C) above pre-industrial levels. These are consistent with the context of strengthening global response to the threat of climate change. Core Laboratories has been tracking its GHG emissions for several years, expanding from six sites in 2015 to 21 sites in 2019. Based on the emissions profile of Core Laboratories wherein Scope 3 emissions account for the majority (over 40%) of the company-wide emissions Trucost has recommended the inclusion of Scope 3 emissions in the setting of a science-based target, in line with SBTi recommended practice. Core Lab has been impacted by recent crude oil market conditions, the COVID-19 pandemic and reduced demand as other businesses in our sector have. These changes have impacted just about every metric in our scope 1, 2 & 3 GHG emissions. We will consider WB2C and 1.5C reduction targets for five and seven years until markets stabilize and operations return to some normalcy.

## GHG Intensity by Source - Million USD & Full Time Employee

Impact	Scope	Source	FY2018	FY2019	GHG Intensity (TCO2E/MUSD)	GHG Intensity (TCO2E/FTE)
Direct	Scope 1	Natural gas heating (stationary energy)	1,677	1,357	5.22	0.67
		Vehicle fuel use (mobile transport)	1,605	1,520	5.85	0.75
		Refrigerants (fugitive emissions)	1,259	1,917	7.38	0.94
Indirect	Scope 2	Electricity (location-based)	11,114	10,381	39.95	5.10
		Electricity (market-based)	12,693	11,904	45.81	5.85
TOTAL OPERATIONAL FOOTPRINT (LOCATION-BASED)			15,655	15,176	58.40	7.45

ABSOLUTE BASED TARGET, 2025	Base year 2018	WB2C		1.5C	
		Target year 2025	Percentage reduction	Target year 2025	Percentage reduction
Scope 1 emissions (tCO2e)	4,541	3,679	19%	3,322	27%
Scope 2 emissions (tCO2e)	12,490	10,119	19%	9,136	27%
Scope 1 & 2 emissions (tCO2e)	17,031	13,798	19%	12,458	27%
Scope 3	33,717	27,317	19%	24,458	27%
<b>Total</b>	<b>50,748</b>	<b>41,115</b>	<b>19%</b>	<b>37,121</b>	<b>27%</b>

ABSOLUTE BASED TARGET, 2023	Base year 2018	WB2C		1.5C	
		Target year 2023	Percentage reduction	Target year 2023	Percentage reduction
Scope 1 emissions (tCO2e)	4,541	3,973	12.5%	3,587	21%
Scope 2 emissions (tCO2e)	12,490	10,929	12.5%	9,867	21%
Scope 1 & 2 emissions (tCO2e)	17,031	14,902	12.5%	13,455	21%
Scope 3	33,717	29,502	12.5%	26,636	21%
<b>Total</b>	<b>50,748</b>	<b>44,405</b>	<b>12.5%</b>	<b>40,091</b>	<b>21%</b>

## Renewable Energy Procurement

The majority of operational GHG emissions stem from electricity consumption (scope 2 emissions), contributing 68% to the operational GHG emissions. In FY2018, the total electricity sourced from renewable sources was approximately 9% whereas in FY2019 it has increased to 15%. Scope 1 emissions contribute 32%, comprising 10% from vehicle fuel use, 13% from refrigerants (fugitive emissions) and remaining 9% from natural gas heating.

## Trucost Reports Online





# Emissions From Business Activities

## Emission per activity

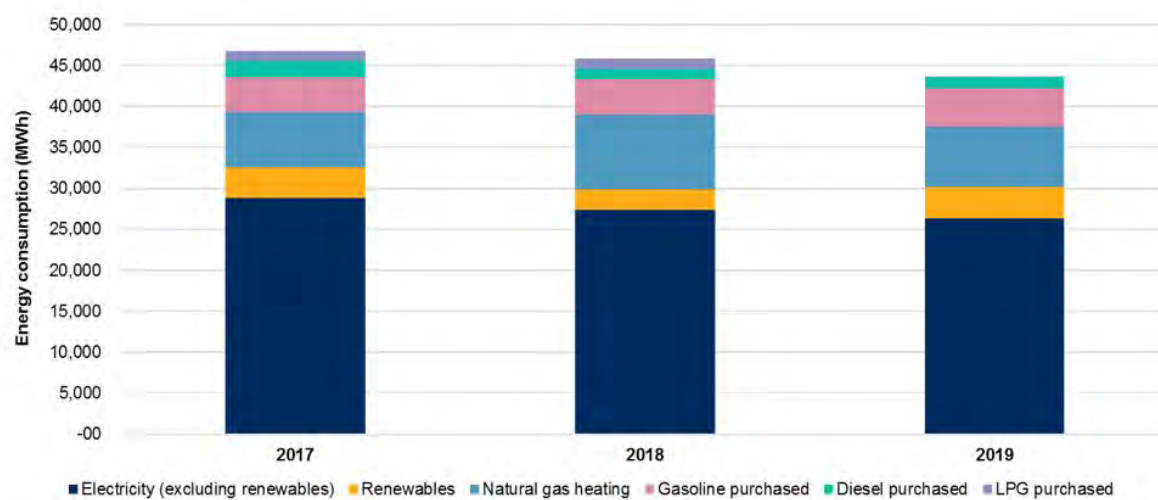
A breakdown of emissions per division as shown in this table provides more insights of the emission sources across Core Lab's operations. Though there are more mid-level Advanced Technology Centers (ATC) than Larger ATCs mid-level ATC's are only associated with 23% of the total operational emissions. Manufacturing sites had only 20% of total operational emissions, with no fugitive emissions from refrigerant use at both sites and low natural gas and vehicle fuel consumption values as well.

## Energy use by fuel type

For FY2019, the market-based Scope 2 emissions are 11,904 tCO<sub>2</sub>e, a reduction by 6% from FY2018. The market-based emissions uses the residual emission factor to determine the emissions of electricity sourced from the grid. The residual emission factors are often higher than average grid emissions as they account for contractual obligations - removing these from the grid mix of the national grid that the electricity is sourced from.

This graph summarizes the total energy consumption in FY2019 across all sites, which is 43,695 MW h. This has decreased approximately by 2% from the FY2018 consumption of 45,807 MW h. The energy use across scope 1 and 2 is dominated by non-renewable electricity use, which contributes to 60% of the total FY2019 energy consumption. The renewable electricity represents 9% of the total energy use in FY2019.

IMPACT	SCOPE	SOURCE	GHG EMISSIONS (TCO <sub>2</sub> E)			
			ATC	MID-LEVEL ATC	MANUFACTURING	TOTAL
Direct	Scope 1	Natural gas heating	1,285	71	1	1,357
		Vehicle fuel use	156	1,118	246	1,520
		Refrigerants	1,806	112	-	1,917
Indirect	Scope 2	Electricity (location-based)	5,407	2,219	2,755	10,381
		Electricity (market-based)	6,389	2,382	3,133	11,904
TOTAL OPERATIONAL FOOTPRINT (LOCATION BASED)			8,654	3,520	3,002	15,176
TOTAL OPERATIONAL FOOTPRINT (MARKET BASED)			9,636	3,683	3,380	16,699





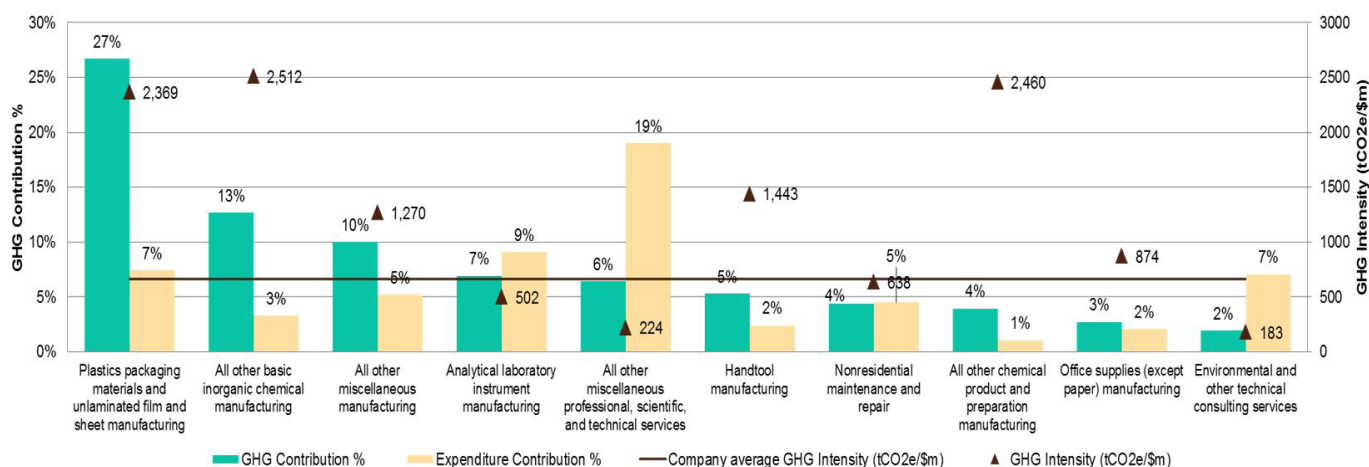
## Value Chain GHG Emissions 2019

In FY2019, Core Lab's value chain (scope 3) was responsible for approximately 31,627 metric tons of GHG emissions (tCO<sub>2</sub>e), about 68% of its total GHG inventory. The majority of its value chain emissions came from upstream sources.

This table breaks down Core Lab's full value chain GHG emissions per scope 3 category highlighting the most relevant categories for Core Lab. The majority of the value chain emissions occur upstream from purchased goods and services, accounting for the largest share with 51% of scope 3 emissions and 34% of total emissions.

The environmental footprint of a supply chain depends on two factors: the amount of expenditure with that supplier and the environmental intensity of the supplier's business activity. The graph below highlights the top 10 sectors and their relative contributions to expenditure and GHG emissions. This information can facilitate Core Lab's procurement and sustainability teams in prioritizing which buyers should be engaging with their suppliers, and which types of companies to target with environmental initiatives.

VALUE CHAIN (SCOPE 3) CATEGORY	GHG EMISSIONS (TCO <sub>2</sub> E)	SHARE %	RELEVANCE
1) Purchased goods and services	15,999	51%	Relevant, calculated
2) Capital goods	4,126	13%	Relevant, calculated
3) Fuel- and energy-related activities	2,381	8%	Relevant, calculated
4) Upstream transportation and distribution	1,158	4%	Relevant, calculated
5) Waste generated in operations	282	1%	Not relevant, calculated
6) Business travel	2,208	7%	Relevant, calculated
7) Employee commuting	3,920	12%	Relevant, calculated
8) Upstream leased assets	723	2%	Relevant, calculated
9) Downstream transportation and distribution	N/A		Not relevant, explanation provided
10) Processing of sold products	N/A		Not relevant, explanation provided
11) Use of sold products	30	Trace	Not relevant, calculated
12) End-of-life treatment of sold products	4	Trace	Not relevant, calculated
13) Downstream leased assets	794	3%	Relevant, calculated
14) Franchises	N/A		Not relevant, explanation provided
15) Investment	N/A		Not relevant, explanation provided
<b>TOTAL</b>	<b>31,627</b>		



These top 10 sectors represent approximately 61% of analyzed expenditure and 81% of the total supply chain GHG emissions. The Plastics packaging materials and unlaminated film and sheet manufacturing sector contribute to approximately 27% of upstream supplier emissions followed by the all other basic inorganic chemical manufacturing sector having 13% contribution.



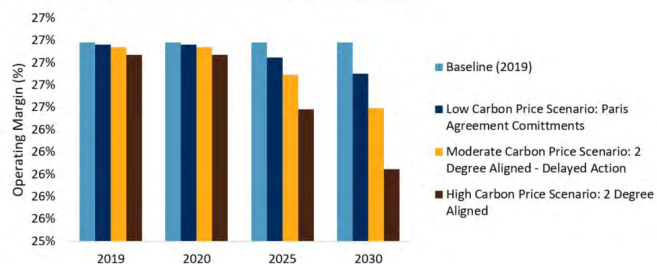


Scenario		2019			2020			2030		
		Low	Moderate	High	Low	Moderate	High	Low	Moderate	High
Total Carbon Pricing Cost Exposure	\$US Million	\$0.65	\$1	\$2	\$0.65	\$1	\$2	\$4	\$7	\$13
Total Carbon Pricing Risk	\$US Million	\$0.14	\$0.30	\$0.78	\$0.14	\$0.30	\$0.78	\$2	\$4	\$8
Forecast Operating Expenditure Multiplier	Ratio	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Forecast Change in Operating Margin	%	0%	0%	0%	0%	0%	0%	-1%	-2%	-4%

Scope: Scope 1, 2 &amp; 3

**Business Model Stress Test**

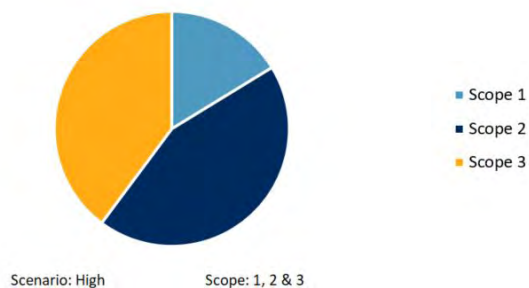
How could future carbon prices affect operating margins?



Scope: 1, 2 &amp; 3

**Carbon Pricing Risk Profile**

Which emissions scope could contribute most to carbon pricing risk in 2030?



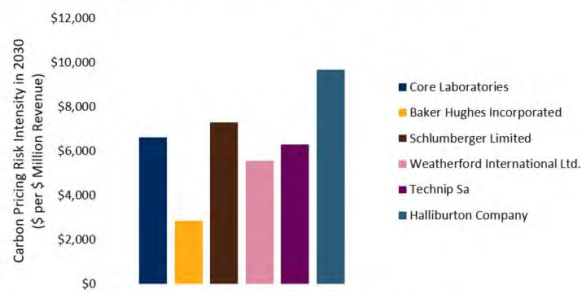
Scenario: High

Scope: 1, 2 &amp; 3

Which emissions geographies could contribute most to carbon pricing risk in 2030?

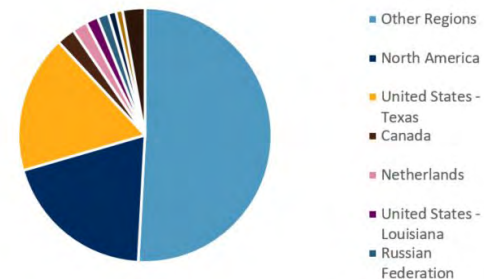
**Competitor Analysis**

How does my 2030 carbon pricing risk compare to my competitors?



Scenario: High

Scope: Scope 1 &amp; 2



Scenario: High

Scope: Scope 1, 2 &amp; 3

**Benchmark Internal Carbon Price**

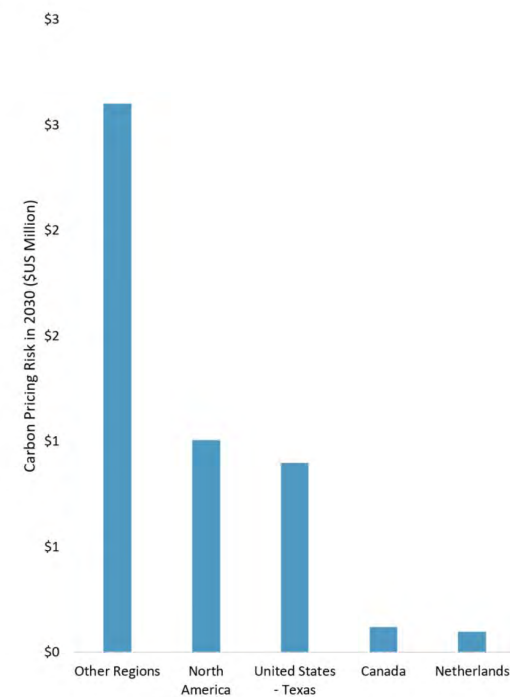
Benchmark internal carbon price designed to account for future potential increases in carbon pricing regulation across operating geographies

Scenario	Low	Moderate	High	
2020	\$1	\$3	\$7	\$/Tonne CO2e
2030	\$18	\$38	\$72	\$/Tonne CO2e
2040	\$29	\$59	\$111	\$/Tonne CO2e

Scope: Scope 1, 2 &amp; 3

**Top 5 Operating Geographies at Risk in 2030**

Which operating geographies are at greatest potential risk due to rising carbon prices?



Scenario: High

Scope: Scope 1 &amp; 2



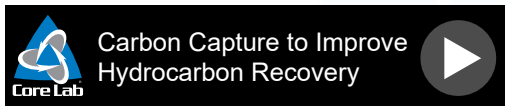
# Our Changing Climate

## Climate Change - Data Center Operation

Core Laboratories partners with Switch to operate our data platform 100% green. In 2019, Switch retired 179 Solar Renewable Energy Credits. Since January 1, 2016, Switch data centers have run on 100% renew-able energy

## Carbon Capture

Core Laboratories Provides Technologies to Mitigate the Risks of Carbon Emissions. Core Lab offers high-technology services that provide scientific data used when designing projects involving the injection of CO2 into oil fields. In our laboratories, we study how CO2 interacts with other fluids in the reservoir as well as how the CO2 mobilizes residual oil within the reservoir. This provides two benefits which help our environmental eco-system: First, CO2 can be captured from industrial complexes and injected into oil fields, effectively sequestering the CO2 underground and reducing the amount of CO2 emitted into the atmosphere. Second, the CO2, once injected into the reservoir can improve the recovery rate of hydrocarbons from the reservoir- making the reservoir as efficient as possible by minimizing the amount of hydrocarbons trapped within that reservoir.



THIS CERTIFICATE IS PRESENTED TO



## Switch Sustainability Certificate

Core Laboratories LP is awarded this Sustainability Certificate for using 100% Renewable Energy within the Switch ecosystem. This certificate demonstrates that Switch retired 179 Solar Renewable Energy Credits in 2019 on behalf of Core Laboratories LP, making their energy consumption 100% Green at Switch's data center facilities.

These Renewable Energy Credits comply with Greenpeace's principles of locality, additionality, and sustainability, and were generated by Nevada solar farms in 2019.

**Together, we can ensure that the data running our planet doesn't ruin the planet.**







**SAFETY  
PERFORMANCE**





# Executive Safety Summary

## Safety Performance

Core Laboratories is committed and accountable for promoting a culture centric on the health and safety of our employees and the environment. We are pro-active towards identifying and managing risks through recognition, evaluation, and education. We empower our employees by fostering a sense of responsibility for managing their own work environment through open communication, and a management supported “zero accident” culture.

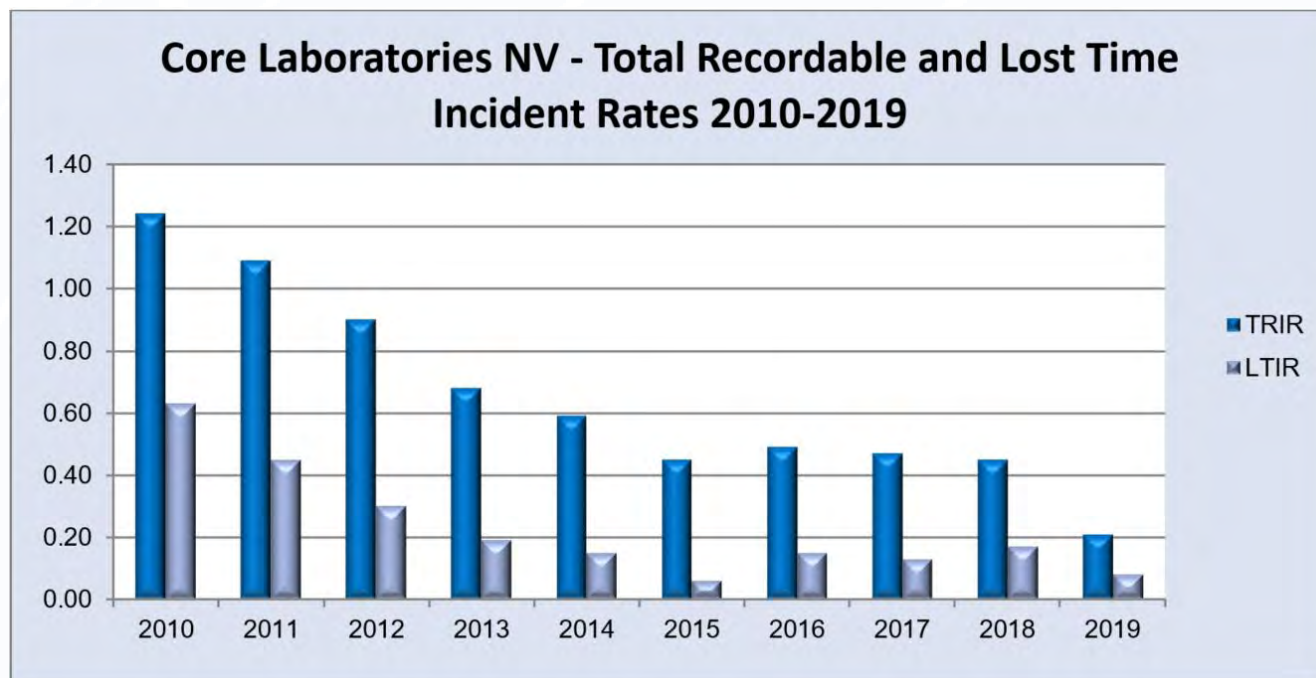
Core Lab is a leading service provider to oil and gas operations with a global presence and impact; we strive to respect the communities and environments in which we do business. We are committed and strive for a zero accident environment, which makes safety first in all of our locations and those of our clients.

In 2019, Core Lab recorded one of its best safety years having the lowest TRIR ever recorded.

**In 2019, Core Lab recorded one of its best safety years having the lowest TRIR ever recorded.**

## Most Importantly

Core Lab recorded another year without a fatality. The number one goal of Core Laboratories is to prevent all incidents, but especially those with significant impact to the environment, our employees and their families.





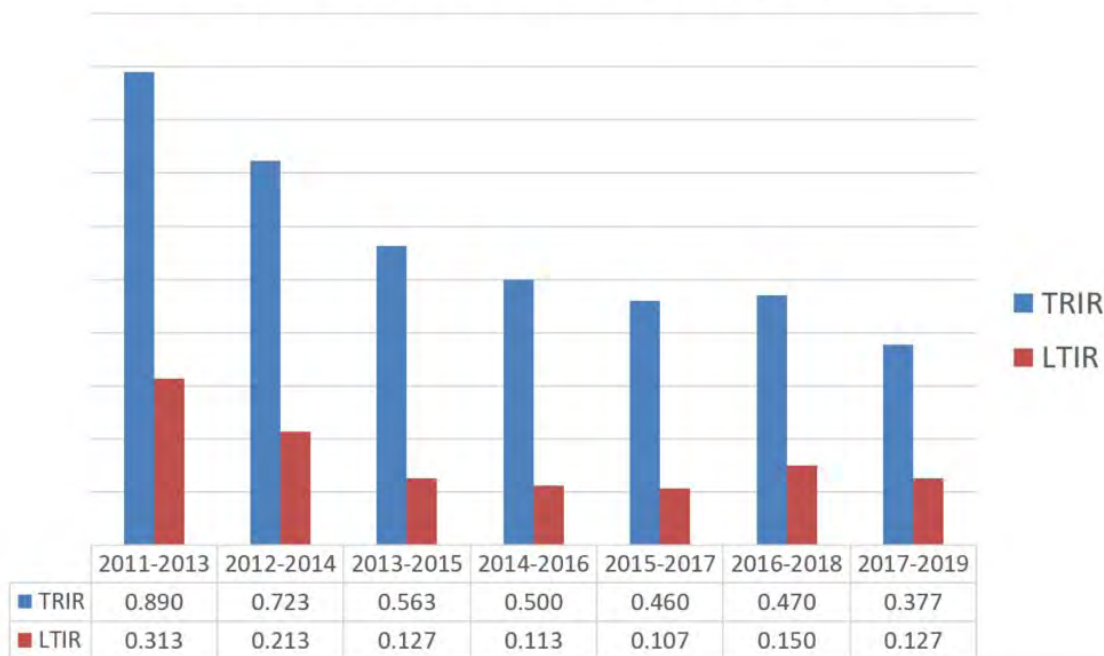
# Safety Goals

## Path to Zero

Core Lab will establish goals and targets based on 3-year averages. It is our view that sustainability of our safety program must be measured over longer periods of time and that high performance safety cultures display solid downward trends over time.

Trends for both LTIR and TRIR have showed movement towards growing sustainable safety cultures within all business units. Core Lab firmly believes trending of 3-year averages best shows the sustainability of the safety program over time by removing the short term peaks and valleys. This provides a more stable and measurable TRIR or LTIR, avoiding safety expectations on performance based on just one good or bad year. Core Lab goals are set with the expectation of driving down these averages in 2020.

### Core Lab 3 Year Sustainability Averages



## Stakeholders FAQ

### Question

Are zero incidents achievable?

### Answer

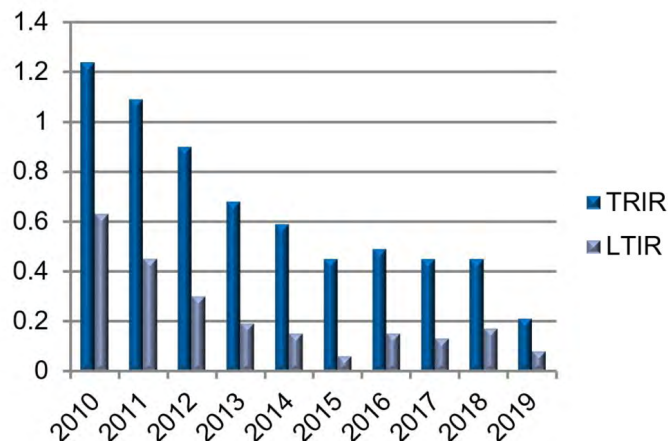
We believe it is. Keeping the focus on safety training, strong leadership and hiring the right employees that make safety a priority is the recipe for success.



# Incident Performance

## Continued Improvements

Core Laboratories 4,300 employees operate in over 50 countries around the globe. In 2019 these employees worked 9.6 million man hours up slightly year over year. Our committed employees achieved the best safety performance ever having the fewest total accident and an all-time record low TRIR 0.21. A reduction in recordable accidents from 21 in 2018 to 10 in 2019, a 52% reduction, is a major accomplishment by all of Core Lab business segment employees, and our G&A staff.



	2018	2019	2020
LTIR	0.11	0.11	0.10
TRIR	0.45	0.43	0.31

## Incident Classification

### Fatality

Completed the last 6 years without a fatality in any Division.

### Lost Time

LTIR cases trended down from 8 cases in 2018 to 4 in 2019. Lost days decreased from 256 in 2018 to 94 in 2019. An overall improvement of 63% year over year.

### Restricted Time

Restricted time injuries trended down slightly from 7 in 2018 to 5 in 2019. Restricted days however increased from 207 to 438 days year over year.

### Medical Treatment

Medical treatment cases trended down from 6 in 2018 to 1 in 2019. Results are due to increased global awareness of safety reporting and case management.



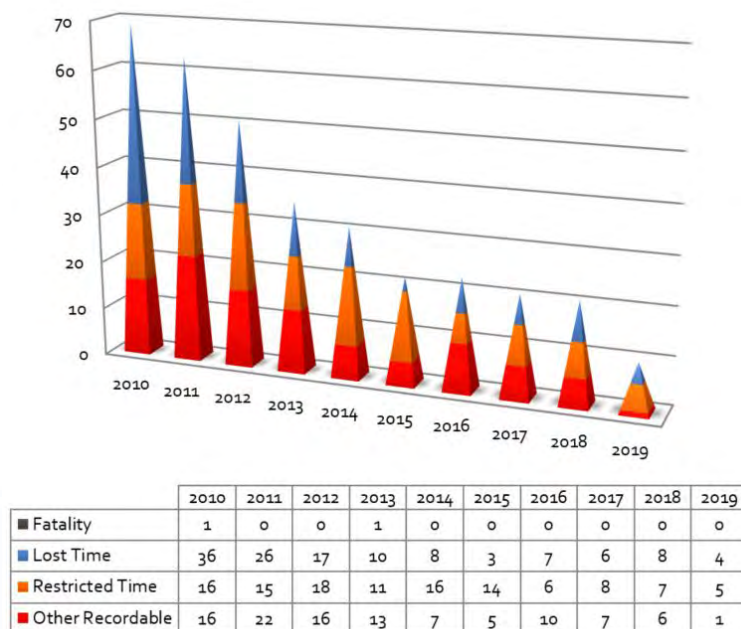


# Incident Pyramid

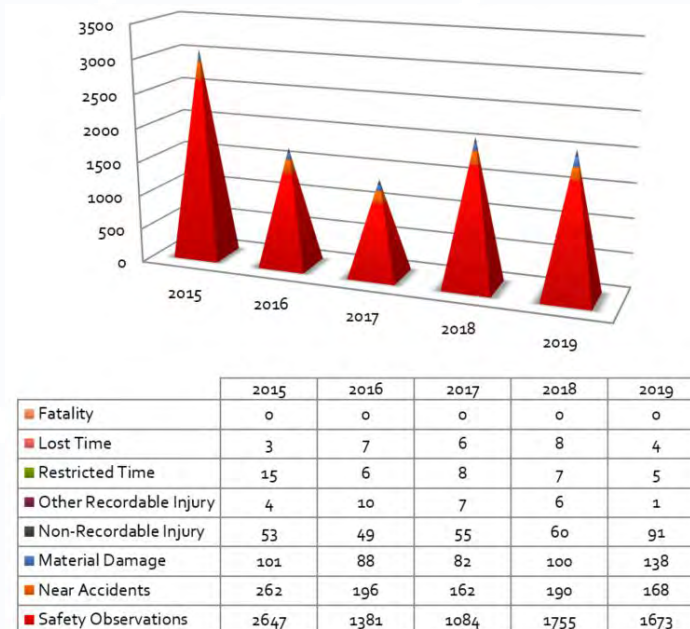
The incident pyramid continues to align in the expected trend that you will have a reduced number of incidents by severity from medical treatment cases up to fatality. Moving from a paper reporting system to an online database, Core Lab is now better positioned to take advantage of lower level safety incident reporting in real time. This information is more accessible, reliable, and accurate.



### Incident Pyramid 2010-2019



### Occurrence Pyramid 2015-2019



## Creating Efficiencies

Management, Supervisors, and Safety Officers receive immediate email alerts for employee incident entries. This enables us to react quickly to injuries while also informing us of safety observations, near accidents (misses) or material damage cases.

The collection of data will assist evaluating the safety programs and employee attitudes globally down to the location level. A dashboard was released during 2017 to quickly display and organize real time safety. This has been a valuable tool to assist with reaction to safety and operational trends in the work place. Core Lab considers time crucial to proper case management, and injury prevention.



# Incident Type

## Slips, Trips, and Falls

The number of incidents from ST&F have decreased from 9 in 2018 to 3 in 2019 accounting for 30% of all recordable incidents. While there has been a vast improvement in ST&F related incident year over year improvement is seen on the previous two year frequency increase in 2017 and 2018.

## Cuts or Abrasions

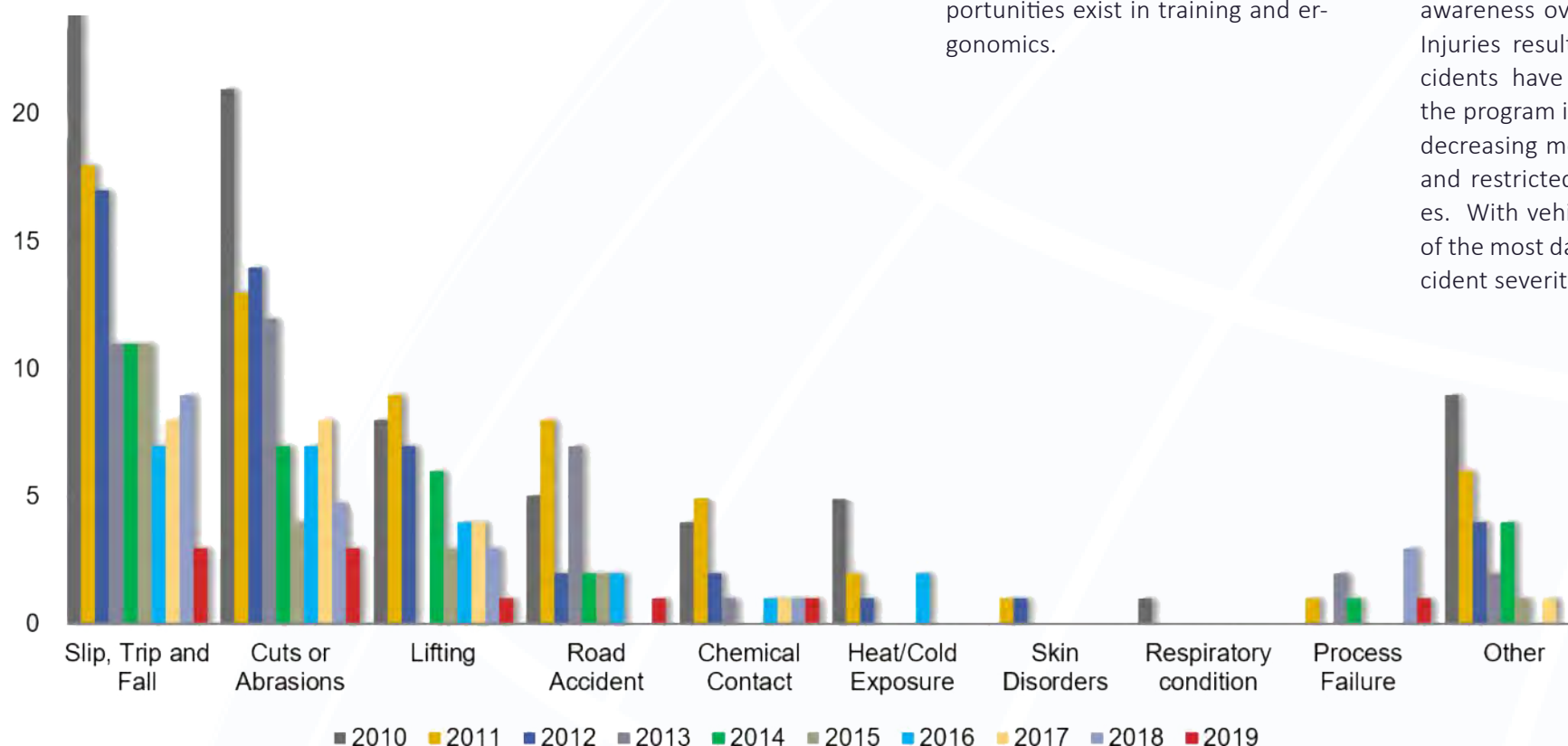
Cuts or abrasions are down from 5 in 2018 to 3 in 2019 accounting for 30% of all recordable incidents. In the last 3 years Core Lab has seen a reduction of 63% of recordable incidents from cuts or abrasions.

## Lifting

Lifting incidents decreased from 3 in 2018 to just 1 in 2019 accounting for 10% of all recordable incidents. Back strains can account for the majority of high cost cases with lost and restricted days. Despite the low number of cases year over year significant safety improvement opportunities exist in training and ergonomics.

## Road Accidents

In 2019 we incurred our first recordable injury from a road accident in 3 years which resulted in 2 lost and 10 restricted days. This one incident accounted for 10 % of the incident total in 2019. The continuing AlertDriving program has had a major impact on driver awareness over the past six years. Injuries resulting from vehicle accidents have been reduced since the program inception dramatically decreasing medical treatment, lost and restricted day recordable cases. With vehicle driving being one of the most dangerous activities accident severity control is essential.



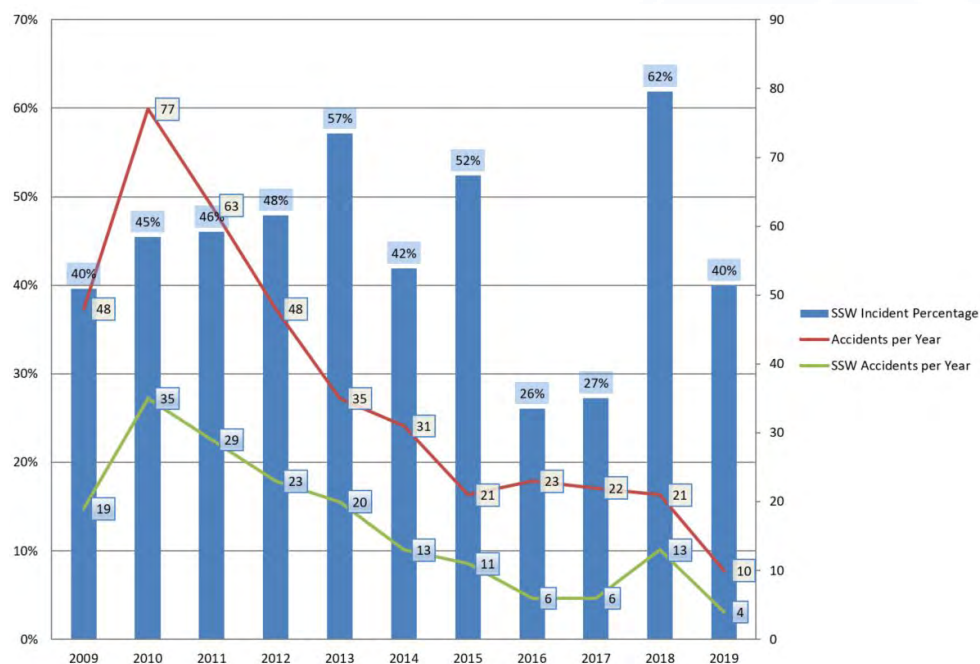


# Short Service Workers

Short Service Worker (SSW) incidents significantly decreased in the Production Enhancement Segment. 2018 saw an increase to 13 SSW accidents or 62%. While the decrease to 4 SSW incidents in 2019 is encouraging 40% of incidents from SSW workers remains too high.

Efforts made by Production Enhancement safety management in Q4 2018 through 2019 resulted in 2 SSW accidents in Q4 2018 through EOY 2019 down from 9 in 2018. These efforts include upper level management meetings with supervisors and operations and area walk-throughs by Executive and local management.

SSW Injuries Percentage Compared to Total Injuries

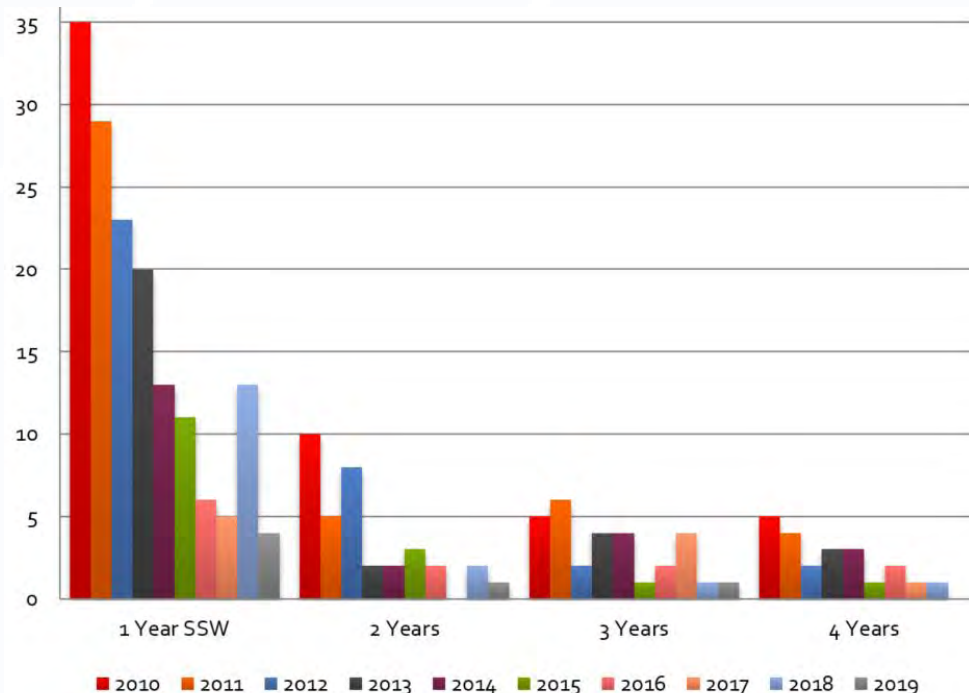


Effective SSW programs remain an opportunity to improve safety performance, and guard against safety performance waning during market recovery.

An effective SSW Program at a minimum:

- Management involvement
- Motivated mentors
- Employees that are engaged immediately with the program

Short Service Workers 2010-2019



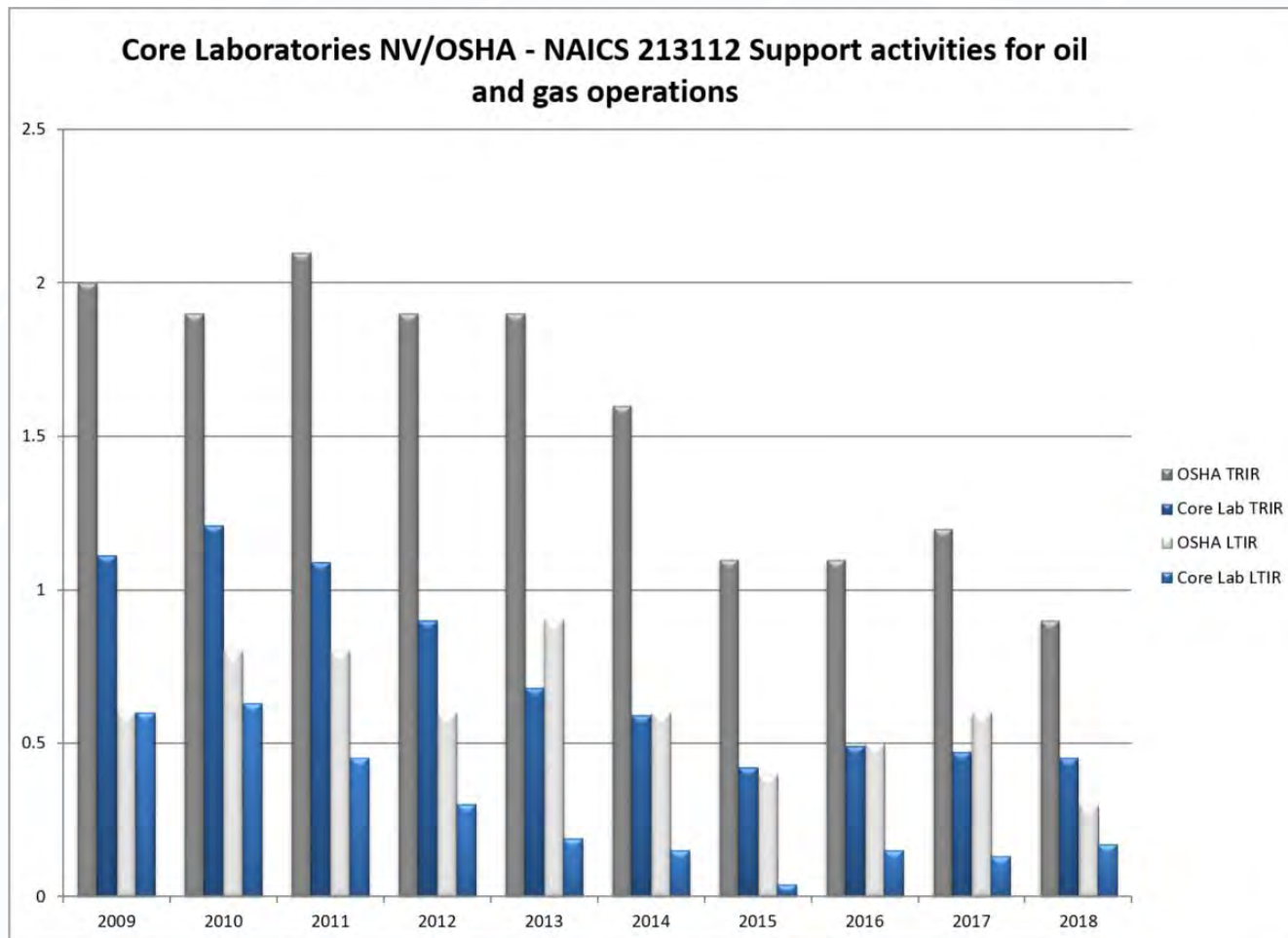




# OSHA NAICS Comparison 2008-2019

Core Lab reports safety statistics under North American Industry Classification System (NAICS) Code 213112 Support Activities for Oil and Gas Operations. The Bureau of Labor and Statistics (BLS) publishes safety statistics annually based on 100 employees working 200,000 hours in one year. From these published TRIR's and LTIR's Core Lab can compare itself with others performing similar work in the oil and gas industry within the United States.

Core Lab has consistently outperformed the BLS published TRIR results. However, only since improvement in the incident pyramid in 2011 have we seen the same performance in LTIR comparison. Core Laboratories now constantly performs better than its peers in TRIR and LTIR.





# Integrating Our Safety Culture

## Continuing Corrective Actions

Core Lab has taken several steps to increase safety awareness and involvement of the employees. The closer we come to zero incidents within the Company the more often the incidents are the result of “Human Factors”. The vast majority of incidents in 2015 were 100% preventable by the individual or individuals involved. Corrective actions should stress good judgment, individual responsibility, commitment at all levels and the principles of behavior based safety.

“A human factor is the term used to describe the interaction of individuals with each other, with facilities and equipment, and with management systems. This interaction is influenced by both the working environment and the culture of the people involved. What may be a good system of work in one part of an organization may be found to be less than ideal in a region where culturally driven attitudes to risk taking may be significantly different. “ OGP Publication Human Factors- a means of improving HSE performance”.

Steps taken include the following snapshot summaries that are designed to affect the behavior of individuals and communicate a stronger employee involved attitude which is supported by management at all levels.



### Corporate Safety Committee

Organized safety committee with senior safety, training and quality personnel from all companies and regions. Committee focuses on corporate policy change, sharing best practices, communicating safety, safety alerts, incident reporting and investigation. This group has been instrumental in the success of AlertDriving and safety database successes.



### Corporate Safety Presentations

Presentations focus on executive management safety commitment, incident analysis, division comparisons, human factors/ behavior effecting safety, essential programs expected and accident review.



### Safety Services

Partnership has been expanded with Safety Services to monitor safety websites and strengthen safety policies. Current scoring in the A range for ISNetWorld.



### Continued Efforts

The company continues its efforts in five major behavior based safety programs; Short Service Worker, Job Safety Analysis, Last Minute Risk Assessment, Stop Work Authority, and Reporting of Unsafe Conditions. Several online tools and safety process systems have been put in place by the company to increase awareness and safety observation collection.



### AlertDriving Training

This program is designed to evaluate hazard perception, increase skills and reduce traffic accidents and violations. In this, our seventh year, all participating employees will retake the hazard perception training. This will enable us to compare 2013 results and measure for improvement.



### Incident Reporting

Mandatory 24 hour incident reporting to Company President and Corporate Safety Director for all recordable classified incidents. New database has had a significant impact on timely case management.



# Integrating Our Safety Culture

## AlertDriving Training Program Results

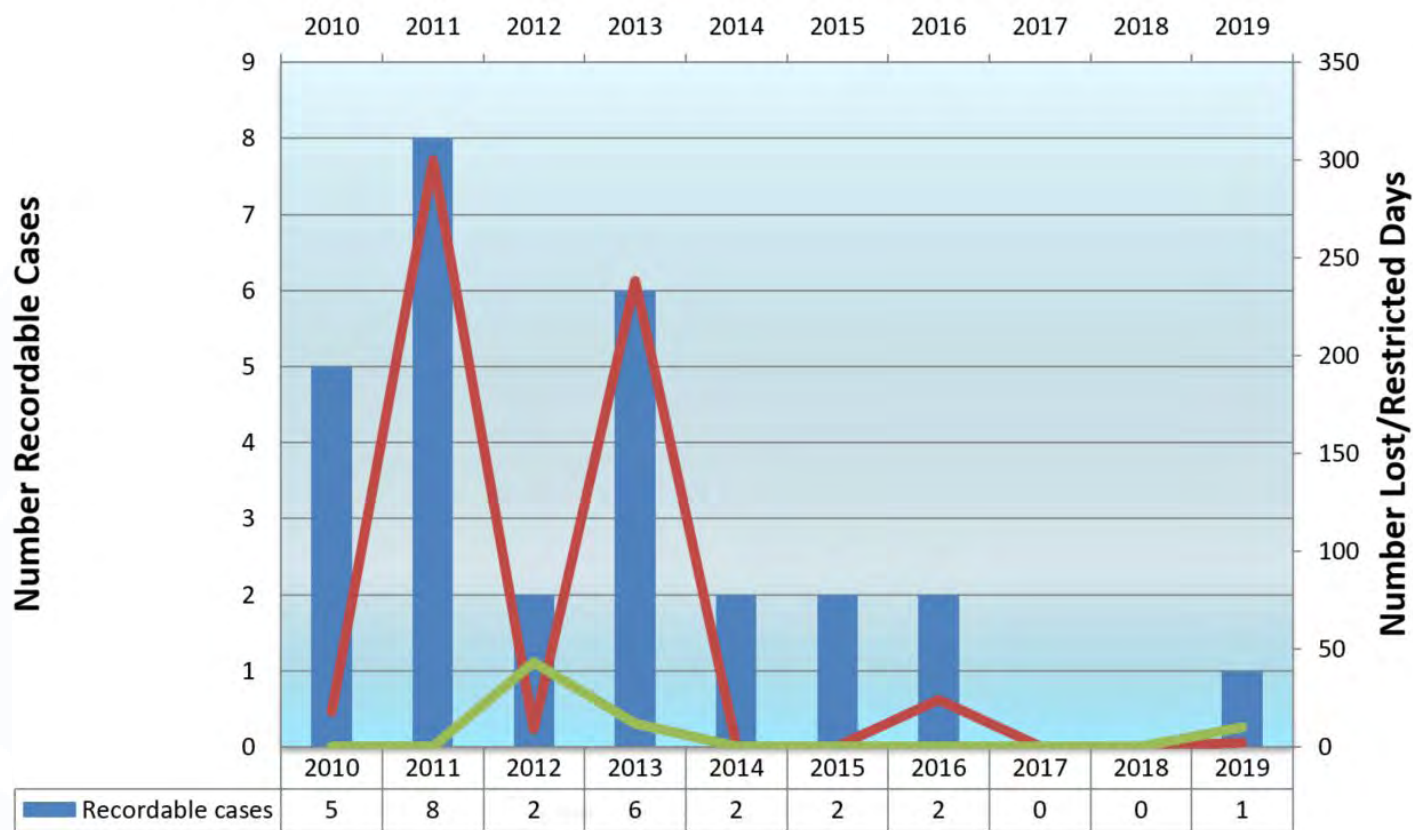
In an effort to increase the skills of our drivers and fleet administration Core Lab Launched the AlertDriving Safety Training Program in February 2014. This training is provided to all employees who operate company-issued vehicles, and those that drive personnel vehicles regularly on company business. This program is designed to increase driver skills, to reduce traffic accidents and violations through an initial hazard perception evaluation and then targeted training assignments pulsed out monthly.

AlertDriving was selected for the quality of their training tools which address specific skill sets needed by Core Lab, and whose packages are creative and interactive. Every employee who operates a vehicle regularly on company business is required to participate in the program.

In 2016 the program was expanded to include post-accident remedial targeted training, in 2017 we introduced MotorMind an interactive advanced training for established drivers and 2019 training included targeted training designed from training results and accident data.

Core Lab is committed to vehicle safety and has renewed AlertDriving for an additional 3 years starting February 2020. Again, as an added bonus one family member of each employee enrolled in the program may also take advantage of the training.

## Recordable Incident Vehicle Accidents 2010 - 2018







# REPORTING



# Global Reporting Initiative

## What We Report

Core Laboratories strives to provide transparent and meaningful information to shareholders, employees, clients and suppliers that reflect our continuing effort to decrease our use of limited resources while at the same time improving our productivity and sustainability.

We provide this information through the use of the latest Global Reporting Initiative format, currently G4 Guidelines, which is included in this report. We also place internal resources on providing similar information to various SRI rating firms located in the principal marketplaces around the globe.

## Our Approach

Given our smaller size compared to most other international service companies but with a significant number of locations in more than 50 countries, the effort to accumulate, distill, and report all of the requested SRI information can be a daunting task. Our approach is to report the most meaningful information that can be reliably determined from our locations that are of any significant size. While we have locations in 50 countries, we operate through six Advanced Technology Centers which make up the majority of our environmental footprint. Because our Advanced Technology Centers are representative of the Company as a whole, we have compiled their ESG data to be the basis for our reporting.



## The Environmental Protection Agency

The Environmental Protection Agency (“EPA”) has certain annual reporting requirements related to the quantities of petroleum fuels and blend stocks imported into or exported out of regulated areas. The EPA’s regulation provides specific instructions regarding methods that can be used to determine quantities for imported and exported shipments. Core Laboratories will assist clients with these measurements used for their annual reporting.

Reporting requires petroleum product suppliers to use an appropriate method developed by a consensus-based standards organization, when such a standard exists, or industry standard practices to measure the shipment quantities.

In addition, suppliers of petroleum products must also ensure that equipment used to measure quantities of imported and exported fuel is calibrated and periodically re-calibrated according to the manufacturer’s recommended procedures or by using an appropriate consensus-based industry standard method for calibration. Core Laboratories provides these approved measurement practices to ensure the proper reporting of greenhouse gases.



# GRI - Index

Index	Title	Response
<b>Organizational Profile</b>		
102-1	Name of Organization	Core Laboratories N.V.
102-2	Activities, brands, products, and services	<a href="#">Form 10K</a> , Overview (page 6)
102-3	Location of headquarters	Strawinskylaan 913, Tower A, Level 9, 1077XX Amsterdam, The Netherlands
102-4	Location of operations	Our Company (page 7) Our Global Workforce (page 24)
102-5	Ownership and legal form	<a href="#">Form 10K</a> (part I, page 1)
102-6	Markets served	<a href="#">2018 Annual Report</a> , <a href="#">Form 10K</a> , Our Company, (page 6-7)
102-7	Scale of the organization	<a href="#">Form 10K</a> , <a href="#">2019 Proxy Statement</a>
102-8	Information on employees and other workers	Our Global Workforce (page 24)
102-9	Supply chain	Conflict Minerals (page 21)
102-10	Significant changes to the organization and its supply chain	<a href="#">Form 10K</a> (page 1-9)
102-11	Precautionary Principle or approach	<a href="#">Form 10K</a> (page 9-13)
102-12	External initiatives	We participate in selected external initiatives that align with our strategic priorities. See Corporate Citizenship (page 26-27)
102-13	Membership of associations	We are members of several organizations not limited to: American Petroleum Institute (API), American Society for Testing Materials (ASTM), Federation of Oils, Seeds & Fats Associations (FOSFA),
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Overview Commitment to Sustainability (page 4)
102-15	Key impacts, risks, and opportunities	<a href="#">Form 10K</a> (Item 1 Business - page 1-13)
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Core Values and Business Ethics (page 18-22)
102-17	Mechanisms for advice and concerns about ethics	Core Values and Business Ethics (page 22)
<b>Governance</b>		





102-18	Governance structure	<a href="#">2019 Proxy Statement</a> (page 9-21), <a href="#">Corporate Governance</a> webpage
102-20	Executive-level responsibility for economic, environmental, and social topics	CEO, <a href="#">2019 Proxy Statement</a> (Nominating, Governance and Corporate Responsibility Committee - page 17)
102-21	Consulting stakeholders on economic, environmental, and social topic	Overview Trends and Developments & Our Priorities (page <a href="#">12-13</a> )
102-22	Composition of the highest governance body and its committees	Board of Supervisory Directors (page <a href="#">14-15</a> ) , <a href="#">2019 Proxy Statement</a>
102-24	Nominating and selecting the highest governance body	<a href="#">2019 Proxy Statement</a> (page 17)
102-25	Conflicts of interest	<a href="#">2019 Proxy Statement</a> (page 18)
102-26	Role of highest governance body in setting purpose, values, and strategy	
102-27	Collective knowledge of highest governance body	<a href="#">2019 Proxy Statement</a> (page 9-12, 17)
102-32	Highest governance body's role in sustainability reporting	<a href="#">2019 Proxy Statement</a> (page 17)

### **Stakeholder Engagement**

102-40	List of stakeholder groups	Overview Trends and Developments & Our Priorities, (page <a href="#">12-13</a> )
102-41	Collective bargaining agreements	Overview Trends and Developments & Our Priorities, (page <a href="#">12-13</a> )
102-42	Identifying and selecting stakeholders	Overview Trends and Developments & Our Priorities, (page <a href="#">12-13</a> )
102-43	Approach to stakeholder engagement	Overview Trends and Developments & Our Priorities, (page <a href="#">12-13</a> )
102-44	Key topics and concerns raised	Overview Trends and Developments & Our Priorities, (page <a href="#">12-13</a> )

### **Reporting Practice**

102-45	Entities included in the consolidated financial statements	<a href="#">Form 10K</a> (Exhibit 21.1)
102-46	Defining report content and topic Boundaries	Report Parameters (page <a href="#">62</a> )
102-47	List of material topics	Our Priorities, (page <a href="#">13</a> )
102-49	Changes in reporting	
102-50	Reporting period	January 1, 2019 – December 31, 2019
102-51	Date of most recent report	2020 for FY 2019
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="https://www.corelab.com/contact">https://www.corelab.com/contact</a>
102-54	Claims of reporting in accordance with the GRI Standards	Global Reporting Initiative (page <a href="#">54</a> )
102-55	GRI content index	(page <a href="#">55</a> )

### **Management Approach**

103-1	Explanation of the material topic and its Boundary	Report Parameters (page <a href="#">62</a> )
103-2	The management approach and its components	Corporate & Social Responsibility Strategies (page <a href="#">11</a> )
103-3	Evaluation of the management approach	Overview (page <a href="#">15-16</a> )

**ECONOMIC****Economic Performance**

201-1	Direct economic value generated and distributed	<a href="#">Form 10K</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">2019 Proxy Statement</a> (Item 1 - page 7, Item 1A - page 9-12)
201-3	Defined benefit plan obligations and other retirement plans	<a href="#">2019 Proxy Statement</a> (page 29, page F19-F22)

**Anti-Corruption**

205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	Core Values and Business Ethics (page <a href="#">18</a> )

**ENVIRONMENTAL****Energy**

302-1	Energy consumption within the organization	<a href="#">Core Laboratories Value Chain Footprint</a> (page 7, Appendix III page 17-19)
302-3	Energy intensity	
302-4	Reduction of energy consumption	<a href="#">Core Laboratories Value Chain Footprint</a> (page 7)

**Biodiversity**

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environment (page <a href="#">36</a> )
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**Emissions**

305-1	Direct (Scope 1) GHG emissions	Environment (page <a href="#">37</a> ), <a href="#">Core Laboratories Value Chain Footprint</a> (page 5)
305-2	Energy indirect (Scope 2) GHG emissions	Environment (page <a href="#">37</a> ), <a href="#">Core Laboratories Value Chain Footprint</a> (page 5)
305-3	Other indirect (Scope 3) GHG emissions	Environment (page <a href="#">37</a> ), <a href="#">Core Laboratories Value Chain Footprint</a> (page 5)
305-4	GHG emissions intensity	0.0000285 Metric Ton/Revenue dollar Scope 1&2 0.0000605 Metric Ton/Revenue dollar Scope 1,2 & 3
305-5	Reduction of GHG emissions	Environment (page <a href="#">37</a> ), <a href="#">Core Laboratories Value Chain Footprint</a> (page 5)
305-6	Emissions of ozone-depleting substances (ODS)	Negligible

**Effluents and Waste**

306-3	Significant spills	None
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**Environmental Compliance**

307-1	Non-compliance with environmental laws and regulations	None
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**SOCIAL****Employment**

401-1	New employee hires and employee turnover	New Hires 2019: 847
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Total Rewards, (page <a href="#">33</a> ), <a href="#">Program Summary</a>
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### **Occupational Health and Safety**

403-1	Occupational health and safety management system	HSE Management System by Business Unit. ISO 45001 – 25 Locations, OHSAS 18001 – 3 Locations
403-2	Hazard identification, risk assessment, and incident investigation	Safety Performance (page <a href="#">46-52</a> )
403-3	Occupational health services	Corporate & Social Responsibility Strategies (page <a href="#">11</a> )
403-4	Worker participation, consultation, and communication on occupational health and safety	Incident Pyramid (page <a href="#">47</a> ). Employees report safety observations and recommendation into our reporting system for real time action by management.
403-5	Worker training on occupational health and safety	Each business unit has a robust HSE training program designed for its operation. Much of the training is managed through an online computer based system that contains 2157 global topics and 2795 components.
403-6	Promotion of worker health	Corporate & Social Responsibility Strategies (page <a href="#">11</a> ), Executive Safety Summary (page <a href="#">44</a> )
403-8	Workers covered by an occupational health and safety management system	HSE Management System by Business Unit. ISO 45001 – 25 Locations, OHSAS 18001 – 3 Locations
403-9	Work-related injuries	Safety Performance (page <a href="#">44-46</a> )

### **Training and Education**

404-1	Average hours of training per year per employee	
404-2	Programs for upgrading employee skills and transition assistance programs	Empowering People (page <a href="#">28-32</a> )
404-3	Percentage of employees receiving regular performance and career development reviews	Core Laboratories' uses a TMS which provides our employees an online suite of integrated tools designed to support the workflow and processes of five key areas of talent management: Recruiting, Succession Management, Performance Management, Total Rewards, and Learning & Development.

### **Diversity and Equal Opportunity**

405-1	Diversity of governance bodies and employees	Our Global Diversity & Inclusion Strategy (page <a href="#">24</a> )
405-2	Ratio of basic salary and remuneration of women to men	Awarded Bloomberg Gender-Equality Index 2020, Equal Pay & Gender Pay Parity 77.78%

### **Non-discrimination**

406-1	Incidents of discrimination and corrective actions taken	Discrimination and Harassment Policy (page <a href="#">22</a> )
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### **Freedom of Association and Collective Bargaining**





407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights (page <a href="#">25</a> )
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights (page <a href="#">25</a> )
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights (page <a href="#">25</a> )
<b>Human Rights Assessment</b>		
412-1	Operations that have been subject to human rights reviews or impact assessments	<a href="#">Core Values and Business Ethics (webpage)</a>
412-2	Employee training on human rights policies or procedures	Core Values and Business Ethics (page <a href="#">18</a> )
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<a href="#">Code of Ethics, Corporate Responsibility and Our Supply Chain</a> , Suppliers must accept Core Lab <a href="#">Ethics Policy</a>
<b>Local Communities</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	Corporate Citizenship (page <a href="#">26-27</a> )
<b>Suppliers Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	<a href="#">Code of Ethics</a> (Corporate Responsibility and Our Supply Chain)
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">Code of Ethics</a> (Corporate Responsibility and Our Supply Chain)



# Performance Data

Performance Metric	Units	CLB 2019	CLB 2018	CLB 2017
LEADING INDICATORS				
HEALTH & SAFETY				
- Total Observations	#	1673	1327	1079
- Total Stop Works	#	235	168	131
- Stop Work Significant Events	%	24	36	32
- Near Accident Total	#	168	192	163
- Near Accident: Recordable Incident Ratio	Ratio	3.52	4.11	3.59
- Near Accident per Employee (NM/HC)	%	0.035	0.042	0.036
- OHSAS 18001:2007 - Certified	#	3	4	4
- ISO 17020 - Certified	#	9	8	8
- ISO 17025 - Certified	#	44	40	39
- ISO 9001:2015 - Certified	#	101	95	93
- ISO 45001:2018 - Certified	#	25	15	0
ENVIRONMENTAL				
- ISO 14001:2015 - Certified Sites	#	7	7	7
LAGGING INDICATORS				
HEALTH & SAFETY**				
- Fatalities - Employees	#	0	0	0
- Lost Time (LTIR)	Rate	0.08	0.17	0.13
- Total Recordable (TRIR)	Rate	0.21	0.45	0.47
- Days Away from Work Rate (DAFWCR)	Rate	0.19	0.32	0.32
- Days Away from Work Cases	#	4	8	6
- Restricted Duty/Days Cases	#	5	7	9
- Medical Treatment Cases	#	1	7	7
- Non-Recordable Cases	#	90	57	49
TRANSPORTATION				



- Motor Vehicle Accident (MVA) Improved Reporting YOY	count	74	45	39
ENVIRONMENTAL				
Spills				
- Total Vol. of Spills - Oil and Chemicals	Barrels	None	None	None
- Total No. of Spills - Oil and Chemicals	#	None	None	None
- No. of Spills > 1 barrel (42G) (outside containment)	#	None	None	None
- Volume of Spills > 1 barrel (42G) (outside containment)	Barrels	None	None	None
GHG Emissions				
- Scope 1	Metric Ton CO2e	4,795	4,541	3,800
- Scope 2	Metric Ton CO2e	10,381	11,114	11,984
- Scope 3	Metric Ton CO2e	30,798	33,174	34,276
SOCIAL				
# of Employees at Year End				
- % Women in Executive & Senior Management	%	17	16	11
- % Women in Science & Technology	%	39	34	34
- % Women in Middle /Other Management	%	19	19	23
- % Women in Global Population	%	23	23	23
Local Content				
- % Employees in US	%	32	30	27
- % Employees International	%	68	70	73
Training				
Ethics and Compliance				
- Global Anti-Corruption and Export Controls	%	97	96	88
- Global Ethics Training Completion	%	93	92	91

\*\*Core Lab Uses the OSHA definition of recordable injury/illness.





# Report Parameters

## Boundary

Core Laboratories N. V. is a limited liability company domiciled and incorporated in The Netherlands and is publicly traded on the New York Stock Exchange and the Euronext Amsterdam Stock Exchange. There were no significant changes to the size, structure or ownership of the Company in 2019. The boundaries of this report, and the information contained in it, covers our global operations for the year ending 31 December 2019, unless otherwise stated. Data is provided for our wholly-owned companies and subsidiaries. The safety and health figures cover our approximately 4,300 global employees.

## Report Parameters

**Reporting Period:** Calendar Year 2019

**Published Date:** February 10, 2020

**Reporting Cycle:** Semi-Annual

## Scope

This report focuses on our corporate social responsibility (CSR) and safety performance at all of our facilities worldwide. This includes joint ventures where we have operational control. This report's quantitative data reflects our CSR performance from January 1, 2019 to December 31, 2019 available as of this date. We last reported on progress related to our Objectives in the 2018 CSR Report, published in a midyear update July 2018. The data included in this report came from the Company's management and official reporting systems. This report is subject to internal verification by Core Laboratories' financial reporting and senior management. There were no changes in the policies or objectives with regard to the corporate social responsibility aspects of our business practice compared to the previous reporting period. The 2019 Corporate Sustainability Report was drafted in accordance with the Reporting Guidelines of the Global Reporting Initiative, version G4. All amounts are in U.S. dollars unless otherwise stated.

## Cautionary Statement Regarding Forward-Looking Statements

This Sustainability Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "believe", "expect", "anticipate", "estimate", "continue", or other similar words, including statements as to the intent, belief, or current expectations of our directors, officers, and management with respect to our future operations, performance, or positions or which contain other forward-looking information. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. While management believes that these forward-looking statements are reasonable as and when made, no assurances can be given that the future results indicated, whether expressed or implied, will be achieved. While we believe that these statements are and will be accurate, our actual results and experience may differ materially from the anticipated results or other expectations expressed in our statements due to a variety of risks and uncertainties.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. For a more detailed discussion of some of the foregoing risks and uncertainties, see "Item 1A- Risk Factors" in our Annual Report as well as the other reports filed by us with the Securities and Exchange Commission ("SEC").



# Glossary

## Advanced technology centers (ATC)

Core Laboratories operates through six ATCs located in Aberdeen, Abu Dhabi, Calgary, Houston, Kuala Lumpur and Rotterdam.

## Autoriteit Financiële Markten (the “AFM”)

The Netherlands Authority for the Financial Markets (AFM) has been responsible for supervising the operation of the financial markets since 1 March 2002. This means that the AFM supervises the conduct of the entire financial market sector: savings, investment, insurance and loans.

## Carbon Footprint

The carbon footprint of a product or organization is the total amount of greenhouse gas (GHG) emissions caused during a defined period, or across the total or part of a product lifecycle. It is expressed in terms of the amount of carbon dioxide equivalents CO<sub>2</sub>(e) emitted. Core Laboratories provides technologies to mitigate the risks of CO<sub>2</sub> emissions.

## Code of Conduct

Our Code of Conduct defines our company values and how we work. It incorporates fundamental principles on issues such as business integrity, labor relations, health, safety, environment and community involvement.

## Corporate Citizenship

Core Laboratories’ encourages our employees to get involved, hands-on, in their local communities. We support efforts aimed at improving education in science, technology and business.

## Corporate Social Responsibility (CSR)

A form of corporate self-regulation integrated into a business model functioning as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and national or international norms.

## Earnings Per Share (EPS)

For this report, EPS is net income attributable to shareholders divided by the weighted average number of diluted common shares outstanding during the year.

## Free Cash Flow (FCF)

Free Cash Flow represents cash from operations in excess of capital expenditures. The company believes this is an important measurement because these are funds available to operate the business and fund nondiscretionary obligations. Maximizing FCF is one of our financial tenets.

## GHG

Greenhouse gases include CO<sub>2</sub>, CO, CH<sub>4</sub>, N<sub>2</sub>O and HFCs, which have a global warming impact.

## 1998 International Labour Organization (ILO) Declaration

Core Laboratories’ Code of Ethics and Responsibility is consistent with the spirit and intent of the Fundamental Principles and Rights at Work of the ILO Declaration.

## Leadership Levels

Core Laboratories has five defined leadership levels: Executive Leader, Business Leader, Operational Leader, Front-line Leader and Individual Contributor.

## Lost Time Incidents Reported (LTIR)

The number of incidents resulting in lost time per 200,000 hours worked.

## Recordable Incidents

The number of incidents resulting in lost time, restricted duty, medical treatment or fatalities.

## Return on Invested Capital (ROIC)

Return on Invested Capital reflects how well a company is using its money to generate returns. The company believes that stock price performance over time is directly related to ROIC. The Board of Directors bases the incentive compensation of our executive and senior management teams on the Company’s ROIC performance being in the top decile for the oilfield service industry. Maximizing ROIC is one of our financial tenets.

## Succession Planning

Core Laboratories has a formal system of succession planning to enable us to be proactive around strategic human capital planning and career development. We focus on assessing talent capabilities, identifying successors for critical positions and ensuring candidate readiness.

## Talent Management System (TMS)

Core Laboratories’ uses a TMS which provides our employees an online suite of integrated tools designed to support the workflow and processes of five key areas of talent management: Recruiting, Succession Management, Performance Management, Total Rewards, and Learning & Development.

## Total Recordable Incident Rate of Injuries (TRIR)

The number of incidents resulting in lost time, restricted duty, or medical treatment per 200,000 hours worked.

## 2019 Core Laboratories Sustainability Report

### For More Information and Feedback

We are focused on constant improvement in our corporate sustainability reporting, and we value the feedback of all our stakeholders and investors. If you have feedback concerning the information reported in this document or, for additional information, please contact:

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