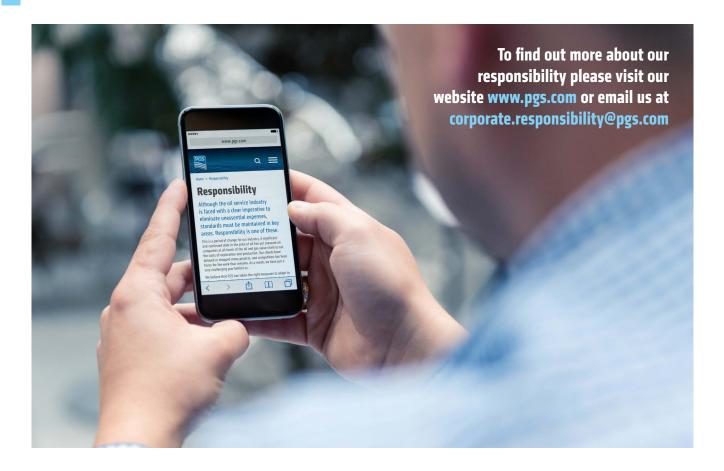


Corporate Responsibility 2016





This year's report summarizes our recent actions and initiatives, and offers an update on key indicators. On our Responsibility web pages, you can get a more detailed picture of how we structure our corporate responsibility activities.

PGS Corporate Responsibility is built on four pillars:

- People
- HSEQ
- Conduct
- Stakeholders

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Corporate Responsibility in the Current Market





Jon Erik Reinhardsen President & CEO

PGS strives to be a dedicated, reliable pioneer within its industry, and these are the values that we encourage our employees around the globe to embrace in all aspects of our business. As a company we strive to live up to our responsibilities, improve our performance and set

goals and objectives that inspire us to innovate and deliver on our promises. We rely on our employees to do the same and support them in their endeavors.

This report provides an overview of actions taken towards these goals. Underlying this is the drive to remain efficient and effective. Our industry is highly competitive. Recent years have been demanding for the oil industry and the oil services segment in particular. We have learned to scrutinize every penny spent, and use our resources wisely while

carrying our responsibilities towards our people employed and the stakeholders around us.

PGS has become leaner. Over the past couple of years we have reduced headcount and sharpened our focus on the most important objectives and requirements. Our commitment to safety remains firm and our vision that all incidents can be avoided is unchanged. Strategically and operationally, PGS has strengthened its relative position to peers while keeping its integrity intact.

As always, I am interested to hear your views on how we can improve our performance on responsibility.

Jon Erik Reinhardsen *President and CEO*

for hit dill



Defining the Path for PGS Corporate Responsibility Reporting



The ten principles of the UN Global Compact, together with the recommendations of the Global Reporting Initiative (GRI) form the foundation of PGS' corporate responsibility reporting. They provide us with a definition for responsible business as well as a code that guides the implementation of our reporting process.

Corporate responsibility is good for business. It challenges us to question how we interact with each other and our stakeholders, creating opportunities for improvement.

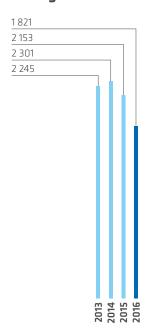
In 2016, we revised our materiality analysis to identify the issues that are most relevant to PGS and its stakeholders. All corporate responsibility areas are important, but the analysis identified the following subjects as having a critical impact to PGS whilst being highly significant to stakeholders:

- Ensuring legal compliance and avoiding corruption
- Protecting health, safety and security of our people
- Employee development
- Managing impacts on the environment
- Customer satisfaction

We continuously direct our efforts towards advancing these areas and aligning them with broader societal goals.

Key Figures — People*

Average Number of Employees



40 Nationalities on PGS Vessels 57 Nationalities in PGS Offices

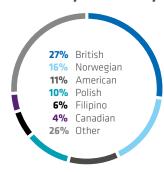
American, Australian, Azerbaijani, Belgian, Brazilian, British, Bulgarian, Canadian, Croatian, Danish, Dutch, Egyptian, Filipino, Finnish, French, German, Greek, Indian, Indonesian, Irish, Italian, Japanese, Latvian, Malaysian, Maltese, Mexican, New Zealander, Nigerian, Norwegian, Polish, Portuguese,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

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

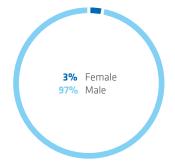
People by Location at Year End



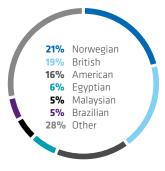
Vessels by Nationality



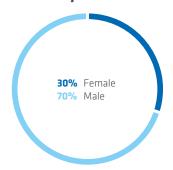
Vessels by Gender



Offices by Nationality



Offices by Gender



^{*} Vessel figures include PGS employed crew only. The maritime crew is not employed by PGS, however they are considered fully integrated into PGS Operations and culture.

Vessels — Performance Review*

Offices — Performance Review





* Vessel performance reviews for 2016 will be finalized during the second quarter of 2017. The final number will be reported in next year's report.

Key Activities — People

Adjusting to Market Challenges

Following a year of downsizing, 2016 was another challenging year for PGS. Continued focus on cost-reductions, including reductions in both onshore and offshore organizations, were made to adjust to current and anticipated supply and demand. Lower demand created lower volumes, excess capacity and lower prices.

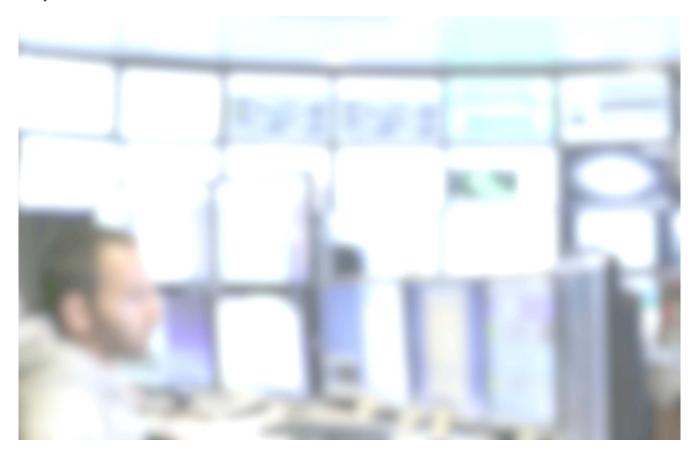
Many of the challenges centered on how to build and improve processes in a smaller organization. There were also initiatives to sustain the company during the downturn and to prepare for the upturn, such as:

- Standardizing processes and eliminating those that do not create value. This initiative included improving the sharing of best practices across the fleet.
- Improving understanding of company decisions within our offshore organization. This was achieved by frequent and detailed communication from management, through regular face-to-face meetings to update our crew on the market, our operational goals, and by making management available for feedback.

 Reviewing organizational efficiency offshore and onshore.
 This resulted in the creation of a single unit for onboard geophysics combining two departments which previously reported to different business areas.

While the organization worked to implement these initiatives we emphasized that we would not accept compromises on safety. Maintaining good communication across the organization, especially between onshore and offshore, is important to both our safety and our success. Read more about HSEQ activities in the next section of this report.

These initiatives sustain us during the downturn and, together with regular communication to all employees, help position our organization to take advantage of the market upturn when it comes.



PGS Career Framework

Early in 2016 PGS finalized a fully functional career framework for all employees in our management and technical career tracks.

By defining a hierarchical structure and mapping how positions are related to each other, we have constructed a career framework that will make it easier to see what qualifications and competencies are required to advance between roles.

In the second half of 2016 this system was implemented within our Imaging & Engineering business unit in an initial rollout covering around two thirds of all positions. Other business units have also begun implementing the system.

The PGS Career Framework will allow employees to take more ownership of their career development. It will also serve as a basis for identifying development needs and better targeted development activities.

Leading Others Program

Management training has been a major initiative in 2016. With the "Leading Others Program" PGS sets a global corporate standard for good people management.

Following an analysis of first-line managers' needs by department managers, we derived a training concept to benefit the entire organization. The program lasts for approximately 6 months, with several training modules.

Content is closely linked to the everyday work of a first-line manager, and the exercises are tied into real-life PGS situations.

In 2016 we ran three programs in three different PGS office locations and around 60 line-managers participated.

The "Leading Others Program" has been well received. Participant evaluation implies that the content of the program is useful and relevant, and that it develops the necessary competence and motivation for change. A high percentage replied positively to the question "I will change the way I work based on what I have learnt."

Looking Ahead

This year we will carry out our periodic PeopleSurvey, and continue rolling out the PGS career framework to other business areas. We look forward to harvesting the benefits of the first-line leadership training.



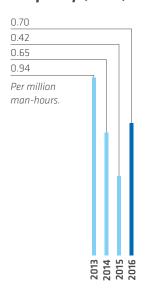
Key Figures — Health & Safety

Health and Safety Performance Indicators

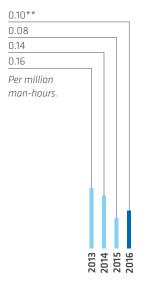
TOTAL INCIDENTS	2013	2014	2015	2016
LTI (Lost Time Injury)	2	2	1	1
RWC (Restricted Work Case)	5	5	3	4
MTC (Medical Treatment Case)	5	2	1	2
Total Recordable Incidents	12	9	5	7*
High Potential Incidents	4	2	0	1
Man-hours (Millions)	12.7	13.8	11.8	10

^{*} To respond to the slight increase in the number of recordable incidents, a campaign with focus on reducing slip/trip/fall injuries and increasing situational awareness was initiated in Q4. None of the incidents occurred when carrying high-risk tasks.

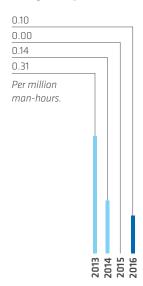
Total Recordable Case Frequency (TRCF)*



Lost Time Injury Frequency (LTIF)*



High Potential Incident Frequency (HIPO)*

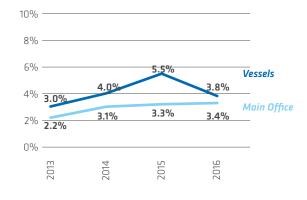


^{*} Calculations based on rounded man-hour figures, including contractors

^{**} Increase due to reduction in man-hours



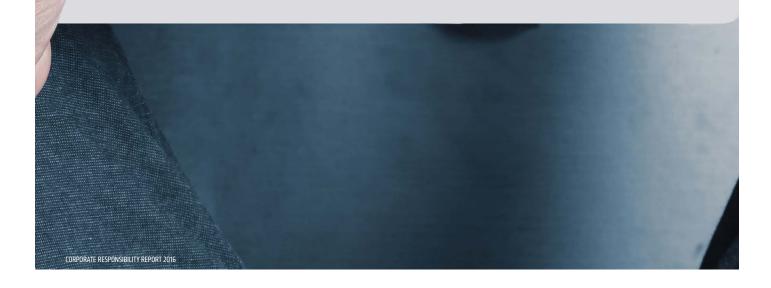
Sickness Absence Rate



Turnover Rate



* Exit rates increased in 2015 and 2016 due to the downsizing process.



Key Figures — Environment*

Environmental Performance

	2014	2015	2016
Energy			
Vessels (GWh)	1 815	1508	1 436
Offices (GWh)*	17	17	16
Air emissions			
CO₂ (kT)	524	438	410
SO _x (kT)	4	3	4
$NO_{x}(kT)$	9	8	7
PM(kT)	1	0	1
Waste			
Vessels (1000 m³)	6.0	4.7	3.2
Delivered to shore **	3.8	3.3	2.2
Incinerated on board	2.0	1.4	0.9
Organic waste to sea	0.1	0.1	0.1
Offices (t)	108	90	91
General waste	27	27	31
Recycled waste	82	63	60

Data from four main offices only.

Energy Consumption Breakdown (GWh)

Source	2014	2015	2016
Fuel	1 816	1 509	1 436
HF0	1 171	623	895
MGO	643	885	541
Natural gas and diesel	1	1	1
Electricity	17	17	16
Offices	17	17	16
Sum	1 833	1 5 2 6	1 452

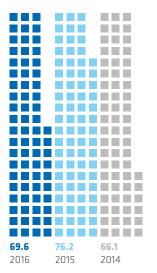
CO₂ Emissions Breakdown (kTonnes)

Source	2014	2015	2016
Direct Emissions	498	412	393
Seismic vessels	466	375	355
Support vessels	32	37	38
Offices	<1	<1	<1
Indirect Emissions	7	7	7
Offices	7	7	7
Other Emissions	19	19	10
Business travel	19	19	10
Sum	524	438	410

^{*} Environmental figures for 2014 and 2015 have been updated due to improvements in reporting and calculating methodologies in 2016.

CO₂ Emission Intensity

kg CO₂ per CMP (Common Midpoint) produced*.



*The increase in 2016 was due to a relatively larger decrease in CMP compared to the reduction in fuel consumption.

Glossary

CO₂ carbon dioxide GWh gigawatt hours SO_x sulfur oxide(s) NO_x nitrogen oxide(s) PM particulate matter

^{**} Does not include lithium batteries delivered for recycling



Key Activities — HSEQ

Implementation of Key Safety Risks

Last year we introduced the concept of Key Safety Risks. Mitigating risk to our people is a key element of our HSEQ efforts and the Key Safety Risks reinforce this message by focusing on employee risk-awareness and behavior.

Key Safety Risks describe our most significant risks, specifically defined for PGS, and how these are addressed by Key Safety Controls. Addressing and countering the specific risks, associated with our work is central to our collective responsibility to ensure the safety of our colleagues and ourselves.

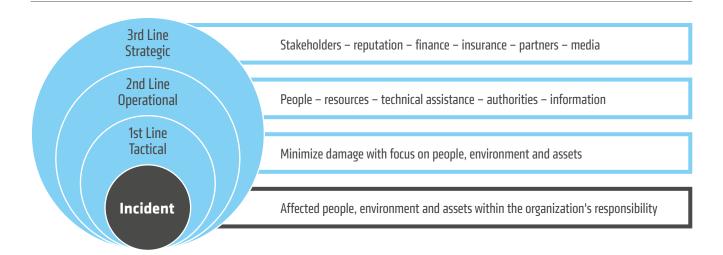
The Key Safety Risks have now been implemented throughout PGS with presentations in offshore safety meetings on all vessels, and office HSEQ awareness sessions. In addition we have facilitated department level workshops, with focus on how the specific risks and controls apply to each person, position and role.

Key Safety Risks, and how to manage them, are summarized in six targeted areas:

- Hazardous activities
- Slips, trips and falls
- Tools and manual handling
- Journey management
- Drugs and alcohol
- Building and vessel safety

Seven key controls are identified to mitigate these and all other operational risks:

- Follow HSEQ procedures
- Conduct risk assessment
- Stop unsafe acts and intervene
- Manage contractors
- Manage change
- Ensure good housekeeping
- Permit to work



Competence in Emergency Response

Professional crisis management can save lives during an emergency. It also enables us to take better care of the environment and our assets, and maintain our professional reputation.

The PGS response to a crisis situation is organized in three levels of responsibility, as described in the illustration above. Tactical 1st Line, Operational 2nd Line and Strategic 3rd Line have particular responsibilities for managing an emergency situation. Emergency response teams are established on all three levels.

To be capable of handling an emergency situation, an acceptable level of competence is required. An emergency response training plan is prepared and executed every year, which requires all PGS emergency response teams to meet and train regularly. It is often said that practice makes perfect, and we regard this as vital for our teams to perform well.

A competent leader will also improve team performance during a crisis. In 2016 we offered tailored training to our emergency response team leaders: 27 leaders completed the training on five courses held at various locations. The training was run by the PGS HSEQ Security Management & Emergency Response Group and feedback from participants was very positive.

Integrated Risk Management

Reducing total risk exposure is a key long-term objective and an area of continuous improvement for our HSEQ performance. During 2016, we continued to integrate risk-thinking in everything we do. It is our offshore operations that face the greatest risks. PGS operational planning and decision-making are therefore based on risk-thinking, ensuring project risk assessments always link project risks to daily operational risks.

In addition to embedding risk-thinking throughout Operations, we dedicated resources to improving the quality of our vessel risk profiles, and implemented a revised set of dynamic Job Safety Analysis (JSA) tools to ensure we capture best practices for all safety-critical jobs onboard our vessels. JSA is an integral component of our risk management process and a fundamental tool for planning safe operations.

Risk Verification

In 2017, we will further optimize our approach to risk by strengthening the quality of our risk management system, and verifying compliance for the most critical activities. We will continue assessing the effectiveness of our JSA and Project Risk Assessment systems and work towards implementation of a common PGS approach to risk.

Results from Certification Audits

In 2011, PGS achieved the OHSAS 18001 certification and in 2012 – the ISO 14001. From the beginning, these certifications have helped guide our development of the integrated HSEQ management system that drives our industry-leading HSEQ performance. Certification pins our performance to a recognized international standard and helps us develop our environmental management system work towards minimizing our impact on the environment.

In 2016, similarly to past years, the certifying body DNVGL audited our management system to assess compliance with regard to certifications. The main area of scrutiny in this year's audit was the effectiveness of internal reporting. We achieved great results, with no non-conformities or observations. This is a good indication that despite the challenging times, we continue to focus on and achieve high-standards in HSEQ activities.

HSEQ Strategy 2017-2021

In 2016, we re-defined our HSEQ strategy to make it clearer, consistent and easier to understand. The 2017-2021 HSEQ strategy defines our vision. The innermost circle of the graph above outlines our long-term objectives. They are supported by a detailed set of road-map programs and initiatives.

In 2017, we will start the company-wide implementation of the revised HSEQ strategy. Presentations will focus on describing how our strategy is linked to the day-to-day activities of each employee and seek to explain how the HSEQ management system operates. The goal is to raise general HSEQ awareness.



Engaging a Global Medical Advisor

Employee health is important to our company, and a strategic decision was taken in 2016 to strengthen our medical expertise. PGS entered into a cooperation with International SOS. The agreement covers medical and security assistance, information, forecasting and support. It also covers evacuation and repatriation services, and a medical examination program. In addition to enhanced medical and security programs, PGS has engaged a global medical advisor.

The global medical advisor provides advice during survey planning, which includes reviewing and approving medical facilities in onshore locations adjacent to planned offshore operations. He is involved in all cases were injured and ill persons are required to leave PGS vessels for medical reasons. He follows up on treatment and fitness to work, and supports our Offshore HR team as required.

Our health management system is benefiting from a review of existing manuals and procedures. Finally, with his advice, we are implementing a program that ensures consistency in offshore medicals.

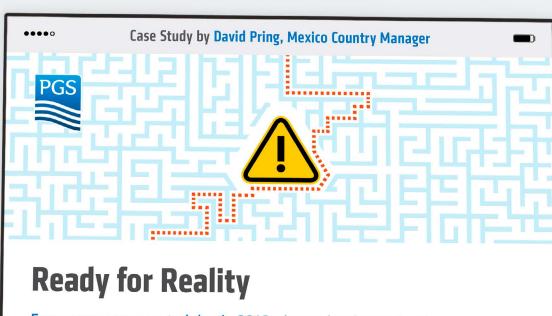
Environmental Initiatives

Avoiding energy waste is a significant element in our support of the United Nations convention to combat climate change. This is an issue that is important to PGS stakeholders. Efficient use of energy was a key objective for PGS in 2016, and our Operations teams implemented a number of improvements related to survey and voyage planning, as well as fuel management. These resulted in material reductions in our fleet emissions, while also reducing costs.

We remain dedicated to protection of the marine environment, and compliance with applicable regulations is an area of constant focus. In recent years PGS has worked hard to ensure all risks to the environment are fully understood. Through significantly improved survey planning and execution, we aim to manage these risks with the same professionalism and commitment with which we address other risks inherent in our operations. Our objective is to minimize impact on marine life, and cooperate with other users of the oceans. In 2017, we will focus on further improving operational environmental monitoring and mitigation by developing a long-term strategy to employ the best available technology on our surveys.

Looking Ahead

Reliability and risk management will continue to be our theme in 2017, with new initiatives in the year ahead targeting health and safety, environmental planning, and emergency response.



Emergency response training in 2016 triggered a change for the management at PGS Villahermosa, transforming "paperwork compliance" into a growing ability to plan and react to real crisis situations.

Sitting comfortably in the safety of his office, it can be hard for a manager to imagine what a crisis might feel like, and difficult to maintain an ongoing level of awareness and preparation for a day that may never arrive. Having the right tools helps and David Pring, the PGS country manager in Mexico, found that emergency response training gave him the tools he needed to bring his team together and grow their capability.

Emergency team members are now proactive, taking on responsibilities and requesting meetings. They make suggestions for change, such as how to evacuate an injured person via the stairwell in the office. All staff members now participate in HSEQ matters via a WhatsApp group that allows real-time interchange on items ranging from journey management during client visits to warnings about maintenance work in the office. "I am confident that the emergency response training, including the use of the crisis management tool, means we can now cope with whatever may come our way," says Pring.









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Key Activities — Conduct

Improved Prevention and Monitoring

A big part of our anti-corruption efforts has been about raising awareness to help employees recognize risks and understand the portfolio of tools we have available to help them make the right decisions when a tricky situation occurs. In 2016, we achieved our highest rate ever for anti-corruption training. We identified a group of people, representing approximately 20% of our total work force, that are particularly exposed to corruption risk. All of them were trained in personal face-to-face courses consisting of tailored dilemma plots covering different scenarios. The courses were delivered by compliance specialists, line managers and legal personnel. In addition, all employees, onshore and offshore, completed several E-learning modules on anti-corruption and compliance.

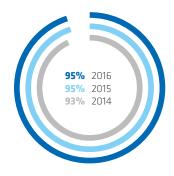
Compliance monitoring was also further improved, as was the consequent reporting frequency to the Board and Executive Management. Primary areas for monitoring include registration of gifts and entertainment, high risk payments to agents and others, local content support, and concerns raised through our compliance hotline. Principle decisions related to our anti-corruption program are made by our Compliance & Ethics Board

Intensified Monitoring of 3rd Parties

To manage our supply chain, we have clear due diligence procedures to assess corruption risk for all potential new suppliers with relevant exposure. This includes interviews, questionnaires, vigorous background and reference checks, and final sign off by an Executive Vice President before business can commence. These procedures have been tightened recently to mitigate corruption risk. All PGS agents have been assessed and a thorough re-qualification is ongoing. Agreements and certificates have been renewed where appropriate, and documentation is now significantly more comprehensive.

Human rights and contractors

PGS has a well-established Human Rights policy, which is known and implemented throughout the company. The requirements in this policy are also valid for our contractors, and going forward we will further increase our focus on monitoring the human rights aspects for contractors.



95% of our employees have completed e-learning modules on anti-corruption

Core Values Training

We've developed a set of training materials to help our employees understand our revised Core Values. The training is aimed at providing guidelines for how to use the core values when interacting with colleagues, clients, and others we encounter in our day-to-day work. In 2016, we rolled out a specific Core Values training onboard our vessels for seismic and maritime crew which was attended by over 80% of crew during the year.

Looking Ahead

Compliance monitoring and training will continue to be the key take out of our conduct focus within Corporate Responsibility.

Key Activities — Stakeholders

Contractor Relationships Through Performance Scorecards

Professional relationships with our strategic partners continue to strengthen. We secure this by sharing our goals and objectives with key suppliers, as well as monitoring and giving feedback on selected key performance indicators.

A tailored supplier relationship management program ensures transparency regarding our longer-term requirements for capacity, quality and new technology. This is a risk mitigation factor for supplier-related risks.

Strategic Customer Relationships

Our customers' success is paramount to our success. This is a long-term relationship and it must be nurtured. Understanding the priorities and requirements of each customer can offer critical competitive advantages. To ensure PGS can best serve its customers' needs, our executive management team drives and supports a coordinated customer relations program. The Customer Strategic Relations team is responsible for managing various initiatives supported by tools and procedures to enable a consistent global approach. Key customers are assigned a dedicated resource within PGS who manages and develops all aspects of mutual interaction to maximize the business relationship. Within our MultiClient business, the Global Key Account Initiative also aims to cultivate long-term relationships with customers. Global key account networks link regional key account managers, creating teams that are able to evolve a deeper understanding of customers' challenges, exploration drivers and strategy. This enables richer communication and closer dialog, improving our ability to deliver PGS' value proposition.

By better maching customers' challenges with PGS strengths we can focus on where these meet, in order to provide solutions that offer long-term value, thereby ensuring mutual success.

PGS Support for Industry Foundation

PGS sponsorships prioritize education, relationships with local communities and ocean preservation. Our support of the SEG Foundation is a good example. Despite the challenging market, PGS continues to support the Society of Exploration Geophysicists (SEG) as it offers value not only to us, but to our entire industry. The SEG Foundation is

Total Spend Cover



28

2930

critical suppliers
have completed
our supplierverification proces

12 supplier audits

a 'not-for-profit' organization that provides management, reporting, and stewardship services to inspire the geoscientists of tomorrow. The organization is widely supported by the geophysical industry. In 2008 PGS began sponsoring a SEG initative called, Advancing Geophysics Today, Inspiring Geoscientists for Tomorrow. This program aims to develop a comprehensive internet resource of geophysical knowledge and education.

In 2012, we signed up for a four year sponsorship of the Geoscientists Without Borders® program, registered by the SEG foundation. This initiative supports humanitarian applications of geoscience around the world and provides funding to projects that benefit communities in need.

Looking Ahead

Going forward PGS will continue to reach out to its stakeholders. We would like them to see us as a reliable and trusted partner. We will continue to monitor the performance of our contractors and review our requirements.

••••

Case Study by Guillaume Cambois, EVP Imaging & Engineering





Made to Measure

Caring for customers is essential to business success. This is a cornerstone of the PGS strategy and nowhere is it more important than in the Imaging business where track record is a key buying factor.

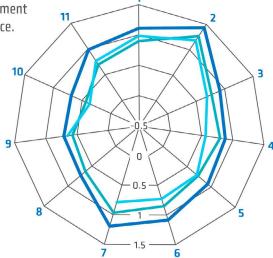
PGS measures customer satisfaction rigorously after every project. Clients are asked to assess PGS performance according to 11 categories.

The results are fed into a Quality Management System and that monitors customer service. The customer satisfaction index has increased steadily over recent years showing improvement in all categories.

2014, 2015 and 2016

Categories:

- 1 Team's Capabilities/Service
- 2 Cooperation/Responsiveness of Staff
- 3 Technology Solutions/Workflows
- 4 Testing Efficiency/Effectiveness
- 5 Achievement of Geophysical Objectives
- 6 Project Management Performance
- 7 Communication/Reporting
- 8 Test Plans/QC Plans
- 9 QC of Delivered Products
- 10 Turnaround
- 11 Comparison with Competitors



Rating system:

- 2 = Excellent
- 1 = Above expectations
- 0 = According to expectations
- -1 = Below expectations
- -2 = Poor

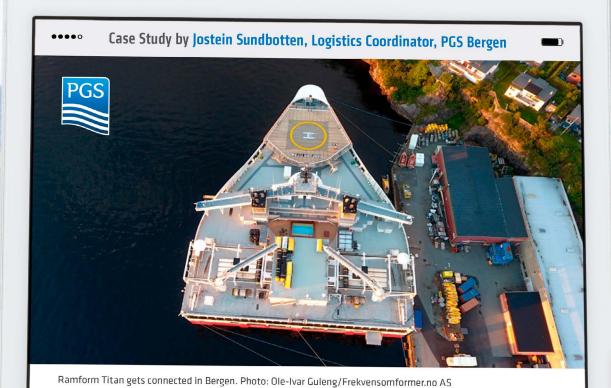








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Silent Nights

Shore power at the PGS base at Hegreneset, Bergen is good for business and the environment.

PGS has been operating a comprehensive shore power system in Bergen since the first quarter of 2016. Utilization of a land-based power supply means that ships moored alongside no longer have to run their engines to generate power, contributing to a significant reduction in both noise and emissions to the environment, and also cutting fuel costs. Neighbors and local communities have been delighted by the change, and PGS has received much positive feedback. Local media have described this as a great initiative for the community and for the environment.













Checking the Chain

Supplier reliability can make or break a successful project and contractor management is fundamental to getting it right. Pre-qualification and continuous follow-up are important aspects of this process. Through company audits, vessel inspections, management visits, and well-functioning interface-bridging documents PGS ensures a thorough process.

Regular reporting within corporate HSEQ statistics ensures a continuous focus on the crucial area of contractor management. For PGS, good management means clearly communicating expectations and requirements. Just like PGS employees, hired resources must follow and comply with industry standards and classification and certification requirements. PGS has developed a close cooperation with its strategic contractors, including regular meetings and performance evaluations. Sharing experience and learning is a fundamental part of these meetings. Contractors are included in company training programs and emergency exercises.

PGS maritime officers train together with the captains and officers of third-party support vessels in a special simulator, where tailored sessions target seismic operations, such as search and rescue scenarios, offshore fueling, collision avoidance and bridge resource management skills. Following the simulator training, PGS representatives join support and escort vessels to provide instructions and verify operational compliance.









