

Corporate Responsibility 2015

A Clearer Image | www.pgs.com



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
- Environment
- Conduct
- Stakeholders

CONTENTS

People	4
<u>Key Figures 2015</u>	<u>5</u>
<u>Key Activities in 2015</u>	<u>8</u>
<u>Looking Ahead</u>	<u>10</u>
Environment	11
<u>Key Figures 2015</u>	<u>12</u>
<u>Key Activities in 2015</u>	<u>13</u>
<u>Looking Ahead</u>	<u>14</u>
Conduct	15
<u>Key Activities in 2015</u>	<u>16</u>
<u>Looking Ahead</u>	<u>16</u>
Stakeholders	17
<u>Key Activities in 2015</u>	<u>18</u>
<u>Looking Ahead</u>	<u>19</u>
Find Out More	20



Jon Erik Reinhardsen
President & CEO

Although the oil service industry is faced with a clear imperative to eliminate unessential expenses, standards must be maintained in key areas. Responsibility is one of these.

This 4th PGS responsibility report is written in a period of change for our industry. A significant and continued slide in the price of oil has put pressure on companies at all levels of the oil and gas value chain to cut the costs of exploration and production. Our clients have delayed or dropped many projects, and competition has been fierce for the work that remains. As a result, we have put a very challenging year behind us.

We believe that PGS has taken the right measures to adapt to a future that has already started, and is ready to survive and win in this new environment. Achieving that has required us to take tough decisions, prioritize and focus. In times such as these it is important that we continue to act responsibly, with regard to our people and society, our environment and our stakeholders. Although we have streamlined our operations to increase their efficiency, safety and security remain in focus.

Our business is about more than goals, numbers and technology. It depends on people. If you are one of them, then I would be very interested to hear your views on how we can stay responsible and sustainable in tough times, and even improve.

Jon Erik Reinhardsen
President and CEO



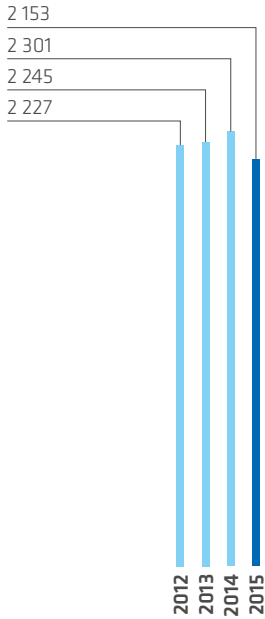
People

Dedicated, reliable, pioneer: these are our core values. They describe many aspects of our business, including how we relate to our employees and what we expect in return.

In a tough market some people might question the commitment to such laudable goals. Sticking to our standards, delivering as promised and creative thinking remain central to our culture. These values drive our processes, management style, and attitude. Proof of commitment is visible in the results of employee surveys, and our quarter-on-quarter HSEQ performance.

Key Figures 2015

Average Number of Employees



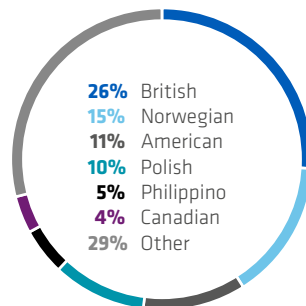
42 Nationalities Represented on Vessels

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

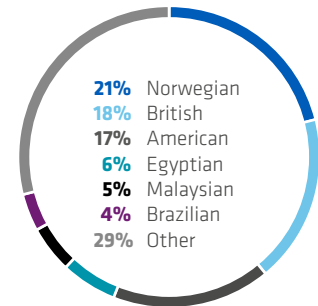
61 Nationalities Represented in Offices

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

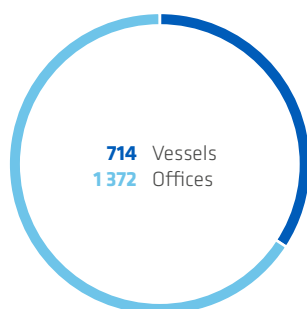
Vessel Personnel by Nationality



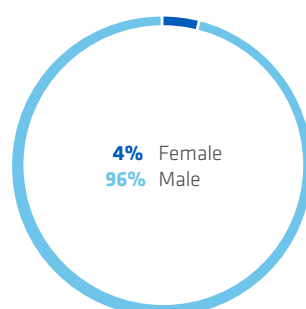
Office Personnel by Nationality



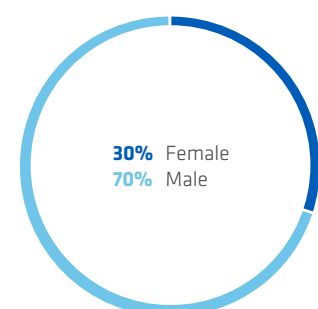
Personnel by Location at Year End



Vessel Personnel by Gender

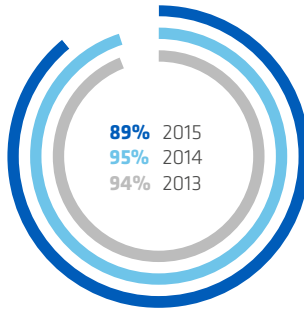


Office Personnel by Gender

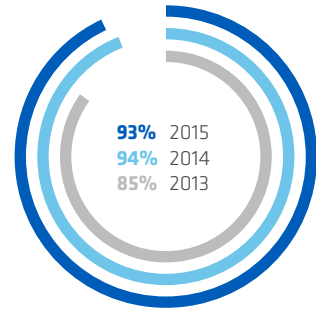


PGS strives to improve gender diversity in our recruiting and training programs. For office personnel the gender percentage largely reflects the recruiting sources. For offshore personnel some departments have up to 14 % women, but the five or six week work schedule proves unsustainable for many women.

Vessel Personnel Receiving Performance Review



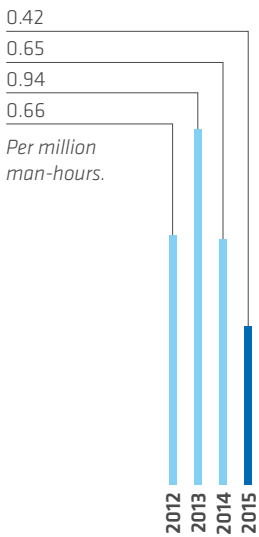
Office Personnel Receiving Performance Review



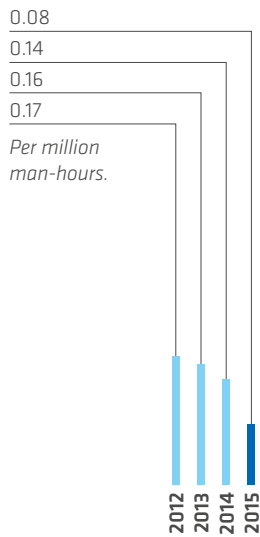
Health and Safety Performance Indicators

TOTAL INCIDENTS	2012	2013	2014	2015
LTI (Lost Time Injury)	2	2	2	1
RWC (Restricted Work Case)	3	5	5	3
MTC (Medical Treatment Case)	3	5	2	1
Total Recordable Incidents	8	12	9	5
High Potential Incidents	1	4	2	0
Man-hours (Millions)	12.0	12.7	13.8	11.8

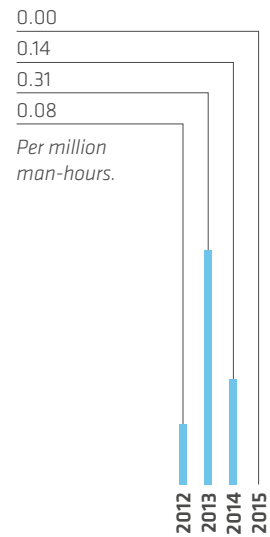
Total Recordable Case Frequency (TRCF)*



Lost Time Injury Frequency (LTIF)*

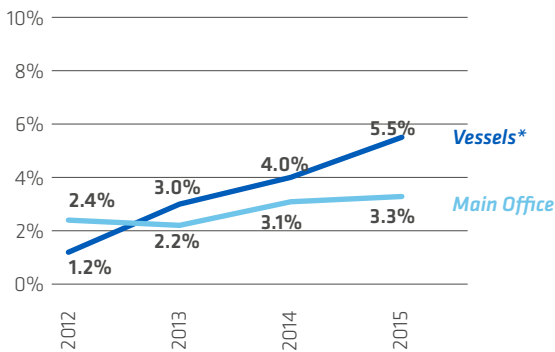


High Potential Incident Frequency (HIPO)



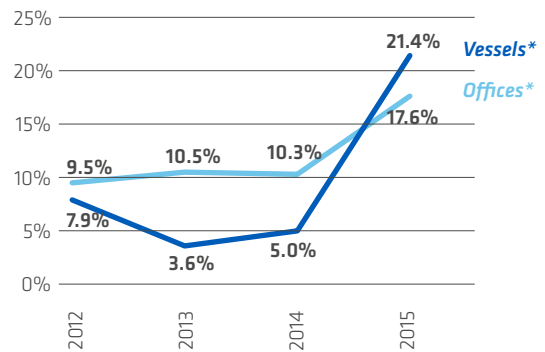
* Calculations based on rounded man-hour figures.

Sickness Rate



* Improved reporting and management of sickness rates since 2012, better planning to reduce risk of medevac or home returns.

Turn Over Rate



* Exit rates in 2015 increase due to the down-sizing process.

Key Activities in 2015

Revision of Core Values

The PGS Core Values provide the foundation for all our goals, policies and actions. The values 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.

During 2015 we revitalized words we use to describe our values, to make the basic tenets clearer. We involved senior and middle management, as well as employees from all regions and business areas to check that the key messages still reflected who we are and what we stand for as a company.

Dedicated

- We care for our employees, our environment, our customers' success
- We are leaders in HSEQ
- We work as a team to get the best results
- We act in the best interest of PGS

Reliable

- We behave with integrity and honesty in all aspects of our business
- We deliver on our promises
- We are best in class
- We execute on time and on budget

Pioneer

- Our technologies set the pace and standard in our industry
- We innovate to compete and stay ahead
- We dare to be proactive – even at the risk of some failures

Looking ahead, in 2016 we intend to cement this process by recognizing and celebrating good examples of individuals, teams and projects that demonstrate PGS core values.

Reducing staff and costs with the human perspective in mind

Since late 2014 the number of vessels in the PGS fleet was reduced, primarily driven by a strongly deteriorating market.

After years of planned and actual growth, last year we found ourselves in a situation where we had too many crew and office staff for the number of active vessels. We had to downsize to stay competitive.

Any downsizing process has severe consequences for the people involved, and uncertainty increases that burden.

Knowing this, PGS committed to managing a fair, structured and timely process while adhering to our core values.

Management deemed it essential that all crew and office staff understood why the changes were required. This was done through consistent and frequent information using various means of communications. Unions were also kept informed and involved before all major decisions were taken.

The selection criteria were based on a mix of employment seniority, performance, critical competencies and process risk.

The primary learnings from the process include:

- Even when employees were worried about their jobs, they delivered reliable services with high quality, and maintained the best safety statistics in the industry
- Plans and time-lines need to be constantly re-evaluated to maintain coordination with domestic labor laws and special personnel issues in a truly international process

Seeing the results of the 2014 People Survey

The most recent Global People Survey was conducted in 2014. It showed good results in most areas compared to benchmarks. Several actions for further improvement were initiated during 2015.

One Culture is a continuing initiative within Operations, to streamline how we manage operational risk and strengthen cross-functional cooperation. In 2015 we aligned and clarified roles and responsibilities for offshore employees. You can read more about One Culture on p.10.

In 2015 Imaging & Engineering strengthened the focus on training and development by introducing mandatory training hours for geophysical staff at all levels. They have also been one of the main drivers in developing the PGS Career Framework.

During 2015 we evolved a PGS Career Framework to enhance opportunities for professional and personal development across the organization. By mapping how positions are related to each other in a hierarchical structure, we have constructed a career framework that will make it easier to see what is required to move between roles. This should facilitate career moves within and between business areas. An initial rollout will begin in 2016.

Duty of care – travel risk program revitalized

PGS has taken a significant step towards a comprehensive travel risk management program, to ensure proper mitigation of risk for travelers. We have established a travel

risk management team coordinating the approval process for high-risk destinations and monitoring travelers.

These subject matter experts focus on travel risks and mitigation, supporting management and travelers during the planning stage and the journey. All travelers to high risk destinations undergo a comprehensive preparation and approval process. A range of tools are used to monitor and manage travelers. This checklist is designed to raise awareness of potential risks and possible actions to avoid them.

Regional travel trackers in different time zones contribute to risk mitigation, business continuity, and agile emergency response.

Additionally, targeted risk-awareness training is delivered by HSEQ staff.

Case Example:

Travel to high risk areas

told by Martin Melhus, Regional Manager

PGS signed an agreement in June 2015, which required frequent travel to a high risk country. In response to the elevated overall risk rating, business unit managers met with the risk management team to review the situation and agree on appropriate measures to mitigate potential hazards. Liaising with local PGS representatives and a security consultant, specific procedures and a journey management system were established.

Upon arrival and before departure I had to check in with a local PGS contact. I stayed at the recommended hotel, and all land transportation was carried out using PGS cars and drivers. In addition, I had a tracking app installed on my phone, and an agreement to call my line manager daily for the duration of the stay.

A mitigation and recovery plan was in place to ensure deviations from the travel plan were properly managed. The plan included finding a safe location, ensuring everyone is accounted for, and routines for notification to relevant parties.

HSEQ leadership

Through explicit management commitment and leading by example, PGS aims to be best-in-class in health, safety, environment and quality. Our goals are zero injuries to people, including employees, contractors and visitors; and minimum impact on the environment. Risk management is at the heart of how we manage our business and how we manage HSEQ. We embed risk thinking – awareness and mitigation – in all our operations from the boardroom to the back deck.

It is not possible or practical to make procedures for everything. Empowering our people to think for themselves and to act according to the risks that they are faced with is an important aspect of our approach to HSEQ.

Key Safety Risks

We rely on our safety management systems to control the whole spectrum of risks we face at our work sites. The areas where we encounter the highest potential for injuries require our greatest attention. Key Safety Risks supported by Key Safety Controls target PGS' most significant focus areas. Together these form the foundation for effective management of safety in all our workplaces.

In 2015 PGS developed its “Key Safety Risks” building on and revitalizing our Golden Rules of Safety. Feedback indicated that the content was too comprehensive, and did not fully reflect our most important challenges. By changing the focus from rules to risks, we encourage people to be aware, plan ahead and think. This risk-based approach resonates well with our employees.

By recognizing the importance of PGS Key Safety Risks, employees are encouraged to take responsibility for their own safety and that of their colleagues.

Long-term improvement

We aim to be frontrunners in health, safety, environment and quality (HSEQ) and we work continuously towards this goal. This ambition drives various long-term improvement initiatives, including:

- Embedding risk thinking – Our work with risk management contributes to improved HSEQ performance. In 2015, we saw the lowest Total Recordable Case Frequency (TRCF) in ten years and achieved a record five months without a recordable injury in the company. Embedding risk thinking in all parts of our operations, improving the quality of toolbox meetings, project risk assessment, and ensuring that the job safety analyses capture best practice, is all part of this. We believe identifying, mitigating and managing risk to our employees and anyone we encounter in our operations is essential for our long term success.
- One Culture – First introduced in 2013, the PGS One Culture initiative continues to strengthen our organization: establishing close cooperation between offshore personnel and onshore vessel management teams. In 2015, we expanded the focus on vessel risk and strengthened the vessel management team. The Field Support Program. By including Party Chiefs and Captains in a one year mentoring program in HSEQ, we generate more effective knowledge transfer and improve monitoring of operational and technical risks across the fleet.
- Contractor management – Our focus on contractors and their integration in PGS operations has increased. This is an area with further scope for improvement. Dedicated HSEQ resources have been allocated to follow up our suppliers of support vessels and we are continually making efforts on further embedding the support vessel in our daily operations .

Looking Ahead

In the coming year, our work on core values will center on exemplification and recognition of good examples by individuals and teams.

Technical and managerial levels in our Imaging & Engineering (I&E) business area will be the first to adopt the PGS Career Framework. From early 2016 we will conduct a field test in I&E that will lay the foundation for further implementation.

Year-on-year improvements in our HSEQ performance statistics are certainly related to HSEQ improvement initiatives focused on risk management. In 2016 we will continue to embed risk thinking, by focusing on linking project risks to daily operational risks, identifying and managing combined risks that elevate the total risk picture. We will also further be adapting the OneCulture principles. Increased daily communication with our main contractors during operations offshore will be another of our main goals during 2016.



Environment

The oceans of the world are our work place. Our job consists of efficiently generating high quality seismic data, with the least amount of environmental impact and interference with the activities of other users of the oceans. ISO 14001 certification is evidence of our commitment to preventing harm to the environment. We comply with applicable legal requirements and we continuously improve our environmental performance.

Key Figures 2015

Environmental Performance

	2013	2014	2015
Energy			
Vessels (GWh)	1 676	1 725	1 507
Offices (GWh) ^a	14	17	16
Air emissions			
CO ₂ (kT)	505	516	424
SO _x (kT) ^b	6	6	3
NO _x (kT)	9	8	8
PM(kT)	1	1	1
Waste			
Vessels (1000 m ³)	6.5	5.9	4.8
Delivered to shore	4.0	3.8	3.3
Incinerated on board	2.4	2.0	1.4
Organic waste to sea	0.1	0.1	0.1
Offices ^c (t)	130	59	64
General waste	47	11	23
Recycled waste	83	48	42

a Data from four main offices only.

b The significant reduction in SO_x emissions was due to (1) a reduction in the amount of fuel used, (2) a higher proportion of MGO, and (3) revised emission factors based on fuel samples taken throughout the year.

c Does not include lithium batteries delivered for recycling.

1. CO₂ Emissions Breakdown (kTonnes)

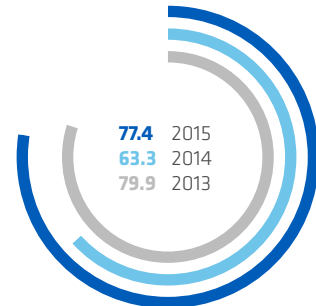
Source	2013	2014	2015
Direct Emissions			
Seismic Vessels	437	446	375
Support Vessels	27	31	37
Offices	1	1	0
Indirect Emissions			
Offices	21	19	8
Other Emissions			
Business travel	19	19	13
Sum	505	516	433

2. Energy Consumption Breakdown (GWh)

Source	2013	2014	2015
Fuel			
HFO	1 017	1 076	624
MGO	659	650	883
Natural Gas	2	1	0
Diesel	2	2	0
Electricity			
Offices	40	36	16
Sum	1 720	1 765	1 523

CO₂ Emission Intensity

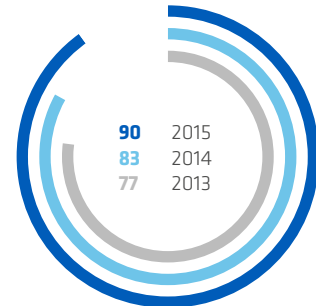
kg CO₂ per CMP (Common Midpoint) produced.



* The increase in 2015 was due to a relatively larger decrease in CMP compared to the reduction in fuel consumption.

CDP Score

The Carbon Disclosure Project (CDP) scores a company's climate report on a scale from 0 to 100.



CO₂ Emissions

433
516
505
kTonnes

2013
2014
2015

Energy Consumption

1523
1765
1720
GWh

2013
2014
2015

Key Activities in 2015

In 2015, we have been working to improve our energy efficiency with the aim of reducing the greenhouse gas (GHG) emissions per unit of seismic data acquired compared to 2014. Our Operations business area has implemented three key initiatives to achieve this:

- Improve voyage and survey fuel-efficiency planning
- Drag reduction on seismic equipment
- Improved ship energy efficiency management plans (SEEMP)

We made tangible improvements on these long-term initiatives in 2015, and we hope to see even further improvements in our energy efficiency from 2016 and onwards.

Additionally, efforts to improve our environmental risk management across the company include:

- A new process for managing the use of chemicals – includes risk assessment of large scale use of chemicals and a substitution plan for hazardous and environmentally damaging substances.

- A dynamic assessment of environmental risk throughout the project life-cycle for all surveys – revised project risk management process.
- A database for collating marine mammal observations and detections during PGS surveys – this will inform our risk assessments and offers an opportunity to share these data with the research community.

PGS is currently chairing the International Association of Geophysical Contractors (IAGC) environment committee. We have been working closely with peers, clients and regulatory bodies across the world to build a science-based and collaborative approach to managing the environmental impact of seismic surveys.

Looking Ahead

Last year we defined our environmental strategy for 2015 to 2020. We have now embarked on implementing it across the company. PGS shall endeavor to be a responsible user of the oceans and ensure that we take due caution in managing our environmental impact by implementing mitigating measures that are effective (have a proven effect) and efficient (feasible to implement).

It is in our interest and our duty to promote and support scientific advances on the ocean environment. Sharing relevant data we collect with scientists has become an integral part of our strategy. This may include marine mammal observations and detections. We are exploring opportunities to leverage our fleet of seismic vessels as research platforms, through academic partnerships with the oceanographic research community.

If you have suggestions or ideas for similar projects and collaboration please contact us at environment@pgs.com.

Glossary

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

Case Example:

Bio-acoustic monitoring on Ramform Sovereign

In 2015, the Integrated Marine Observing System (IMOS), the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and PGS collaborated to collect bio-acoustic data during the Ramform Sovereign's survey in the Great Australian Bight.

Acoustic data from the vessel's echo sounder was collected for the duration of the survey and sent onshore for analysis. CSIRO scientists will use the data to characterize and monitor mid-trophic organisms (plankton, fish, crustaceans, squid) in the water column.

“This study is a perfect example of how PGS and the research community can collaborate to advance our knowledge of the oceans” – says Magnus Christiansen, PGS Environment Manager



Conduct

Our success depends on our reputation and compliance with laws and regulations around the world. That is why we are dedicated to conducting our business with integrity and strong ethics, and why we strive to be accountable and transparent in all our business dealings.

Key Activities in 2015

Status on anti-corruption initiatives

In 2015, we intensified our anti-corruption training and performed a number of face-to-face courses tailored for various groups of employees exposed to corruption risk. We also enabled line managers to deliver this type of training by preparing them through specific 'train the trainer' sessions.

All anti-corruption policies and procedures were revised and updated during 2015. In addition, a new 'Charity and Sponsorship' procedure was rolled-out, and a Charity & Sponsorship Committee was appointed to assess all applications for benefits to external organizations and causes. Although we believe in supporting good causes, we wish to avoid providing funds to unethical projects, or recipients. To avoid this we have strengthened our internal controls through a centralized evaluation before providing funds. Read more about this on p 18.

Anti-corruption survey 2015 – results

PGS performed a comprehensive anti-corruption survey in 2015 which included all PGS employees. The objective was to assess and increase awareness and knowledge, get a picture of the company's "tone" about anti-corruption, assess effectiveness of training, collect input for improvement and evaluate whether any critical issues exist which needed special focus or action.

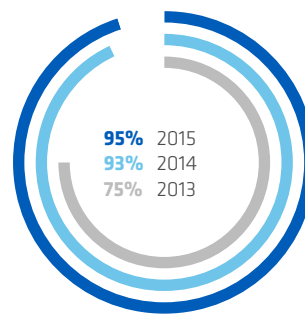
The results were largely positive and encouraging with regard to current initiatives.

- High training satisfaction – positive perception of the company's focus and a high awareness around the topic in general
- "Tone at the top" generally perceived as credible and trustworthy
- In-person trained employees have best knowledge
- Employees do not always realize their own exposure – therefore awareness training is essential

Remote location governance

In order to improve a structured and documented process for compliance monitoring of the company's smaller entities between on-site audits, a number of changes were implemented. Several measures were taken relating to clarifying the roles and responsibilities for line management and corporate support functions. In addition, a more comprehensive PGS policy for Governance of Legal Entity Statutory Compliance was launched and has already shown first results.

Employees Who Have Completed Anti-corruption/Compliance training – E-learning Modules



Human rights implemented in the value chain

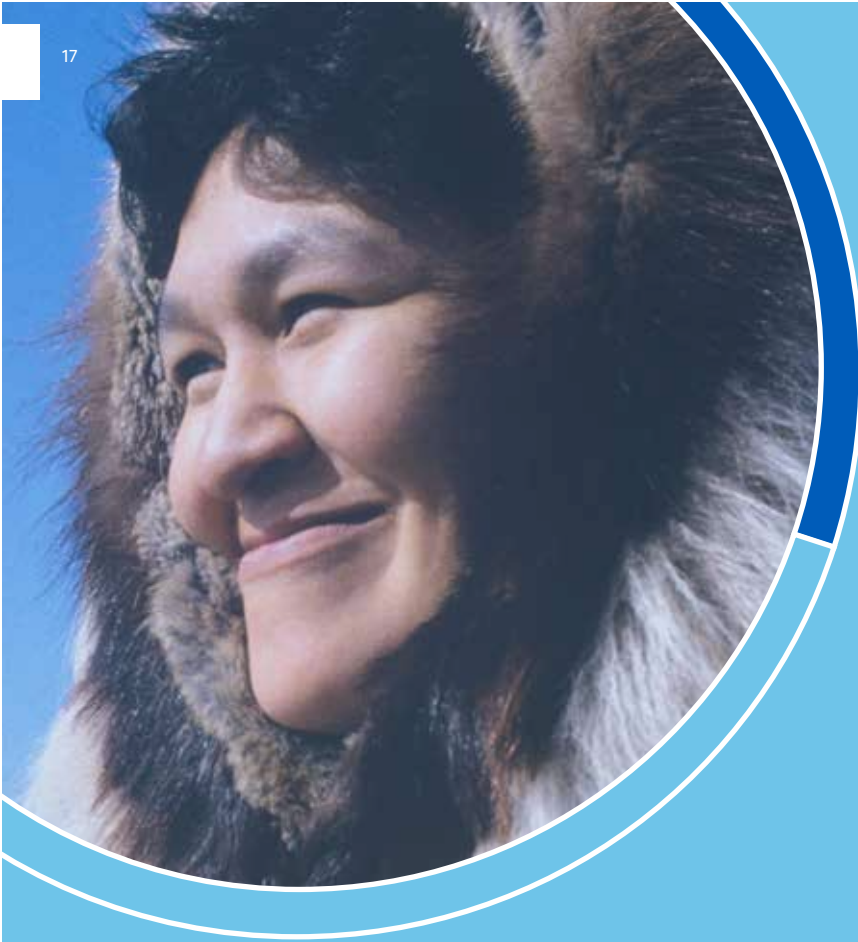
PGS standard contracts now include specific contractor requirements. Suppliers and sub-suppliers shall comply with all applicable laws, rules and regulations relating to ethical and responsible standards of behavior, including, without limitation, those dealing with human rights (such as human trafficking and slavery), and sustainable development.

Regular updates of the supplier risk register will determine the requirement for audits and supplier follow-up.

Going forward, the procurement department will review and consider how to further implement this in the supplier pre-qualification process.

Looking Ahead

In 2016 we will further develop and strengthen our existing compliance training program for PGS agents. We will also continue to improve the quality of the existing internal due-diligence on our representatives.



Stakeholders

Our stakeholders include our owners, employees and employee groups, customers, suppliers, industry organizations, local communities, non-governmental organizations and governments that may be affected by our activities.

We want to reach out to these groups, and be seen by them as reliable and trusted to behave in a responsible manner.

Key Activities in 2015

Building trust with communities

PGS aims to be a good corporate citizen wherever we operate. We understand that our presence may have an impact, both short-term and long-term. This is why our interaction with communities is a key consideration when we plan and carry out our surveys. We often operate in areas where there is limited infrastructure and communities are not used to dealing with large businesses. Where we establish a more permanent presence, we systematically work with communities through partnerships and programs to create long-term value for them. Education is one of the areas we focus on – reaching out to schools in an attempt to promote learning. In cases where we have a shorter-term presence, we strive for open communication and collaboration with the local communities to manage the potential impact of our work. By understanding their concerns and informing them about our operations we find solutions that are acceptable to everyone. Community engagement starts at the very beginning of the project management process to ensure local voices are heard and their safety and well-being are secured. Our interaction is transparent, providing them with information every step of the way and considering their needs and concerns.

We come into contact with various communities, big and small, but due to the nature of our business, we interact most commonly with fishing communities. Our process of handing our collaboration is always the same:

- First we evaluate the potential for conflicting priorities with fishing communities
- Then we check if responsibility for this relationship is assigned to a specific part by the contract or relevant regulations
- If there is no clear responsibility for engaging with the fishing communities, we step in to ensure their needs are managed and protected

In some parts of the world regulatory framework exists to cover interaction with local communities, however, PGS always maintains a consistent approach to supporting local communities through a unified set of procedures and processes. An example of this is the development of an integrated PGS approach to charity contributions and sponsorships. Promoting positive change in local communities has been a key motivational factor behind this initiative. We believe that encouraging knowledge development through our sponsorship can drive innovation and economic development in the local communities whilst promoting trust and partnership with them. You can read more about this initiative in the next section.

Case Example:

The Jetty at Thandwe

Our support vessel in Myanmar is used to transport crew to and from shore. The final stretch is shallow and a workboat is used to get alongside the jetty. The jetty at Thandwe is congested by local fishing vessels and was not up to PGS safety standards. Initially our shore supervisors made some minor structural changes, which proved very popular in the local community. They then arranged to build an entirely new jetty. The result significantly improves safety for all users.

The new jetty was built by hand, by local workers, using boulders and concrete; construction work was limited to three to four hours a day, due to tides. PGS provided raw materials and personal protective equipment, with the support of our oil company clients.

The new jetty at Thandwe will benefit the local community for many years to come, for fishing and transport, as well as any future offshore operations.

Centralization of sponsoring and charity management

Sponsorship and charity contributions by PGS have traditionally been handled locally. This has resulted in a lack of vision, and little consistency and direction in what we support and communicate.

To improve our overview and increase the value of our contributions, we have established a Sponsor Application tool to manage sponsorships. A charity and sponsorship committee has been created, tasked with logging and evaluating all sponsor applications. The committee, which consists of members from Compliance, HSEQ, Communications and Legal approves or rejects all applications.

Requests for sponsorship or charitable support are registered using a web tool that is available to all employees. We have communicated our corporate sponsorship aims, with three focus areas:

- Ocean preservation and research
- Mathematics – students and education
- Improving PGS visibility and relations in the local community

Applications for other purposes may be submitted. However, a defined strategic direction for sponsorship and charity initiatives will help us develop a clearer sponsor profile. We believe this will have a positive impact on PGS' reputation and brand identity for our employees, and also among our other stakeholders.

Total Spend Cover



3 222

suppliers used
in 2015

Interaction with Investors

PGS has an investor relations function to ensure that requests for information from shareholders, analysts, potential investors and other interested parties are handled in a satisfactory manner.

PGS has an active investor communication program which includes senior management roadshows in connection with reporting of quarterly results, presentations and investor meetings at relevant investor conferences, and availability for one-on-one meetings at our offices, as well as conference calls.

Each year we host a Capital Markets Day in order to give the capital market an in depth tutorial of PGS' different business areas and senior management perspectives of the seismic market outlook. We compile consensus numbers and publishes them on the PGS webpage and conduct frequent dialog with the sell-side analysts having research coverage of the Company. As of year-end, 2015, there were 26 sell-side analysts covering PGS on a regular basis, with market updates and estimates of PGS' financial results. Of these, 12 are based in the UK and for those PGS arranges an annual roadshow in order to give them access to senior management on an equal basis as those located in Norway.

All PGS information considered material to the capital markets is published via the Oslo Stock Exchange and posted on www.pgs.com.

PGS also engages with its shareholders on the issues of Corporate Governance and Corporate Responsibility in Q1 each year. As part of this process several meetings are held between shareholders, PGS management and a representative for the Board of Directors and the Nomination Committee. Feedback from shareholders on Corporate Governance and Corporate Responsibility are discussed in the following meetings of the Board of Directors and the Nomination Committee.

Identification of strategic key suppliers

Managing our supply chain is an important discipline in the operational and strategic development of PGS. Suppliers contribute significant value to PGS and to our customers. We will only use suppliers who adhere to our standards of ethics, anti-corruption, health, safety environment and quality.

Case Example:

Shore Power Case Study

In 2015, we signed a contract with SEC AS for the delivery of Shore Power Connection Systems. The project, which involved installing shore-side electrical power facilities at our vessel base in Bergen, will considerably reduce our NO_x emissions and noise pollution. We worked in close cooperation with the supplier SEC AS throughout the entire project cycle and were involved in every stage – from planning and development on to installation and operation. Such close working relations are important for us to ensure the suppliers understand and meet our high standards of conduct, safety and quality.

As a result of the close collaboration, our Bergen facilities are now equipped with the best technology in power electronics – a solution which helps reduce environmental impact, brings economic benefits for PGS.

All suppliers must warrant that they do not violate any anti-corruption laws in connection with their work for PGS. Suppliers of critical services or contract value above USD 1 million are required to complete a supplier qualification process (implemented in 2014) including assessment of their health and safety standards and quality system. On a risk-based approach, suppliers are also subject to a more extensive anti-corruption due diligence review.

In 2015 we have developed and began to implement a supplier relationship management procedure. This defines high-risk and strategic suppliers, with a detailed supplier follow-up strategy. It also includes monitoring key performance indicators and a method for closer collaboration. We also perform monitoring activities such as audits and verifications to manage identified risks. The roll out of this procedure will continue in 2016.

Looking Ahead

In 2016 we will continue to build and maintain trusted-partner relationships with suppliers, customers, and communities, as we believe that these can generate more value both short-term and long-term. As the market priorities are dynamic, we will continue to monitor change through relationships established with key customer groups and adjust our agreements with key suppliers accordingly.

We expect our contractors to deliver agreed quality and reliable performance. In the coming year we will continue to monitor performance and review requirements.

Find Out More

To find out more about our responsibility policies please visit our website www.pgs.com or email us at corporate.responsibility@pgs.com