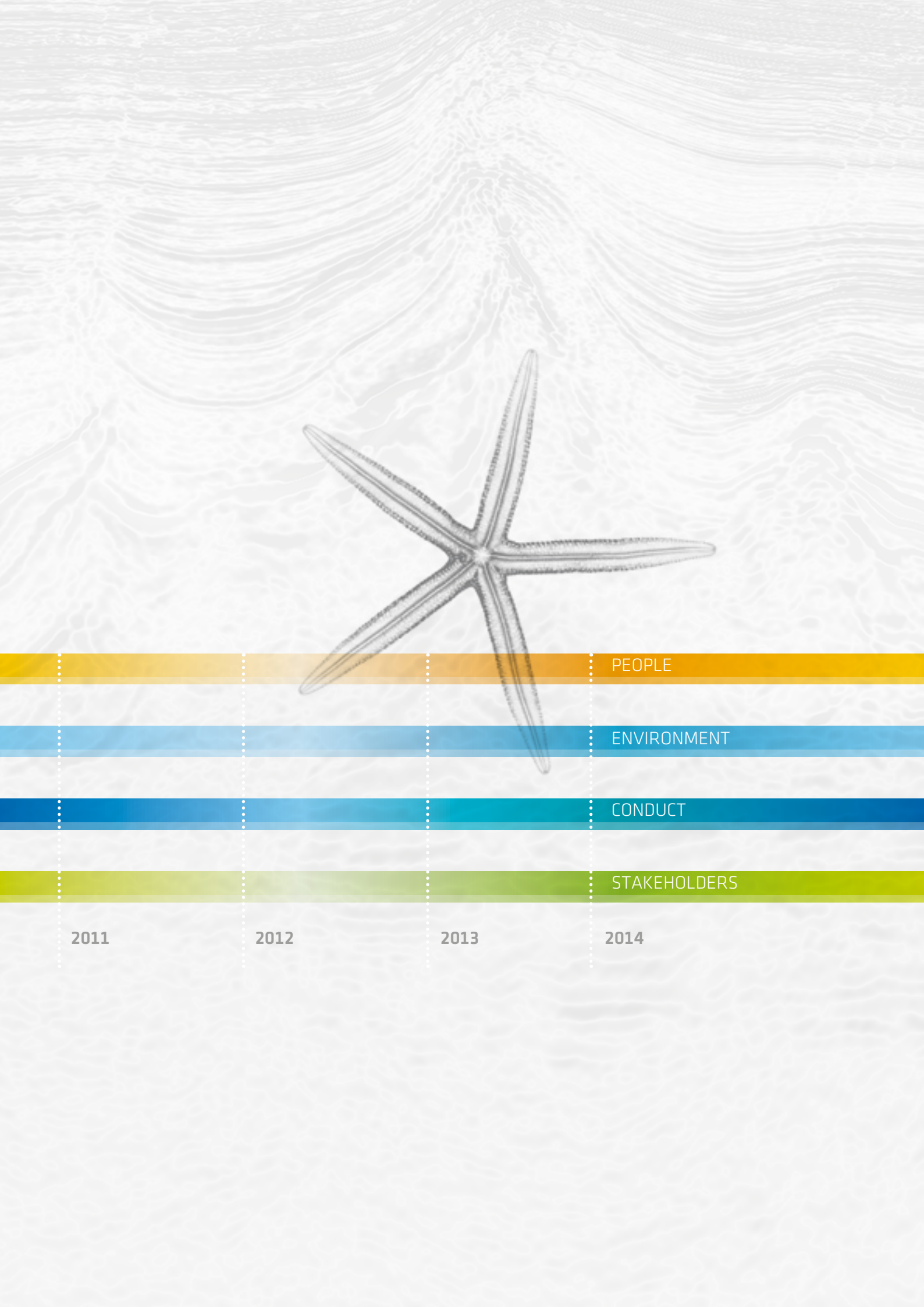




EVOLUTION

Responsibility Report 2014



RESPONSIBLE BUSINESS OUR EVOLUTION

Once again we invite you under the surface of our business, but this time we go deeper. The world’s need for oil and gas is not abating and finding new hydrocarbon resources is getting more demanding. This responsibility report tracks our growth as a corporate citizen and the changing challenges of the world in which we operate.

Oil and gas remain essential to the security and stability of modern society, both today and tomorrow. Seismic is a small cog in that great machine, but an important one to help identify new resources and monitor efficient production of the resources we already have.

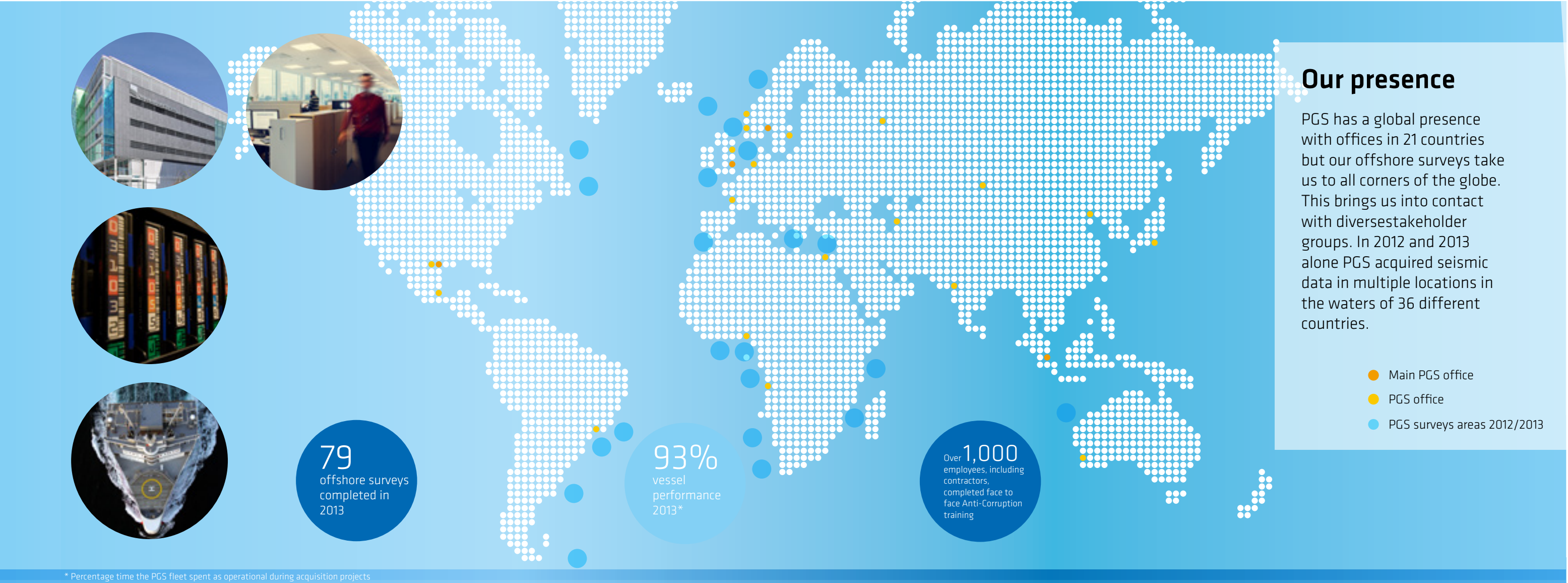
Finding new oil and gas reservoirs is getting tougher as exploration moves deeper, into more remote and often harsher environments. The structures that we seek to image are getting more complex. Projects and planning take longer and are more demanding than before. Each new frontier brings new challenges to our technology as well as our operations. These changes impact safety and security, and require heightened sensitivity to the world around us.

Our theme for this year’s report is ‘Evolution’ – reflecting those changing challenges and tracking our growth as a corporate citizen. In our second report, we have maintained a commitment to transparency with a focus on the organization and systems. We have made progress, but our journey is by no means complete.

Our key achievements since the last report in 2011 include maintaining an outstanding health and safety record, strengthening our Anti-Corruption program, as well as our risk management process, securing our ISO 14001 environmental management system certification and reducing energy consumption. In December 2013, PGS signed the UN Global Compact – committing to ten principles in the spheres of Human Rights, Labor, Environment and Anti-Corruption. We followed this up with a new PGS human rights policy in 2014.

An international corporation like PGS is built of many people across many nations. Our business affects and impacts on even more. If you are one of them, then I would be very interested to hear your views on how we can continue to improve – whether you are a PGS employee, customer, shareholder or other stakeholder.

Jon Erik Reinhardsen
President and CEO
Contact corporate.responsibility@pgs.com



Our operations

14 vessels
Over 260 thousand sq km data acquired over 2012 and 2013
Technology advances

- Ramform Titan Class vessels
- Survey techniques with reduced impact
- GeoStreamer®



653
PGS employees offshore

1,621
PGS employees onshore

69%
Average local content in offices



The Big Picture

Responding to our challenges

We work in a challenging industry. By tackling our challenges head on, we aim to manage our impacts and make the most of opportunities to build a responsible business.

Health and safety	see page 22
Impact on environment and marine wildlife	see page 34
Anti-Corruption and compliance with law	see page 45
Engaging with stakeholders	see page 52



About this report

This report is our first ‘Communication on Progress’ in accordance with the UN Global Compact and details the progress we have made towards our business responsibility commitments during 2012 and 2013.

It is organized around four key areas:



Case studies, facts and figures cover our commitments, activities and performance on the issues that matter most to our business.

Contents

PEOPLE	12
Our commitments	13
Engaging our global workforce	14
Managing our people	18
Valuing diversity	20
Health and safety	22
ENVIRONMENT	30
Our commitments	31
Interaction with marine wildlife	34
Responding to climate change	36
Local environmental impact	39
CONDUCT	40
Our commitments	41
Code of conduct	42
Human rights	44
Anti-Corruption	45
STAKEHOLDERS	48
Our commitments	49
Investor relations	51
Engaging with customers	52
Managing a responsible supply chain	53
Building trust in communities	56
THE FUTURE	58
PEOPLE DATA	60
ENVIRONMENT DATA	64



About PGS

In over two decades in the seismic business, PGS has evolved to become an industry leader – from two seismic vessels towing 960 recording channels in 1992, to 14 vessels towing 1.3 million channels in 2013. Despite employing over 2,500 people around the globe, we operate around a ‘flat and wide’ structure with seven levels of hierarchy or less between our most junior employee and our CEO. We aim for a team culture of strong values, engagement and innovation.

What we do

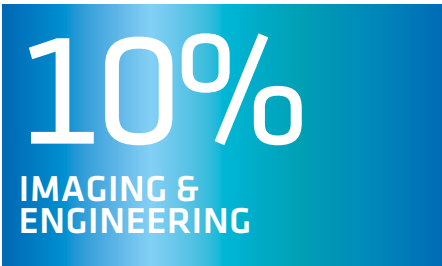
PGS offers a range of products and services to help oil companies find and extract offshore oil and gas reserves around the world. We use GeoStreamer® GS – our own unique imaging technology.

Our business model is focused on three key areas:

Marine contracts – exclusive contracts to provide high quality seismic data and images to help clients explore for new hydrocarbon accumulations, or monitor producing fields.

MultiClient surveys – our MultiClient data library includes over 425 thousand sq km of 3D and 294 thousand km of 2D data. It offers clients an effective and economic way to understand exploration potential, decrease risk and find oil faster.

Imaging & Engineering – delivering the clearest seismic images to support our customers’ success in exploration, appraisal, drilling and exploitation. Our research teams are developing the next generation technology, as well as improving towing technology and fleet efficiency, high-end imaging and automation, and towed streamer electromagnetic (“EM”) acquisition.



% of PGS business in 2013

Our Strategic Ambition

To care

- For our employees
- For the environment and society at large
- For our customers’ success

To innovate

- First multi-component streamer solution
- First with over 20 towed streamer capability
- Unique reservoir-focused solutions

To deliver productivity leadership

- Ramform platform and GeoStreamer®
- Reducing project turnaround time

To perform over the cycle

- Profitable with robust balance sheet
- Absolute focus on being the best in our market segment

To develop superior data quality

- GeoStreamer® business platform
- Imaging innovations
- Subsurface knowledge

Our Core Values

PGS is built on strong values that provide the foundation for all our goals, policies and actions. They 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. As part of an initiative to revitalize our Core Values in 2014, we asked all PGS employees for their opinions by electronic survey. The results were encouraging, with 94% agreeing that PGS Core Values are relevant to their daily work and 92% agreeing that their colleagues live up to these values in their work.

Over the last decade, we have incorporated these basic building blocks into the fabric of our company – through key processes such as HSEQ management, compliance and risk management, employee engagement, performance management and people development. The PGS Core Values survey demonstrated that they evoke pride and emotion, and that most employees agree they are fundamentally relevant for the way that we work today, our culture and our management priorities.

94% of PGS employees say our Core Values are an important part of their daily work

2013 PGS Core Values survey



Leadership in Health, Safety, Environment and Quality (HSEQ) – we aim for a best practice HSEQ culture throughout PGS. Our goal is zero injury to people and minimum harm to the environment. We work continuously to achieve this.

Initiative and innovation – we strive to put forward new ideas, break down boundaries and seek new solutions for PGS and our customers.

People focus and integrity – we seek transparency in all our dealings and subscribe to a high standard of business ethics. We practice involvement, accountability and honesty. We respect and develop people – all of us are valued team members.

Delivery and reliability – we do our utmost to deliver what we promise to each other, to our clients, to our shareholders and society at large.

Corporate Governance

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. Our corporate governance model is based on the Norwegian Code of Practice for Corporate Governance.

Our corporate commitments include:

- To strive to be a responsible corporate citizen in all areas and aspects of our operations.
- To maintain high standards of corporate governance, personal and corporate conduct.
- To provide a safe working environment for our employees.
- To recognize that environmental impact is the collective responsibility of individuals, governments, companies and society.

In order to meet these commitments, 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.



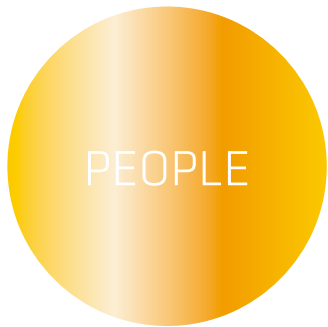
PEOPLE

Our commitments

People focus and integrity form the cornerstone of our values. We commit to respecting and developing our employees, which can only be done by listening and engaging with them through open, two-way communication.

The safety and security of our employees is our highest priority. This is reflected in our vision of achieving zero injuries to people. In 2014, we published our first Human Rights policy to re-emphasize our commitment to our people in relation to equality, non-discrimination, anti-harassment, health and safety, and labor rights.

ENGAGING OUR GLOBAL WORKFORCE



“Good people management is essential to PGS’ position as a global company. We need this to attract, engage and retain a motivated and skilled workforce with the right attitudes and behavior.”

Jon Erik Reinhardsen

We understand that ensuring open and frequent communication builds trust and effective relationships with people, whether they are working offshore, in remote regions or onshore in any of our offices across the world.

Our employees shape and improve our future business. In addition to valuable day-to-day communication, we use tools such as our biennial Global People Survey and other targeted surveys to gather their feedback and opinions on the way we do business.

Leadership and communication

Our leaders need to be visible and communicate clearly with the entire workforce to build commitment, motivation and performance. Our CEO and senior managers use a number of tools to engage with employees. We communicate the big picture about our business through CEO newsletters, webcasts, all employee meetings and during personal visits by managers to offices and vessels.

Building a strong team – onshore and offshore

Every 18 months, PGS offshore and onshore managers come together for a three-day meeting designed to build relationships and share ideas across the business. In 2013, Vessel Shore Support Managers were included for the first time. With a mixture of facilitated workshops and formal and informal dialogue, the emphasis is very much on open participation and two-way communication. This has greatly helped close gaps and build stronger working relationships between PGS onshore and offshore teams.

PGS Global People Survey

We measure satisfaction, motivation and loyalty among PGS employees through a biennial employee survey. The results help us understand what we’re doing well and where we can improve. The company-wide results give us a useful snapshot of our overall business. As each of our business units has its own very specific challenges and expectations, we maximize the value we gain from the results by breaking them down into groups of five or more people.

These reports provide invaluable feedback to managers on the specific issues that require their attention, as well as the development of their teams and their own personal development. Our last People Survey was completed in August 2012.



93.9%
of PGS employees agree that they live up to the value of “People Focus and Integrity” in their daily work

2013 PGS Core Values Survey

“While state-of-the-art equipment and the latest technology make a huge difference, operational excellence is about much more than that. PGS has the best fleet because of a thousand little things that our people do every day – by instinct and experience. By strengthening communication within our teams and across the organization, we share knowledge, gain common insight and grow stronger.”

Magne Reiersgard, EVP Operations

Our 2012 Global People Survey headlines:

91%

The response rate for our 2012 survey (2,122 out of 2,339 people) was an outstanding 91%.

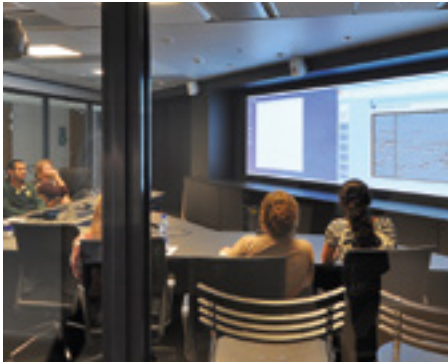
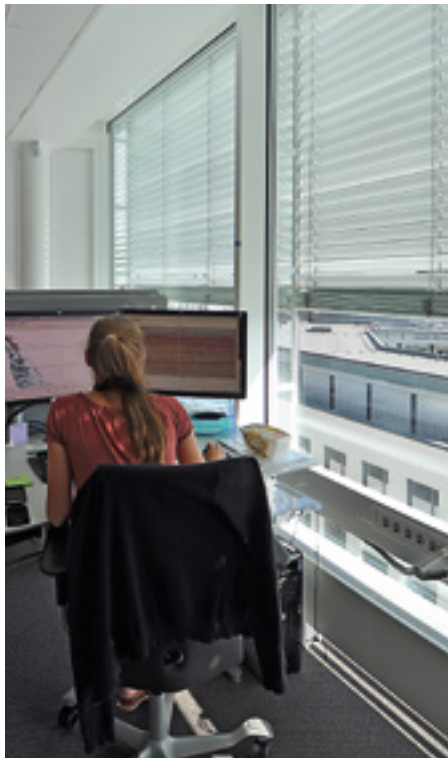
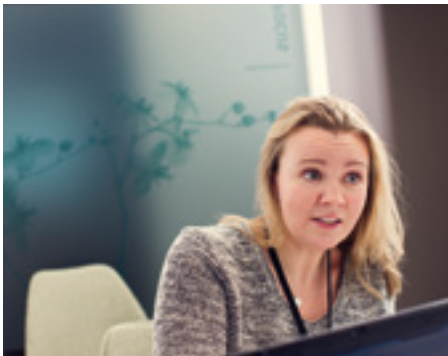
HIGHLY RATED

The reputation of PGS, people’s daily work and their immediate manager were all areas that were particularly highly rated.

DEVELOPMENT

Professional and personal development was highlighted as an area people would like to put more focus on.

ENGAGING OUR GLOBAL WORKFORCE



CASE STUDY: Engaging employees in designing our new headquarters

In 2013, all of our 400 Oslo-based employees moved to a new, open-plan head office. As the lease expired, and our previous office was in need of a major upgrade, we wanted to re-think the way we work together to improve communication and cooperation across the organization.

Although the move didn't involve any great distance, it was a big change to many – both in terms of where to sit and how to work together. PGS went to great lengths to engage employees in the entire planning process, designing and implementing the move. Moving from cell offices to an open environment was a major change for many. We engaged a psychologist who facilitated over thirty workshops to help employees adjust to the change and to address the practicalities of the move.

The new office has 100% open-plan seating with lots of private focus rooms, modern meeting facilities and well-used social areas around the building. Health and wellbeing were key considerations when designing the new canteen and gym facilities.

About a month after the move, we ran a survey to assess how well employees felt it had been done and to identify ongoing concerns. Overall satisfaction with new working spaces, focus rooms, training facilities and social areas was positive; 83% had similar or higher satisfaction levels compared to separate offices. About 83% were satisfied with the food served at the canteen. There are always areas of improvement, and in 2014 we will be working on changes requested by employees.

MANAGING OUR PEOPLE

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.

Each year every employee agrees their work and personal development goals with their manager, and agrees on specific measures of their own performance.

As a minimum, PGS commits that all PGS employees shall be:

- Participating in an annual formal performance appraisal with their manager to gain honest and open feedback on their objectives, performance, attitude and behavior.
- Seeing a clear link between their annual objectives and their performance evaluation.
- Having excellent performance recognized and rewarded.

Developing talent

We identify our talented employees by evaluating their potential and discussing them at a senior level across business units.

Providing improved professional and personal development has been recognized as an important area from our Global People Survey results. To enhance our talent development opportunities we are taking the following actions:

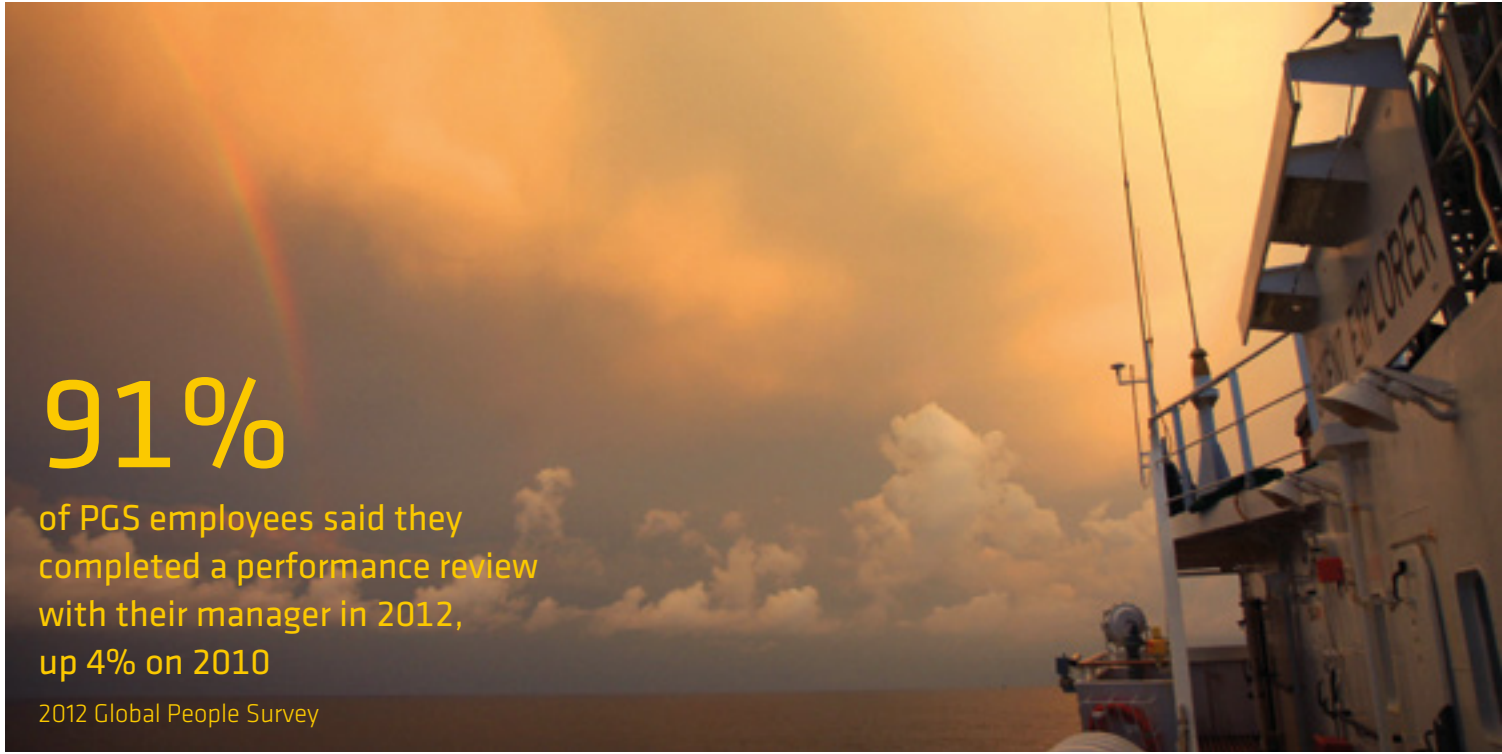
- Coaching with managers and employees.
- Offering assignments to temporary roles to stretch peoples' capabilities in their own offices or another office.
- Focusing on internal recruitment to fill vacancies.
- In some cases special services from outside consultants are offered to individuals and groups to ensure development towards meeting individual and collective business needs.

Developing world class leaders

PGS aims to develop a "world class" leadership development program that supports our growth strategy, strengthens our leadership and makes PGS a more interesting and engaging place to work.

In 2006, we partnered with Duke Corporate Education, the world's top business school for customized leadership training according to publications such as the Financial Times and Business Week. Over 550 PGS managers have benefited from this program.

In 2011, we reviewed our approach and launched a new program to help our senior managers develop the capability they need to lead our global strategy, develop high performing teams and manage complex projects. Over 150 managers have participated in one or more of these courses so far.



CASE STUDY: Developing One Culture – ship to shore

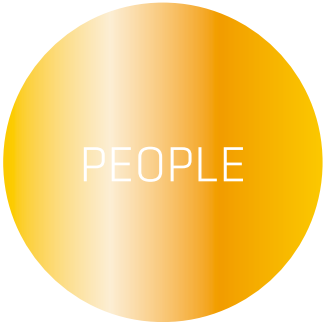
Our onboard teams combine maritime crew, who are largely responsible for the safe operation of the vessel, and seismic crew who lead the planning and carrying out of seismic surveys.

We have a long-standing partnership with Wilhelmsen Ship Management, who supply the overwhelming majority of maritime crew for our vessels. Our seismic crew consists mainly of geoscientists, engineers and other technically qualified graduates who are direct employees of PGS.

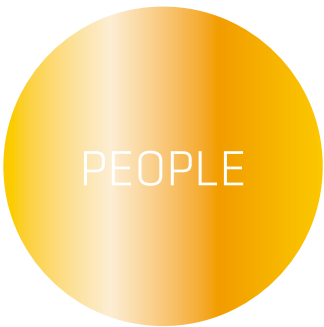
The two teams need to work very closely together as one crew to ensure the safety of everyone onboard, and the quality of the data collected.

In 2013, we introduced a new program of initiatives to promote closer working relationships - known as One Culture. This has involved creating the concept of a 'Vessel Management Team' (VMT) – which comprises of the Captain, the Party Chief and the onshore Vessel Manager. The Management Team is now formally involved in operational decision making, and maritime Captains undergo the same performance management approach as PGS employees.

A series of workshops for Party Chiefs, Captains and onshore Vessel Managers have helped to implement the One Culture approach, and support them in their roles as leaders and role models.



VALUING DIVERSITY

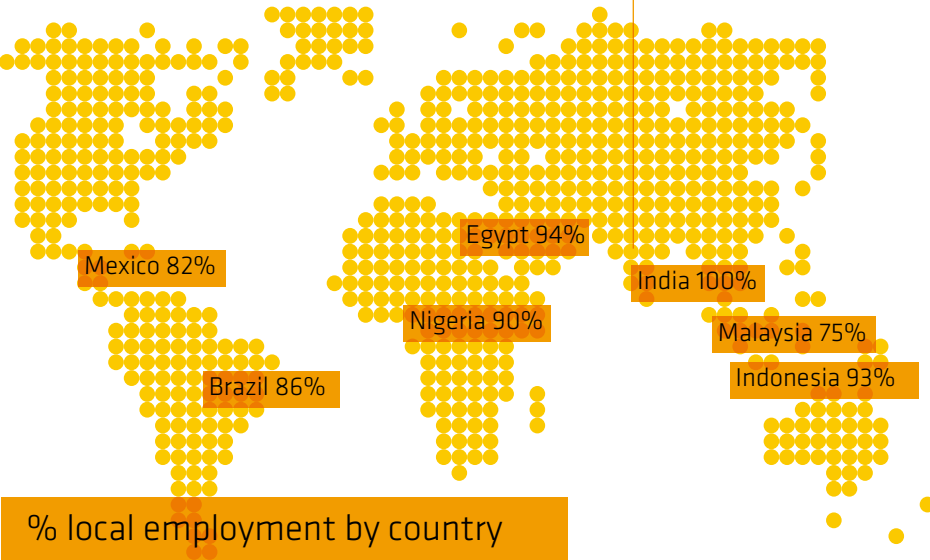
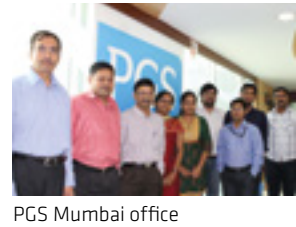


People focus is about valuing all our employees, and the various skills they bring to our company. We aim to develop those talents and support them in developing their career with us. PGS employs a highly specialist and diverse international workforce, which needs to be capable of engaging with diverse communities. We encourage balance, equality and a culture of respect. This is part of what makes PGS a great place to work.

Fair and accessible recruitment

Our goal is to attract the best talent that is available. We take steps to ensure there is no bias, including gender, race or age, in our recruitment campaigns and activities.

Whilst we are proud of the international content of our regional headquarters, our smaller offices have proven the success of investing in local employment.



The map shows PGS offices with more than 10 employees and with local content higher than 80%



Promoting gender balance

Historically, the offshore oil and gas industry has been male-dominated, so achieving gender balance is a particular challenge.

At the end of 2013, four of the nine PGS Board of Directors were women. 23% of all PGS employees were women, and this was rather higher in Norway at 32%. 15% of office management positions globally were held by women.

Offshore, achieving gender balance is much harder. Currently, only 5% of our vessel crew are female. Our offshore crew, which accounts for around a third of our workforce, typically work a pattern of five weeks onboard, five weeks off. That can pose a challenge for people with family and other responsibilities, and it still seems more common for men to take these roles than women.

- Maintaining gender balance and equal opportunities help us attract the best people, so it is something we strive to promote, by:
- Advising managers and employees on gender neutral recruitment and staff development.
 - Fielding female staff at recruitment events.
 - Identifying high-potential women and minorities through our potential review process so we can support their development.
 - Where possible, identifying alternative opportunities for employees who wish to change their working patterns, for example following maternity or paternity leave.

We are unique in our industry – four out of nine of the PGS Board members are women.

HEALTH AND SAFETY



The safety of our people is one of the biggest risks we face and is central to everything we do. We want PGS to be best in class in Health, Safety, Environment and Quality (HSEQ), with zero injury to people – including employees, contractors, people visiting our sites and anyone else involved in our operations.

To do this, we focus on three key areas:

- Avoiding injuries – we believe that all incidents and injuries can be prevented.
- Reducing risk across our operations.
- Improving employee awareness and behavior.

Our offshore operations pose the greatest safety risk for our business, so this is where we have traditionally focused our attention. However, in recent years, we have increased our focus onshore, recognizing that a strong health and safety culture starts at the top, and that it is vital that we develop our managers as role models and leaders.

83%
of employees say PGS takes health and safety seriously.
2012 Global People Survey

Our approach
Assessing, reducing and managing risk is at the heart of our HSEQ management system. Certified to OHSAS 18001 standards, our management system is designed to ensure we comply with international laws and regulations, as well as local legislation in the countries where we operate around the world. In addition, we follow industry standards which means we often operate beyond legislation and legal requirements.



2011	0.93	2012	0.17	2013	0.16
LTIF (Lost Time Injury Frequency per million man-hours)					
2011	1.44	2012	0.66	2013	0.94
TRCF (Total Recordable Case Frequency per million man-hours)					

Our performance
We measure health and safety performance through a combination of lagging indicators (e.g. the number of reported incidents) and leading indicators (those that measure the proactive work we do to reduce risk and injury to our people).
Over recent years, we have significantly improved health and safety performance across the whole company.

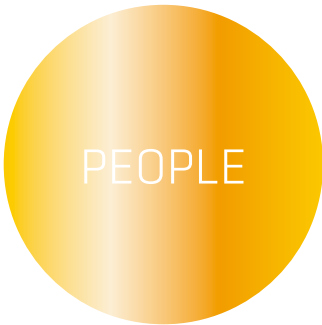
- Total Lost Time Injuries (LTIs) dropped from 11 in 2011 to two in 2013.
- Total Recordable Cases (TRCs) dropped from 17 in 2011 to 12 in 2013.

We continuously work on decreasing the number of incidents by focusing on our long-term key areas, including: HSEQ Leadership and Behavior, Risk Management and general improvement of our HSEQ Management System.
During the last year, we've seen an increase in the recordable incidents. To tackle this and decrease the number of incidents, we implement targeted initiatives, identified based on results from incident investigations and trend analysis.

Actively reducing risk
At PGS, we believe risk awareness is key to keeping people safe. Our risk management system helps us identify hazards, assess risk and introduce safety measures to improve our everyday operations. Even when we have taken all appropriate safety measures, we will always face a level of risk that we cannot eliminate. Where an activity is deemed too risky, we simply don't do it.
We also continuously improve our processes and learn from others to reduce the risks we face.
Since 2012, we have increased our focus on carrying out high quality risk assessments offshore. This has been part of our ongoing efforts to strengthen our risk and change management systems. During this period, we focused on project risk management, management of safety critical activities, and improving documentation practices.

The number of Risk Assessments completed on vessels increased by
24%
from 2012 to 2013

HEALTH AND SAFETY



Safety leadership and accountability

There is no doubt the commitment of our leaders is central to creating ownership and securing the HSEQ behaviors we want in our workforce. All our HSEQ activities are led from top down and our CEO and the executive team place great importance on engaging directly with employees. Health and safety is a key focus when senior managers visit vessels and

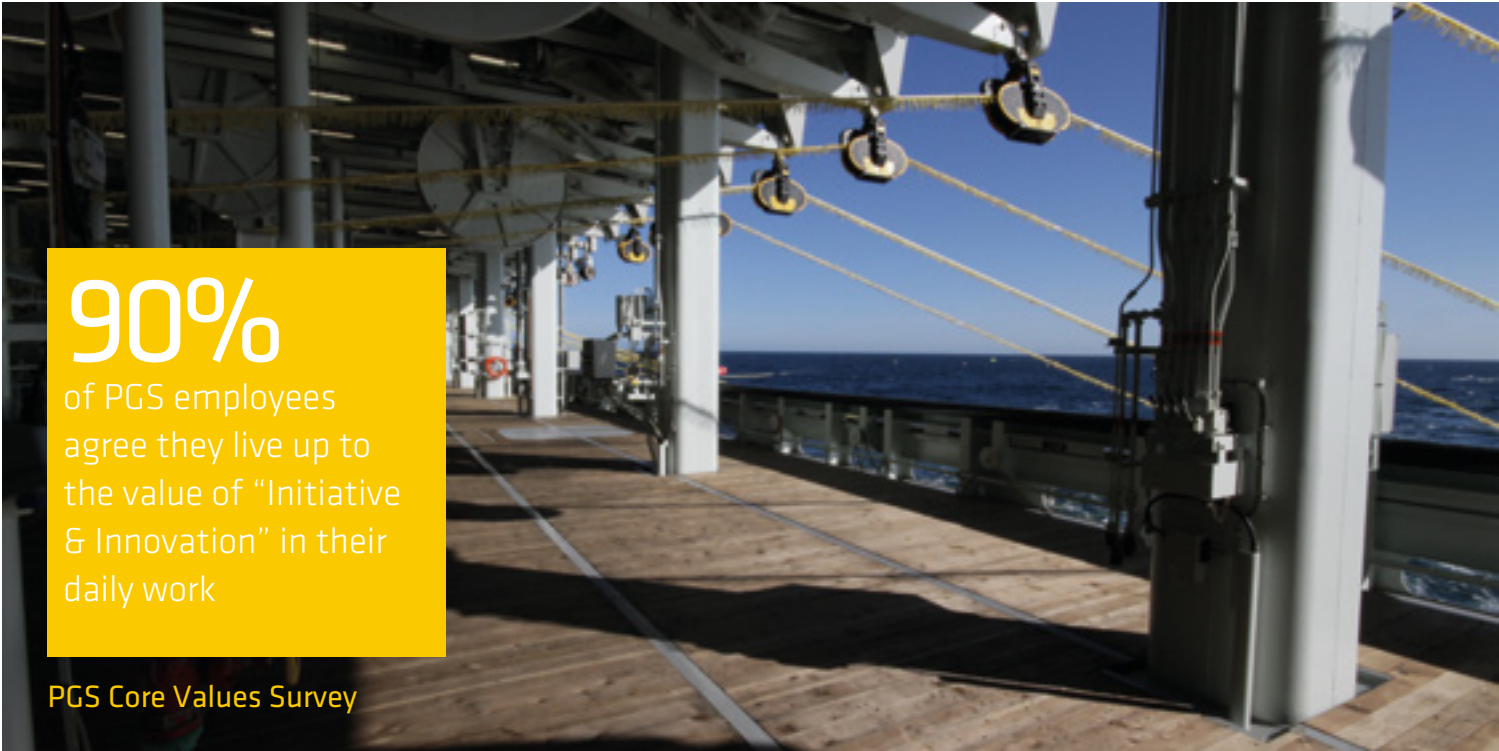
offices, and they encourage people to take individual ownership and responsibility for HSEQ. At PGS, all employees are expected to take part in HSEQ meetings. We are increasingly delegating responsibility for HSEQ in general to strengthen ownership in the general workforce especially offshore.

In 2012 and 2013, we held over
2,000
HSEQ meetings

Offices	2011	271	2012	189	2013	239
Vessels	2011	523	2012	532	2013	1,134

HSEQ meetings held

HSEQ meetings include: Departmental Safety Meetings, HSEQ Committee Meetings, HSEQ General Crew Meetings, HSEQ Ship to Shore Meetings, HSEQ training/workshops



90%
of PGS employees
agree they live up to
the value of “Initiative
& Innovation” in their
daily work

PGS Core Values Survey

CASE STUDY: Investing in frontline safety

“I first became a Party Chief on the Beaufort Explorer in 2008, and I joined Ramform Explorer in June 2012. I’d worked on PGS seismic surveys since 1996, but I’ve got a technical background in surveying and I had little HSEQ management experience. Our work offshore is high-risk, so there’s a huge amount of safety information and procedures involved. It can be pretty overwhelming, especially as managing the day-to-day operation of a seismic ship leaves little time for sitting down and getting to grips with it all. In 2011, I was invited to be a Field Support Manager in the HSEQ team in Oslo for a year – a role introduced to build the capability of Party Chiefs. There were four of us and we were responsible for giving presentations, doing audits and investigating incidents on vessels. The training we received was excellent, and we got the opportunity to

understand HSEQ best practice as well as gain an in-depth knowledge of PGS procedures. “Assessing risk became almost second nature, rather than a formal exercise I needed to stop and think about.” When I returned to being Party Chief, I was so much more confident and better able to manage the safety of my team. I could focus on the things that really matter – the safety issues at hand – rather than having to think about the best way to apply policy and procedures. Assessing risk became almost second nature, rather than a formal exercise I needed to stop and think about. As far as I know, the PGS Field Support

Manager Program is the only scheme of its kind in the seismic industry. 11 existing and six prospective PGS Party Chiefs have now completed the program at a cost of around \$2.5 million. I think that’s a great demonstration of how highly PGS rates the safety of its frontline teams.”



Jez Tate
Party Chief

HEALTH AND SAFETY



Over 17 thousand
recorded SAFE card interventions
35%
of all SAFE cards

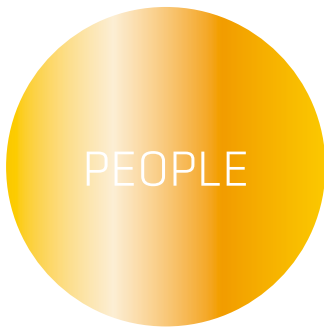
Making challenge and intervention the norm

At PGS, we use a variety of management tools to drive health and safety awareness and behaviors. We also recognize that our frontline employees are in the strongest position to improve the way we do things, so we encourage them to challenge, intervene and communicate upwards to prevent unsafe acts.

One of our biggest engagement tools has been the SAFE Card. This simple

system allows employees, contractors and visitors to tell us about unsafe acts and conditions, report on positive acts, and provide suggestions for improvements.

Since redesigning the SAFE cards in 2009 to focus on direct intervention, we have received over 48 thousand completed SAFE cards. Over 17 thousand of these resulted in intervention, which involves directly challenging or raising concerns with another person.



CASE STUDY: Developing our security systems

In this constantly changing world, security has become an increasingly significant risk facing the oil and gas industry, and our own business. PGS takes a proactive approach to managing the complex and evolving security threats facing the industry. Protecting our employees and business partners is our priority.

In 2013, in recognition of the increased risk, we created a dedicated Security Risk Manager role to coordinate our strategic approach to security management. We have introduced a new security risk management system and carry out security risk assessments before engaging in any new project.

“I took up my role as PGS’s first Security Risk Manager in October 2013, coming straight from a posting as Commander of the NATO Shipping Centre – the hinge of communication and cooperation between the military and the international shipping industry. Much of my work there was focused on anti-piracy measures for the shipping industry.

“The security challenges facing PGS are more diverse, but potentially no less acute, than those I have been used to dealing with. PGS has offices and vessels across the globe, with people travelling between them, both onshore and offshore. We have to maintain a threshold beyond which we do not go. People are our most valued asset and we have a duty to ensure their protection. Bringing this work ‘in house’ enables us to manage security risk consistently across all PGS operations – strengthening and developing our response to the constantly changing security landscape.”



Stein Olav Hagalid
Security Risk Manager

HEALTH AND SAFETY

The new Ramform Titan class vessels offer crew a new class of offshore entertainment and leisure. Ball game court and gym, swimming pool, video rooms, TV rooms and saunas are all at the crew's disposal to create a feeling of "a home away from home".



PGS has always put itself at the forefront of technology – both for production efficiency and for improving the safety of our people. These strands of development don't have to be mutually exclusive. Engineering out risk can also engineer in efficiency.



CASE STUDY: A world first in safety training

"In 2010, I was asked to look at how well PGS crews were handling unexpected back-deck situations, such as retrieval of survey equipment following a technical problem. Over the years, our operations have become more complex, while our equipment has become more efficient. People are now rarely exposed to these sorts of situations, and they have become less confident about how to respond. You can't learn back-deck operations from a book. Simulator-based training seemed the natural solution for practicing safe and efficient operations. We contacted Kongsberg Maritime, one of the world's leading providers of maritime simulators, to develop the simulator, and agreed a partnership with Vestfold University College (HiVe) to host it. Our own teams put a lot of time into the technical design. The result is a cutting-edge system that simulates the retrieval of up to eight seismic cables and allows

"It's the world's first man-on-deck simulator, as opposed to control-room based, maritime simulator." three employees to work on deck as a team. It's the world's first man-on-deck simulator, as opposed to control-room based, maritime simulator. Using the Kinect™ for Windows motion sensing device, each trainee can move around on a virtual back-deck and interact with their colleagues, while being provided with best practice and safety advice. Over 100 crew members have now been trained in the simulator. Their feedback has averaged 4.1 out of 5. It's still early days for our simulator. We can see lots of potential for developing it for other unplanned situations where safety and efficiency is a priority."

Einar Nielsen
Vice President Special Projects

LOOKING AHEAD
We strive to evolve and continuously improve our systems and processes to meet new challenges head on. In 2014 our priorities will be:

- Continue to improve our safety culture, systems and processes to lead our sector in HSEQ.
- Embed the new Security Risk Management System to cover the whole organization.
- Engage employees and listen to their views on how well we are doing by conducting our 5th Global People Survey.



ENVIRONMENT

Our commitments

Every day, we are faced with the challenge of meeting global energy demand while avoiding climate change and reducing our impact on the environment. That is why one of our commitments is leadership in HSEQ.

We aim to leave no stone unturned in our efforts to improve our environmental performance.



ENVIRONMENT

PGS' vision is to be HSEQ leader in the worldwide geophysical industry. We are committed to:

- Preventing harm to the environment by minimizing the impact of our operations.
- Complying with all applicable legal and industry standards associated with our activities.
- Achieving continual improvement in environmental performance.

Our main environmental impacts arise from our offshore operations. The fuel we consume to run our vessels is our most significant source of carbon emissions, and also a significant cost to our business. Our interaction with marine life during surveys is also a key concern for us.

INTERACTION WITH MARINE WILDLIFE



There is still more to be learnt about the effects of exploration and production activities, such as seismic surveys, on marine ecosystems. PGS works with the industry to improve understanding, technology and practices to reduce impacts on marine ecosystems.

Prior to any survey, we carry out an Environmental Risk Assessment (ERA) in the early planning stages and develop mitigation plans. In sensitive areas and where required, a more comprehensive Environmental Impact Assessment (EIA) is carried out. Wildlife experts with local knowledge are engaged to identify the species present, their distribution and migration patterns and important feeding and/or breeding grounds. The survey plan then sets out to minimize contact with sensitive areas and to avoid times when species may be breeding or migrating.



Underwater sound and marine mammals

Like seismic surveyors, marine mammals are utterly dependent on sound. They use sound to navigate, communicate and locate prey. Studies have shown that they are able to perceive sound from seismic exploration up to several kilometers away, and that can potentially affect their behavior.

Our research is helping us develop new technology that will reduce these potential negative impacts in the future. Until new technology is available, we will continue to take a number of practical steps during our surveys, including:

- A minimum 500m exclusion zone around the acoustic source, which is continually monitored by trained and independent marine mammal observers. Working closely with our crews, they log any sightings and ensure compliance with guidelines to minimize disturbance to marine fauna.
- An immediate shutdown of the acoustic source upon sighting of any animal within the exclusion zone.
- Acoustic source soft-start where we gradually increase the sound intensity to allow marine mammals to vacate the area before we reach full intensity.
- Passive Acoustic Monitoring (PAM) to listen for mammals in addition to the visual monitoring as required.



Impacts on fish and fisheries

Studies have shown that exposure to sound can cause fish to swim away from the source. This can potentially affect fisheries in nearby areas due to a temporary displacement of the fish.

We therefore take a number of proactive steps to reduce our potential impacts on fish including:

- Consulting local communities to learn about their activities and to provide information about our planned activities.
- Planning surveys to avoid breeding grounds during spawning in the area.
- Employing a local Fisheries Liaison Officer (FLO) to communicate with local fishermen during the survey.

Over
48,000

hours spent watching for wildlife by Marine Mammal Observers* on PGS vessels during 2013

* Qualified Marine Mammal Observers are contracted to maintain a watch from our seismic vessels, logging sightings of marine fauna and working closely with our crews.

RESPONDING TO CLIMATE CHANGE



Climate change is one of the most serious threats to society, the environment and to our own business. We are committed to cutting CO₂ emissions and maximizing the value we create for every tonne of carbon we emit.

In 2013, our total CO₂ emissions remained at the same levels as 2012.

Our annual CO₂ emissions depend on the size of our global project portfolio, so we focus on emissions per unit production.

In 2013, our emissions per produced unit for fleet of seismic vessels decreased by 8%. This is a clear demonstration of the success of our new Ship Energy Efficiency Management Plans (SEEMP) (see next page).

PGS reports its annual greenhouse gas emissions through the Carbon Disclosure Project (CDP). Our aim is to perform better than the industry average. In 2012, we scored 77 points of 100 possible, which is 10% above the industry average.

Since our last review, we have increased the scope of our CO₂ emissions reporting to include support vessels and business travel for all PGS employees.

8%

decrease in CO₂ emissions per unit produced by the PGS seismic fleet in 2013

	2012	506	2013	505
Total CO ₂ Emissions (ktonnes)				
	2012	87	2013	80

Energy performance per CMP km
CMP (Common Mid Point) describes the halfway point between source and receiver for each shot point (air guns firing) and is a metric for the amount of data acquired.

In 2013, PGS launched the groundbreaking Titan Class Ramform vessel. These vessels will take our production efficiency to unprecedented levels, enabling us to cover more area with high quality imaging for every tonne of fuel we consume.



RESPONDING TO CLIMATE CHANGE



LOCAL ENVIRONMENTAL IMPACT

0
major spills
(spill volume > 100 liters)

Focus on energy efficiency

In total, 98% of the energy we consume is used to operate our seismic and support vessels. Through our new Ship Energy Efficiency Management Plans (SEEMP), introduced in 2013, we have identified over 60 energy saving initiatives.

We also use energy to cool and run our network of data centers. Reducing this consumption is also a priority. Our UK data center was named Europe's most energy efficient data center in 2010, and we have worked hard to reduce power consumption and cooling demand in all our data centers around the world.

Environmental Management

In 2012, we achieved ISO 14001 certification for our environmental management system. We have now completed our first major audit of the management system with no major findings. We did identify a number of opportunities to achieve tangible improvements in our environmental performance in coming years, and these will set the focus for our future efforts.

Onboard waste

Our operations work hard to maximize efficiency and that means vessel port calls are few and far between. Onboard recycling and garbage handling systems dramatically reduce the volume of refuse and waste management efforts required, both in transporting waste ashore and processing it once there.



Avoiding pollution

PGS aims for zero oil spills. In 2013, we focused on oil spills and were proud to see no major spills (spill volume > 100 liters) in our operations.

In 2013, we also started a company-wide effort to reduce our use of chemicals for maintenance, and to eliminate or substitute chemicals that are harmful to health and the environment.

Managing our waste

We aim to reduce our waste, and we take care to dispose of it in a responsible manner. No waste is disposed of overboard except organic waste, in accordance with international law and local regulations.

We recycle our redundant IT equipment to benefit local community projects.

In 2014, we will take further steps to ensure that the waste we deliver to shore is disposed of responsibly, by implementing more rigorous auditing of our onshore waste contractors, as per the principles set out in the UN Global Compact.

LOOKING AHEAD

- In 2014, we will set up a cross-regional Environmental Compliance and Regulatory Affairs Network – to focus our efforts on identifying and mitigating the environmental impacts of our surveys.
- Energy efficiency and reduction in carbon emissions will continue to be a key priority and we plan to:
 - Cut our onboard energy use by considering best available technologies and options for alternative fuels in new vessels.
 - Trial energy monitoring systems on selected vessels.
 - Introduce quantified annual energy efficiency and emission targets as part of our strategy to reduce our emissions.
- All our offices will introduce an environmental performance dashboard in 2014 to help identify areas for improvement.



CONDUCT

Our commitments

Our future depends on our reputation and compliance with laws around the world. Operating internationally in the oil and gas industry exposes us to potential corruption risk.

That's why conducting our business with integrity and strong ethics is one of the PGS Core Values, and why we commit to a high level of accountability and transparency in all our business dealings.

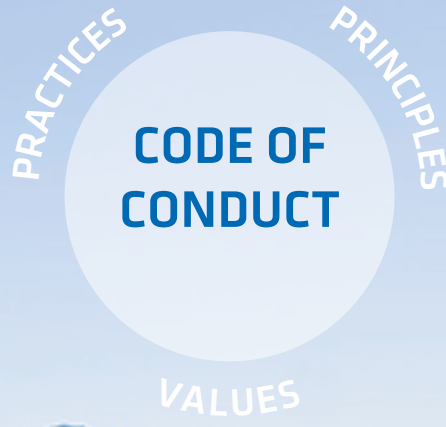
CODE OF CONDUCT

Business Practices

A summary of the principal areas of law affecting our business and details of our related practices

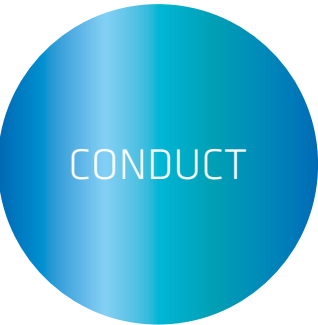
Principles of Conduct

The corporate principles we apply to the way we do business



Core Values

Clear guidelines for how we interact with others in our day-to-day work



The PGS Code of Conduct sets out the framework for what we consider to be responsible conduct – ensuring all our people exercise good judgment, care and consideration in their work.

The PGS Code of Conduct is an integration of our Values, Principles and Business Practices. This is further supported by our Anti-Corruption Program.

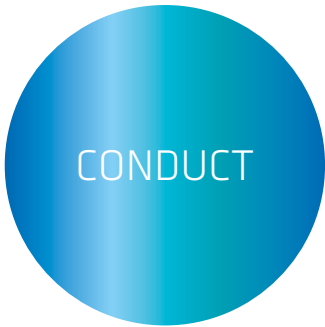
Maintaining high ethical standards is a key element in our Code of Conduct. Further elements from our Code of Conduct include, among others:

- Respecting laws and regulations and acting in compliance with company policies.
- Utilizing good judgment and honesty in all our company dealings.

- Encouraging others to aspire to high ethical standards.
- Promoting open and honest communication.
- Encouraging transparency and timely information.

Our Code of Conduct, Core Values, Principles of Conduct and Business Practices are available on our website at www.pgs.com

HUMAN RIGHTS



The countries in which we operate vary greatly in their stage of development when it comes to managing human rights. We recognize that PGS has a responsibility and an opportunity to make a positive impact – by ensuring our own ethical standards, and the standards we expect of others, in contributing positively to protecting human rights.

In 2013, we defined our ongoing respect for human rights in the new PGS Human Rights Policy. The policy sets out principles for how PGS will act to protect human rights – both of our employees and those who come into contact with our activities.

The PGS policy is based on the Universal Declaration of Human Rights and International Labor Organization Core Conventions on Labor Standards. We are committed to uphold high standards in all our global activities, and to sacrifice revenue when necessary to preserve our standards.

- The PGS Human Rights Policy includes:
- Ensuring the respect for dignity and rights of all people we work with.
 - Avoiding discrimination, harassment or intimidation of any type.
 - Supporting freedom of opinion and association, and employee rights to collective bargaining.
 - Ensuring the health and safety of the people we work with.
 - Maintaining high standards of privacy and data security.
 - Prohibiting the use of forced or child labor in our direct operations and our supply chain.

ANTI-CORRUPTION

Corruption is one of the most serious risks we face. It’s a key concern for PGS and our customers, and we go to great lengths to manage the risks in a responsible and consistent manner.

Our established Anti-Corruption Program ensures everyone knows the standards PGS expects them to abide by. It includes strict policy and procedures for the way we engage with people when we do business.

In 2013, we updated the program to strengthen our focus on high-risk areas of our operations and our supply chain. The new program is compliant with all the latest and strictest international regulations and laws, not least the UK Bribery Act of 2010.

Over 1,000

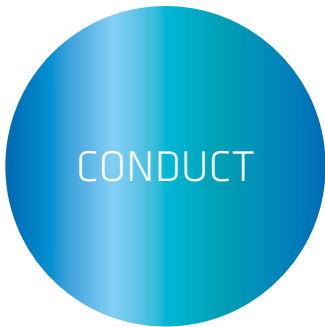
employees, contractors and representatives have completed face-to-face Anti-Corruption training since the program roll out began in November 2012

“PGS is continuously striving to improve our systems and culture in order to ensure that we live up to our policy of zero tolerance on corruption. We try to capture learnings as well as implement new requirements to our systems. We want Anti-Corruption to be embedded in our culture and values. Today, we do far more than what was reflected in the old system of 2005 and we continue to improve.”

Jon Erik Reinhardsen

ANTI-CORRUPTION

PGS takes a risk-based approach to managing corruption risk. Such risks are identified through various sources such as the International Corruptions Percentage Index by Transparency International.



We follow strict due diligence procedures to assess corruption risk for all potential new representatives exposed to this risk. This includes an interview, questionnaire, vigorous background checks and final sign off by an Executive Vice President before business can commence.

A big part of the implementation of the new program has been about raising awareness amongst our employees. The roll out has involved training, including dilemma scenarios, to help people recognize risks and understand tools that can help them make the right decisions when situations occur. Specific improvements to our Anti-Corruption program include:

- An Anti-Corruption authorization matrix, which guides people to make the right decisions in terms of approvals for certain activities and transactions.

- An e-learning package covering bribes, facilitation payments, gifts, entertainment, engaging third parties, charities and sponsorship, which all employees must complete.
- A database for logging all gifts and entertainment – to improve transparency and monitor compliance.
- Improvements to our Anti-Corruption intranet site for employees including the sharing of relevant corruption cases and packages of information for specific locations and situations.
- An Anti-Corruption leaflet for employees and external parties to explain PGS policy, rules and tips on how to handle difficult situations.

LOOKING AHEAD

- We will continue our focus on ethical conduct, awareness and training, including new e-learning modules and face-to-face sessions to be rolled out in 2014.
- We will strengthen continuous compliance monitoring, in addition to formal internal auditing.
- We will strengthen our monitoring focus on higher risk areas of our business and our supply chain.
- We will continuously strive to identify the indicators of corruption risk, so we can take pre-emptive action before situations arise.

CASE STUDY: Putting Anti-Corruption at the top of the agenda

“As Regional President of Marine Contracts in Africa, corruption is an unfortunate reality my teams have to face in some African countries. It is something we need to be constantly aware of, and we do come across challenges from time to time – for example, when we have faced delays waiting on official documentation to import one of our vessels into a country. Whilst this wait is extremely frustrating, our employees know that we will continue to wait in a compliant manner, no matter the lost time incurred. In addition to being a breach of our values, the potential financial and reputational repercussions of any other course of action are simply not worth the risk. It is one of my responsibilities to ensure that staff, agents and contractors understand exactly how they are

expected to behave. It’s not always that black and white – in some cases giving hospitality or receiving a gift is acceptable, in others it’s not. It really depends on the context and what is involved, which is why senior management approval is required for all transactions over the prescribed threshold. We need to provide the training and understanding that will ensure our people make the right decisions.

In 2013, we rolled out new Anti-Corruption training, starting with employees and agents working in the highest risk locations. We’ve now extended the training to include all African region employees. Our active compliance department monitors progress with regular internal and third party audits.

The fact PGS takes corruption so seriously, and has invested so much in addressing the day-to-day risk, means I can feel more confident in running my part of the business. We’ll never totally eliminate the risk, but I feel like we have the right balance to ensure our clients and stakeholders can trust in PGS.”



Simon Cather
Regional President
– Africa Marine Contract



STAKEHOLDERS

Our commitments

PGS strives to be a responsible citizen in all aspects of its operations, not least in its relationships with 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 work.



Our future business depends on maintaining good relations with our stakeholders. We aim to nurture these with transparent, two-way communication, increasing mutual understanding and encouraging positive relationships.

PGS has a number of established processes in place to ensure we address stakeholder needs including:

- An active investor communication program.
- Consultation with communities and fishery bodies.
- Our employee survey and dialogue with labor unions.
- Customer feedback surveys during and at the end of each project.
- Supply chain engagement to ensure our suppliers understand and meet the high standards of conduct we expect.

INVESTOR RELATIONS



In 2013, PGS investors were distributed across Norway (36%), the USA (20%), the UK (17%) and other countries (27%). Our 20 biggest shareholders own 46.4% of our company.

At PGS, we value close and interactive relationships with our investors. We are bound by the rules and guidelines of the Oslo Stock Exchange. This ensures information is shared equally with all shareholders, analysts and other interested parties. Our active investor relations communication program includes public presentations, conference calls and webcasts, senior management road shows, presentations at investor conferences and one-to-one meetings.

The annual PGS Capital Markets Day, which was held on 18 December 2013, is an opportunity for current and potential investors to gain an insight into the general seismic market and PGS in particular. Like our quarterly and annual results presentations, the event is available as a webcast to maximize accessibility.

Our 20 biggest shareholders own 46.4% of our company and come from Norway, the USA, the UK, Belgium, Finland, Luxembourg and Kuwait.

Leading financial communications

The annual Stockman prize is awarded by the Norwegian Society of Financial Analysts to the companies that are judged to have delivered the best financial communications. Following our first place ranking in 2010*, PGS were placed third out of the 215 listed companies on the Oslo Stock Exchange in 2013.

* The winner is quarantined from participation the two years immediately after winning

ENGAGING WITH CUSTOMERS



Our relationships with our customers determine the long-term commercial success of PGS. To understand the priorities and expectations of our customers, we engage in regular, open dialogue on issues of mutual interest or concern. This dialog is central to our sales process, our operational risk management and our management of HSEQ.

To maintain close collaboration with customers throughout the lifecycle of a project, we hold regular dialog – from the initial survey planning meetings to final meetings at the end of the project. This means formal customer satisfaction survey results, collected during and after delivery of the final images, should provide no surprises.

MANAGING A RESPONSIBLE SUPPLY CHAIN

Supply chain management has become increasingly important as globalization, regulatory pressures, supply market instability and society’s increasing expectations of corporate governance have gained pace. Managing our supply chain is an important discipline in the operational and strategic development of PGS.

Over 4,000
suppliers used in 2012

**Top 200 suppliers
(5%) covered**
75%
of the total spend
in 2012

Our procurement processes aim to ensure we have a healthy and compliant supply chain. This includes sourcing strategy, selection of suppliers and engagement with suppliers. The PGS Global Procurement Policy and Code of Conduct govern the way we manage our supply chain, and all PGS standards of ethics, Anti-Corruption, health, safety, environment and quality must be adhered to.

The PGS supplier selection procedures are a key component of our risk management assessment approach, and all our suppliers are regularly evaluated for internal and external risk. We focus on a culture of two-way communications with our suppliers, and we meet with key strategic suppliers to align business plans, identify opportunities and drive supplier performance.



CASE STUDY:
Engaging with suppliers – a supplier perspective

“PGS has been a major client of Sanco Shipping AS for a number of years. We supply PGS with two vessels, maritime crew and support boats, and we’ve got another vessel in the pipeline on its way to PGS.

As HSEQ Manager at Sanco, my job is to ensure we meet the highest safety and quality standards with our clients. We depend on close working relationships between Sanco’s maritime crew and the client’s seismic crew to run safe, smooth operations. Clear communication and understanding of our own and our clients’ policy is vital.

As a client, PGS stands out for being very clear about what it expects while having a strong culture of open, two-way dialog with suppliers to constantly improve standards. A good example of

this was in 2013, when we were invited by PGS to attend a two-day HSEQ supplier forum in Oslo. We spent a day in conference discussing business and policy issues, followed by a day at the PGS headquarters looking at emergency response. The event was very useful for sharing information and relationship building. I think it is a very good initiative, and I very much hope PGS and others might repeat it in the future.”

Lars B. Lødøen
HSEQ Manager
Sanco Shipping AS



BUILDING TRUST WITH COMMUNITIES



PGS aims to be a good corporate citizen in the areas where we operate. This ambition drives our interactions with local communities. We evaluate how a community might be affected by our work, and then we strive for open communication and collaboration to identify and manage the impacts of our work on those around us.

Our interaction with local fishing communities is a key consideration when we plan and carry out surveys. In some parts of the world, this interaction is covered by law, but there are many areas where no regulatory framework exists.

Our process is the same wherever we operate:

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

CASE STUDY: Engaging with fishing communities in Lebanon

In 2012, PGS began planning a seismic survey off the coast of Lebanon, an area without fisheries coordination or regulation of seismic operations.

Many fishing boats here do not have the benefit of radio or radar equipment.

We assessed the situation and decided we needed to employ a Fisheries Liaison Officer to help us engage with the local fishing community.

We identified a local partner and provided training to help him understand what the survey would involve. He lived onboard our vessel Atlantic Explorer for several days to fully understand the challenges involved. Together with PGS he then put together a range of initiatives to protect local fishing interests including:

- Identifying, mapping and contacting the local fishing communities along the coast from Beirut to the southern Lebanese border where some 1,800 fishing boats are registered.

- Producing an information pack in French and Arabic to explain how we would operate and the location of the planned project.
- Producing a flyer in French and Arabic to hand to fishermen encountered at sea.
- Negotiating an agreement with the community where fishing boats would have access to the area during certain times and we would carry out our surveys outside of these hours.

The Lebanon survey was successfully completed in January 2013. Feedback from the community was positive, despite one regrettable incident where some fishing equipment was damaged. We negotiated a fair settlement with the parties involved. Local media reports publicly recognized our quick and responsible approach to dealing with the issue.



THE FUTURE

As we continue to respond to the evolving challenges we face, we will keep tracking our growth as a responsible citizen across these four key areas. Our next report on progress will be in 2015.

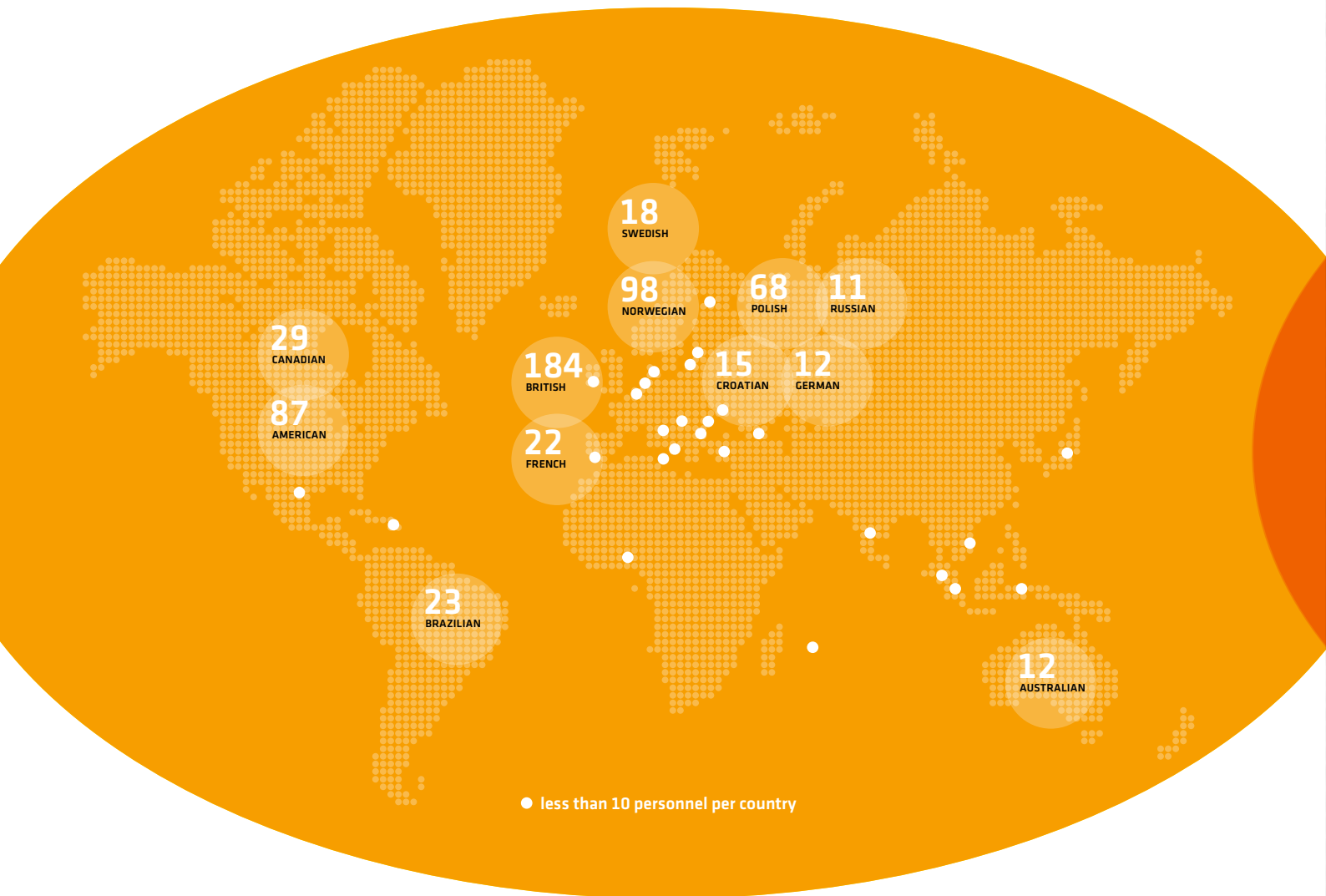
In the mean time, if you have any suggestions, comments or questions about our approach, please contact us at corporate.responsibility@pgs.com



PEOPLE
DATA

Vessel personnel
by nationality
in 2013

TOTAL NUMBER OF PGS
ACTIVE VESSEL PERSONNEL
653



VESSEL PERSONNEL ARE
REPRESENTED BY PEOPLE FROM

40
NATIONALITIES

5%
FEMALE CREW

41%
OF 2013 NEW HIRES ACROSS
THE WORKFORCE WERE
FEMALE

Office personnel
by location
in 2013

TOTAL NUMBER OF PGS
ACTIVE OFFICE PERSONNEL
1,621



21
COUNTRIES
WITH PGS
OFFICES

OFFICE PERSONNEL ARE
REPRESENTED BY PEOPLE FROM
MORE THAN
70
NATIONALITIES

69%
OF TOTAL NUMBER OF PGS
OFFICE PERSONNEL ARE
NATIONALS OF THE COUNTRY*
HIRED LOCALLY

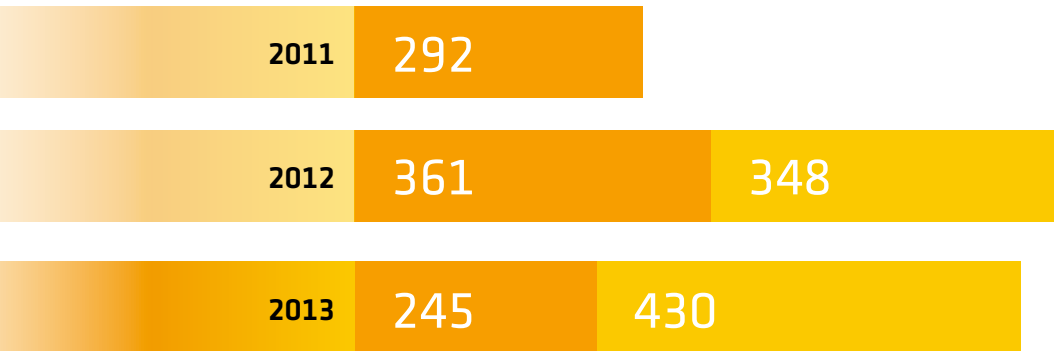
* PGS REGULAR EMPLOYEES ONLY.
EXCLUDES NON NATIONAL LOCAL RESIDENTS

Health and safety performance indicators

PGS TOTAL	2011	2012	2013
LTI (Lost Time Injury)	11	2	2
RWC (Restricted Work Case)	3	3	5
MTC (Medical Treatment Case)	3	3	5
Total Recordable Incidents	17	8	12
HIPO (High Potential Incident)	5	1	4
FAT (Fatalities)	0	0	0
Man hours (millions)	11.8	12	12.7
LTIF (Lost Time Injury Frequency)	0.93	0.17	0.16
TRCF (Total Recordable Case Frequency)	1.44	0.66	0.94

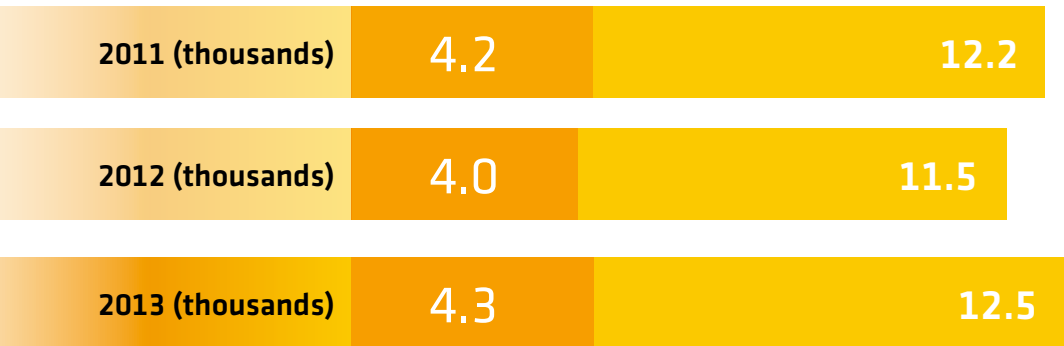
Risk Assessments

Offices Vessels



SAFE Cards

Resulting in intervention Total safe cards submitted



PEOPLE
DATA

Sickness rate

Vessels Based upon 188.5 work days year	N/A	1.2%	3.0%
Offices Oslo office	9.5%	2.4%	2.2%
	2011	2012	2013

% Staff receiving performance review

Vessels	90%	80%
Offices	87%	85%
	2012	2013

Exits

Offshore	7.9%	3.6%
Offices	9.5%	10.5%
	2012	2013

ENVIRONMENT
DATA

Environmental Performance

	2011	2012	2013
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Energy

Vessels (GWh)	1,502	1,689	1,676
Offices (GWh)	38	42	44

Air emissions (ktonnes)

CO ₂	435	506	505
SO _x	5	6	6
NO _x	8	9	9
PM	1	1	1

GHG emission intensity

CO ₂ per production (t/CMP)*	93.4	86.7	79.9
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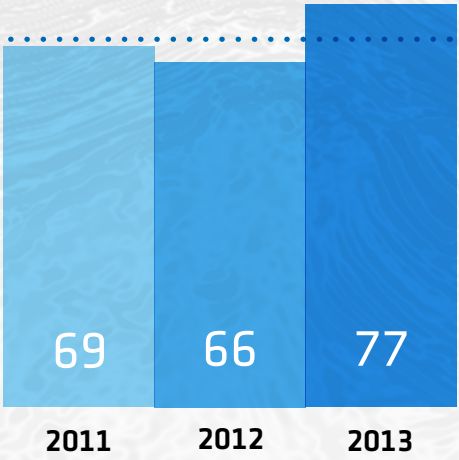
Waste

Vessels (1000 m ³)	10	9	11
Delivered to shore (1000 m ³)	8	6	8
Incinerated on board (1000 m ³)	2	3	2
Organic waste to sea (m ³)**	121	77	121
Offices (t)***	130	57	130
General waste (t)	13	26	47
Recycled waste (t)	33	31	83

* CMP (common midpoint) describes the total area surveyed annual
** Discharged to sea according to MARPOL requirements
*** Waste data includes four main offices only. The increase in waste in 2013 was caused by the moving of the Oslo office

Maximum Score = 100

Industry Average = 70



CDP Score

We report our annual greenhouse gas emissions through the Carbon Disclosure Project (CDP), and we aim to score better than the industry average every year.

1. CO₂ Emissions (ktonnes)

Source	2011	2012	2013
Scope 1	417	469	464
Seismic Vessels	416	436	437
Support Vessels	0	32	27
Offices	0.6	1	0.9
Scope 2	19	21	21
Offices	19	21	21
Scope 3	0	17	19
Business travel	0	17	19
Sum	435	506	505

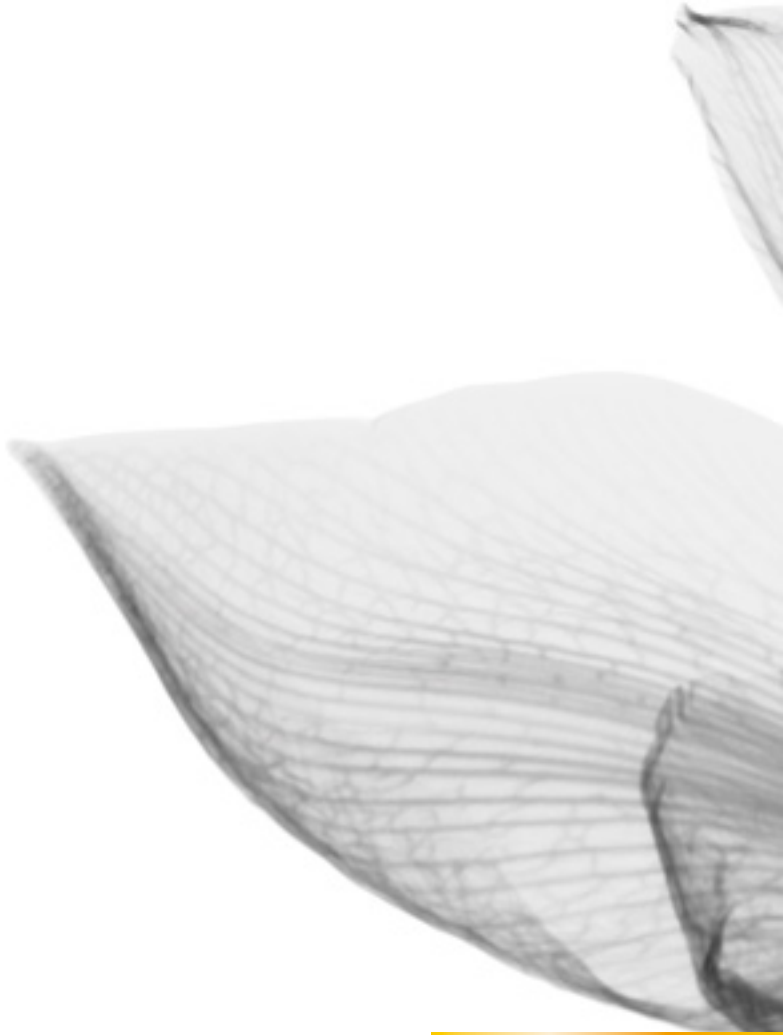
2. Energy consumption

Source	2011	2012	2013
Fuel (GWh)	1,505	1,694	1,680
HFO (GWh)	948	1,070	1,017
MGO (GWh)	554	619	659
Natural Gas (MWh)	1,208	1,576	1,494
Diesel (MWh)	1,684	2,756	2,244
Electricity (GWh)	35	38	40
Offices (GWh)	35	38	40

GHG Inventory

Support vessels include vessels on longterm contracts only. We will work to expand the scope of reporting in coming years.





We are responsible for our people, our conduct and how our activities interact with the environment and our stakeholders.