



ESG

Environmental | Social | Governance

Report 2020



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Dear Reader

2020 was a particularly challenging year for the energy industry. The dramatic slow-down in business activity, caused by the Covid-19 crisis, reduced revenues in PGS by close to 40 % compared to 2019, significantly complicated field operations, and left PGS no other choice than to immediately implement cost reduction measures.

We reduced our vessel capacity to match the market decline by stacking three vessels. The effects of the pandemic on energy demand similarly forced us to let go approximately 40% of our workforce. This was dramatic for individuals and teams, and our focus was on conducting the process fairly, thoroughly, and swiftly.

Significant staff reductions meant we had to reorganize and simplify processes. We retained our global footprint, maintaining critical presence in key markets, and centralized strategic functions. Our commercial activities were consolidated into a single unit – Sales & Services. A new entity was created to manage digitalization initiatives, research and development, enterprise IT and compute infrastructure – Technology & Digitalization. Going forward this unit will enable us to capitalize further on important digital synergies across our service offering. The new organization aligns our business to a lower activity level, but with the flexibility to scale up without adding cost proportionately.

Despite the challenges, our relentless focus on HSEQ and ESG matters continued with full force. Our commitment to the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment, and anti-corruption applies in bad times as in good, as we proved in 2020. That commitment is evidenced by this report.

Rune Olav Pedersen

President and CEO

February 23, 2021



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Statement from the Board & CEO

Good management of Environmental, Social and Governance (ESG) opportunities and risks is essential to business success. It motivates employees, investors, customers, and other stakeholders on whom businesses rely to operate successfully and safely.

This is our fourth corporate responsibility report shaped by the UN Sustainable Development Goals, introduced in 2015. The Board of Directors and the CEO actively ensure that the Company properly responds to ESG challenges.

During 2020, we have renewed our materiality assessment. The Board and the CEO have been actively involved in this process, as well as the assessment of the Company's impact on ESG development goals. The material indicators on which this report is focused were discussed and selected during several Board and management meetings.

The Board and the CEO regularly discuss ESG opportunities, risks and goals to ensure that they are integrated into the operations, culture, values, incentives and business practices of PGS. This report documents how PGS performed against the commitments we set in 2019 and the way forward for 2021.

ESG

Oslo, February 23, 2021

Board of Directors PGS ASA

Walter Qvam *Chairperson* | Anne Grethe Dalane | Marianne Kah | Richard Herbert | Trond Brandsrud
Anette Valbø | Hege Renshus | Grunde Rønholt | Rune Olav Pedersen *Chief Executive Officer*



About the Report

This report has been prepared in accordance with Global Reporting Initiative (“GRI”) standards core option and follows the Oslo Stock Exchange Euronext guidance on ESG reporting of January 2020. We have also used reporting recommendations from the Task Force of Climate-related Financial Disclosure as well as the Norwegian Shipowners’ Association’s Guidance on ESG reporting in the shipping and offshore industries.

These reporting standards have influenced the structure of our report, which is now divided into three main sections: Environmental, Social, and Governance. This structure reflects our work in a more complete way and enabling synergies with our company strategy.

ESG

Integrating Sustainability in our Business Processes






Commitment to the UN Global Compact and Sustainable Development Goals (SDGs)

This report represents our Communication on Progress to the United Nations (UN) and demonstrates how PGS integrates ESG practices into its business and strategy. Our ambition is to promote the UN Sustainable Development Goals (SDGs) through concrete actions on goals that are relevant for our company activities and global presence. We prioritize the following SDGs:

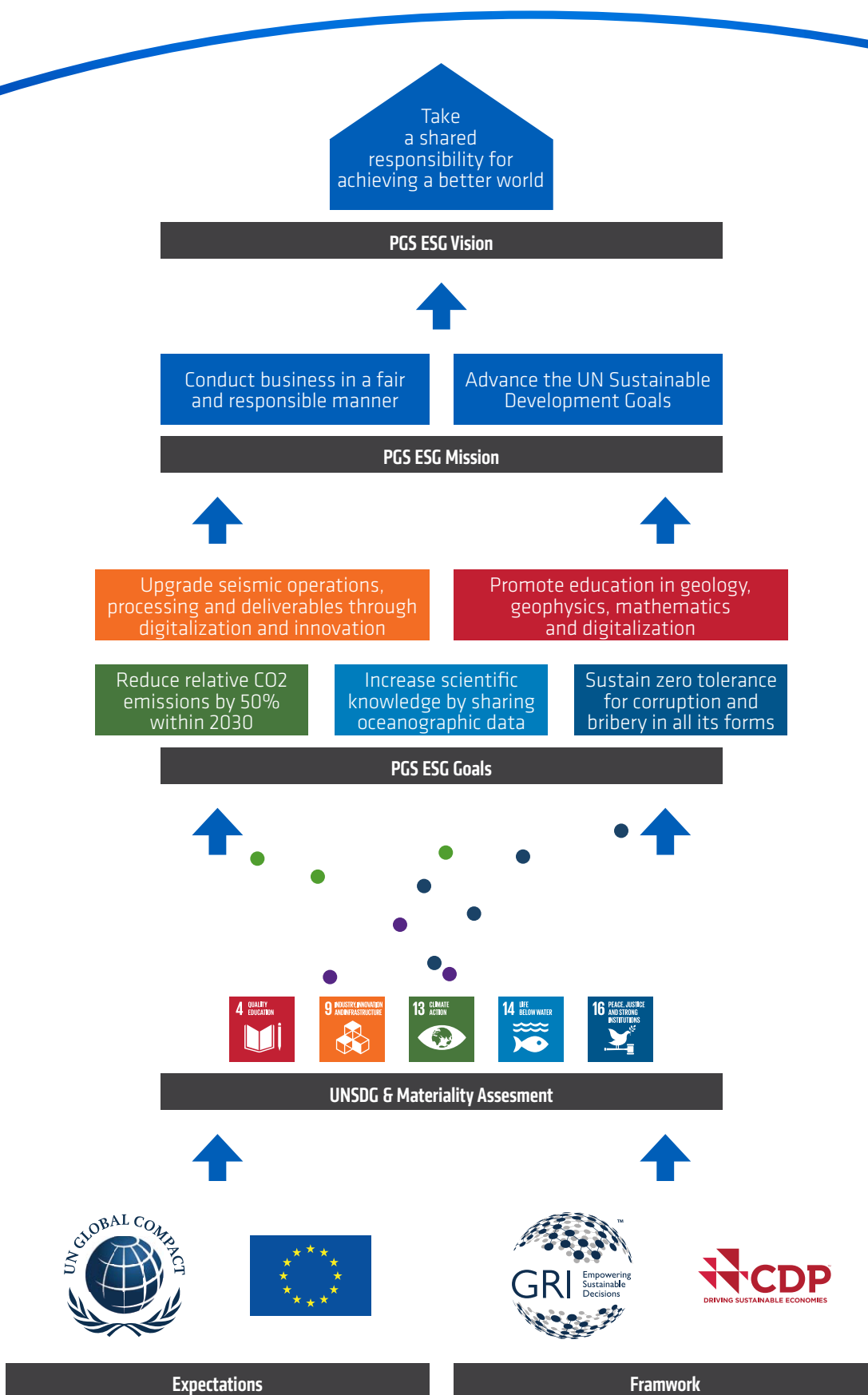


ESG Strategy & Goals

PGS has aligned its efforts on ESG to its business strategy, developing an integrated ESG strategy with company-specific goals based on the sub-targets for each of the UN SDGs we have committed to support. In 2021, we will build upon our efforts so far and develop a plan of action to achieve these goals in the coming years.

UNSDG Goal	UNSDG Sub-target	PGS ESG Goal
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	Increase the number of people with relevant skills for financial success.	1. Promote education in geology, geophysics, mathematics, and digitalization.
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	Enhance research and upgrade industrial technology.	2. Upgrade seismic operations, processing and deliverables through digitalization and innovation. 3. Identify and develop new sustainable business opportunities.
 <p>Take urgent action to combat climate change and its impacts.</p>		4. Reduce relative CO2 emissions (t CO2 per CMP km) by 50% compared to 2011 within 2030.
 <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</p>	Increase scientific knowledge, research and technology for Ocean Health.	5. Increase scientific knowledge by sharing oceanographic data.
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.</p>	Substantially reduce corruption and bribery.	6. Sustain zero tolerance for corruption and bribery in all its forms.

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Materiality Assessment

The backbone of this report and our ESG response, is our materiality assessment. During 2020, PGS intensified its work on ESG, mobilizing a cross-functional team to better understand the risks and opportunities, the main expectations of our principal stakeholders, and the economic, social, and environmental impacts of our activities. Our senior executive team and our Board of Directors reviewed and approved that analysis. Through internal fact-finding and research, we identified our main

stakeholders and their key expectations. This is an ongoing process. We continually deepen and broaden our understanding of our stakeholder universe, through dialog combined with monitoring of our economic, social, and environmental impact.

PGS ESG Indicators

PGS has adopted a set of 17 ESG indicators that were developed from the 37 GRI standards. For each of the indicators below, the associated GRI standard(s) are referenced in brackets.

Environment

Environmental compliance [307]
Energy and emissions [302, 305]
Materials, water and effluents [301, 303]
Biodiversity [304]
Waste [306]

Social

Occupational health and safety [403]
Diversity and non-discrimination [405, 406]
Employment and labor relations [401, 402, 407]
Training and education [404]
Human rights [408, 409]
Local communities and indigenous people [410, 411, 413]

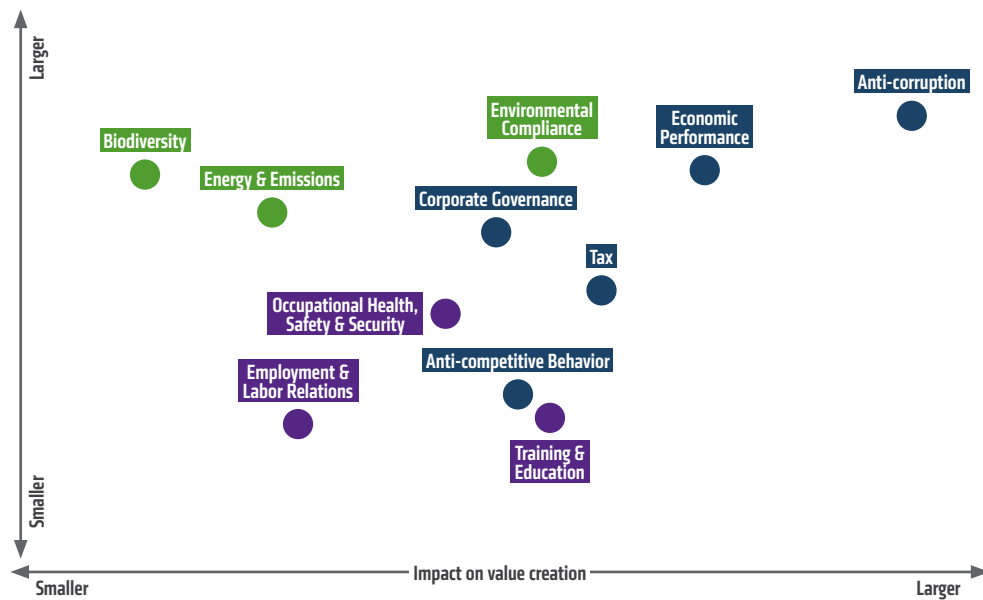
Governance

Corporate governance [102, 103]
Economic performance [201, 202, 203]
Tax [207]
Anti-corruption [205, 419]
Anti-competitive behavior [206]
Procurement and supplier management [204, 412, 414, 308]

Our new materiality assessment seeks to identify the indicators of highest concern or interest to our stakeholders, and those with the largest impact on value creation for PGS. Areas with limited exposure are not included on our list of material issues, as our goal is to focus our efforts where we

have the highest impact and can make the most difference. Indicators reported in the present report may, therefore, differ from previous PGS responsibility reports. The reporting format has also changed, following our adoption of the GRI core option.

Materiality Assessment



The Environmental, Social and Governance sections of this report summarize our actions on each of these material indicators.

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Relevance Across the Value Chain

As part of our materiality assessment, the relevance of each ESG Indicator was evaluated across our value chain. Areas with limited exposure are identified in lighter shading.

Our [GRI index](#) specifies each of the GRI standards defined as material for PGS and lists the location where information can be found about the relevant disclosures included in the report.

ESG Indicators Across Value Chain

	Sales & Tendering	Project Planning & Survey Design	Acquisition	Data Processing & Facility Management
Environment	Environmental Compliance			
			Energy & Emissions	
			Materials, Water & Effluents	
	Biodiversity			
				Waste
Social	Occupational Health, Safety & Security			
	Diversity & Non-discrimination			
	Employment & Labor Relations			
	Training & Education			
	Human Rights			
	Local Communities & Indigenous People			
Governance	Corporate Governance			
	Economic Performance			
	Tax			
	Anti-corruption			
	Anti-competitive Behavior			
	Procurement & Supplier Management			

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Key Stakeholders

Our future business success depends on maintaining good relations with those who depend upon us. We aim to nurture stakeholder relationships through transparent, two-way communication, to increase mutual understanding and encourage positive relationships. Our key stakeholders include:

Employees, Clients, Local communities, Investors and shareholders, Lenders, Major suppliers and business partners, Local authorities, NGOs, lobby groups, and the general public, ESG rating agencies, Politicians and parliament, Media, Competitors

PGS Gears Up for the New Energy Landscape

The energy transition is creating new markets and causing existing ones to evolve. As part of our commitment of SDG 9 Industry, Innovation and Infrastructure, we have launched a new initiative to address the changing energy landscape. Through this initiative, we will investigate business potential outside of our core oil and gas E&P business and will be aiming to further strengthen sustainable practices throughout our value chain.

In February 2021, we stepped up and formalized our efforts by established a team to develop opportunities for applying our geophysical assets and expertise to the areas of carbon capture and storage, offshore wind power, and seabed minerals.

Seismic data will be a fundamental requirement in all three markets. Our goal is to fully understand how we best can apply our capabilities, and it is our ambition to build a sustainable business and service offering outside of oil and gas. Providing reliable geophysical information about the subsurface in marine environments is our core business.

Although oil and gas will be essential to energy security for many years to come, the landscape is changing. Future investments by the energy industry are increasingly directed towards new sources of energy, and reliable solutions for carbon capture and storage. PGS is well qualified to help its customers in the search for new resources and lower emissions.

Environmental

To fulfill our environmental ambitions, we are committed to reducing the risk of harm to the environment, complying with legal requirements and industry standards, and achieving a continual improvement in our environmental performance. PGS has been ISO 14001 certified since 2012. A formal commitment to continual improvements in our environmental performance ensures that our management system and practices are in line with best practices.

Our materiality assessment identified the following key environmental indicators:

- Environmental compliance
- Biodiversity
- Energy and emissions



Key Figures

Environmental Performance Indicators

	2017	2018	2019	2020
Energy				
Vessels (GWh)	1 423	1 236	1 466	1 128
Offices (GWh)*	18	16	16	15
Air Emissions				
CO ₂ (kT)	409	354	422	318
SOX (kT)	2	1	1	1
NOX (kT)	7	6	7	5
PM (kT)	<1	<1	<1	<1
Waste				
Vessels (1000 m³)	3,2	3,4	4,0	2,8
Delivered to shore**	2,4	2,6	3,3	2,3
Incinerated onboard	0,7	0,7	0,6	0,4
Organic waste to sea	0,1	0,1	0,1	0,1
Offices (t)	82	104	88	43
General waste	29	32	28	11
Recycled waste	52	72	60	32

*Data for four main offices only.

** Does not include lithium batteries delivered for recycling

CO₂ Emissions Breakdown (kTonnes)

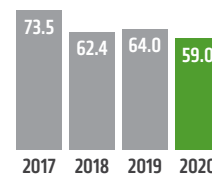
	2017	2018	2019	2020
Direct Emissions				
Seismic Vessels	355	305	369	281
Support Vessels	35	33	33	27
Offices	<1	<1	<1	<1
Indirect Emissions	7	6	6	6
Offices	7	6	6	6
Other Emissions	12	10	14	4
Business Travel	12	10	14	4*
Sum	409	354	422	318

* Does not include use of charter.

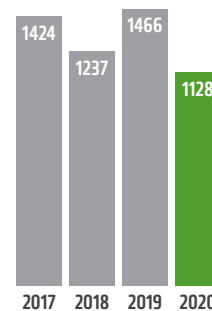
Energy Consumption Breakdown (GWh)

	2017	2018	2019	2020
Fuel				
HFO*	764	715	810	557
MGO*	660	521	656	572
Natural Gas and Diesel	<1	<1	<1	<1
Electricity	17	16	16	15
Offices	17	16	16	15
Sum	1 441	1 253	1 482	1 143

* Compliant fuel in accordance with statutory and regulatory requirements



CO₂ Emissions per CMP
Tonnes



Fuel Consumption
GWh

Environmental Compliance

PGS operates around the globe in a range of environments, from the tropics to the arctic, from mature oil provinces to frontier areas. The countries in which we operate have varying requirements when it comes to environmental compliance and our business activities are exposed to different international, national, regional or state environmental laws and regulations.

We are committed to strict compliance with all environmental laws and regulations and have processes in place to assess our exposure to regulatory risk at the company level, for seismic projects and the locations where we have offices. Compliance obligations are identified, documented, and kept up to date in our Environmental Aspects and Compliance Obligations registers.

In 2020 we had one minor non-compliance with permit requirements on a geophysical survey. This has been reported to the relevant authority.

Biodiversity

Our ambition is to generate high-quality seismic data with the least amount of environmental impact and interference with other users of the oceans. Minimizing the acoustic impact of geophysical operations on marine life is a priority. We strictly comply with laws, regulations and industry best practices when conducting our work and continuously examine our methods to identify ways to further reduce our environmental footprint.

Our research and development teams are actively involved in various Research & Development projects that each may lead to measurable reductions in our environmental footprint and the acoustic impact of seismic surveys on marine life.

Marine-life Risk Assessments

Before every project, we ensure that the appropriate level of environment assessment has been conducted, conforming to national legal requirements related to the permitting or licensing of a seismic survey. Our project managers are responsible for ensuring that a marine-life monitoring and mitigation plan is in place in accordance with local legislation, best practices and client requirements. We assess risks relating to the interaction between vessel activities, marine life and other users of the oceans such as commercial and artisanal fishery and local indigenous populations.

A project-specific risk assessment is conducted, in addition to the national legal requirements for conducting environment impact or marine-life disturbance assessments as part of a project permitting or licensing process. Project risk assessment identifies relevant environment risks and appropriate mitigations for the specific geographic area of operation and is conducted throughout the lifecycle of a project, including those related to the potential interaction with marine life.



Marine-life Monitoring and Mitigation

PGS has global experience of implementing, monitoring and mitigating activities during seismic operations across the world. The marine life guidance procedures in our management system establish a common framework for the management of PGS activities offshore and potential interaction with marine wildlife.

All PGS vessels implement seismic source 'soft-start' measures as standard practice and, in the absence of national guidelines, we follow International Association of Geophysical Contractors (IAGC) recommended measures and guidance related to the interaction of underwater sound and marine life. We implement additional visual and acoustic monitoring and mitigation activities as identified by either regulatory, Environment Impact Assessment outcomes or client best practice requirements on a project-by-project basis. Such additional services are typically provided via third-party contractor personnel (Marine Mammal Observers, Protected Species Observers, Marine Fauna Observers and/or Passive Acoustic Monitoring). We have more personnel onboard responsible to monitoring and mitigating our effect on the environment

than we have looking at the seismic data that we record.

In line with regulatory requirements, all sightings and detections of marine mammals during the survey period are recorded, including any beyond the maximum mitigation-zone boundaries. Examples of monitoring and mitigation measures that we implement include:

- Seismic survey planning to facilitate efficient seismic operations and minimize the risk to marine life.
- Realtime marine mammal visual and towed Passive Acoustic Monitoring during operations.
- Seismic source 'soft-start' procedures.
- Exclusion or safety zones.
- Delay to source start and suspension of operations if marine mammals are detected within pre-defined exclusion zones.
- Stakeholder consultation where required in areas with potential for conflicting operations with other users of the oceans.
- Dedicated local Fishery Liaison Officer (FLO) to manage interaction and communication with fisheries.





Supporting Seabed 2030

In 2019, PGS committed to support the Seabed 2030 project. Seabed 2030 is a collaborative project between the Nippon Foundation of Japan and the General Bathymetric Chart of the Oceans (GEBCO). It aims to bring together all available bathymetric data to produce the definitive map of the world ocean floor by 2030 and make it available to all.

In 2020 we implemented a live-feed of echo-sounder data to Seabed 2030 from all our vessels. Wherever our vessels travel we send back data that will eventually improve bathymetric mapping of the ocean floor and lead to more accurate sea charts improving the safety of all at sea.



Ghost Net Initiative

PGS supports The Ghost Net & Marine Debris Removal Initiative (GNI), an ocean debris removal project of the International Association of Geophysical Contractors (IAGC). We are committed to creating a healthier ocean environment by clearing marine debris, which is among the greatest dangers to marine life.

Our ambitions towards finding ways for collecting plastics at sea by using the inherent capabilities of seismic vessels are still going strong. More information about Plastic Collection Concept can be found on our website.

Energy and Emissions

Reducing energy use and associated air emissions is a company-wide focus area for environmental performance. Our overall performance objective is to achieve continuous improvement towards our target of reducing relative emissions by 50% by 2030 compared to 2011.

All PGS vessels shall have a Ship Energy Efficiency Management Plan (SEEMP) in place, which establishes a mechanism to improve the energy efficiency of vessel operations. The SEEMP includes:

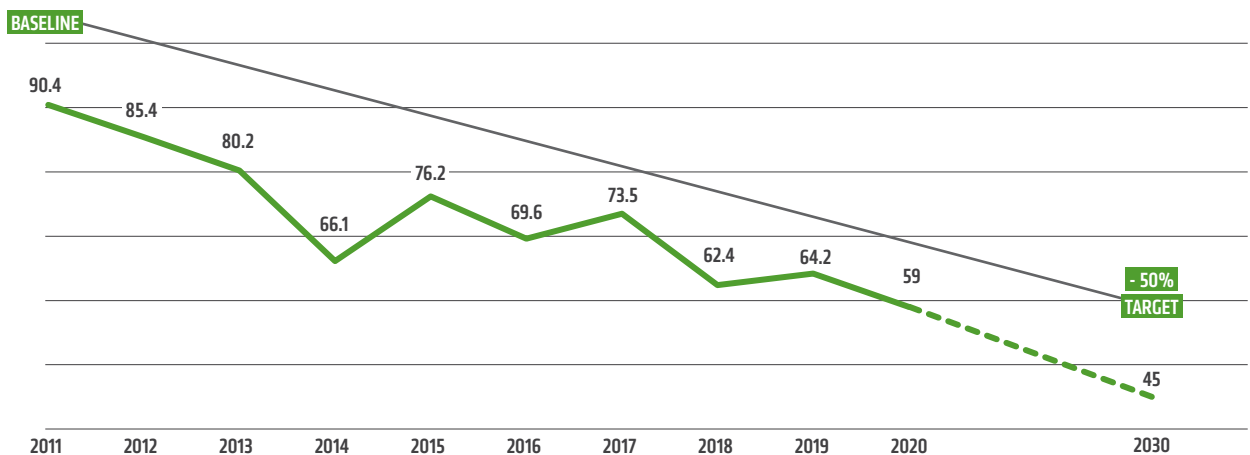
- Review and consideration of operational practices and technology upgrades that may contribute to optimizing the energy efficiency performance of a vessel.
- Implementation of monitoring tools and performance objectives related to improved energy efficiency and emission reduction.

Examples of energy reduction measures we have taken include:

- Engine and machinery upgrades
- Anti-barnacle technology to reduce drag from in-sea equipment.
- Installation of energy efficient air separation and free cooling technology for data centers
- Use of energy-efficient computer node technology
- Automatic light-control systems



kg CO2 per CMP





Real-time Energy Monitoring and Performance Optimization

In 2020 we developed and started rolling-out real-time energy monitoring and performance optimization for our fleet. Through our digitalization partnerships with Google and Cognite, our digitalization team implemented real-time data feeds of energy consumption, propulsion, speed and other operational

parameters from each vessel. Advanced analytics are applied to this data and a real-time view of performance and energy efficiency with benchmarking across the fleet is now used to actively monitor and optimize the performance of each vessel with a focus on reducing fuel usage and emissions to air.



Divesting Redundant Equipment

As part of our pledge to undertake initiatives that promote greater environmental responsibility, we have signed a cooperation agreement with SurplusHub, the global online portal for selling and buying surplus oil, gas and shipping equipment and materials.

Storing, maintaining and potentially scrapping equipment is costly and far from environmentally friendly. As such, we will utilize the SurplusHub platform to potentially dispose of redundant equipment, which other companies may benefit from re-using.

SurplusHub.com is a web-based, automated marketplace that connects buyers and sellers all over the world and enables them to negotiate agreements for buying and selling surplus oil, gas, and shipping equipment. Many have described the portal as an 'eBay for oil and gas equipment'.

PGS has already begun adding assets to the online portal and a significant number of maritime and seismic parts and other surplus equipment will be listed in the weeks and months to come.

Social

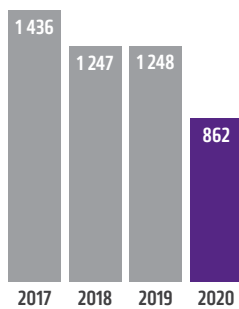
Our success depends on maintaining good relations with our employees and other stakeholders. We aim to nurture these through open dialogue, to increase mutual understanding and encourage positive relationships.

The materiality assessment has resulted in the following key social indicators:

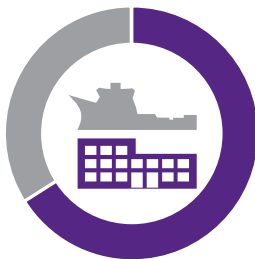
- Employment and labor relations
- Occupational health and safety
- Training and education

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Key Figures



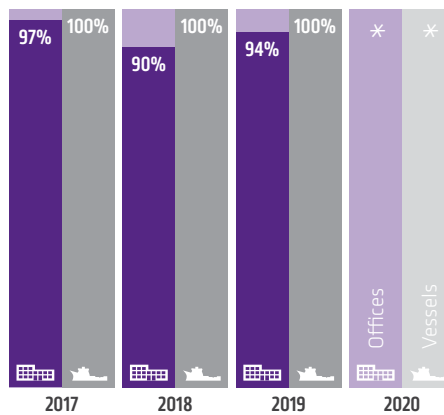
Number of Employees by Year-end



People by Location
649 Offices 334 Vessels

32 Nationalities on PGS Vessels

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



Performance Review

* Performance reviews for 2020 will be finalized during the second quarter of 2021. The final number will be reported in next year's report.

44 Nationalities in PGS Offices

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

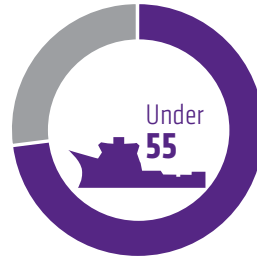




Vessels by Nationality
33% British **17%** Norwegian
13% Polish **11%** American
4% Canadian **3%** French
2% Swedish **19%** Other



Vessels by Gender
2% Female **98%** Male



Vessels by Age
73% Under 55 years
27% 55 and over

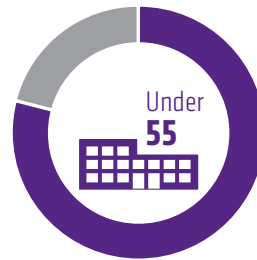
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Offices by Nationality
28% Norwegian **18%** British
11% American **6%** Egyptian
4% French **4%** Brazilian
3% German **3%** Angolan **26%** Other



Offices by Gender
30% Female **70%** Male



Offices by Age
79% Under 55 years
21% 55 and over

Parental Leave by Gender

We follow local regulations regarding employees entitled to parental leave



Employees that took parental leave
9 Female **23** Male



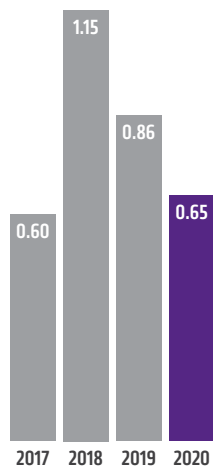
Employees that returned to work in 2020 after parental leave ended
9 Female **23** Male



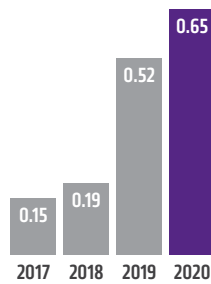
Employees that returned to work after parental leave ended that were still employed 12 months after their return to work
7 Female **22** Male



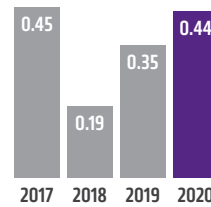
	2017	2018	2019	2020
Lost Time Injury (LTI)	1	1	3	3
Restricted Work Case (RWC)	0	3	0	0
Medical Treatment Case (MTC)	3	2	2	0
Total Recordable Incidents	4	6	5	3
High Potential Incidents	3	1	2	2
Man-hours (millions)*	6.7	5.2	5.8	4.6



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.



Employment and Labor Relations

Our ambition is to attract, engage, develop, and retain a highly skilled workforce. We are committed to recruiting individuals based on their qualifications, value and potential. Diversity is considered an important parameter in recruitment. We provide attractive and fair compensation and benefit packages that support our overall employee value proposition.

The year 2020 was about company survival. We hired 27 employees, while 333 unfortunately had to leave the Company. All employees that were considered for termination, underwent a consultation period where a notice was given of one to five weeks prior to their consultation meeting. Although not a legal requirement, the employees were encouraged to bring representatives to support them in the consultation meeting. In most cases, the meetings were attended by the employee, their immediate manager, an HR representative, and the representative of the employee.

Once a termination agreement was reached, the affected employees were offered outplacement support, which included a transition-assistance program aimed at ensuring their continued employability. A total of 147 people used the services of the external outplacement support company.

Occupational Health and Safety

Seismic operations encompass many high-risk activities and involve working in remote areas and locations with elevated

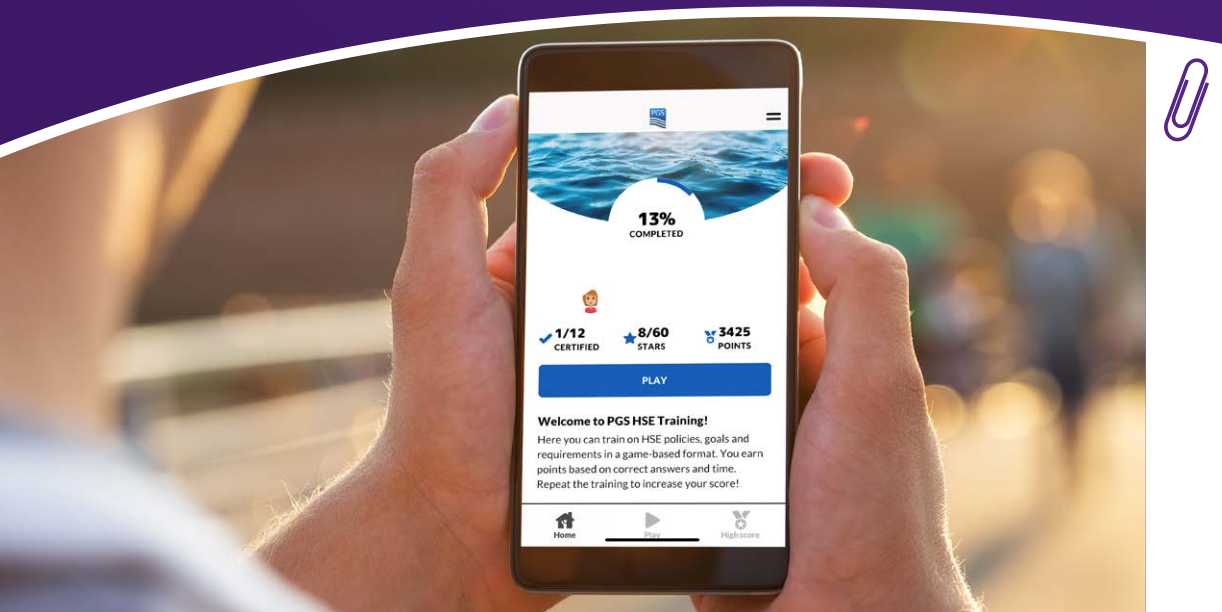
health and security risks. Our health and safety management system is structured around the 'Plan-Do-Act-Check' model for continuous improvement, as defined by the IAGC/IOGP Guidelines and is certified according to the ISO 14001 and OHSAS 18001 standards.

Management of health and safety in PGS is a line-management responsibility. Our HSEQ department consists of subject-matter experts within maritime, quality, environment, and security, who support and advise line management and crew.

Our ambition is zero injury to people. We are committed to:

- Promoting good health and well-being for all people who involved in our operations.
- Preventing injuries and ill health, providing safe and healthy working conditions
- Promoting safe behavior and empowering our colleagues to lead by example

We continuously work to ensure that we act responsibly and are accountable for our actions. Our procedures to stop any unsafe work are firm and encourage intervention, we prohibit the possession and consumption of illegal substances and alcohol at worksites. These commitments exist because they are in the best interest of PGS employees and stakeholders and are essential for the long-term business success of the Company.



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Gamified Learning for HSEQ Training

PGS has a well-established HSEQ training system, which provides the framework for defining HSEQ competence and training requirements. We focus on four core HSEQ competencies:

- HSEQ requirements and best practice
- HSEQ principles, management system and compliance
- Risk management (including emergency response)
- Auditing techniques and quality assurance

Minimum training and competence requirements are identified for all employees with HSEQ responsibility, based on a HSEQ Competence and Training Matrix.

Research shows that applying what has been learned to real-world situations strengthens an individual's focus and determination to learn. Therefore, we introduced gamified learning in PGS. A gamified app has been developed in cooperation with Attensi AS. In the app game, available for phone and tablets, crew members play through different scenarios and dilemmas related to HSEQ and gain points for correct answers. This training is mandatory for all crew and replaces some of the courses from the existing HSEQ competence and training matrix. We hope to achieve a higher degree of engagement of HSEQ training by using modern technology, with the goal of improving risk awareness and management. Going forward, our plan is to use the platform for courses in our global training catalog.



Hazard Identification and Risk Management

In 2020, we updated the PGS Risk Register to capture and identify any changes in identified major hazards in the workplace. The register provides an overview of all processes and the pre-and post-mitigation risk. For each process, the hazard, risk, controls, and recovery measures are identified. The controls are split into administrative controls, engineering controls, and procedures. All these hazards and risks are regulated by our integrated management system (IMS). The IMS consists of a set of procedures and work instructions. The operational procedures and work instructions have been developed by crew members and support functions within PGS. Safety-critical tasks that are vessel specific have been developed using risk assessment techniques and job safety analysis.

PGS crewmembers carry out job safety analysis and risk assessments for all safety-critical tasks where the hazards and control measures need to be assessed. These processes are used to verify the hazard management of established procedures or work instructions.

- Examples of the most common areas where hazards are identified include:
- Routine jobs that have a potential for serious incidents
- Routine jobs that have a history of incidents, including near misses
- New jobs or jobs introducing new work methods (e.g. introduction of new equipment)
- Non-routine or “one-off” jobs that have a potential for incidents

We have remedial plans in place for operations, which are logged in the PGS HSEQ reporting system with action holder and target date. This plan is reviewed annually and controlled by setting key performance indicators for the relevant stakeholders.

Managing the Covid-19 Crisis

PGS has monitored developments closely since the outbreak of the Covid-19 pandemic and taken prompt and proactive actions to manage the situation as it affects our business. We operate in compliance with all national and international authorities and regulations regarding implemented restrictions on travel, quarantine, and isolation. We are supported by International SOS, our medical and security services provider, and work closely with our industry network and clients to ensure we have the best situational awareness and response.

To ensure the safety of our employees and business continuity through the pandemic, we have implemented strict protocols to prevent an outbreak of Covid-19 in our offices and in particular on our vessels. All personnel travelling to a PGS vessel are subject to strict quarantine and test requirements before being allowed to board. In the absence of national guidelines all personnel are required to undergo a minimum 7 days of quarantine and return a negative Reverse transcription polymerase chain reaction (RT-PCR) test before boarding.

After boarding, an additional 7-day precautionary period of social distancing, face masks and strict hygiene measures are implemented. The modern and spacious design of our vessels enable crew to sustain operations while maintaining safe distance. If after 14 days since starting the quarantine no one is exhibiting any symptoms indicating Covid-19 all measures are lifted and the vessel can operate as normal.

As our understanding of the disease is constantly evolving, we are continuously working on adjusting our strict onboard mitigations and do utmost to keep our crews safe.

In 2020, we had zero incidents of personnel with Covid-19 onboard our vessels during seismic surveys.



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Crew Change in the Covid-19 Era

Crew change is an important and challenging part of any marine seismic operation. It is particularly true for a highly diverse company like PGS that employs skilled professionals from all over the world on its vessels. Crew changes can be complex, however since March 2020, the differences in government response to the worldwide Covid-19 pandemic have made crewing significantly more challenging and complicated.

Before Covid-19, crew change dates for all vessels were known at least 12 months in advance. The duration of each trip was fixed. The core crew for each vessel was known. Since March 2020, crew changes have been among the highest risks to our vessel operations. Because PGS regards the safety of its crew as its highest priority, if that risk were not mitigated to an acceptable level, operations could be stopped or delayed.

Throughout 2020, crew change dates were based on a compromise between operational needs, availability of air transportation, and preventing crew burnout. Trips were extended for up to 10 weeks, to limit the amount of travel and provide more time for crew change planning.

Crewmembers that joined shifts in February for a five-week deployment were still at sea in May. At home, many crewmembers on break were not able to leave their country of residence. This quickly developing situation created significant logistical challenges that the operations department had to overcome if we were to remain in production.

Each vessel had specific guidelines and instructions for each crew change. Regular crew change planning meetings were held (at least weekly) prior to crew change, to determine crew availability, if they could leave their home country, if they could enter the country where the vessel was located, to get the crew safely to the vessel and the off-signers home. Teleconference meetings were held with the on-signing crew prior to crew change, to explain the crew change plans and provide an opportunity for crewmembers to raise any concerns. With each crew change, the team has learned valuable lessons and made improvements for the next.

Training and Education

We provide, promote, and encourage learning and development opportunities for all our employees. We make sure that employees understand their role and that performance and development goals are defined and followed-up through dialog and feedback.

Our performance management process is designed to help people perform at their best by motivating them to achieve or surpass their goals. The process is designed to be fair, transparent, and consistent, clearly linking reward to individual performance. A formal performance discussion between the employee and their manager is held at least once a year, in which goals, execution, and development needs are reviewed.

We identify talented employees by evaluating and discussing their potential at a senior level across business units. Our employee-survey results have

highlighted that providing improved professional and personal development is important and we are concentrating our efforts to further improve our processes.

To upgrade employee skills and enhance our talent development opportunities, we are taking the following actions:

- Coaching managers and employees
- Offering temporary assignments to stretch peoples' capabilities, in their current location or another office
- Focusing on internal recruitment to fill vacancies
- In some cases, offering special services from external consultants to support individuals and groups and ensure development to meet individual and collective business needs.

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Our Digital Transformation Progress

The digital transformation journey we had embarked on a few years back was sharply accelerated by the unplanned events of 2020. Digitalization will be crucial for our post-Covid recovery, including use of machine learning and artificial intelligence.

We managed to achieve significant progress in areas such as:

- A new cloud-native platform for seismic imaging – PGS Eos
- Managing a cloud-enabled fleet – PGS Proteus - predictive maintenance, optimized vessel speeds, and productivity improvements from big data analytics
- Accessing and using MultiClient data in the cloud using new business models – PGS Solis



PGS Solis – MultiClient Data in the Cloud

Access and act on data in the cloud

Flexible subscription models

Data management as a service (DMaaS)

PGS Solis is a data management platform for subsurface information that will offer instant access to MultiClient data to subscribers, as well as data management as a service. It will be integrated in our pioneering strategic partnership with TGS and CGG, as part of a shared marketplace for subsurface MultiClient data.

We expect the momentum to increase further in 2021 as we continue our digital transformation journey and increasingly take advantage of the more effective and productive ways of working.



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PGS Proteus – Cloud Enabled Fleet

New insights from production-scale data analytics
View, analyze and act on worldwide operations
Collect, connect, operationalize & scale

PGS Proteus harnesses the power of big data to optimize vessel operations. Various focus areas target energy efficiency, vessel speed, equipment maintenance of streamers and eBirds, and improved HSEQ for small boat operations and use of personal protection

equipment. All use-cases have delivered measurable results and we have started to fully implement them across our active fleet. We will continue to harvest and evolve these productivity improvements.



PGS Eos – Imaging in the Cloud

Collaborative platform
Managing finite resources
Faster when it counts

Through our cloud-enabled PGS Eos platform, we look forward to fully utilizing the benefits of the cloud to deliver reliable and timely results to our clients. This initiative has potential to access unlimited compute capacity and application of the latest technology. We have begun our first commercial imaging project in the cloud.

We have also started leveraging machine learning and artificial intelligence in seismic

imaging, to improve our velocity model building, allowing for faster convergence to the final velocity model. What used to take months, now takes weeks. Further, a proof-of-concept project by our Imaging teams to identify patterns in historic processing sequences shows that seismic processing parameter extraction may produce equivalent seismic quality by using historical trends, thereby minimizing testing and accelerating data delivery.

Governance

PGS is committed to providing a positive, inclusive, and sustainable working environment. We are a contributing member to Transparency International Norway. We treat all individuals fairly. We adhere to the International Labor Organization's (ILO) Core Conventions on Labor Standards, the United Nation's (UN) Universal Declaration of Human Rights and applicable labor standards. We do not tolerate any breaches of these principles and work towards ensuring employees feel confident in raising concerns to management without fear of retribution.

The materiality assessment has resulted in the following key governance indicators:

- Corporate governance
- Anti-corruption
- Tax
- Anti-competitive behavior
- Economic performance



Corporate Governance

Our corporate governance model is based on the Norwegian Code of Practice for Corporate Governance. We operate on a regular basis in countries with elevated risk of corruption. We recognize that our future success depends on maintaining the highest standards of corporate governance for the way we conduct our business, deliver our services, and create value for our shareholders.

PGS has built a value set that provides the foundation for all our goals, policies, and actions. These offer clear guidelines on how we expect everyone at PGS to interact with their colleagues, suppliers, customers, and the people we encounter in our day-to-day work. We are committed to living our core values and to conducting our business with the utmost integrity. We hold ourselves to high ethical standards in all our business dealings around the world.

The PGS Board of Directors is responsible for establishing appropriate guidelines, monitoring, and ensuring that internal risk management systems are in place. We regularly review and update our governing documents to reflect changes in best practice and the evolving risks we face.

Anti-corruption

Compliance with laws, rules, and regulations, including anti-corruption laws applicable to the conduct of our business activities, is a fundamental part of the PGS Code of Conduct. Our anti-corruption program reflects the Company's promise to its shareholders, customers, and other stakeholders to operate legally and ethically. It is based on best practice and standards, including but not limited to Norwegian law and practice, the UK Bribery Act, the US Foreign Corrupt Practices Act (FCPA), and the ISO Standard for Anti-bribery Management Systems 37001. The program addresses the corruption risks in relation to PGS' business, and monitors

compliance. It is established on the following key principles:

- Tone from the top
- Policies and procedures
- Risk assessments
- Due diligence
- Communication and training
- Monitoring and review

The program includes a clear, practical, accessible, effectively implemented and enforced system of controls to prevent, detect, and respond to corruption and bribery.

Anti-corruption Risk Assessments

We perform stakeholder analysis, context analyses, and a group risk-assessment that address all PGS locations and activities on an annual basis. In addition, each year we do a global likelihood-of-corruption-exposure assessment, by country. In this assessment, the starting point is Transparency International's CPI, which is adjusted for the likelihood of PGS business, activities, and presence in the respective countries. As such, all our operations are assessed for risks related to corruption. We are currently upgrading our measuring system to become even more effective.

At activity or transaction level, we use several processes to conduct risks assessments in advance of conducting an activity. Corruption risks are an integrated part of these. In 2020, through our group corruption risk assessment, we identified four inherently significant or high risks to PGS linked to Interacting with government officials (two risks), use of agents (one risk) and joint ventures (one risk).

We perform risk assessments or pre-qualification assessments of our suppliers. Integrity due diligence is performed on business partners, to provide pre-defined 'exposing services' and where the assessed inherent risk is greater than Low. Due





diligence on existing business partners is repeated at a frequency defined by the assessed risk level.

Communicating and Trainin on Anti-corruption Policies and Procedures

We have a well-established system for communicating and training our stakeholders on our anti-corruption program. The PGS Audit Committee receive regular information, updates, and training regarding the anti-corruption program. In addition, each year the full Board of Directors and all members of our executive management respond to questions about critical governance requirements, including anti-corruption.

All PGS employees are also reminded of our policies and procedures, and regularly informed of any changes to our anti-corruption program through intranet articles, e-learning, in-person training,

emails from the CEO and their line managers. We also provide anti-corruption onboarding, to train all new employees. In 2020, 97 % of PGS onshore employees and maritime officers received e-learning. In addition, vessel crew receive onboard training and office-based employees in exposed roles receive in-person training.

Our key business partners are required to provide annual confirmations of compliance, which include elements about our anti-corruption program. This applies to business partners with an inherent exposure level. Failure to file this confirmation means PGS will not use the supplier. PGS makes these requirements clear in contractual clauses and repeats them during audits and management meetings.

Key Figures

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Business Partners



33 Ships agents **8** Environmental consultants **7** Sales agents and representatives **7** Escort and support vessels **7** Other



17 Africa **15** Asia **6** Europe **13** Global **3** North America **3** Oceania **11** South America

Tax

PGS operates with a range of legal entities across several tax jurisdictions and regulatory schemes, in countries with varying regulatory schemes. The main objective of our tax strategy is to ensure PGS is a responsible corporate citizen by paying taxes when legally due, and to minimize tax expense based on strong professional integrity and in compliance with tax laws and regulations. We ensure timely and accurate reporting and filings of tax returns. All tax risks are carefully evaluated for tax planning and tax advisory. We ensure all tax planning has commercial and economic substance, and we have a pro-active approach to tax audits.

Our tax department is responsible for planning, compliance, and controversies / requests from tax authorities. Our tax strategy includes corporate income tax, withholding taxes, employee taxes including for crew and expats, indirect taxes such as VAT/GST, duties and import taxes. Explicit standards in our management system set requirements for proactive tax planning, compliance, accounting, and audit handling.

Anti-competitive Behavior and Economic Performance

There is considerable focus on fair competition in the seismic industry, both from industry organizations such as IAGC, governments, and clients. PGS engages from time to time in joint-ventures and collaboration projects with other companies within the seismic industry. PGS has developed policies and guidelines to ensure that these projects are conducted well within the boundaries of applicable anti-trust/competition law. The nature of such projects may differ. An example is joint seismic data production projects, which typically will yield more seismic data to the market at a lower cost to our customers.

No legal actions have been pending or completed during 2020 regarding anti-competitive behavior or violations of anti-trust and monopoly legislation in which PGS has been identified as a participant.

The economic value created for our stakeholders is communicated in our Annual Report, which also details the financial assistance received from the Norwegian government.





Our Data to Clients Faster and Easier

PGS' partnership with TGS and CCG on a shared MultiClient ecosystem for accessing subsurface data, is a new milestone in digital transformation for our industry.

The independent cloud-based system will offer a single access point to all three companies' MultiClient data libraries, allowing customers to find, visualize and download their subsurface assets and entitlements. This will also provide a shop window from which clients can identify surveys of interest. They will then be passed to each vendor's environment for data visualization and further engagement. The MultiClient libraries will not be commercially combined.

This partnership is complementary to the PGS Solis initiative, for cloud-enabled MultiClient data access. PGS is cooperating with Cognite and Cognizant to develop this PGS-specific platform that will allow clients to directly access and act on PGS Multiclient data in the cloud or download it to their own environment.

Based on strong client interest, we expect to commercialize this initiative during the first half of 2021, by signing up customers for seismic data management as a service.

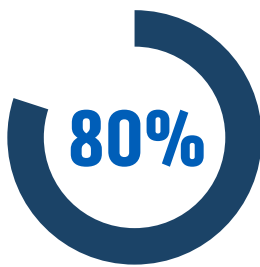


Human Rights and Supplier Conduct

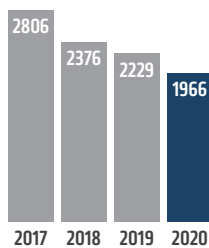
Everywhere it operates, PGS complies with applicable laws and regulations within the fields of human and workers' rights. In addition, we also adhere to Principles 1-6 of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the International Bill of Rights, UN Universal Declaration of Human Rights (1948), the UN Guiding Principles on Business and Human Rights, and the ILO core conventions. PGS also adheres in its worldwide operations to the standards in the UK Modern Slavery Act (2015).

We are determined that our suppliers also should adhere to these standards. To ensure this, we regularly do perform diligence assessments and conduct audits on our supply chain. We ensure that our procurement and contracting processes adhere to PGS' requirements in respect of ethics, anti-corruption, HSEQ, export control, and sanctions. We are currently developing a PGS Supplier Code of Conduct, which we plan to roll out in 2021. Our ambition is to reduce supply-chain risk, ensure the supply of goods at right quality, quantity, time and place, capture economies of scale, and ensure the best possible terms and conditions for PGS.

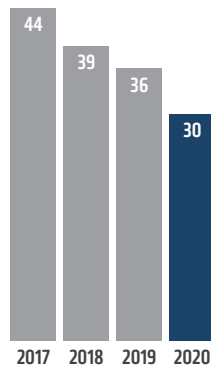
Key Supplier Figures



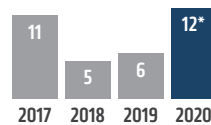
Top 100 Suppliers Share of Total Spend



Suppliers



Supplier Verification
Includes Annual Certifications and Due Diligences



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

Looking Ahead

Our stakeholders expect us to come up with smart and sustainable solutions to the challenges we face, especially when it comes to reducing greenhouse gas emissions. We need to provide coherent communication on how we address climate change as a strategic priority.

Access to reliable and affordable energy is essential for life on earth. We are committed to being part of a solution that will look at the best ways to provide such energy, while reducing risks to the environment. As the solutions are evolving, we have embarked on a mission to put ourselves at the forefront of the changing energy landscape and will continue to utilize our ESG reporting process to communicate our efforts at managing sustainability-related risks and opportunities to our stakeholders.

Find out more: www.pgs.com/responsibility

Contact us: Corporate.Responsibility@pgs.com

ESG



ESG

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