

Corporate Responsibility Report 2017

Refocused & Reenergized

PROTECT

ENERGY





Refocused Reenergized

PGS has reorganized to build a better foundation to meet our customers' needs. Project turnaround will benefit and it will be simpler to do business with us. We've cut costs without sacrificing operational reliability or data quality, and the best aspects of our company culture are preserved.

Sustainability Reporting: our Reflections

Letter from the CEO



This is our sixth responsibility report. Together, these reports document the Company's commitment to providing a safe working environment, our ability to adapt to changing circumstances, and our will to survive without compromising our core values.

At the end of 2017, PGS embarked on a program to centralize, simplify and streamline its organization. Driven by the economic imperatives of a smaller and weaker market, we needed to reduce costs. Tough decisions were taken as we restructured our business to thrive in the current market. Dilemmas force us to examine our choices. What are our responsibilities to our people, the environment, society and our stakeholders; and how can we increase efficiency, without impacting safety and security?

To act as a catalyst for growth and innovation, corporate responsibility must be relevant. We continue to fully support the principles of the UN Global Compact and strive to develop our ambitions towards sustainable value creation. This year's report is inspired by the UN sustainability goals. We have pinpointed those we perceive as most relevant to our business, and analyzed how they impact PGS actions and ambitions.

As ever, I welcome feedback and ideas from our stakeholders. I look forward to hearing from you.

Rune Olav Pedersen
President and CEO

Contents

Sustainability Reporting: our Reflections	3
Materiality Analysis	4
Sustainable Development Goals	5
People	6
Key Figures	7
HSEQ Figures	8
Abel: Supporting Mathematics in Schools	12
Houston Flooding	13
Environment	14
Global Ocean Data Initiative	16
Plastic Collection Concept Launched	17
Conduct	18
Promoting Responsible Business Practices	20
Compliance Hotline Reporting and Investigation	21
Stakeholders	22
Key Figures	23

This report relates to Petroleum Geo-Services ASA and subsidiaries ("PGS" or "The Company")

Materiality Analysis

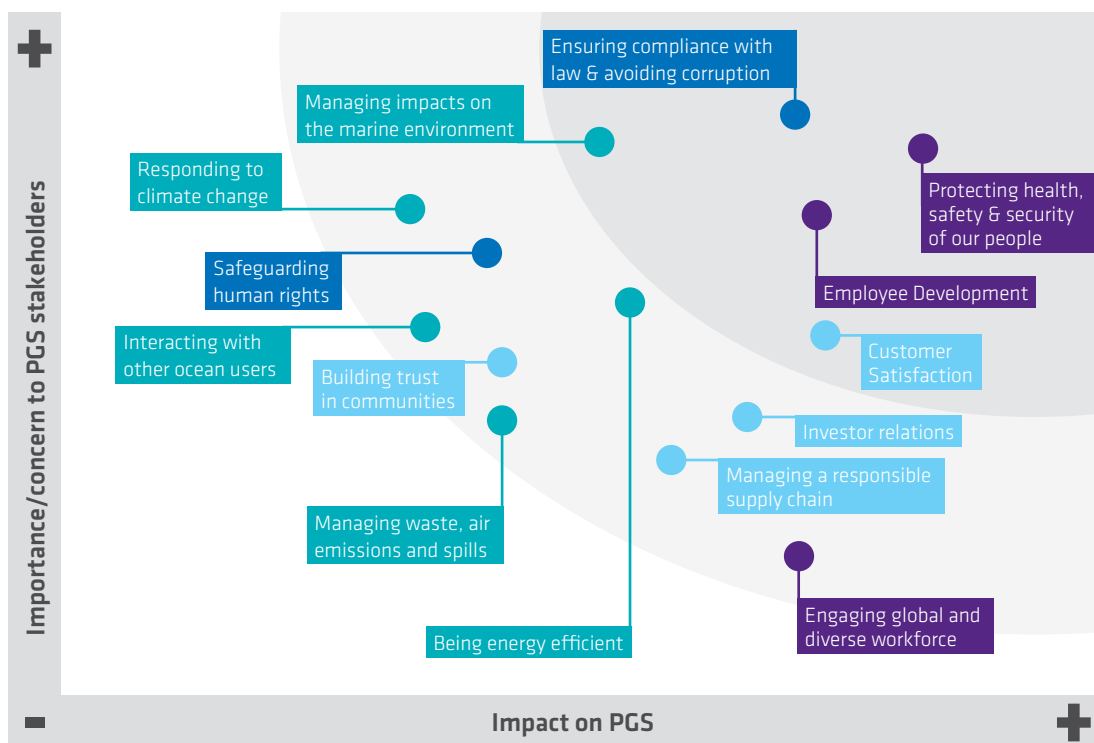
Defining focus areas and main challenges

PGS finalized a materiality analysis in 2016, based on the Global Reporting Initiative (GRI) indicators for sustainable development. The purpose was to identify the issues that are most important to us and our stakeholders.

We identified the five most significant sustainability areas for our business:

- Health, safety and security of our people
- Ensuring compliance with law and avoiding corruption
- Managing impacts on the marine environment
- Employee development
- Customer satisfaction

In 2017, we examined these issues in more depth, to understand at which stage in our value chain each indicator is most relevant and how they relate to the UN Sustainable Development Goals.



People



Environment



Conduct



Stakeholders



SUSTAINABLE DEVELOPMENT GOALS

From a PGS Perspective

In September 2015, UN member countries adopted a set of Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all, as part of a new sustainable development agenda.

Each goal aspires to achieve specific targets over a 15-year period. Although the most ambitious goals are addressed to governments and authorities, overall success is dependent on everyone doing their part: both public and private sectors, civil society, organizations and individuals. The concept and framework encourage participation at all levels, from large corporations to individuals in small remote villages.

As a signatory to UN Global Compact, PGS analyzed the SDGs in the light of its strategic priorities. We compared each of the 17 goals to the high-priority issues defined in our materiality analysis and identified four goals that are particularly relevant for us:



Over the next few pages, we provide an overview of how we address the challenges underlying the UN SDGs relevant to us. We will continue to use the SDGs to shape our corporate responsibility strategy.

People



In 2017, we had to let many valued employees go, as we radically revised our business structures and processes. Despite the inevitable upheaval such change produces, we continued to benefit from a strong team culture and the dedication of our people.

We remain devoted to further developing our workforce and ensuring their working environment is safe and respectful, with the aim of ensuring the health and well-being of all our people.

Our Goals

3 GOOD HEALTH AND WELL-BEING

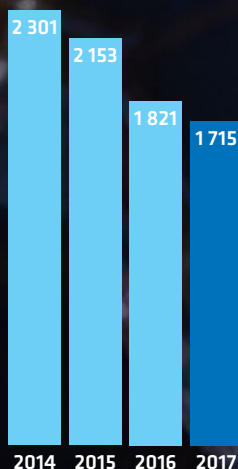


4 QUALITY EDUCATION



People by Location

66% Offices 34% Vessels



Average Number of Employees Through the Year

Performance Review

	2015	2016	2017
Vessels	99%	98%	-*
Offices	93%	96%	97%

* Vessel performance reviews for 2017 will be finalized during the second quarter of 2018. The final number will be reported in next year's report.

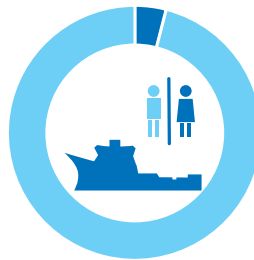
Key Figures

People figures do not reflect the downsizing process, which was initiated at the end of 2017 and took effect as of 1st Jan 2018.



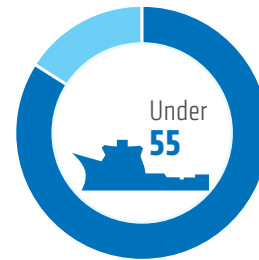
Vessels by Nationality

29% British **15%** Norwegian
12% American **11%** Polish
5% Canadian **3%** French
25% Other



Vessels by Gender

4% Female **96%** Male



Vessels by Age

84% Under 55 years
16% 55 and over



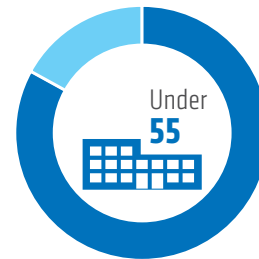
Offices by Nationality

23% Norwegian **21%** British
14% American **5%** Egyptian
4% French **3%** Malaysian **3%**
 Brazilian **3%** German **24%** Other



Offices by Gender

32% Female **68%** Male



Offices by Age

83% Under 55 years
17% 55 and over

40 Nationalities on PGS Vessels

American, Australian, Azerbaijani, Belgian, Brazilian, British, Bulgarian, Canadian, Croatian, Danish, Dutch, Egyptian, Filipino, Finnish, French, German, Greek, Indian, Indonesian, Irish, Italian, Japanese, Latvian, Malaysian, Maltese, Mexican, New Zealander, Nigerian, Norwegian, Polish, Portuguese, Romanian, Russian, Singaporean, South African, Spanish, Swedish, Turkish, Ukrainian, Vietnamese

52 Nationalities in PGS Offices

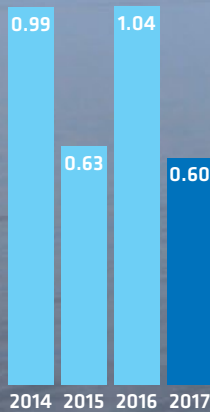
American, Andorra, Angolan, Australian, Azerbaijani, Belgian, Bhutan, Brazilian, British, Bulgarian, Canadian, Chinese, Colombian, Danish, Dominican, Dutch, Egyptian, Ethiopian, Filipino, Finnish, French, German, Ghanaian, Greek, Indian, Indonesian, Iranian, Irish, Italian, Japanese, Kazakhstani, Latvian, Lebanese, Malaysian, Mexican, New Zealander, Nigerian, Norwegian, Polish, Portuguese, Romanian, Russian, Singaporean, South African, Spanish, Swedish, Swiss, Trinidadian and Tobagonian, Tunisian, Turkish, Venezuelan, Vietnamese



HSEQ Figures

**The frequency and man-hour figures in this report are not comparable to previous reports as in 2017 we aligned our reporting standards to IAGC requirements for reporting on a 12 man-hour basis (previous reports used a 24 man-hour basis).*

	2014	2015	2016	2017
Lost Time Injury (LTI)	2	1	1	1
Restricted Work Case (RWC)	5	3	4	0
Medical Treatment Case (MTC)	2	1	2	3
Total Recordable Incidents	9	5	7	4
High Potential Incidents	2	0	1	3
Man-hours (millions)*	9.9	7.9	6.7	6.7



Total Recordable Case Frequency (“TRCF”)*
Per million man-hours.



Lost Time Injury Frequency (“LTIF”)*
Per million man-hours.



High Potential Incident Frequency (HIPO)*
Per million man-hours.

Focus areas

Restructuring and downsizing

The fundamentals of our industry have changed significantly in recent years. Our market is smaller, weaker, and exhibits a rising level of uncertainty. In 2017, the PGS management, backed by the Board of Directors, decided to restructure the business to address the current market situation and position the Company for a sustainable future. The objectives of the restructuring were to centralize, simplify and streamline the organization. As a result, from 2018, we have two business areas: Sales & Services, and Operations & Technology. We have also made our fleet model leaner and more responsive to seasonal market fluctuations.

Unfortunately, these initiatives involved staff reductions in all parts of the business, both offshore and in our offices. We had to let go approximately 500 loyal and valued employees. A voluntary redundancy program, based on age and seniority, was offered to our seismic crews and some of our maritime crews and office employees. Workforce reduction processes in our offices around the globe followed local rules and regulations. We worked closely with all stakeholders, including unions and employees, to ensure that the process was fair, transparent and guided by our core values.

This was a challenging and stressful time for everyone involved, but our people continued performing to the highest standards.

Protecting health, safety and security for our people

Assessment and mitigation of risk, to PGS people and assets, are at the heart of how we manage our business. Our health and safety performance has significantly improved over the years. To ensure we maintain and further improve our performance in the future, we have identified a number of long-term focus areas, some of which are outlined below.

Risk and security management

Risk is a central theme in everything we do. It is at the heart of our operational planning and decision-making. In 2017, we further optimized this approach by strengthening the quality of our risk and security management systems.

A work verification process was fully implemented onboard all PGS vessels. This involved verifying compliance for our most critical activities, as identified in the Key Safety Risks we introduced in 2015. Offshore management are personally involved in the identification and ongoing review of all project-related risks and implementation of mitigation measures.

We further optimized PGS' security and crisis management processes including emergency response management in projects.

Health management

The health and wellbeing of people working for PGS is of utmost importance to us. During 2017, we took steps to integrate health management across all our operations. All vessels in the PGS fleet have established dynamic health risk profiles that define their top five health risks and measures for mitigation of these wherever they are working across the world.

Last year, we improved our medical examination program to ensure a common standard for all medical examinations. Our crewmembers undergo biennial medical checks at approved clinics and the results are monitored by our medical services provider. The program generates annual health trending reports that enable us to pinpoint what steps to take in the future, to ensure that our crews remain healthy and fit for offshore work.





HSEQ Strategy Wheel
2017 - 2021

Implementation of HSEQ Strategy 2017-2021

We started implementing our HSEQ Strategy for the period 2017 – 2021 last year. The strategy establishes a platform upon which we can achieve further improvement in our HSEQ performance over the coming years. To secure company-wide awareness and understanding of our strategy, we developed an information campaign that explained the building blocks and how these relate to the day-to-day activities of each employee.

Incident improvement initiative

The number of high potential incidents and near misses involving workboat operations and interaction with fishing vessels increased in 2017. In response, we developed a fleet-wide workboat incident awareness campaign aimed at reviewing and implementing PGS best practices and identifying ways to prevent future incidents.

People survey

We monitor the satisfaction, motivation and loyalty of our employees worldwide through a biennial global people survey, benchmarked against the Enova Employee Index (EEI).

The global people survey aims to answer two key questions:

How satisfied, motivated and loyal is a given group of employees?

How does a manager create satisfaction, motivation and loyalty amongst this group of employees?

The 2017 survey once again achieved an impressive response rate of 92%. Traditionally, PGS employee engagement has been high and PGS continues to register a stable score on employee satisfaction and motivation despite the ongoing challenging market situation. The 2017 results set a valuable benchmark for the new organization. Our priority is to maintain and further improve the satisfaction, motivation and loyalty of our employees.

Employee development through management training

Competent, strong leaders are essential to our success and in 2016, we initiated a global management-training initiative called the "Leading Others Program". Last year, we extended the initiative. Approximately 120 first-line managers have now graduated from the program since it was implemented.

Participants rate the program as useful, relevant, and one that brings about positive developments in their working processes.



“Motivation for change is essential if we want to see real improvements in our managers,” says our Global Learning & Development Manager. “This will eventually also result in the further development for our employees, he adds.

Unique simulator course – One Culture initiative

PGS cooperated with Kongsberg Digital to develop simulator training for all offshore leaders working on our seismic vessels. In the safe environment of the simulator, participants encounter and practice dealing with challenging situations based on real offshore events.



A custom-built PGS simulator suite based on the actual design and requirements of our vessels has been set up at the state-of-the-art simulator park at the University College of Southeast Norway. Using full-action scenarios, the simulator gives the feeling of being onboard a seismic vessel. A unique aspect of this course is the fact that the entire operational leadership team trains together: seismic crewmembers work alongside maritime engineers and navigators.



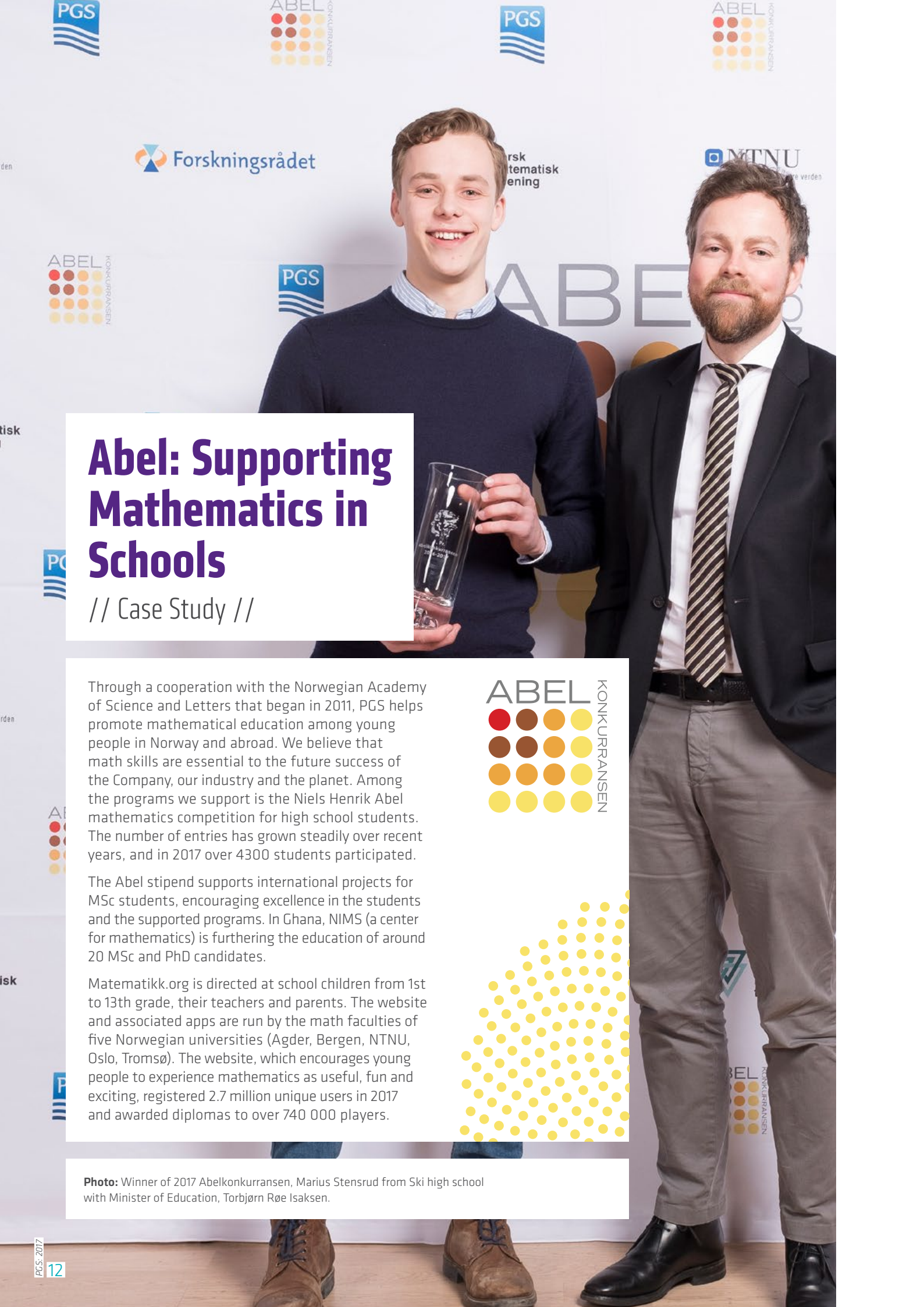
Crews meet for simulated training sessions at the University College of Southeast Norway.
Top to bottom: Paul Courtenay (PGS) with the center’s technical operator Svend Nordby. A toolbox meeting held in the “Instrument room”. Simulation screen shot. Simulation room.

“It is paramount for a company to create a good culture among its crew,” says Paul Courtenay, Senior Vice-President Project Delivery at PGS. “We aim to create one culture rather than several subcultures aboard our vessels,” he adds. When the crew trains together on critical tasks, it creates a positive effect on the entire team culture. The better they work together, the better the results. This leads to less damage to equipment and fewer injuries.

Looking ahead

A key priority for 2018 will be to empower the new leaner, project-driven organization to fulfill our strategic ambitions. The result, we hope, will be greater efficiency and sustainability, without compromising our core values. We will continue working to reduce personal injury and serious incidents. As part of this, we will implement a campaign focused on how we safely and respectfully collaborate and interact with fishing vessels during seismic surveys.





Abel: Supporting Mathematics in Schools

// Case Study //

Through a cooperation with the Norwegian Academy of Science and Letters that began in 2011, PGS helps promote mathematical education among young people in Norway and abroad. We believe that math skills are essential to the future success of the Company, our industry and the planet. Among the programs we support is the Niels Henrik Abel mathematics competition for high school students. The number of entries has grown steadily over recent years, and in 2017 over 4300 students participated.

The Abel stipend supports international projects for MSc students, encouraging excellence in the students and the supported programs. In Ghana, NIMS (a center for mathematics) is furthering the education of around 20 MSc and PhD candidates.

Matematikk.org is directed at school children from 1st to 13th grade, their teachers and parents. The website and associated apps are run by the math faculties of five Norwegian universities (Agder, Bergen, NTNU, Oslo, Tromsø). The website, which encourages young people to experience mathematics as useful, fun and exciting, registered 2.7 million unique users in 2017 and awarded diplomas to over 740 000 players.

ABEL KONKURRANSEN

Photo: Winner of 2017 Abelkonkurransen, Marius Stensrud from Ski high school with Minister of Education, Torbjørn Røe Isaksen.



Houston Flooding

// Case Study //

In August 2017 Hurricane Harvey hit Houston. The impact was unprecedented and devastating for the U.S. oil capital. Many thousands of people were affected, including PGS employees. As homes, offices and assets were destroyed or damaged, streets and sometimes whole neighborhoods temporarily inaccessible, the safety and well-being of our colleagues and their families were our first priority.

Locally, our first line emergency response team focused on supporting PGS employees and facilities in the affected area. Second-line support was activated in London and Oslo, while business continuity was managed by corporate management.

Information flow was a challenge for employees with no access to office facilities. PGS put its crisis information management system to full use. Managers reached out to their teams and reported back, an emergency phone line was set up, regular updates sent by SMS and email. While alternative offices were identified and prepared, many teams relied on remote working, meeting in coffee shops around the city. Globally, colleagues were kept informed via our intranet.

Our Global IT organization rapidly transferred critical IT services that are usually run out of Houston to Oslo and London, and all data was secured. Meanwhile, our Computing Infrastructure team secured the continuous operation of our seismic data processing center.

Throughout, people helped people. Colleagues helped to clear flood damage and offer temporary shelter or extra cars to those affected. A voluntary contribution scheme raised 15 000 USD from individuals around the Company and PGS matched their contributions to total more than 30 000 USD.



Environment

Our ambition is to generate high quality seismic data with the least possible impact on the marine environment and those that have the oceans as their working place. This ambition is supported by our long standing commitment to develop novel technology and improved practices that truly minimize the acoustic impact of our surveys on life below water. In a broader context, we will continue to support collection and dissemination of oceanographic data that can further our collective understanding of the oceans.

Our
Goal



Environmental Performance Indicators

	2014	2015	2016	2017
Energy				
Vessels (GWh)	1 815	1 508	1 436	1 423
Offices (GWh)*	17	17	16	18
Air Emissions				
CO2 (kT)	524	438	410	409
SOX (kT)	4	3	4	2
NOX (kT)	9	8	7	7
PM (kT)	1	<1	≤1	<1
Waste				
Vessels (1000 m3)	6.0	4.7	3.2	3.2
Delivered to shore**	3.8	3.3	2.2	2.4
Incinerated onboard	2.0	1.4	0.9	0.7
Organic waste to sea	0.1	0.1	0.1	0.1
Offices (t)	108	90	91	82
General waste	27	27	31	42
Recycled waste	82	63	60	39

*Data for four main offices only.

** Does not include lithium batteries delivered for recycling

CO₂ Emissions Breakdown (kTonnes)

	2014	2015	2016	2017
Direct Emissions	498	412	393	390
Seismic Vessels	466	375	355	355
Support Vessels	32	37	38	35
Offices	<1	<1	<1	0
Indirect Emissions	7	7	7	7
Offices	7	7	7	7
Other Emissions	19	19	10	12
Business Travel	19	13	10	12
Sum	524	438	410	409

Energy Consumption Breakdown (GWh)

	2014	2015	2016	2017
Fuel	1 816	1 509	1 436	1 424
HFO	1 171	623	895	764
MGO	643	885	541	660
Natural Gas and Diesel	1	1	1	1
Electricity	17	17	16	17
Offices	17	17	16	17
Sum	1 833	1 526	1 452	1 441



Focus areas

Protecting the ocean environment

The oceans are our workplace, and we are very much aware that we are not alone out there. Conducting our work in a responsible manner means complying with applicable legal requirements, planning and executing our surveys in a manner that minimizes impact on marine life and other users of the oceans, and using technology that enables efficient and careful collection of high-quality data.

Minimizing the acoustic impact of our operations on cetaceans, fish and other life below water remains our first priority. We continuously examine our methods, through modeling and advanced research into alternative seismic source technology. In 2017 our research and development teams were actively involved in several separate projects that each may lead to measurable reductions in the acoustic impact of seismic surveys on life below water.

We believe that improving common knowledge and understanding of the oceans is to our shared advantage. To this end, in 2017 we launched a global data sharing initiative (see case study). Through this mechanism, we share oceanographic data collected during our surveys with academic institutions across the world.

As members of the International Association of Geophysical Contractors (IAGC), we support the 'Ghost Net Initiative' by actively removing marine debris like abandoned or damaged fishing gear (nets, lines etc.). In 2017, we also proposed a novel approach to removing plastic pollution from the world's oceans using our unique seismic vessels, competence and experience from offshore work (see case study).

Responding to climate change

The world is faced with the dilemma of meeting energy demands while avoiding climate change and reducing our impact on the environment. Climate change is a serious threat to society, the environment and to our own business.

We are committed to reducing emissions from our own operations. By improving our energy efficiency, voyage planning, logistics and using novel technology we strive to continually reduce emissions of greenhouse gases per unit of data collected.

Our operations technical team has a target of reducing drag from towed equipment to achieve a significant fall in vessel fuel consumption. This goal will be achieved through many incremental improvements in technology and towing practices.

Looking ahead

Our goal for 2018 is to develop a next-generation strategy for our seismic sources that will further reduce the environmental impact of our seismic operations. On land and offshore, energy efficiency and reduction in carbon emissions will continue to be a key priority for us in 2018.

Glossary

CO ₂	carbon dioxide
GWh	gigawatt hours
SO _x	sulfur oxide(s)
NO _x	nitrogen oxide(s)
PM	particulate matter





Global Ocean Data Initiative

// Case Study //

Since 1991, we have acquired huge volumes of seismic data of the ocean subsurface all over the world. In addition to seismic data, we have also gathered great amounts of surplus oceanographic data including ocean temperature and salinity, depth profiles, currents and weather conditions.

In 2017, we decided to open our surplus database for the benefit of research on the ocean developments. Our first data sharing agreement was signed with the Norwegian Institute of Marine Research (Havforskningsinstituttet) in late July.

“PGS surplus data gives us access to information through the water column, down to approximately 2 000 meters from many different places, which is valuable from a scientific perspective,” said Geir Huse, Research Director at the Institute of Marine Research. “We look forward to put these data sets into use. We are hopeful they can provide us with better insights and improve our understanding of the oceans.”



Supporting ocean research

PGS shares water temperature, salinity, currents and weather data with ocean researchers.





Plastic Collection Concept Launched

// Case Study //

Each year, eight million tons of plastic ends up in the world's oceans - equivalent to dumping the contents of one garbage truck into the sea every minute. If no action is taken, within a generation pollution is expected to double and double again: so two garbage trucks per minute by 2030 and four garbage trucks per minute by 2050.

In 2017, we launched a concept for efficient, large-scale collection of plastic from the oceans. The solution uses the inherent benefits of seismic vessels, taking advantage of their air compressors and capabilities for handling large towing configurations.

Seismic vessels are equipped with very large onboard compressors, which usually supply the seismic source. These are instead used to pump air through a ventilated hose, towed at approximately 50 meters water depth between the seismic ship and a support vessel. The air bubbles produced by the hose attach to the submerged plastic, which then rises to the surface, just like bubbles are attracted to a straw in a glass of sparkling water. A processing unit at the end of the collection spread separates organic materials from plastic. The latter is compressed and packaged into super-strong synthetic skins. Once full, each skin section is marked by GPS and AIS, ready to be collected and towed to a processing facility for recycling.

Cleaning the oceans of plastic is a global responsibility and PGS is currently investigating the viability of using our cold-stacked vessels for plastic collection. We are seeking external funding for a pilot test of the system in 2018.





Conduct

Ensuring compliance with the law and avoiding corruption is of high importance to PGS and its stakeholders. Through development and communication of clear rules, combined with compliance audits, we ensure that we follow laws and regulations and apply our policies without any form of discrimination.



Our Goal



Focus areas

Ensuring compliance with law and avoiding corruption

We are committed to being a just, ethical, compliant and accountable company at all levels. Our focus is on building lasting solutions to combat corruption in all our business dealings. PGS employees participate in regular e-learning, with additional face-to-face dilemma training for those most at risk. Our agents and representatives are subject to thorough background checks and take part in regular training. The PGS supply chain management systems ensure our contractors and sub-contractors are bound by agreements that prohibit unethical or illegal activities. To remain assured that neither our representatives nor we are crossing the line, we also perform regular audits and monitor contracts and transactions.

Safeguarding human rights

PGS respects internationally-recognized human rights principles. We apply the PGS Code of Conduct, the principles expressed in the UN Universal Declaration of Human Rights, and ILO Core Conventions on Labor Standards as guidance to uphold our values globally, throughout all our activities.

As a company with global presence, operating in countries at different stages of development when it comes to human rights, we are conscious of the risk we face of potential human rights violations.

While we assess our risk of being directly involved in such violations as relatively low, indirect association with infringement of human rights through our line of contractors is not implausible. This is why our focus in

the last few years has been to monitor our contractors' actions in relation to human rights.

In 2017, we reviewed our processes to identify initiatives to raise awareness around human rights in our supply chain. We also revised both the self-assessment form used in the prequalification of new contractors, and the checklists used in audits of existing contractors, to highlight potential human rights issues. Finally, we launched a Supplier Portal on our corporate website to enable easier access to the PGS' policies and procedures referred to in our agreements with contractors.

Our supplier risk-assessment tool helps us define and implement preventative action against activities in our supply chain that may cause potential exposure to human rights infringement.

Strategic supplier conduct

We continue to manage our supply chain closely, with clear due diligence procedures, to identify and address any corruption risk. This includes interviews, questionnaires, background and reference checks, as well as training and annual re-certification to ensure continuous awareness. For suppliers with high-risk exposure we repeat the qualification process, including a full due-diligence report, every third year.

Looking ahead

In 2018 we will continue seeking opportunities to advance just and strong business relations and practices, promoting these through our own exemplary conduct, and interactions with our partners and contractors.



Promoting Responsible Business Practices

// Case Study //

PGS is a proud member of the Maritime Anti-Corruption Network (MACN). MACN is a global business network working towards the vision of a maritime industry free of corruption. During 2017, MACN continued to develop its strong platform to better understand the challenges and execute on its strategy, which focuses on capacity building in the maritime industry, driving global collective initiatives against corruption, and building partnerships to improve integrity. By end of 2017, MACN had collected over 8 600 incidents, anonymously reported by shipping companies on corrupt demands faced by seafarers globally. MACN has actively engaged with stakeholders, including governments, regulators and non-governmental organizations on shared solutions to improve integrity standards in port operations specifically as well as more broadly in the industry.

PGS has been an instrumental player in MACN's Suez Canal Say No campaign. Since its launch in 2015, the campaign has been largely successful. Feedback and incident data show that in 2017, companies taking part in the campaign are transiting Suez without any delays or issues. Demands for cigarettes have decreased dramatically or have even been eliminated, while threats to the safety of both crew and vessel have also decreased significantly.

PGS' involvement in MACN demonstrates our commitment to reduce the risk of corruption in the areas we operate and beyond and brings us a step forward in our journey of advancing the SDG goals related to just and accountable business practices.

Compliance Hotline Reporting and Investigation

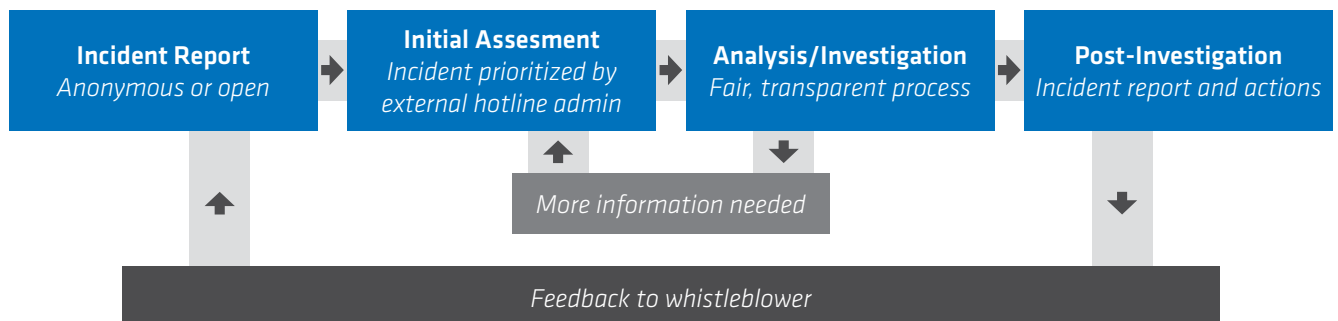
// Case Study //

We have a well-established system for reporting and investigating undesirable incidents. Any employee, customer, supplier, or member of the public can make a confidential report using our Compliance Hotline. To ensure fair treatment and confidentiality, the service is operated by a third party. Reports from the hotline are communicated to the PGS compliance department which reviews the facts and conducts investigations where required.

The hotline process ensures that any investigation is carried out in an objective manner, and that any whistleblower is kept informed. Anonymity is guaranteed, where desired, to ensure the complainant is protected throughout the process.

Over the past three years, our compliance team has carried out several investigations as a result of hotline reports. These have involved allegations of improper payments, unethical behavior, misuse of Company assets, as well as health and safety.

The system is transparent, inclusive and ensures whistleblowers and victims of undesirable incidents are treated in a fair manner.



Stakeholders

Our stakeholders include owners and investors, employees and employee groups, customers, suppliers and contractors, regulators, industry organizations and local communities that may be affected by our work. We are committed to operating with transparency and respect for all people who come in contact with our operations.

Focus areas

Meeting customer demands in the current market

Ensuring good customer experiences is vital for our long-term success. Our 2017 reorganization produced a simplified and centralized organization that is designed to meet our customers' needs in a streamlined and efficient manner.

We continue prioritizing in-field safety and operational efficiency and work on further aligning our MultiClient data portfolio to meet future industry needs. New customer contact focal points across our service lines enable us to provide a more responsive service and productive dialog.

Regardless of market fluctuations, we deliver consistently high-quality services in seismic acquisition, imaging and subsurface insight worldwide, meeting the highest standards in the marketplace for proprietary seismic data. New technology is vital to the forthcoming challenges of our industry and we continue to invest in unique offerings that support our customer's exploration and exploitation business requirements.



Managing Investor relations

We work towards ensuring that the best possible value is created for our investors over time. The PGS share is listed on the Oslo Stock Exchange and currently there are 338 579 996 shares outstanding. All Company information considered material to the capital markets is published via the Oslo Stock Exchange's news service: www.newsweb.no, and posted on our website: www.pgs.com. This ensures transparency and equal access to current information.

Our communications program for quarterly earnings releases includes public presentations, conference calls and webcasts. In addition to hosting a PGS Capital Markets Day presentation for the investment community each year, we also participate in public conferences and regularly visit investor groups around the world. On average, PGS attends more than 250 investor meetings yearly.

Our Investor Relations function is responsible for offering clear, credible, consistent and up-to-date business information and dealing with investor and analyst requests.

Managing a responsible supply chain

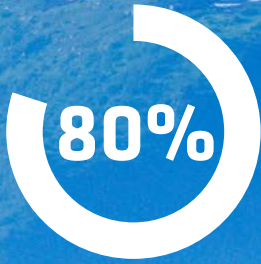
Suppliers contribute significant value to PGS and its customers. We endeavor at all times to use suppliers who operate consistently in accordance with our values and who adhere to our standards of ethics, anti-corruption, health, safety, environment and quality. We have implemented sourcing and procurement processes that monitor contract compliance, and ensure transparency and equal treatment of suppliers.

The PGS Supplier Relationship Management program shares our longer-term requirements for capacity, quality and new technology. It is also a catalyzer for joint improvements through monitoring and feedback on key performance indicators.

Looking ahead

In 2018, we will reinforce our commitment to developing technology, which is closely aligned with clients future business needs. Monitoring the actions of our supply chain will remain a priority to ensure we remain a reliable partner in all aspects of our operations.

Key Figures



**Top 100 Suppliers
Share of Total Spend**

2 806

Suppliers Used
in 2017

44

Critical Suppliers
Have Completed
our Supplier-
Verification Process

11

Supplier Audits



RE

