



Responsibility Report 2019

Dedicated | Reliable | Pioneer



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New Collaborations and Opportunities

Dear PGS shareholder

In today's world, corporate responsibility is as essential to business success as financial performance. In PGS we act responsibly because it is the right thing to do and it motivates our employees, investors and customers. This report documents how PGS performed against its responsibility goals in 2019 and the way forward for 2020.

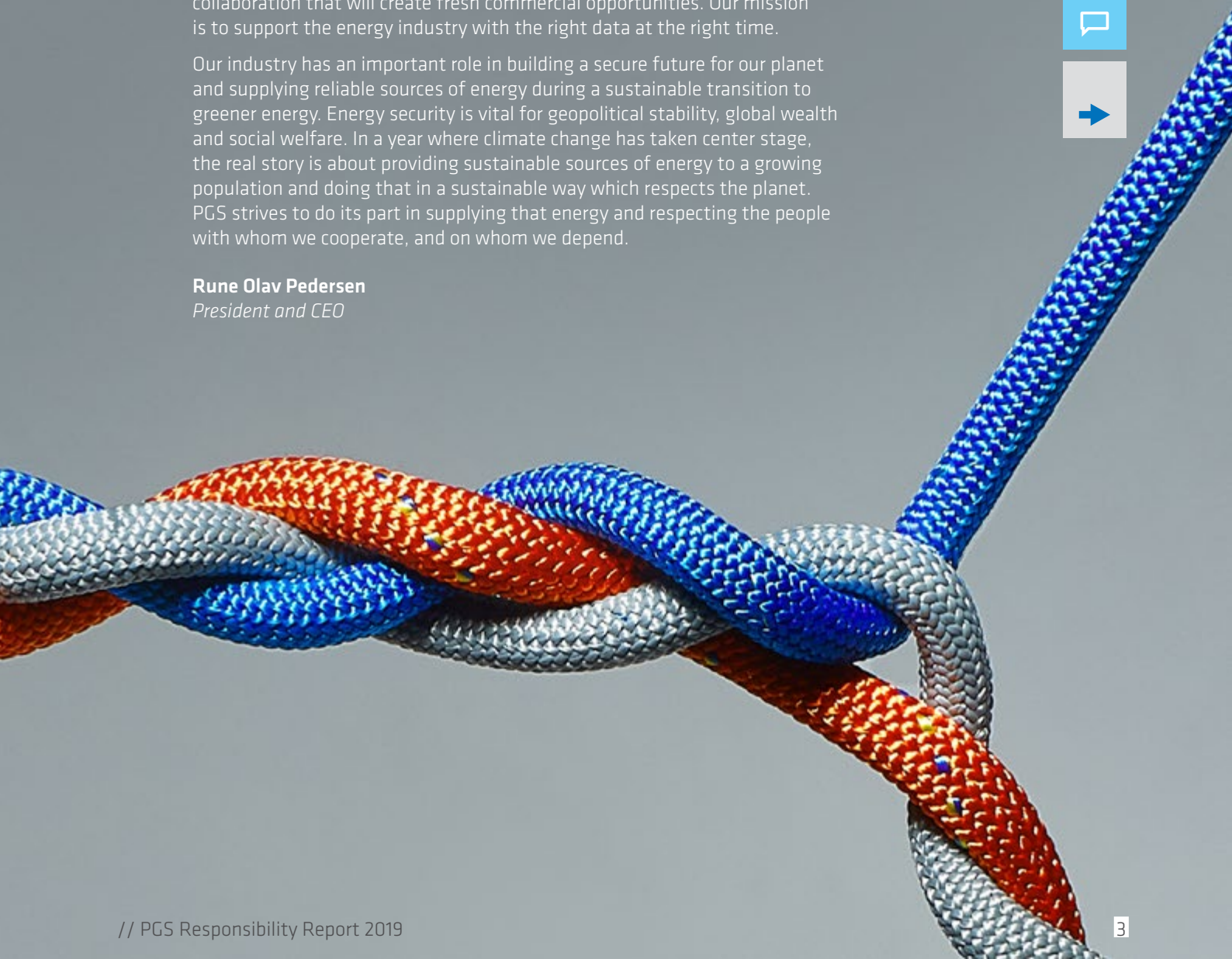
PGS has embarked on a digital transformation that is deepening our understanding of business fundamentals and opening new avenues for collaboration that will create fresh commercial opportunities. Our mission is to support the energy industry with the right data at the right time.

Our industry has an important role in building a secure future for our planet and supplying reliable sources of energy during a sustainable transition to greener energy. Energy security is vital for geopolitical stability, global wealth and social welfare. In a year where climate change has taken center stage, the real story is about providing sustainable sources of energy to a growing population and doing that in a sustainable way which respects the planet. PGS strives to do its part in supplying that energy and respecting the people with whom we cooperate, and on whom we depend.

Rune Olav Pedersen
President and CEO



Rune Olav Pedersen
President & CEO





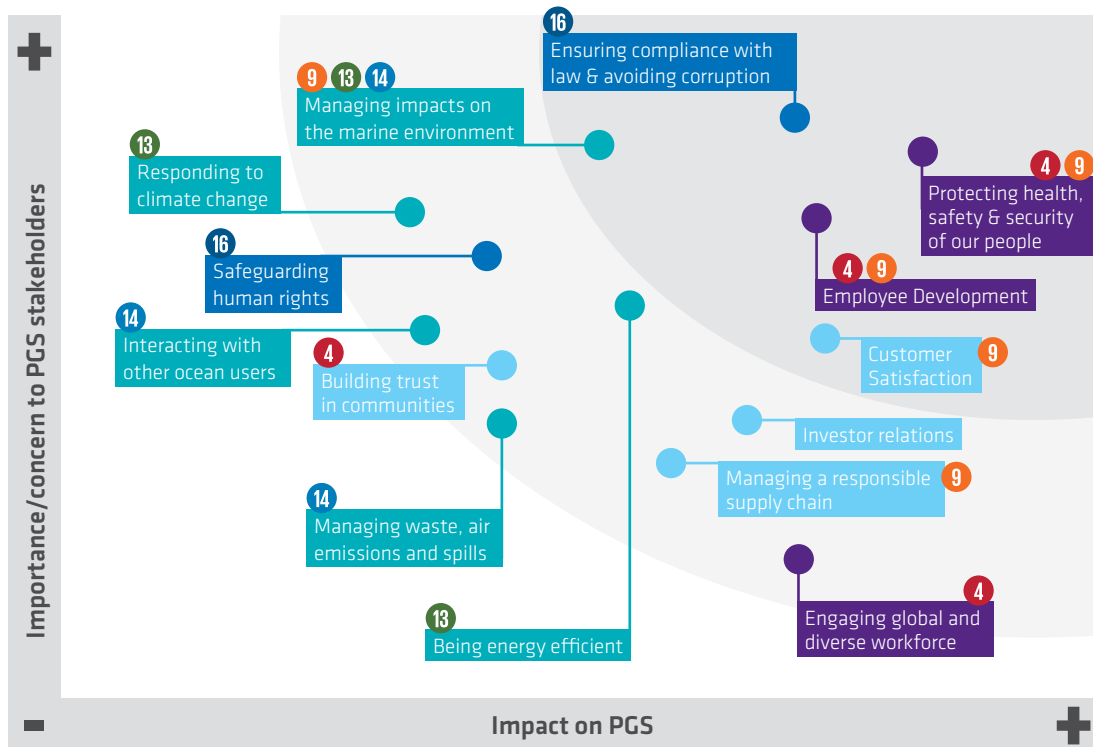
About this Report



We remain committed to the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption. For the third year in a row, our corporate responsibility report is shaped by the Sustainable Development Goals (SDGs) introduced by the United Nations in 2015.



In 2019, we performed a materiality re-assessment to revisit our company's priorities on sustainability. We re-evaluated the aspects of our business that have the biggest environmental and social impact.



People



Environment



Conduct



Stakeholders

About this Report



We consider the following five as having the highest importance to PGS and its stakeholders:



- Ensuring compliance with law and avoiding corruption



- Managing impacts on the marine environment



- Protecting the health, safety and security of our people



- Employee development
- Customer satisfaction

Materiality assessment allows us to revisit our priorities in terms of the SDGs. We have introduced SDG 9: Industry, Innovation and Infrastructure and SDG 13: Climate Action to our list of priorities, as we believe these goals are highly relevant to our business, and an area where we can make a difference through our work.

Innovation, research and development are paramount for our future and efforts towards a more sustainable future. PGS has embarked on a digital transformation that, as well as encouraging employees to contribute towards innovation in our industry, involves investing in R&D activities and new thinking that encourages sustainable resource exploration.

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.

To further reinforce and integrate our commitment to corporate responsibility in our strategy processes, thinking and behavior, we are issuing a PGS policy on the subject, signed by our CEO.

The PGS Corporate Responsibility Policy applies to all employees and strengthens our pledge to:

- Support and respect the protection of internationally proclaimed human rights
- Ensure that we are not complicit in human rights abuses
- Uphold the freedom of association and the effective recognition of the right to collective bargaining
- Uphold the elimination of all forms of forced and compulsory labor
- Uphold the effective abolition of child labor
- Uphold the elimination of discrimination in respect of employment and occupation
- Support a precautionary approach to environmental challenges
- Undertake initiatives to promote greater environmental responsibility
- Encourage the development and dissemination of environmentally friendly technologies
- Work against corruption in all its forms, including extortion and bribery





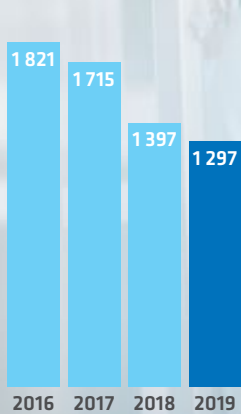
People

Developing and safeguarding our people has the highest priority in PGS. In 2019, we focused on:

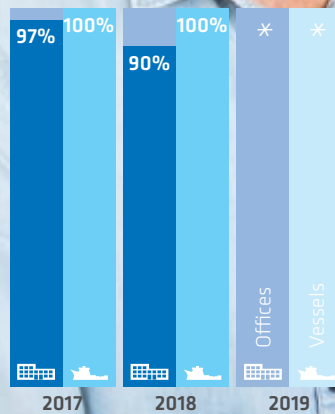
- The good health and well-being of our people: ensuring the health and safety of our workforce and of those involved in our operations remained our first priority
- Quality education and training: this is vital to stay ahead in our business area and develop our talent pool
- Providing a decent, inclusive and fair workplace: by continuing to offer safe and fulfilling employment in a productive environment to our employees



People by Location
882 Offices 423 Vessels



Average Number of Employees by Year



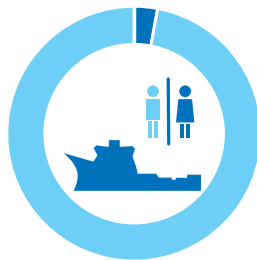
Performance Review

* Performance reviews for 2019 will be finalized during the second quarter of 2020. The final number will be reported in next year's report.



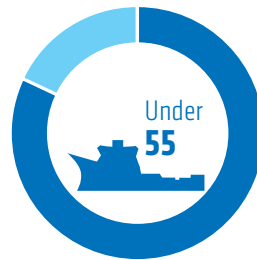
Vessels by Nationality

30% British **14%** Norwegian
12% Polish **10%** American
5% Canadian **3%** Brazilian
3% French **23%** Other



Vessels by Gender

3% Female **97%** Male



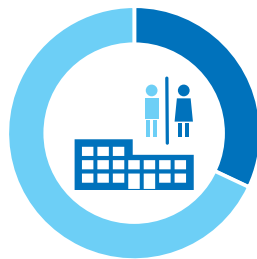
Vessels by Age

82% Under 55 years
18% 55 and over



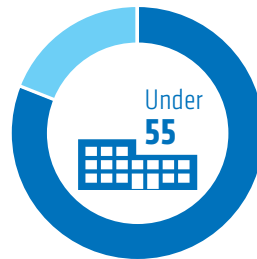
Offices by Nationality

24% Norwegian **21%** British
12% American **5%** Egyptian
5% French **4%** Brazilian
3% German **26%** Other



Offices by Gender

31% Female **69%** Male



Offices by Age

81% Under 55 years
19% 55 and over

37 Nationalities on PGS Vessels

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

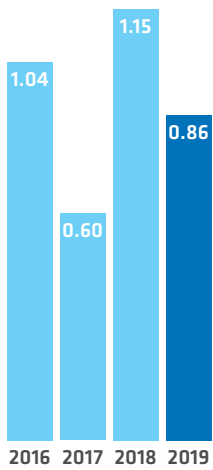
54 Nationalities in PGS Offices

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

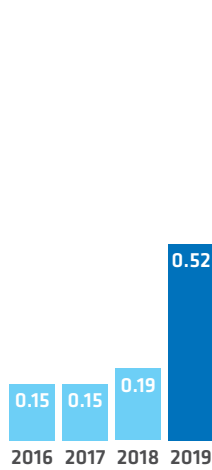


HSEQ Figures

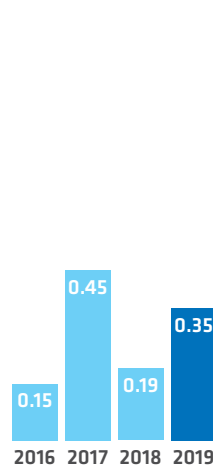
	2016	2017	2018	2019
Lost Time Injury (LTI)	1	1	1	3
Restricted Work Case (RWC)	4	0	3	0
Medical Treatment Case (MTC)	2	3	2	2
Total Recordable Incidents	7	4	6	5
High Potential Incidents	1	3	1	2
Man-hours (millions)*	6.7	6.7	5.2	5.8



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



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



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



Supporting Leaders to Nurture Teams Offshore



Offshore, our seismic vessels' management participate in an 18-month Managing Self / Managing Others program (MSMO) designed to help them improve their management of others by learning to understand how to manage themselves better.



Led by Jason Liem, whose background is from the cognitive sciences, the program focus is to teach participants how the mind influences behavior. With this understanding, they can learn to deal better with stress, focus on the problem at hand, and reach better, timely decisions. They learn how to give and receive feedback, coach, communicate, and manage expectations.

Since the program was first piloted in 2011, over 150 department Chiefs, Party Chiefs and Captains have completed the process that is divided into three major steps.

The first step is a workshop that combines brain-based skills, psychology and communication. Role-play, based on experience from the offshore environment is used to review the application of the principles.

The second step happens offshore. Managers get support in understanding how they are perceived as a leader and coach by their crew. This encourages managers to set up one-on-one meetings with their crew every trip. These individual meetings are designed to create a personal bond with each and every crewmember.

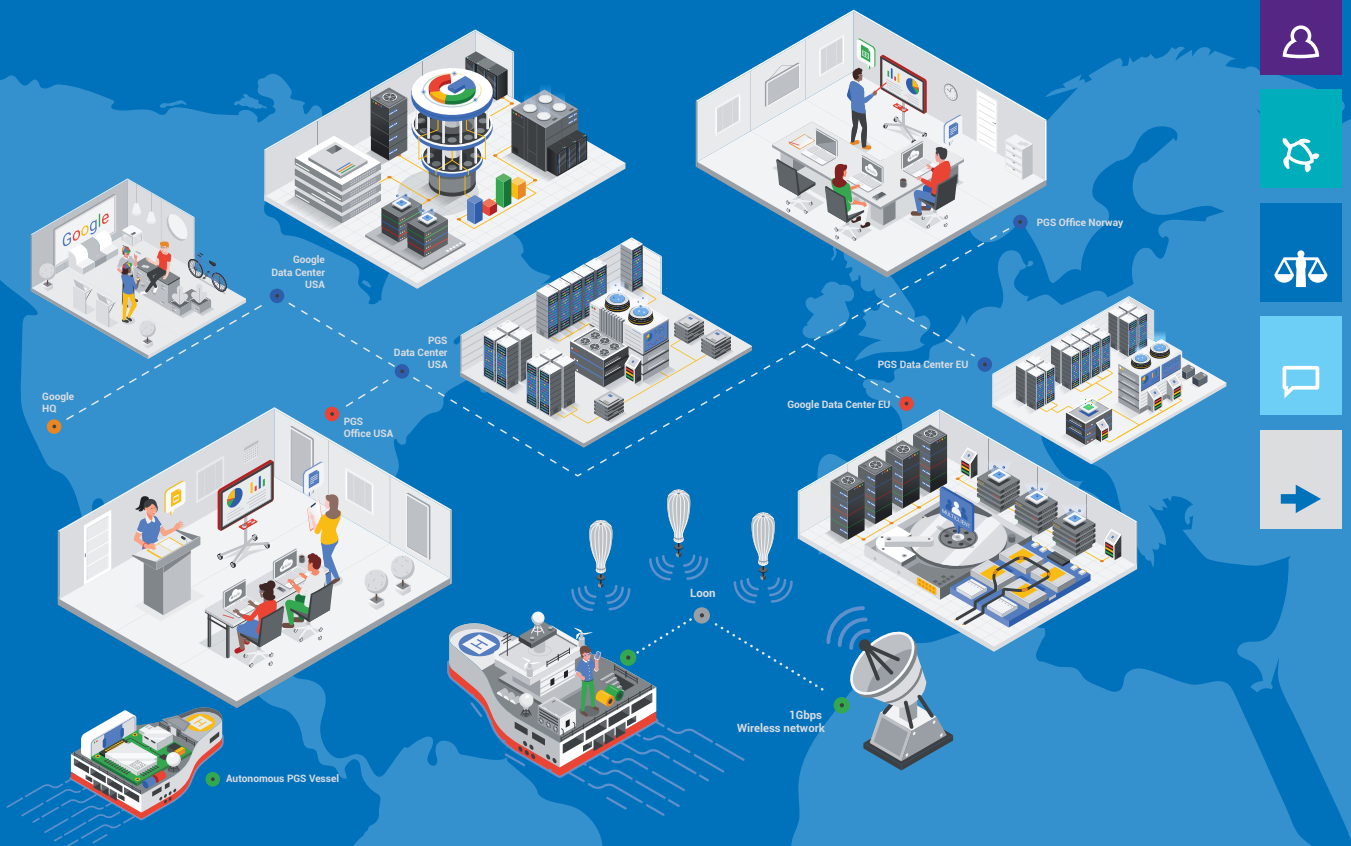
The third and final step is a half-day meeting with peers and Jason Liem to determine what each participant has learned and how to continue building their relationships with their co-workers.

The program has been very successful both as measured by the high marks and comments from the participants for each full and half-day session as well as through our company wide Global People Survey.

In the most recent Global People Survey, PGS compared the rating of managers who completed the MSMO program with others who have not. Managers who completed the course consistently scored at least 10% higher on questions like "In my department we all pull in the same direction in order to achieve our department's goals", and over 20% higher on "In my department we openly discuss our mistakes in order to learn from them". PGS will continue to invest in this program.

Digital Transformation

Today, industrial development is at Industry 4.0 – digitalization and the internet of things - where everything is connected, making smart solutions and system interactivity possible. In order to stay relevant in this new world and continue to meet the needs of our customers, employees, investors, and other stakeholders, PGS needs to transform and prepare for a digital future.



In 2019, we established a digital transformation team that supports our businesses in developing digital strategies and reaching the business goals underpinning those strategies. Technology will be an enabling factor to redefine how our teams work and leverage our integrated services, how we communicate and collaborate with our employees, our suppliers and our customers.

Google Cloud was selected as our foundation platform for developing next-generation interface solutions.

By harnessing Google's cloud-based technologies and incorporating artificial intelligence and machine learning capabilities into workflows, PGS will increase flexibility, scalability, and deliver more reliable data faster to customers. Changing our working culture is a fundamental step. Together with Google, we have initiated a Culture Champion Jumpstart Program. We believe this journey of exploration and discovery will increase teamwork and innovation, ensuring we are well-positioned to gain new insights, and leverage new commercial opportunities.

Our goal is to prepare and adapt PGS to an ever-changing digital landscape by evolving our corporate culture and motivating the entire company to embrace a digital mindset. These initiatives will build the competences of our people, rendering PGS more competitive. This will be essential to attract and keep the right talent in the future. Our customers will benefit from enhanced user experience and better collaboration, our owners will see better resource optimization and increased productivity.





Digitalizing our HSEQ Processes



Safety and reliability are at the core of our business. We work hard to ensure that our people return home safe and well every day. Sustaining and improving HSEQ performance and safety culture will remain a priority through 2020 and beyond. In 2019, we implemented new tools and modern systems that improve risk awareness and management, while minimizing bureaucracy and administrative burdens.

Streamlined digital HSEQ solution

As part of our drive to continuously improve and better suit PGS processes to future requirements, we implemented a new integrated HSEQ management system for our offshore operations called UniSea.



UniSea is specifically developed for organizations with offshore operations and onshore management. The platform holds all our governing documents and offers HSEQ reporting. It provides users with tailored dashboards offering easy, real-time access to their own documents and HSEQ statistics for their department or role.

New functionality eases and streamlines many of our activities onshore and offshore. One example being fully digital forms and checklists that can be completed and signed electronically

using tablets or phones. This significantly reduces the use of paper and makes information sharing easier. Printing, scanning and physical storage of forms is also reduced.

Quality – project excellence

Using advanced digital tools to increase project-focus within integrated teams was a clear goal for our organization last year, and we made great strides towards realizing this ambition. We launched a project excellence initiative, aimed at defining standard project execution models in PGS. Our goal was to better manage the commercial drivers in every phase of our projects, from contract bidding or MultiClient idea to delivery of the final image.

Following an extensive review of PGS' strengths in project execution versus general project management, then tackling improvement areas, we worked on standardizing processes, improving project management skills, better defining project roles and increasing commercial focus.

This resulted in the formation of two detailed PGS Project Execution Models that are based on well-defined stages and decision gates. The models were implemented across PGS, through a comprehensive project management training program for all project owners and managers. A new PGS project portal captures and shares project-execution best practices in each phase of a project.

We are convinced that integrated project management facilitated by technology, from the start of planning to the final delivery of data to our clients, will result in more satisfied customers and improved profitability for PGS. We also expect that clearer roles for everyone involved in managing PGS projects will improve cost and risk management.



Around the World — **RIGHT TO PLAY**

In 2018, PGS vessels embraced a fleet-wide campaign to log activity points for every 30 minutes of physical activity. The onboard management and medics organized an impressive range of activities on our seismic vessels, ranging from team sports using the ball court on the Titan-class vessels, to strength exercises, yoga and even dart competitions. The campaign was so popular that it was continued in 2019.

Meanwhile, as part of a 'Global Challenge' wellness campaign, 133 PGS Houston employees walked over 60 000 miles (over 96 000 km) over 100 days (read more about this on page 29).

Having seen the positive impact on morale and fitness of these initiative, PGS decided to make this a global initiative, with a motivational promise to donate to a charity, based on the number of circuits of the earth collectively completed by our employees. PGS promised to donate \$10 000 to 'Right to Play' for each circumnavigation, up to a maximum donation of \$30 000. The international humanitarian organization 'Right to Play' is a non-profit charity, active in over 15 countries worldwide, with a mission to protect, educate, and empower children to rise above adversity using the power of play.



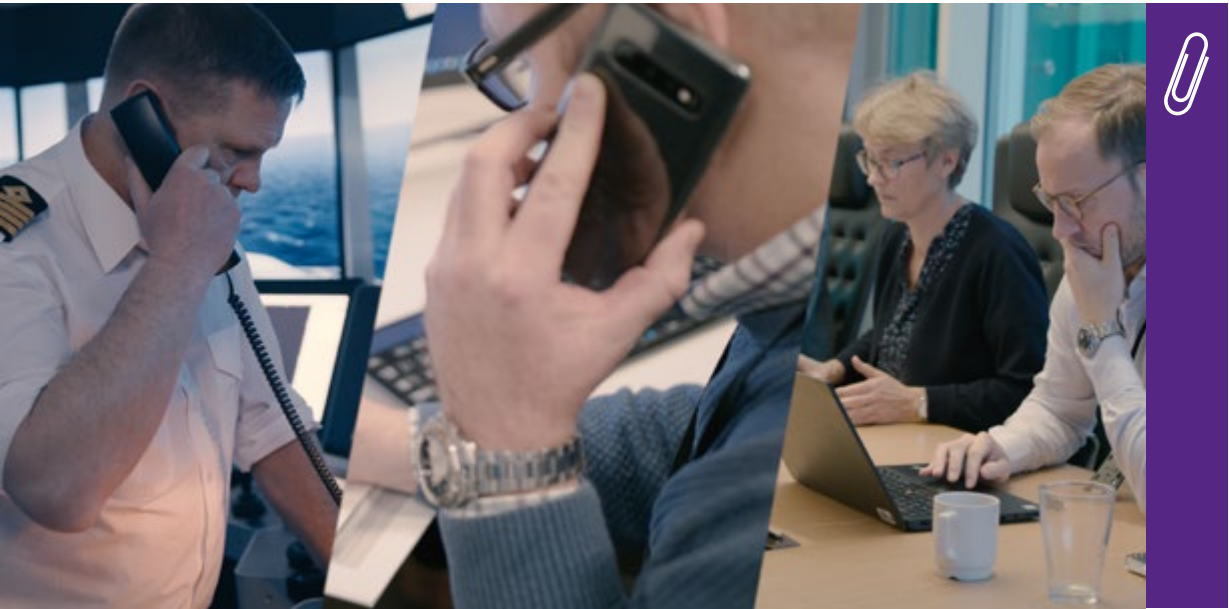
Mentoring Program



We kick-started a PGS mentoring program in 2019, with a 12-month pilot program for eleven pairs of mentors and mentees who came together for initial training in mentoring and continued with one-on-one mentoring sessions. Participants gained new perspectives from the other PGS departments, shared and learned from experiences, built new networks and cross-across relationships, discussed challenges,

perceptions and potential future career paths. The program is facilitated by an organizational psychologist who works internationally as a management consultant.

The first round of the program involved participants in the UK and Norway, however future programs have a broader international scope. The long-term goal of the mentoring program is to invest in management talent across the business cycle and embed this in PGS culture.



Emergency Response Exercise

Our emergency response organization conducts regular emergency exercises to train, test and develop PGS' ability to handle a crisis. Through collaboration with external partners, these sessions also provide a great opportunity to align communication with external stakeholders, so that we are better prepared to handle an emergency, if it occurs.

In our last full-scale exercise, the team simulated and managed the potential effects of a collision between a seismic vessel and an oil tanker, preparing them to deal with a worst case scenario involving injuries, fatalities, significant vessel damage and an oil spill.

For the first time, we involve an offshore management team located at our seismic simulator facility at the University of South-Eastern Norway, in Horten.

The vessel crew in the simulator kicked off the exercise, trying to avoid collision with a tanker in transit. Following the script, the collision was inevitable and hard, with serious consequences for people on board, the environment, and the ship. The captain of the seismic vessel notified

Operations management immediately, and our operational emergency response team was scrambled in Oslo. Their role is to support the vessel crew in taking care of personnel, providing external assistance and coordinating resources. A strategic emergency response team gathered in the PGS board room in Oslo, to manage strategic decisions and business continuity, including efficient communication with key strategic stakeholders.

At the end of the exercise, senior management conducted a press conference. Invited journalists posed challenging questions, presenting the top management with an opportunity to train their media handling skills. The press conference was streamed to the simulator, so the crew could watch.

This was a valuable exercise with many identified areas for improvement. Communication lines, between the vessel crew at the simulator facility and onshore management in Oslo, worked well as did this new form of exercise including vessel teams in the training.



Project **BLUE SKY**

PGS has assets, technology, competence and experience that could be leveraged to diversify in the future. Through a project named Blue Sky, our CEO invited employees to think creatively about how PGS might draw upon its current strengths to identify new opportunities for the future, beyond seismic.

Brainstorming, in the form of workshops and social gatherings, engaged employees in various

offices and offshore. A Blue Sky website was established to log ideas, and a task force was created to review all the ideas in dialog with the originators. The most promising ideas will be presented to the top management team.

The project encourages the creative as well as business thinking of our employees.



Environment

The seismic industry has a role in enabling a reliable supply of energy now and in the future through the sustainable transition to greener energy. PGS remains devoted to conducting our operations with minimal impact on the oceans and those that are reliant upon them for their living or sustenance.

Our commitment is to leave the oceans as we find them, and our ambition is to contribute to healthier marine environment – for the benefit of all. We have therefore refocused our support to the UN SDGs with strong focus on Climate Action and Life Below Water. These will be the pillars of our environmental strategies and actions going forward.

Environmental Performance Indicators

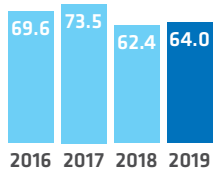
	2016	2017	2018	2019
Energy				
Vessels (GWh)	1 436	1 423	1 236	1 466
Offices (GWh)*	16	18	16	16
Air Emissions				
CO ₂ (kT)	410	409	354	422
SOX (kT)	4	2	1	1
NOX (kT)	7	7	6	7
PM (kT)	<1	<1	<1	<1
Waste				
Vessels (1000 m³)	3,2	3,2	3,4	4,0
Delivered to shore**	2,2	2,4	2,6	3,3
Incinerated onboard	0,9	0,7	0,7	0,6
Organic waste to sea	0,1	0,1	0,1	0,1
Offices (t)	91	82	104	88
General waste	31	29	32	28
Recycled waste	60	52	72	60

*Data for four main offices only.
 ** Does not include lithium batteries delivered for recycling.

Glossary

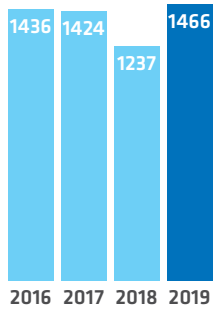
CO ₂	carbon dioxide
GWh	gigawatt hours
SO _x	sulfur oxide(s)
NO _x	nitrogen oxide(s)
PM	particulate matter

Environment



CO₂ Emissions per CMP

Tonnes



Fuel Consumption

GWh

CO₂ Emissions Breakdown (kTonnes)

	2016	2017	2018	2019
Direct Emissions	393	390	338	402
Seismic Vessels	355	355	305	369
Support Vessels	38	35	33	33
Offices	<1	<1	<1	<1
Indirect Emissions	7	7	6	6
Offices	7	7	6	6
Other Emissions	10	12	10	14
Business Travel	10	12	10	14
Sum	410	409	354	422

Energy Consumption Breakdown (GWh)

	2016	2017	2018	2019
Fuel	1 436	1 424	1 237	1 466
HFO	895	764	715	810
MGO	541	660	521	656
Natural Gas and Diesel	<1	<1	<1	<1
Electricity	16	17	16	16
Offices	16	17	16	16
Sum	1 452	1 441	1 253	1 482





Leaving the Oceans as we Find them



Seismic surveying by use of acoustic imaging is the only viable means of mapping the geological structures beneath the ocean floor on a large scale.

Although seismic surveys are safe and leave no permanent environmental footprint, there may be temporary disturbances. We go to great lengths to minimize any transient effects on marine life from our operations.

Understanding how seismic surveys may affect ocean habitats is key to minimizing the disturbance potentially caused by our operations. Months ahead of a seismic vessel arriving at the location of a survey, our scientists carry out careful analysis and planning. We collaborate closely with regulatory authorities and other stakeholders and the process is strictly governed by law. No survey takes place without an approval process and a permit in place. This may include direct dialog with potentially affected parties, such as fishing communities, before and during a survey.

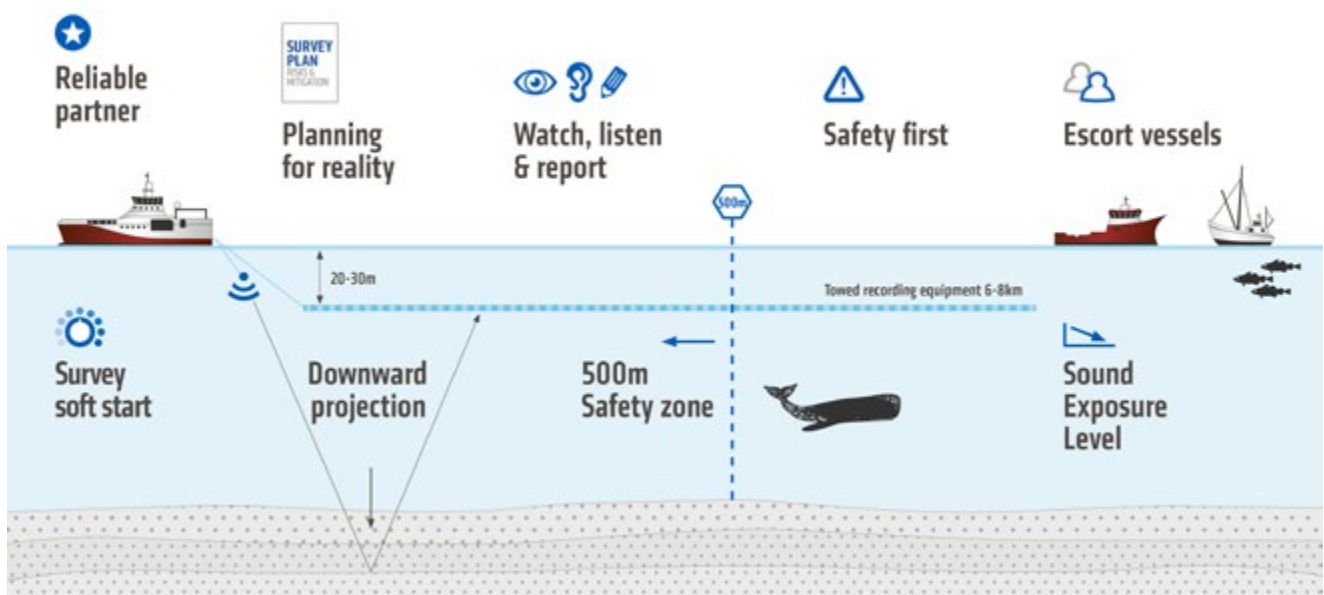
We are committed to:

- Carefully planning and executing surveys to minimize any disturbance
- Immediately ceasing operations if marine mammals are observed in close proximity

- Respecting local communities and fishermen
- Not throwing anything overboard and leaving nothing behind

The potential for disturbance of marine life and habitats is directly related to the generation and transmission of the seismic sound pulses that are used to image the geological structures beneath the sea floor. This technique, which is very similar to medical ultrasound, has been used for close to a century. Today, the signal is generated by compressed air sources.

We have committed significant resources towards developing a new generation of seismic sources: eSeismic is a method for generating continuous signals with lower amplitudes, while marine vibrators may offer an alternative to compressed air. Both the PGS eSeismic method and our preferred design for a marine vibrator are in advanced stages of development (see case study).





Contributing to Healthier Oceans



Safeguarding the health of our ocean environment will require commitment from companies and communities, and greater scientific understanding informed by reliable data sources. We see firsthand the problems of pollution of the oceans and we are committed to doing what we can to ensure future generations can benefit from the oceans like past ones have.

The ocean environment is vast and there is a severe lack of knowledge and data for scientists to work on. In 2017, PGS launched a Global Ocean Data Sharing Initiative. Since then we have provided ocean data such as temperature, salinity, and currents to research organizations around the world. In 2019, we signed a memorandum of understanding with Seabed 2030 – an organization whose aim is to map the entire ocean floor by 2030. In 2020, all PGS vessels will collect bathymetry data 24/7/365 and deliver this data to Seabed 2030.

Seismic operations suffer from the littering and plastic pollution of the oceans first hand.

Everywhere they work, PGS seismic crews remove debris, waste, and ghost nets tangled in their equipment. Over the past five years, the PGS fleet has removed close to 200 tons of floating debris from the sea. In 2020, we will intensify our effort to find and recover such pollution. We are developing advanced detection capabilities using drones and echo sounders to spot marine pollution during our surveys, and we continue to work on advanced solutions for plastic removal.

Hydrocarbons will remain an important energy source during the transition to greener energy, however we shall do our utmost to minimize the carbon footprint of our operations. Over the past decade, PGS has reduced its CO₂ emissions per data unit* by 30% and has set a target to reach 50% by 2030. We will achieve this by reducing drag on our vessels and equipment, maximizing the efficiency of our fleet and optimizing the utilization of our resources. Digitalization and data analytics can enable significant improvements in this arena. In 2020, we started development of new advanced operations optimization capabilities.

*As measured by Common Midpoint kilometers – or CMP km.

PGS support vessel Thor Assister recovers Fish Aggregating Device (FAD) from the water and disentangles three large turtles. Offshore Angola, June 2019.





Electrical Marine Vibrator and eSeismic for Environmental Sensitivity

The Marine Vibrator Tailors Bandwidth for Environmental Sensitivity

The advantage of using marine vibrators over compressed air sources is the ability to limit audio signals to only the frequency range necessary for seismic. PGS's latest vibrator source is all-electric and demands less energy, without the need to operate large air compressors.

The key difference PGS' vibrator has to other designs is that the densely stacked plates significantly increase the total surface area while minimizing the overall unit size. Sufficient sound pressure is produced at the crucial lower end of the frequency band at operational depth. Accurate control of system resonance means the structural load of the vibrator is secure. So far, the design has proved itself robust and reliable during both a 1 000 hour tank test, and at full power at depths of 60 meters in a harbor. The next step will be to perform a geophysical test comparing data results to PGS MultiClient data acquired with a traditional source.

The eSeismic Approach, Quieter and More Efficient

The eSeismic method can be used with either marine vibrator technology or with standard air source elements

to provide a quieter environment for fish and sea mammals. While the standard seismic method uses a simultaneous array of 30 air source elements, eSeismic uses only one at a time. It releases an alternation of 40, 90, and 150 cubic inch source elements several times a second to generate a continuous wavefield. Sound exposure and peak sound pressure levels are significantly reduced compared to standard methods which typically releases 4130 cubic inches of compressed air every 10 seconds.

The eSeismic method provides a quieter environment for fish and sea mammals, which is the primary environmental benefit of this method.

A recent field trial offshore Brazil showed significantly lower sound pressure levels than traditionally produced. The viability of eSeismic in assessing deep geological layers was successfully proven and commercialization work is ongoing. PGS plans to acquire more eSeismic data in 2020.

Development of eSeismic technology has been supported by the Research Council of Norway through the Demo2000 program in collaboration with Equinor.



Reduction of CO₂ Emission and Fuel Consumption



Leveraging fleet productivity and technology is an important pillar of PGS business strategy. We strive continually to reduce emissions of greenhouse gases per unit of data collected, by applying modern technology to improve fuel efficiency, voyage planning, and logistics.

Since 2011, we have reduced our CO₂ emissions by close to 30%. We believe that we can do more, by further maximizing efficiency, optimizing unitization and reducing drag. Our goal is to achieve a 50% reduction by 2030, compared to 2011.

We make continuous efforts to optimize the energy efficiency of our operations through analysis and smart technology. Here are some of the initiatives that we have implemented:

- Fuel plans for all transits and jobs
- Reducing transit speeds

- Ship Energy Efficiency Management Plans (SEEMPs) for all vessels
- Optimizing engines and compressors to run on high load at 85% MCR
- Ship performance dashboards on Ramform Titan class (monitor emissions, fuel and power consumption)

By reducing drag from towed equipment, our operations technical team hopes to significantly improve fuel consumption. The introduction of steerable paravanes with active bridle blocks is one of many incremental improvements contributing to this goal.

PGS is using its digital transformation process to accelerate strategy execution. We are working to refine our approaches to optimize fuel consumption by analyzing contextualized data gathered and applied through a combination of operations technology and information technology. In 2020, PGS has partnered with Cognite, a global industrial artificial intelligence software-as-a-service company, to work on this.

The image features three thick, braided ropes of different colors—blue, grey, and orange—interlocking in a complex, knot-like structure. The ropes are set against a plain, light grey background. The blue rope is at the top, the grey rope is on the left, and the orange rope is on the right. They are intertwined in a way that suggests strength and integration.

Strength through Integrated Expertise

Acquisition, Imaging & Geoscience



Conduct

We continue to conduct our business openly and transparently. Monitoring and mitigating business integrity risks will remain a major focus for us.



Continous Improvement of our Anti-Corruption Program

We aim to continually improve our anti-corruption program and are always on the lookout for better ways to stop/fight/prevent corruption. During the past year we made a number of improvements.

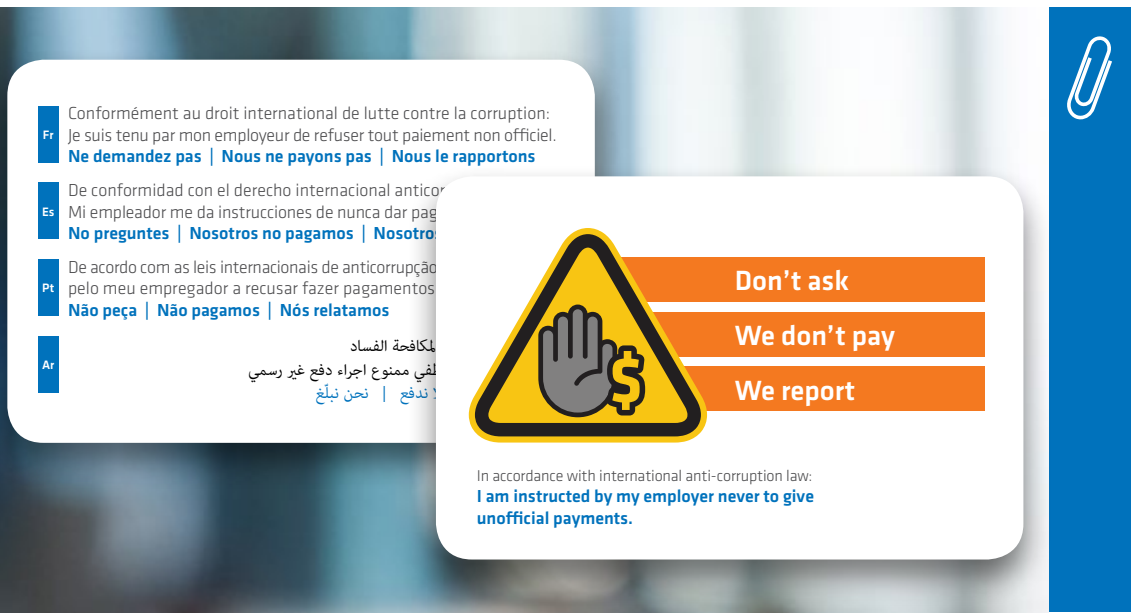
We streamlined and simplified our anti-corruption manual, making it easier for managers and employees to read and find what they need. We also automated more of our compliance work, including the due diligence process for our business partners where we introduced automated annual confirmations.

On the training front, we introduced a nano-learning program to ensure that we maintain the high level of awareness amongst our employees.

It provides employees with very short lessons over several months, to enhance and embed the learning effect. This complements our existing extensive anti-corruption training for new employees and in-person training for people in exposed roles.

It is many years since PGS established its anti-corruption program. To assess the design and functioning of the program, we commissioned an independent external company to compare our program to an internationally recognized standard (ISO) on anti-bribery management. They carried out a gap analysis and concluded that the PGS program is strong and well-functioning. However, as we also hoped, it also gave us some ideas for improvements that we can make in the coming years.





Don't Ask We Don't Pay



PGS devised a simple but effective method to help our travelers avoid making small facilitation payments.

The passport-sized cards (pictured above) state our policy on facilitation payments in five languages: Arabic, Portuguese, Spanish, French, as well as English. We don't pay.

The card design matches a standard-sized passport, making it easy to carry. They have been issued to all offshore crew and many others who travel regularly. The idea was born on one of our seismic vessels.

Our offshore crew are occasionally confronted by requests for small facilitation payments. This typically happens during customs or passport checks and it can be a stressful situation because PGS does not condone facilitation payments. The problem was discussed during an anti-corruption workshop onboard our vessel Ramform Sovereign. The crew came up with the idea of having a card that they could show to officials, to explain that they were not allowed

to make payments. The suggestion was passed on to our compliance department.

"We should remember that to avoid getting into difficult situations, it is important to be well prepared," says Carl Deschington, Head of Compliance. "You should make sure you have plenty of time and have all the necessary documentation. But if you do get pressure then these cards help."

The cards proved to be useful when a PGS vessels was recently subject to a local inspection. The inspector claimed to have found a seemingly unfounded fault and demanded payment in the form of bottles of olive oil, threatening to impose a fine if we refused to deliver the oil. When the PGS captain showed his "We don't pay" card, the inspector changed his conclusion and gave us a clean report.

We recently printed our third batch of these cards, following positive feedback from employees who clearly value this new tool to prevent corruption.

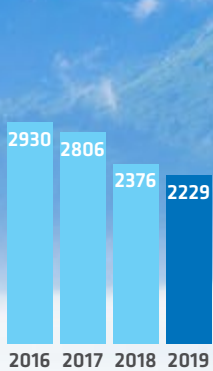


Stakeholders

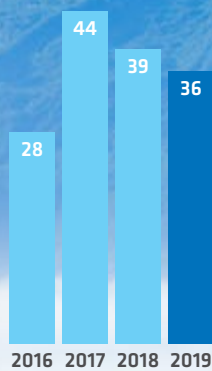
We can create powerful partnerships across national and regional borders, as we operate in both developing and developed countries across continents. We strive to go beyond compliance by focusing on issues that are important to all our stakeholders. We engage with investors, clients, employees, governments, industry peers, and competitors, to form constructive relationships, understand stakeholder expectations, and devise ways to work together to meet common challenges and create further opportunities.



**Top 100 Suppliers
Share of Total Spend**



Suppliers



Supplier Verification

Includes Annual Certifications and Due Diligences



Supplier Audits

*Source: PGS Critical Supplier Audit Plan 2018.
* 6 by PGS & 14 by Incentra*



Focus Areas

Increasing Economic Productivity – Reducing Turnaround Time

Using our pioneering spirit, we will collaborate with the energy industry and lead the way in the search for new resources. This is our corporate vision and our goal is to help our clients meet the challenge of growing energy demand in the most efficient way possible. To maximize the benefit for our clients, we must continue to listen carefully to their needs and serve them better than our competition does.

Cycle time is a hot topic in our industry. Our clients are asking us to shorten the turnaround time from planning a survey to delivering the data. That requires close cooperation with the clients and an integrated process for acquisition and imaging. By planning both together, we can do more of these phases in parallel to significantly shorten the total project time.



Over the next three years, PGS aims to significantly reduce turnaround time from the start of formal project planning to the delivery of final products, by combining quick wins and more significant changes to work-processes and technology. Reduced project turnaround is linked to strategy targets and new project execution models.

Several full-scale pilot projects have demonstrated that detailed project planning and project delivery schedules pay off in streamlined change management and commercial discipline. On time critical projects, we aim to reliably reduce project turnaround by 50% by the end of 2021.



Digitization as a Tool to Enhance Supplier Management

PGS' digital journey is well underway with the selection of Google as our cloud provider and the setup of a digital transformation team. Our procurement organization is preparing for more automated and efficient handling of our supply chain.

The first step we have taken is to identify the key pain points within procurement today. On the logistics front many of our enterprise resource planning (ERP) systems and IT applications do not communicate seamlessly. This slows down the logistics, increases cost and makes it difficult to achieve transparency on the process. Better system integration will increase automation, lower costs, speed up shipments, and provide better data for analysis of improvement areas and a stronger foundation for planning future shipments.

Our operational procurement processes involve a high degree of manual handling and significant room for making data input punching-errors. Digitalization of the procurement-to-payment processes will reduce the manual work, increasing efficiency, and improving cost control. This will help us to maintain a high degree of compliance with our Procurement & Contracting Policy.

For the sourcing team, many applications and little integration results in frustration and duplication. Today, we have systems for agreement filing and monitoring, signing of agreements, risk management, supplier qualifications, and tender processes, to name a few. Digital transformation may enable more efficient supply management, lower supply risk and offer competitive advantages.

By looking outside our own industry, we have found benchmarks for automation and platforms to enhance the supply chain that far outstrip our current solutions. In 2020, we plan to develop a strong and incremental digital procurement strategy and set clear, measurable goals on automation of our procurement and contracting processes.





Focus Areas

Cultivating Good Relationships with Critical Suppliers

PGS has established a thorough supplier relationship process to ensure that we have adequate control and management of our critical suppliers. The process involves key internal stakeholders and regular strategic business review meetings. These meetings review cooperation, to ensure we have good working procedures, a high level of communication and mutual trust. The review contains forward-looking elements, in addition to the last years' projects and purchases. A common scorecard is used to systematically evaluate the key elements of the relationship on a rolling basis.

By performing quarterly or half-year business review meetings, we secure mutual improvement and capture key lessons learned. This allows us to manage supplier risk, optimize our commercial terms, and reward supplier innovations. As always, we support and encourage open and honest communication in these sessions, in order to solve potential issues as early as possible.

We are finalizing the supplier review management plan for 2020 and it is our ambition to continue to cultivate strong supplier relationships, as we believe that this offers a competitive advantage to PGS going forward.



Improving Opportunities for University of Ghana Students

PGS and the University of Ghana have signed a memorandum of understanding with a view to improving opportunities for less advantaged Ghanaian students wishing to progress their geoscience studies to MSc or PhD level.

This agreement underlines PGS' long-standing commitment to Ghana by providing opportunity for a multi-year scholarship program where PGS supports the MSc and PhD studies of promising Ghanaian students who would otherwise be unable to fund further study. The program would include financial support to students' studies, guest lecturers, student vessel visits and aims to achieve a clear pathway from academic study to the oil and gas industry.

This initiative highlights the importance of collaboration between academia and industry in ensuring students who choose to study geosciences are able to make the transition between study and practical application.



University of Ghana representatives gave the PGS delegation a tour of Department of Earth Science library



Offshore Summer Internship Program



Our activities can have a positive effect on the communities where we operate, and we strive to work with communities through partnerships and programs to create long-term value, for example within education.

In 2017, PGS launched an offshore summer internship program for Canadians. In cooperation with Memorial University, PGS supports the Canada-Newfoundland and Labrador Offshore Petroleum Board goals of competency transfer to local communities.

Last summer, four earth science undergraduates from Newfoundland joined the PGS teams, first

in our Houston Imaging center for three weeks, and then on a Ramform seismic vessel offshore Newfoundland and Labrador for a period of five weeks. This eight-week internship offers hands-on learning in marine seismic data acquisition and processing. Both in the Imaging center and offshore, the interns apply the concepts they have learned in school, supervised by experienced PGS professionals.

The program offers young Canadian geophysicists a unique work experience. The trip offshore, in particular, is a unique opportunity to build confidence through exposure to working life with an international crew.



The Echo Resounds and the Global Challenge

In our 2018 report we presented the ECHO initiative in our Houston office, where PGS staff work together as volunteers to Enhance Culture and Heighten Opportunities – ECHO, through four core improvement areas (Learning), Connecting (Building Relationships), Striving (Health & Wellness) and Sharing (Charity & Philanthropy).

Last year, the ECHO initiative continued to grow and flourish, and introduced the Global Challenge to PGS. This Virgin Pulse wellbeing solution equips employees with knowledge, tools and support to build healthy habits that last a lifetime.

Nineteen PGS teams of seven people each signed up for the challenge, which takes employees on a 100-day virtual journey through the world's most unique locations.

PGS competed against 518 teams from around the world to earn virtual trophies and face off against other teams in activity mini-challenges. They walked, swam, and cycled to improve both health and happiness by completing modules in nutrition, sleep, balance, and focus.

The minimum goal was for each team member to make at least 10 000 steps per day over a 100 day cycle. By the end of the 100-day challenge, the 133 PGS Houston employees had walked over 60 000 miles! Participants learned how simply taking steps has significant impact on health, wellness, and energy levels, as well as concentration and mood.

Looking Ahead

In 2020, we will continue on our process of digital transformation to leverage integration with our most important internal and external stakeholders. We believe this can improve efficiency, reduce cost, and realize new commercial opportunities.

We will continue focusing on the initiatives described in the pages above as well as:

- Challenging and achieving our environment goals
- Ensuring compliance with anti-corruption goals
- Changing culture by engaging people, building competencies and opening new business opportunities
- Collaborating with customers through next generation interface solutions to make PGS the preferred seismic provider will continue
- Identifying opportunities for professional development for our people
- Maintaining and advancing health and safety goals



Google Cloud



Environment | Anti-Corruption | Culture | Human Centric | Health & Safety



Dedicated | Reliable | Pioneer

