



# Responsibility Report 2018

Dedicated | Reliable | Pioneer



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**Rune Olav Pedersen**

President & CEO



# Refocused, Reenergized and Responsible

## Dear PGS shareholder

The price of oil has driven significant changes in the marine geophysical industry, and PGS has responded with some radical changes, based on a leaner, more financially resilient organization.

Long-term, however, the underlying problem of finding and producing enough energy to power the world has not gone away. Our customers are focusing on finding oil and gas again, although cost still remains their lodestar. Meanwhile we are getting to grips with a whole new way of working.

While energy markets and stock prices fluctuate, our core values do not. We will continue to deliver excellent projects as we look to the future, and will continue to behave in an ethical, safe and responsible manner in our dealings with our colleagues, our customers, the environment and the communities where we operate. That is a tough commitment in tough times. This report documents how we performed against our goals last year.

As ever, I welcome feedback and ideas from our stakeholders. I look forward to hearing from you.

**Rune Olav Pedersen**

*President and CEO*



# About this Report



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



Last year we analyzed the SDGs in light of our strategic priorities. Our analysis presented us with an opportunity to align our own responsibility goals with the global sustainable development needs. The priority areas are highlighted in the top right corner of the graph below.

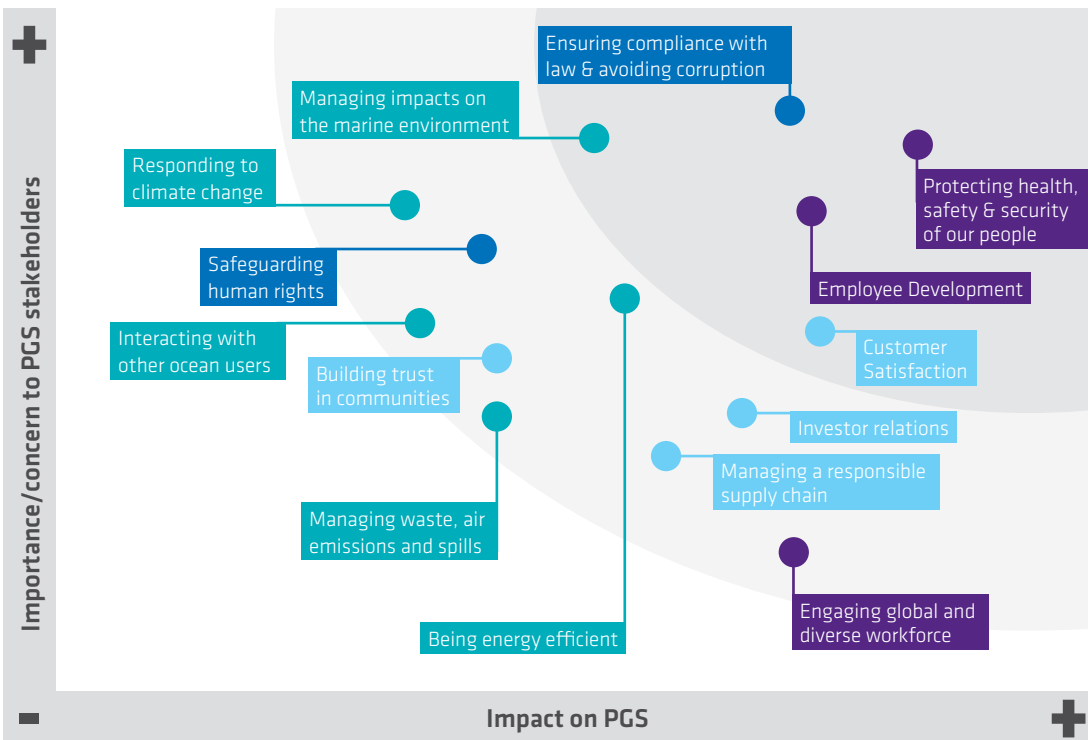


growth. We believe that we can contribute towards the advancement of this goal, especially when it comes to promoting productive employment and decent work.



This year, we re-evaluated the materiality of each goal and priority area to us as a company and to our stakeholders. Our value chain, the context in which we operate, and our core values have guided our analysis. That evaluation led us to introduce an additional SDG: Decent work and economic

This years' report includes a description of the measures we have taken to reduce the risks and improve the opportunities associated with the SDGs listed above, whilst balancing the expectation of our stakeholders. In the years to come, we will continue to link the relevant SDGs to our business development, risk management and strategy processes.



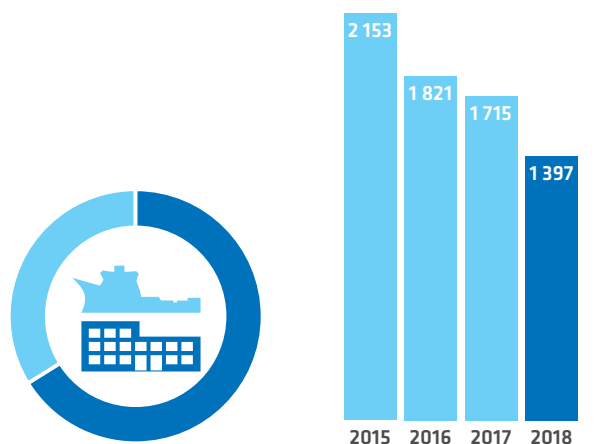


# People



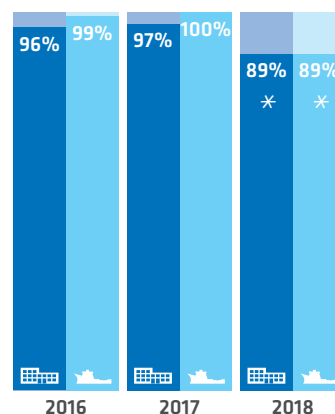
In 2018, our focus was to empower the new leaner, project-driven organization to fulfill our strategic ambitions without compromising our core values. We strive to ensure decent work and continuously improve working conditions for our employees and contractors.

Focusing on technological upgrades of our people management systems allows us to support and promote productive activities, creativity and innovation amongst our people. In the long term, our aim is to improve efficiency while further reducing personal injuries and serious incidents.



**People by Location**  
925 Offices 472 Vessels

**Average Number of Employees by Year**



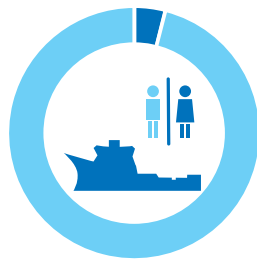
**Performance Review**  
89% Offices 89% Vessels

\* Performance reviews for 2018 will be finalized during the second quarter of 2019. The final number will be reported in next year's report.



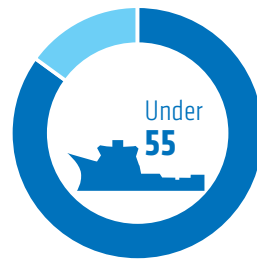
### Vessels by Nationality

29% British 14% Norwegian  
12% Polish 10% American  
5% Canadian 3% French  
3% Brazilian 25% Other



### Vessels by Gender

4% Female 96% Male



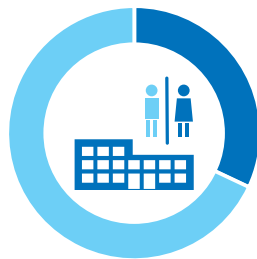
### Vessels by Age

85% Under 55 years  
15% 55 and over



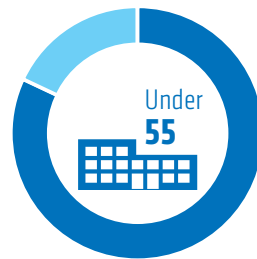
### Offices by Nationality

25% Norwegian 20% British  
13% American 5% Egyptian  
4% French 4% Brazilian  
3% German 25% Other



### Offices by Gender

31% Female 69% Male



### Offices by Age

82% Under 55 years  
18% 55 and over

## 37 Nationalities on PGS Vessels

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

## 49 Nationalities in PGS Offices

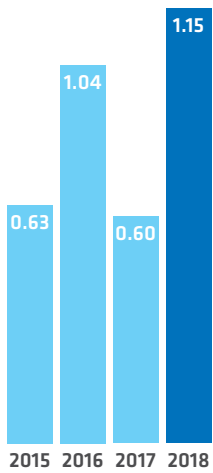
Norwegian, British, American, Egyptian, French, Brazilian, German, Malaysian, Angolan, Chinese, Australian, Russian, Polish, Indian, Irish, Nigerian, Dutch, Mexican, Swedish, Italian, Japanese, Singaporean, Venezuelan, Canadian, Danish, Ghanaian, Spanish, Tunisian, Croatian, Greek, Kazakhstani, New Zealander,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



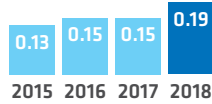
# HSEQ Figures

*\*The frequency and man-hour figures in this report cannot be compared with those given in previous reports, as in 2017 we aligned our reporting standards to IAGC requirements for reporting on a 12 man-hour basis (previous reports used a 24 man-hour basis).*

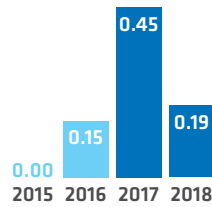
|                                   | 2015       | 2016       | 2017       | 2018       |
|-----------------------------------|------------|------------|------------|------------|
| Lost Time Injury (LTI)            | 1          | 1          | 1          | 1          |
| Restricted Work Case (RWC)        | 3          | 4          | 0          | 3          |
| Medical Treatment Case (MTC)      | 1          | 2          | 3          | 2          |
| <b>Total Recordable Incidents</b> | <b>5</b>   | <b>7</b>   | <b>4</b>   | <b>6</b>   |
| <b>High Potential Incidents</b>   | <b>0</b>   | <b>1</b>   | <b>3</b>   | <b>1</b>   |
| <b>Man-hours (millions)*</b>      | <b>7.9</b> | <b>6.7</b> | <b>6.7</b> | <b>5.2</b> |



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



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



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



# Focus Areas

## Working in the New Organization

Since 2008, PGS has monitored the satisfaction, motivation and loyalty of its employees through a biennial global people survey. To gauge the effect of the 2018 reorganization on employees, the management team elected to carry out a new survey just 12 months after the last.

Monitoring differences in motivation and satisfaction and managing meaningful improvements are key reasons for conducting a global people survey. Overall findings were reported to the corporate management, while detailed reports were distributed to line managers enabling them to plan how to address any issues raised with their teams.

Employee participation in this year's survey was 92%, which is an all-time high. Broad participation is important to the validity of the results and the effectiveness of actions generated.

Participation is voluntary and anonymous. Over the last few years, PGS has used the Ennova Employee Index (EEI) as a benchmark; this index is widely used around the globe. The survey aims to answer two central questions:

- How satisfied, motivated and loyal is a given group of employees?
- How does a manager create satisfaction, motivation and loyalty in this group of employees?

## Overall Trends

Despite the significant recent organizational changes, the employee engagement results are stable, and loyalty, especially, is still strong. In fact, PGS results on this score remain strong compared with the oil and gas benchmark group. Scores for immediate manager are also high.

However, there are variations and signals that we still have a way to go in some parts of the organization before we can put the change process behind us.

The solid trust demonstrated in the scores for immediate manager and loyalty show that PGS has a good base to work on going forward.

## Next Steps

The initial report is a positive testament to the willingness of PGS employees to give honest feedback. This is further demonstrated by the high response rate.

The most important part of the survey process will be the analysis and action conducted locally. Management at all levels will engage with their employees to understand and act upon their unit's results.

PGS will continue to build and nurture teams, developing the skills and alliances that are required to make the organization a success and focusing on our strategic goals. We continue our commitment to communicating and listening, of which the survey is one important element.

## Empowering People

Technology is a core asset to PGS, also when it comes to people management. As employees' needs evolve, so do our systems, increasing our efficiency. This year, we introduced an improved people management system that allows us to adapt the way we perform human resource processes to our overall business needs, which is paramount in a changing organization.

The new system empowers our people by giving them better access and control of their personal information and development, through a new set of tools and functions. New human resources dashboards allow managers to perform more sophisticated analyses of their teams' performance and progress, to help them be better leaders. This should allow both managers and employees to focus on activities that are most relevant and best-suited to them, advancing productive employment.



# Focus Areas

## Protecting Health, Safety and Security for Our People

### *Streamlined Strategy for HSEQ*

The company reorganization inspired us to streamline our approach to Health, Safety, Environment and Quality (HSEQ). We evaluated our HSEQ objectives and restructured them to maintain and modernize our “no compromise” safety culture while ensuring continued compliance in all aspects of HSEQ. The three main pillars of the new, simplified HSEQ strategy are:

- Exposure reduction – identify, develop and implement technology and ways of working that eliminate or reduce exposure to health, safety and security risks, environmental impact and quality failures.
- Culture development – institutionalize a self-sustaining culture of safe behavior and quality, driven by openness of reporting, positive intervention and learning from every incident and lesson identified.
- Digital transformation – implement modern digital tools, systems and ways of working that improve risk awareness and management while minimizing bureaucracy and administrative burdens.

The revised strategy will be implemented company-wide during 2019.

## *Health Risk Assessments and Medical Emergency Preparedness*

Last year, we continued our efforts to strengthen our medical expertise and provide our people with an advanced medical support system, with evacuation and repatriation services.

We develop a Medical Emergency Response Plan (MERP) for every work location and transit route. The MERP provides steps for the movement of an ill or injured person from the moment they leave our vessel, through the nearest level of upgraded care, to a definitive medical care facility.

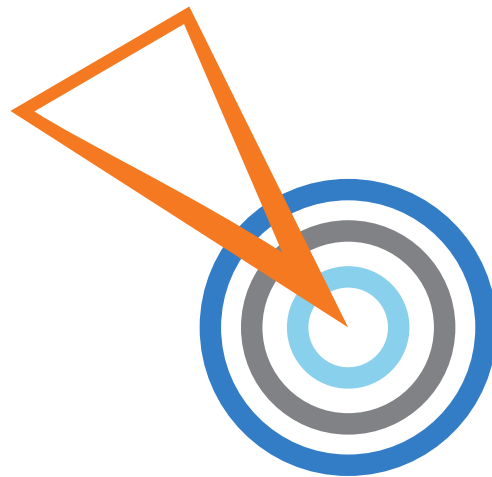
In addition, we conduct a Health Risk Assessment (HRA) prior to every project in high-risk areas. The HRA determines the risk level of the upcoming operation and the exposure to potential and existing medical and/or work environment health hazards.

Together, the HRA and the MERP ensure that we have proactive management of health risks and an efficient and reliable response is provided in all cases of medical emergency offshore. This allows us to evacuate a crewmembers from anywhere in the world, provide them with a high standard of medical care, and get them home safely.





# HSEQ Strategy



Maintain and modernize our “No Compromise” safety culture and remain compliant in all aspects of HSEQ

## Exposure Reduction

*To identify, develop and implement technology and ways of working that eliminate or reduce exposure to health, safety and security risks, environmental impact and quality failures.*

- Identify, develop and implement novel technology and ways of working that reduce offshore exposure.
- Implement a corporate quality management system around the Project Execution Model.

## Culture Development

*To institutionalize a self-sustaining culture of safe behavior and quality driven by openness of reporting, positive intervention and learning from every incident and lesson identified.*

- Develop and implement a perpetual safety culture program.
- Build a strong quality culture program around the Project Excellence initiative.

## Digital Transformation

*To implement modern digital tools, systems and ways of working that improve risk awareness and management while minimizing bureaucracy and administrative burdens.*

- Implement a modern safety management system that leverages modern digital solutions.
- Identify ways of digitizing and visualizing HSEQ data and information.
- Identify ways of performing remote inspections, audits and verifications.



## Encourage Active Employees

Our offshore crew have been taking part in an initiative to stay active, as part of their annual performance indicators. This year's objective has been to improve fitness and health awareness by keeping track of all physical exercise onboard.

Our crews embraced the initiative and achieved an average participation rate of 52%. On average, each participating crewmember spent 3.5 hours a week exercising.

The medics have been actively involved in the initiative, acting as trainers, encouraging the crew, and organizing different workout events. Basketball games, tournaments, cardio sessions and strength training classes are just some examples of the activities that have been taking place on our vessels.





## Emergency Bracelets

PGS is proud to pioneer new technologies, especially when innovation and technology underpins our endeavor of improving the safety of our offshore personnel.

We are currently supporting the development of an exciting idea from Dimeq AS, a Norwegian digital maritime equipment company. It is one that aims to digitalize and improve safety at sea. Their product makes it easier to monitor and supervise offshore personnel in emergencies. This personal device is worn on the wrist by all crewmembers, and is capable of continuously tracking\* all individuals onboard a vessel in real-time, from embarkation to disembarkation. The system is activated in situations such as an evacuation, fire or man-overboard, including drills would and used to locate and account for individuals.

“Mustering and keeping track of crew during emergencies on board is very important, and equally challenging. This technology will make this part of handling an emergency situation a lot easier,” says Captain Roger Honningdal, Operations Risk Manager

By allowing the developer to test these devices onboard one of our seismic vessels, and supporting their ideas with our operational experience, we can see how this innovative idea works in the field. If it performs well in practice, we hope it can improve the standard of safety for our industry.

\*The Dimeq system protects individual privacy and complies with GDPR requirements.



# Environment



We recognize that our industry has a direct impact on the marine environment through emissions and discharges to sea. Identifying ways to mitigate risks and minimize our impact on the environment through energy efficiency and reduction in carbon emissions has been a key priority for us in 2018.

## Environmental Performance Indicators

|                          | 2015       | 2016       | 2017       | 2018       |
|--------------------------|------------|------------|------------|------------|
| <b>Energy</b>            |            |            |            |            |
| Vessels (GWh)            | 1508       | 1436       | 1423       | 1236       |
| Offices (GWh)*           | 17         | 16         | 18         | 16         |
| <b>Air Emissions</b>     |            |            |            |            |
| CO2 (kT)                 | 438        | 410        | 409        | 354        |
| SOX (kT)                 | 3          | 4          | 2          | 1          |
| NOX (kT)                 | 8          | 7          | 7          | 6          |
| PM (kT)                  | <1         | <1         | <1         | <1         |
| <b>Waste</b>             |            |            |            |            |
| <b>Vessels (1000 m3)</b> | <b>4,7</b> | <b>3,2</b> | <b>3,2</b> | <b>3,4</b> |
| Delivered to shore**     | 3,3        | 2,2        | 2,4        | 2,6        |
| Incinerated onboard      | 1,4        | 0,9        | 0,7        | 0,7        |
| Organic waste to sea     | 0,1        | 0,1        | 0,1        | 0,1        |
| <b>Offices (t)</b>       | <b>90</b>  | <b>91</b>  | <b>82</b>  | <b>104</b> |
| General waste            | 27         | 31         | 29         | 32         |
| Recycled waste           | 63         | 60         | 52         | 72         |

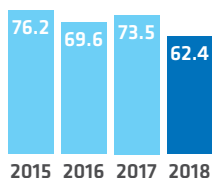
\*Data for four main offices only.

\*\* Does not include lithium batteries delivered for recycling.

## Glossary

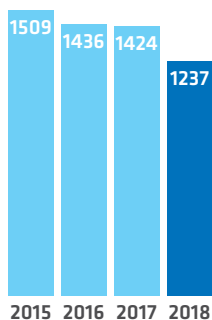
- CO<sub>2</sub> carbon dioxide
- GWh gigawatt hours
- SO<sub>x</sub> sulfur oxide(s)
- NO<sub>x</sub> nitrogen oxide(s)
- PM particulate matter

# Environment



## CO<sub>2</sub> Emissions per CMP

Tonnes



## Fuel Consumption

GWh

## CO<sub>2</sub> Emissions Breakdown (kTonnes)

|                           | 2015       | 2016       | 2017       | 2018       |
|---------------------------|------------|------------|------------|------------|
| <b>Direct Emissions</b>   | <b>412</b> | <b>393</b> | <b>390</b> | <b>338</b> |
| Seismic Vessels           | 375        | 355        | 355        | 305        |
| Support Vessels           | 37         | 38         | 35         | 33         |
| Offices                   | <1         | <1         | <1         | <1         |
| <b>Indirect Emissions</b> | <b>7</b>   | <b>7</b>   | <b>7</b>   | <b>6</b>   |
| Offices                   | 7          | 7          | 7          | 6          |
| <b>Other Emissions</b>    | <b>19</b>  | <b>10</b>  | <b>12</b>  | <b>10</b>  |
| Business Travel           | 13         | 10         | 12         | 10         |
| <b>Sum</b>                | <b>438</b> | <b>410</b> | <b>409</b> | <b>354</b> |

## Energy Consumption Breakdown (GWh)

|                        | 2015        | 2016        | 2017        | 2018        |
|------------------------|-------------|-------------|-------------|-------------|
| <b>Fuel</b>            | <b>1509</b> | <b>1436</b> | <b>1424</b> | <b>1237</b> |
| HFO                    | 623         | 895         | 764         | 715         |
| MGO                    | 885         | 541         | 660         | 521         |
| Natural Gas and Diesel | <1          | <1          | <1          | <1          |
| <b>Electricity</b>     | <b>17</b>   | <b>16</b>   | <b>17</b>   | <b>16</b>   |
| Offices                | 17          | 16          | 17          | 16          |
| <b>Sum</b>             | <b>1526</b> | <b>1452</b> | <b>1441</b> | <b>1253</b> |





# Focus Areas

## eSeismic – A New Way of Acquiring and Processing Seismic Data

A novel acquisition and processing method is currently under development in our research and development unit. The eSeismic method utilizes a source that outputs a continuous low level signal, as opposed to the impulsive signal from traditional seismic arrays. Existing equipment can be used to generate this signal, making the method immediately available for validation.

Measurements from a test survey done in Brazil proves that the sound pressure level (SPL) is reduced by about 20-22 dB, and the sound exposure level (SEL) is reduced by 8-9 dB. This contributes to further reduction of the risk of disturbance to life in the oceans from our operations.

We also anticipate significant benefits in terms of acquisition efficiency. By completing a survey faster, we can reduce the time we spend in any given area. This is both a benefit to the environment, and also reduces the risk of interfering with the activities of other users of the same area, like commercial or artisanal fisheries. Benefits will come from wider coverage per sailline and slightly higher vessel speed.

## Coexistence with Fisheries

Across the globe, commercial use of the oceans is increasing. Whenever multiple parties are working in the same area, this brings challenges in terms of simultaneous operations and risk of interfering with each other's activities. Coexisting with fisheries has always been a priority for us. However, as commercial and artisanal fisheries have increased in both intensity and scale, we decided to critically review how we manage this challenge and how we can leverage new technology.

In 2018, we have been looking at all phases of managing coexistence with fisheries, from planning of our surveys, consultation and socialization, detection of fishing vessels and equipment in the field, to optimal use of support and escort vessels to communicate and engage with those around us in the survey area.

One key objective we identified was the improvement of our scouting abilities out on the oceans, to ensure we are aware of all vessels and fishing equipment located in the area. You can read more about a project to develop drones to enhance these capabilities in the Stakeholders section.

## Global Sulphur Cap 2020

As of 2020, the global cap for sulphur content in marine fuels will be 0.5 % necessitating use of low-sulphur fuels or abatement technologies for continued use of heavy fuel oils. During 2018, our maritime department has analyzed the options for our fleet and operations, in light of the anticipated availability of fuel beyond 2020.

On some of our vessels, we have decided to install scrubber systems progressively towards 2020. The remainder of our fleet will switch to low sulphur fuels, in compliance with the global cap and any applicable local regulations. Minimizing consumption of fuel across our fleet remains a priority, with several ongoing initiatives in our maritime and technical departments. In sum, this will enable us to maintain a competitive fleet that is fully compliant with environmental regulations and in line with our environmental commitments.



# PLASTIC COLLECTION CONCEPT



## Plastic Initiative

### Feasibility, Funding and Pilot Test

In 2017, PGS launched a concept for collecting plastics at sea that uses the inherent capabilities of seismic vessels. We then commissioned a desktop review by an independent consultant of the potential and feasibility of the concept, using funds received from the Norwegian development and investment bank 'Innovation Norway'.

The results of the feasibility study were published in Q3 2018. The report concludes that pelagic micro plastic densities are too low for surface plastic collection to be efficient on the open ocean, but densities may be higher in certain areas or during certain seasons, or during flush-out events. A review of synthesis and modeling studies identified areas where plastic could be available in high densities, due to the likelihood of high input flows from runoff and

rivers during wet seasons. These include the Gulf of Mexico, the Caribbean Sea and the West Coast of Africa around the north Atlantic Margin.

PGS is now progressing with a more detailed technical study that will include theoretical engineering and hydrodynamics considerations. Discussions are ongoing with potential partners and suppliers for the boom arrangement, bubble curtain and collection unit.

Our next step will be to seek funding to conduct a full-scale pilot test offshore, over a period of approximately two months in either the Atlantic or the Caribbean. Academic institutions will be invited to join us, using our vessel for the duration of the pilot to conduct relevant research on plastic pollution in the oceans.



# Conduct



Our global footprint requires us to maintain a constant focus on ethics and anticorruption. In 2018, we continued to advance just and strong business relations and practices, and promote these through our own exemplary conduct, and interactions with our partners and contractors.

### Personal Data and Information Security

PGS has always taken its responsibilities seriously with regard to management of personal data. Under the new EU General Data Protection Regulation (GDPR) our responsibility for personal data covers all systems that store information about employees, suppliers or customers. "Whenever we process Personal Data for employees and customers, we need to ensure their privacy rights are protected," explains PGS Global Data Protection Officer Daphne Bjerke.

Over the past two years, we have conducted a project to check that our systems and processes comply with the new requirements. A GDPR workgroup was established in 2016, including representatives from HR, Legal, Compliance and IT. Well within the deadline set by the European Union, we reviewed and revised all of our systems and met all the standard requirements to protect the personal data and privacy of our people and stakeholders.

We updated our internal data privacy requirements, which provide a guide to the collection, use, transfer (including transfer across international boundaries), release, disclosure, and security of Personal Data. These requirements also describe our expectations for third parties who process such data on our behalf. All the relevant information for PGS and our subsidiary companies is gathered in a newly created manual on personal data protection and binding corporate rules.

We established a GDPR hotline and a personal data protection website, available to all employees who have questions or believe might be affected by violations.

### Anticorruption Effectiveness Survey

During the past five years, all PGS managers and employees have participated in anticorruption training. All have been through the e-learning program and those who are particularly exposed have been given annual in-person training.

This year, we included a set of anticorruption questions in our Global People Survey. The results will help us evaluate how successful our compliance awareness initiatives have been and where we should focus our efforts to improve further. Improvement initiatives include, among other things, mandatory e-learning for all employees, targeted in-person training for exposed people, and intranet articles.

Improved effectiveness of background checks of agents and intermediaries

One improvement initiative in 2018 was to concentrate the task of performing integrity due diligence of our candidates for services such as intermediary, in-country representation and business development. By forming a competency group performing these tasks, we are convinced that our scrutiny will further improve, and as a result our exposure will be further reduced.





## New Compliance Hotline

PGS has operated an external hotline service for reporting and investigating undesirable incidents since 2004. The PGS Compliance Hotline is an early warning system that reduces risks. It is part of a range of measures that foster high ethical standards to maintain employee, customer and public confidence in PGS.

In 2018, we changed the provider and updated the functionality of our Compliance Hotline. The new service is run by WhistleB. It is entirely web-based and user-friendly. State-of-the-art security ensures GDPR compliance, encryption and password-protection functionality.

We replaced the old call center system, because research shows that people now preferred a web interface to talking to strangers about sensitive

issues, and they may not be comfortable talking on the phone in a foreign language.

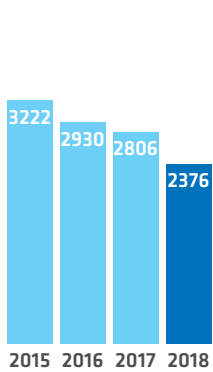
The new solution can be accessed via the internet from a smartphone, tablet or PC, anytime from anywhere in the world.

Anyone can report cases or suspicions of misconduct related to PGS. It is available for anybody who has concerns about actions or incidents involving PGS that are not in line with our values, violations of laws and regulations, or other ethical concerns that may seriously affect our organization or a person's life or health. For employees, it provides an additional safety net and a route for dealing with issues that cannot be solved through the line.

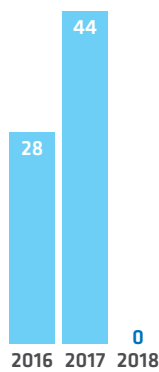


# Stakeholders

In 2018, we reinforced our commitment to developing technology that is aligned with our clients' future business needs. Monitoring the actions of our supply chain remained a priority, to ensure we continue to be a reliable partner in all aspects of our operations.

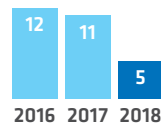


**Suppliers**



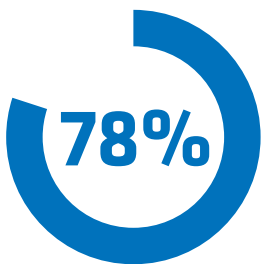
**Supplier Verification**

*Critical suppliers have completed our supplier verification process.*



**Supplier Audits**

*Source: PGS Critical Supplier Audit Plan 2018.*



**Top 100 Suppliers  
Share of Total Spend**



# Focus Areas

## Listening to our Customers

Emerging from the most significant restructuring exercise in our company's history, we reached out to our customer base to hear their views on the exploration and production challenges they are facing and how they expect marine seismic subsurface information provided by the likes of PGS to help them overcome some of those challenges. The output from such a dialog with customers was expected to support the development of PGS' corporate strategy around a customer-centric vision. In-depth interviews were conducted with 39 senior contacts from the geophysical and exploration departments of client companies.

The interviews confirmed that our customers' buying behaviors have changed in a world of decreasing or flat budgets. PGS is however described overwhelmingly as a leader in marine seismic acquisition and is widely recognized as a technology-focused company that has advanced the industry as a whole through the launch of GeoStreamer, for example. We are rated highest for our technology, HSE and delivery of reliable (acquisition) services.

The interviews however also highlighted a need to take the relationship with our customers beyond the functional by demonstrating that we care and understand their needs and challenges.

The overall feedback will inform our overall company strategy and provide a steer to the way we will promote our company identity, and how we will structure our customer engagement going forward.

## Account Management in PGS

As part of the company reorganization we introduced a new customer account management system. Sales managers are assigned a defined responsibility for specific customers and given a company-wide sales remit for PGS services.

Aside from the business benefit to PGS, there are many advantages for our customers. Instead of separate business units selling acquisition,

imaging and MultiClient data, our major customers now have one point of contact for all three service areas. The account manager has the flexibility and knowledge to weave together new business offerings formed from a complete, value-based solution. Leveraging the account managers' network throughout the PGS organization will provide customers with a more responsive, proactive and relevant commercial partner.

Global account managers are responsible for leading global account business development for our 12 largest customers. This includes development of key relationships, fostering PGS connections, as well as building and delivering sales strategies for global customers. The global account managers promote competitive advantages across the business. They also provide advice to local sales teams building greater customer insight and understanding.

## Managing Investor Relations

High standards of transparency and equal treatment of all stakeholders are essential when disclosing stock market sensitive information about PGS. We use a variety of channels to engage with investors and keep them informed of company developments, including

- Quarterly results webcasts and conference calls
- Quarterly senior management roadshows
- Presentations and investor meetings at investor conferences
- One-on-one meetings at our offices

All PGS information considered material to the capital markets is published via the Oslo Stock Exchange's distribution site [www.newsweb.no](http://www.newsweb.no) and also posted on [www.pgs.com](http://www.pgs.com). The Investor Relations pages on our website provide financial and share information, announcements, archived press releases, presentation, and more.



# Focus Areas

## Managing Risks in our Supply Chain

Our suppliers are evaluated through a rigorous qualification, monitoring and performance system that ensures their conformance to our code of conduct and standards on integrity, corruption, health, safety, and human rights.

All new and existing PGS suppliers are scored as part of our supplier risk process. This allows us to apply adequate control and management for companies within the various categories. Risk scoring and mitigation measures make it possible to manage the overall risk level of our supplier base. All suppliers are scored on five key elements: HSE risk, quality risk, criticality and procurement risk, performance and management risk and financial strength and reputation history risk.

We monitor and update the overall supplier risk matrix following regular meetings with the involved parties. Related actions include supplier relationship management processes, supplier audits, due diligence reports and technical meetings.

For certain categories of suppliers, we also perform additional corruption risk assessment and anticorruption due diligence prior to establishing a business relationship. These procedures are applied to the following types of business partner:

All types of agents (including ship and sales agents), representatives, lobbyists and intermediaries

- Sales consultants
- Suppliers of armed guard services
- Other suppliers of services and products requiring significant interaction with governmental authorities
- Joint venture partners
- Target companies for investment, acquisition and merger
- Other business partners or transactions that may expose PGS to corruption risk

## Qualification of Ship Agents

Globally, our acquisition projects and port calls depend on services delivered by ship agents. All ship agents are evaluated through a due diligence process, including:

- Supplier anticorruption questionnaire
- Check of professional and personal references
- Check for corruption allegations
- Check through web-based tools
- Evaluation of response, documentation and results
- Education in PGS' anticorruption program and main anticorruption laws
- Issue of due diligence summary report

Our analysis and investigation in the due diligence process are guided by the rating of the country where the supplier is located in the Transparency International Corruption Perception Index.

# ECHO Project — Houston





## ECHO Project – Houston

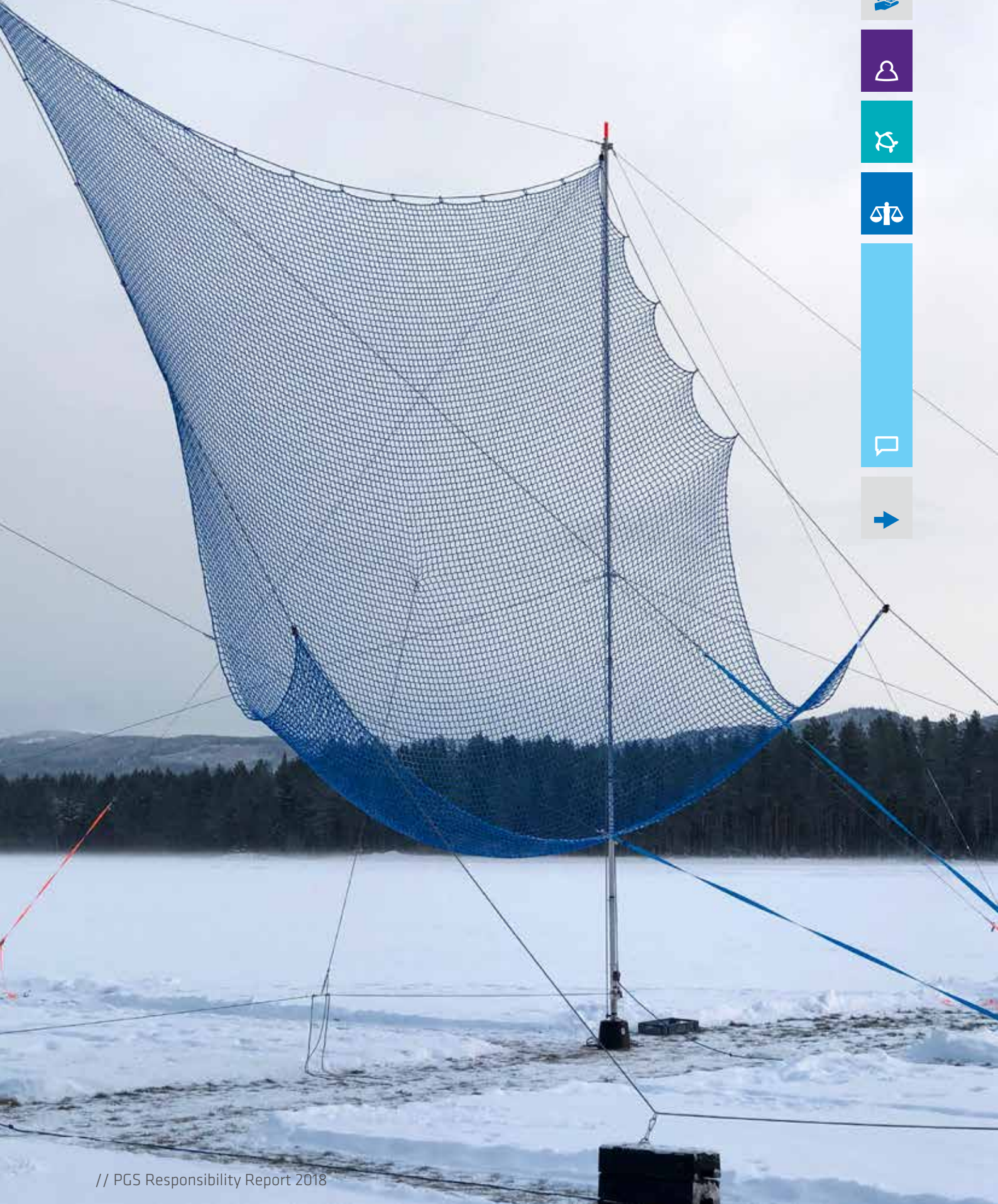
Our Houston team had a tough year in 2017, from flooding, devastation and personal challenges related to Hurricane Harvey, an industry decline that affected their community, and then workforce reductions within our own company. Inevitably, morale took a dent. To reenergize and refocus the local workforce, they started the ECHO program: Enhancing Culture and Heightening Opportunities. It started with wellness. ECHO channels self-improvement and learning initiatives, volunteering opportunities, and social networking. With no extra dollars available, it's almost all based on volunteers making the most of the funds at their disposal for health improvement and social activities. Packaging

this under the ECHO umbrella maximizes the empowerment of the volunteers who organize the activities, and the boosts the motivational benefit to employees.

Some of the initiatives launched or in the pipeline: ECHO wellness fair, Christmas party planning, discount cards promoting and supporting local businesses, family day. There are plenty of other ideas too.

This engages and enhances our employees' self-development by involving them in volunteering programs/local charities and supporting local businesses.

# Detecting with Drone Technology







## Detecting with Drone Technology

Fish aggregating devices and debris can cause great damage to PGS in-sea equipment. Faster detection and mapping of these obstructions can improve operational safety, avoiding impact or collision. It is also important to minimize damage to fishing vessels and equipment, as loss of fishing income would have a negative impact on local communities.

Unmanned Aerial Vehicles (UAVs), commonly known as drones, are quickly becoming a regular tool in the maritime industry. Advanced drone technology can now provide a bird's eye view of the area of operations, from over 30 km, to enable hazard avoidance and monitor the presence of fishing vessels and gear.

PGS is participating in the MarLander research and development project, co-financed by the Norwegian Research Council MAROFF program. Major contributors in the project include

Maritime Robotics AS, the departments of Marine Technology and Engineering Cybernetics at the Norwegian University of Science and Technology (NTNU Amos), the Norwegian Clean Seas Association for Operating Companies (NOFO) and Equinor. The main aim is to develop a system for safe take-off and landing of small fixed-wing UAVs on offshore ships. PGS is facilitating field testing onboard one of our support vessels.

By improving aerial surveillance from vessels of various sizes to detect surface objects such as debris and fishing equipment, the MarLander project has the potential both to improve safety for PGS operations and also for local fishing communities, who are often otherwise unaware of the hazards and underestimate the danger of being close to seismic equipment.



# Looking Ahead

In 2019, we will focus on delivering the fastest turnaround in the industry by using unique PGS technologies, and we'll be exploring the potential of digitalization to find better solutions to our clients' business needs. Technology innovation will continue to be an important differentiator for PGS as we believe it will deliver cost and competitive advantages. Improved technological solutions will also continue to provide environmental benefits, such as further reducing energy consumption across our fleet.

Delivering projects faster must be achieved without injuries and incidents. The health and safety of our workforce and of those involved in our operations will remain our first priority. We will continue to offer safe, fulfilling, and productive employment to our employees.

Our core values will not change. We will further evolve our anticorruption program, and continue to conduct our business openly

and transparently. Monitoring and mitigating business integrity risks will remain a major focus for us.

Not least, we strive to maintain the trust of our stakeholders, and to build trust with the communities where we operate by creating a positive impact in these societies.



Technology | Cloud Computing | Data Protection | Automation | Turnaround Time



Dedicated | Reliable | Pioneer

