



## SUSTAINABILITY REPORTS

**2018 / 2017 / 2016**

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The background is an abstract composition. On the left, there is a vertical strip of a heatmap or topographic map, showing horizontal bands of color from green at the top to red and orange at the bottom. This strip is partially obscured by a large, crumpled piece of light blue paper that dominates the center and right side of the frame. The paper has a textured, wavy appearance. A thin, white diagonal line runs from the top left towards the bottom right, crossing over the crumpled paper. The overall color palette is muted, with blues, greys, and earthy tones from the paper and heatmap.

# 2018

# Corporate Social Responsibility

## Our Commitment to Corporate Social Responsibility

The term corporate social responsibility (CSR) is often used interchangeably with corporate sustainability. The Dow Jones World Sustainability Index defines corporate sustainability as “a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.”

TGS has prepared a CSR report to communicate to stakeholders how it integrates sustainability priorities within its business operations and strategy. Specifically, the report covers TGS’ CSR policies, actions, results and future ambitions and plans, focusing on our people and our conduct, namely anti-corruption, health & safety, and environmental efforts within the Company and towards our stakeholders. Our commitments, activities and performance on the priorities we have identified are set out in the case studies, facts and figures below. It is the opinion of the Board of Directors that this report complies with the CSR requirements of the Norwegian Accounting Act section 3-3c.

## Our Commitment to Our Stakeholders

TGS believes that corporate social responsibility is a fully compatible, integrated, and necessary part of conducting business successfully. TGS has been a member of the UN Global Compact since 2016 and we continue to incorporate its ten principles on human rights, labor, environment and anti-corruption into our strategy, culture and operations. Competition is integral to our success and we commit to a lawful, principled and ethically justifiable approach when dealing with our clients, partners, and other third-parties with whom we do business. Our success is contingent upon engaging in ethical and fair business practices across all our activities.

The foundation of the Company’s superior business performance is built on TGS’ fair business conduct and long-standing values of honesty, integrity, accountability and respect for others. In order for TGS to prosper, we need the trust and respect of our customers, shareholders, employees and the communities in which we work and live. These values have long been a fundamental part of how TGS has chosen to do business and the Company has

## TGS’ Multi-client Business Model Supports Sustainability

TGS believes its multi-client business model not only benefits customers commercially but is a more sustainable, environmentally-friendly business model than proprietary acquisition. Allowing multiple companies to license the same set of data over a region decreases the need for each client to acquire the same or similar data on a proprietary basis. By reducing the demand for multiple operations sourcing the same geoscience data in an area, the multi-client approach not only has the potential to lessen the environmental impact to a region, it also has the potential to minimize the likelihood of health & safety or compliance risks.



developed and refined these values over time. The purpose of TGS’ Statement of Values is to provide a moral and ethical compass to assist and guide the Company in business situations that arise every day. These standards apply to all of our activities in every market that TGS serves.

### TGS is responsible to its customers.

Through quality and service, the Company consistently strives to meet or exceed the expectations of customers, both promptly and profitably.

### TGS is responsible to its employees.

Our single greatest asset is our employee base. The Company considers each employee as an individual and recognizes and respects the dignity, culture and merit of each employee. We aim to provide equal opportunity for employment, development and advancement. The Company’s human resources policies are designed to ensure fair and equitable treatment and to encourage personal growth. The TGS Health, Safety and Environmental (HSE) Management System (HSE-MS) is designed to ensure that all Company operations are conducted in a manner that eliminates significant risk by continuously identifying and controlling hazards which may arise through any aspect of the Company’s operations.



**TGS is responsible to the communities and environment** in which it operates and works and to the world community as well. TGS monitors its environmental performance versus plans and is dedicated to the continuous improvement of its environmental programs and standards for all its operations. TGS works with its suppliers to ensure that their HSE standards are consistent with that of TGS. The Company actively supports reputable charitable programs and organizations, as well as local social welfare programs within the countries in which seismic data acquisitions are performed, that serve people and communities in need. In addition, TGS has implemented a program that encourages employees to donate their time and energy to help those in society who are less fortunate. TGS supports the United Nations Universal Declaration of Human Rights and strives to apply the declaration's principles regarding the freedom, rights, dignity and worth of the human person and promotion of equality irrespective of gender, race or religion throughout business operations.

**TGS is responsible to its shareholders** and when we operate according to our principles, they should realize a fair return over the long term. The Company understands that its main contribution to society comes from operating and growing a profitable and thriving business that creates value over the long term.

As reflected in the aforementioned values, honesty, integrity and fairness form the cornerstones of TGS' relationships inside and outside the Company.

## Our Social Responsibility Priorities

In identifying CSR priorities for TGS, it is important that the Company considers how its business impacts stakeholders across the value chain, from planning projects and consulting with local communities and regulatory authorities (including permitting requirements), to selecting and working with partners, agents and contractors, managing HSE risks on geophysical operations and in TGS offices, and ensuring compliance with the TGS Code of Conduct and anti-corruption program by our employees and in dealings with third parties. TGS seeks feedback and input through regular meetings with shareholders, customers and other stakeholders. We participate in bettering the industry through, in part, our activities and support of the International Association of Geophysical Contractors (IAGC).

TGS conducts an annual risk assessment process, whereby risks from across the business (including risks related to sustainability) are assessed by a pool of key TGS employees across all offices and departments. These individuals rank the top ten risks they perceive the Company will face in the coming year, taking into account the current mitigation measures TGS has in place, and score these risks based on their impact to TGS and probability of occurring. From these responses,

the TGS Board of Directors and the Management Team are able to identify risk trends year-on-year and prioritize the top risks to TGS where further action may be needed. TGS, through the Management Team, then implements action plans to address these risks and evaluates the success of its action plan in the following year's risk assessment. In addition, all TGS departments - including Human Resources, Compliance, and HSE - set annual goals for each year and TGS' Management Team and Board of Directors participate in reviews of compliance and HSE performance on at least a quarterly basis.

From these inter-related processes, we identified our CSR priority areas and set the CSR goals, plans and actions for 2018, as detailed below.

- **People:** Engaging our workforce so that employees feel passionate about their work, are committed to the organization and demonstrate a willingness to provide discretionary effort when needed
- **Human Rights:** Ensuring responsible labor practices for our employees and encouraging our vendors and suppliers to do the same
- **Health, Safety & Environment:** Ensuring safe, healthy and environmentally sustainable and sound practices, both within the company and by our vendors and suppliers
- **Anti-Corruption:** Employing best practices to ensure anti-corruption compliance in all our operations, including anti-corruption compliance by third parties in our operations

## TGS' Commitment to the UN Global Compact

TGS is committed to the UN Global Compact and its universal sustainability principles. In 2018, TGS established an Environmental, Social & Governance Committee ("ESG Committee") that includes the CEO, the Compliance and HSE departments, and employees from various departments and offices around the globe, for the purpose of developing and defining sustainability-related initiatives and strategies. One of the key objectives of the ESG Committee includes identifying sustainable development goals (SDGs) relevant to TGS' business. It then proposes strategies for TGS to implement that address these goals. Following an analysis of TGS' strengths, weaknesses, opportunities and threats, the ESG Committee identified the following SDGs:

- **Industry, Innovation & Infrastructure**
- **Climate Action**
- **Life Below Water**

In the coming years, TGS, with the help of the ESG Committee, will develop and implement strategies to address these SDGs and report on its progress.

## Our Commitment to Our People

TGS strives to promote and maintain a work environment in which our people are treated with dignity, decency and respect. TGS expects all relationships among persons in the workplace will be business-like and free of unlawful bias, prejudice and harassment. It is TGS' policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other status protected by law.

The TGS Code of Conduct prohibits discrimination and harassment in the workplace, and all TGS employees receive annual training on TGS' anti-discrimination and anti-harassment policies.

### What We Do

Employee engagement is critical to the long-term sustainability of TGS. We seek to maintain high levels of employee engagement while complying with labor rights

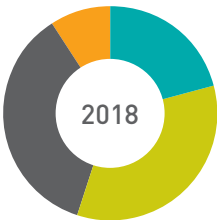
and providing favorable working conditions. Following analysis of the results of our 2017 Employee Engagement survey, TGS identified the following focus areas to help improve engagement and develop action plans to target those areas: (i) communication, (ii) training & development, and (iii) compensation & rewards.

In 2018, TGS focused on enhancing its employees' digital communication experience, primarily through ODIN, the Company's intranet site which serves as a platform to communicate globally with all employees. Through this platform, TGS' CEO announced the Company's 2018 corporate goals, industry updates and company programs. In addition, we implemented a new approach to goal-setting with the ambition to set annual goals for all employees that tie into the Company's communicated corporate goals, thereby driving greater alignment and a common purpose in the work environment.

Employee Statistics	2018	2017
Total # of Employees at Year End	547	597
New Hires	30	31
Internal Job Fill	54%	47%
Employee Turnover	6%	6%

### Tenure

0 - 5	2017 / 29%	2018 / <b>21%</b>
5 - 10 years	2017 / 29%	2018 / <b>34%</b>
10 - 20 years	2017 / 35%	2018 / <b>36%</b>
+20 years	2017 / 7%	2018 / <b>9%</b>



### Gender – Management



2018 / Male 71%  
2017 / Male 71%



2018 / Female 29%  
2017 / Female 29%

### Gender – Total Employee Population



2018 / Male 63%  
2017 / Male 59%

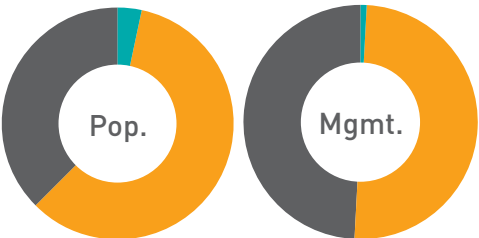
2018 / Female 37%  
2017 / Female 41%

### Age / 2018

- 30 y/o    Total Pop. / **3.5%**    Mgmt. / **1%**

30 – 50 y/o    Total Pop. / **59%**    Mgmt. / **50%**

50+ y/o    Total Pop. / **37.5%**    Mgmt. / **49%**



## Compensation & Rewards

TGS is committed to ensuring fair and equitable compensation for all employees. In 2018, TGS:

- Re-benchmarked all positions using a calibrated and more thorough benchmarking process, which involved applying best practice and the use of multiple benchmarking database subscriptions. This provided us with a better understanding of compensation trends within the industry and will now allow the Company to better identify and prioritize compensation issues
- Improved manager and employee understanding of TGS' compensation approach by providing director compensation training, employee lunch-and-learns, and ensuring employees had access to the terms of TGS' bonus plan
- Approved an Employee Share Purchase Plan, which was implemented in early 2019 for four countries
- Revamped our employee reward program to incorporate recognition of culture and team-work, in addition to exceptional performance

## Training and Professional Development

TGS is committed to strengthening its employee base through a number of employee development initiatives, including providing professional development opportunities and training, talent development, and an executive mentoring program.

TGS employees participate in an annual Performance Development Program, whereby each employee and his/her manager discuss the progress of the last year's goals, establish goals for the upcoming year, evaluate the employee's performance over the past year, review the employee's career aspirations and identify opportunities for further development. We also encourage managers and employees to meet quarterly to discuss these goals in order to foster more cohesion between employees and the Company objectives. TGS recognizes that this process is critical to ensuring that our employees continue to develop the necessary skills to grow along with the Company.

In 2018, the Company's training and development efforts for employees focused on the development and improvement of management skills through the continuation of our DiSC assessments for employees (a tool used to facilitate discussions based on understanding people's behavioral differences in the workplace, especially within teams and business units). By the end of 2018, 70% of employees had received a DiSC assessment, providing information to both managers and employees so they can work together more effectively. Further efforts have focused on enhancing the performance development process which concentrates on an employee's performance and includes quarterly feedback from managers. The Company also provided situational leadership training to emerging leaders in the Company.

In an effort to expand employee's understanding of the company, TGS provides departmental cross-training opportunities to employees and, where possible, secondments to other departments. TGS continues to ensure our employees receive technical training and have opportunities to improve their imaging and geoscience skills. This year employees participated in over 1,950 hours of in-house geological and imaging courses and lunch-and-learn sessions (compared to 1,124 hours in 2017).

## TGS' Commitment to Enhancing Scientific & Technological Research

It is imperative that our employees not only understand the latest data and technological developments within geoscience and data analytics, but also share and collaborate with other geologists, geoscientists and engineers to encourage innovation within our industry. TGS hosts, sponsors, and/or presents at numerous, collective geoscience events designed to share advancements in imaging, data analytics, and geoscience technologies at major industry events such as the National Association of Petroleum Engineers (NAPE) Summit, the Society of Exploration Geophysicists (SEG) International Exposition and Annual Meeting, and the European Association of Geoscientists & Engineers (EAGE) Leadership Summit.

Some other key highlights of TGS' collaborations in 2018 include:

- TGS' Salt Identification Challenge, to pinpoint salt deposits beneath the Earth's surface, hosted on Kaggle, a data science platform for predictive modeling and analytics competitions
- Exclusive unveiling of the MSGBC Basin Petroleum System Studies on behalf of the authors of the First Exchange Corporation MSGBC Studies
- Sponsoring and presenting at the first European Associate of Geoscientists and Engineers (EAGE) / Sociedade Brasileira de Geofísica (SBFG) Workshop on Least Squares Migration in Rio de Janeiro
- Hosting the Lower Paleozoic Reservoirs in the Delaware Basin and Leveraging Cloud and Machine Learning to Transform How Geoscientists Work seminars in Midland, Denver and Oklahoma City
- Participating in university consortia such as the Applied Geodynamics Laboratory (AGL) Salt Tectonics Consortium; the Center for Subsurface Imaging and Fluid Modeling, with King Abdallah University of Science and Technology; the Center for Wave Phenomena at Colorado School of Mines; the Microseismic Industry Consortium, Signal Analysis and Imaging

## Looking to the Future

TGS recognizes the value of having an engaged workforce and will continue to actively identify opportunities to improve engagement, provide professional development, encourage career discussions, and maintain open communication in 2019. TGS will use the results of the 2018 Employee Engagement Survey to identify areas for improvement and actions that can be taken at all levels in the organization to improve employee engagement. In 2019, our ambition is to enhance our Human Resources Information System (HRIS) to be able to provide better data and improve productivity. Additionally, we will incorporate employee feedback and continue to enhance our internal communication platform, ODIN, to enable employees to better communicate with each other, provide timely feedback and allow for more project collaboration - both vertically and horizontally - throughout the organization.

## Our Commitment to Human Rights

TGS supports the UN Universal Declaration of Human Rights and aims to apply its principles throughout its business operations. These principles include recognition of the freedom, rights, dignity and worth of the human person and promotion of equality irrespective of gender, race or religion. We will not use or support child labor or slavery in any of our offices or operations. TGS also works with contractors and vendors to ensure that field and seismic vessel operators abide by the UN Universal Declaration of Human Rights and that they do not use or support child labor or slavery in their operations for TGS. To that end, TGS requires vendors, contractors and suppliers to provide TGS with their policies regarding human rights and labor practices so that we may review and ensure that they maintain the same commitment to human rights as ourselves.

## Our Commitment to Healthy and Safe Operations

### What We Believe

TGS is dedicated to the continuous improvement of health, safety and security standards for its employees and insists that its contractors have similar, satisfactory standards. The company has defined safe operating procedures and guidelines in its HSE Management System. These procedures are designed to meet or exceed all appropriate legal requirements and, in the absence of any defined standards, to meet or exceed industry-wide 'best operating practices'. TGS actively engages with relevant trade associations and authorities to develop, implement, and update our HSE standards.

TGS maintains a high level of safety awareness through regularly scheduled

safety meetings, internal auditing, HSE review meetings and general company-wide communications. All employees and contractors are actively encouraged to participate in the conduct, management and continuous improvement of safety. TGS requires all employees and contractors to be accountable for, and committed to, their own health & safety, as well as for those they work with. Employees and contractors are empowered to intervene and STOP any operation or activity that they feel is unsafe or hazardous, with the knowledge that such action will be supported by Management.

Both TGS' HSE Managers and Senior Management are responsible for the communication and implementation of TGS health & safety policies, including the provision of information, training and resources to employees.


### What We Do

TGS conducts quarterly and end-of year-HSE reviews with the Executive Team. We continue to promote a top-down message of health & safety by making all TGS Executive Team members conduct at least one HSE facility inspection and they were responsible for ensuring that all employees completed at least two HSE training modules during 2018 (100% training compliance in 2018 by TGS employees). In addition, all office locations performed two HSE-related lunch-and-learn activities, which included topics such as first aid / cardiopulmonary resuscitation (CPR) training, stress awareness, and Home Safety.

There were no lost-time incidents (LTIs) for TGS' contractor field crews or employees in 2018. The total recordable incident rate (TRIR) for employees for 2018 was 0.00 and the combined rate with contractors was 0.68 (per 200,000 man hours). The 2018 motor vehicle accident rate (per 1,000,000 miles) was 1.32.

There were 30 field visits by senior management and operations managers during 2018, and we also achieved full compliance with vessel and land crew against audit requirements. Additionally, 43 inspections were performed at TGS office locations globally.

Comparing contractor HSE statistics between 2017 and 2018, man-hours or exposure hours were slightly lower (214,025 less) in 2018 and there was also a reduction in LTIs and LTI frequency. With respect to the contractor medical treatment cases, five additional cases were recorded in 2018 for a total of nine cases (five for marine- and four for land-based projects). This 2018 increase in contractor medical treatment cases resulted in an increase in the recordable frequency rate for contractors. When examined over an extended time frame, the overall statistics are still within the HSE targets and parameters set by TGS. Nevertheless, we continue to monitor our operations and our contractors for each project and year-on-year to identify any trends and work with contractors to ensure all operations are conducted in a safe and healthy manner.

 Employee Health & Safety Statistics	2018	2017
Man-hours	937,044	991,765
Fatalities	0	0
Lost Time Injuries (LTI)	0	0
Medical Treatment Cases	0	0
Restricted Work Cases	0	0
Recordable Case Frequency*	0.0	0.0
LTI Frequency*	0.00	0.00
Working Days Lost	1,135	1,421
Sickness Absence Frequency	0.97%	1.15%

\*Per million man-hours

### Looking to the Future


TGS management will continue to champion TGS' HSE training initiatives by increasing management's on-site presence, for both land and marine operations and by conducting facility inspections at TGS' offices. All TGS land and marine contractors will participate in our Contractor Management System for both land and marine surveys and we will monitor their HSE performance for each project. Additionally, during 2019, all TGS employees will be required to complete one HSE training course and each office location will host two HSE lunch-and-learn events. Finally, regarding HSE targets for 2019, we have set a goal of recording zero lost-time injuries across all of our operations; a total recordable incident rate of less than 2.0; a motor vehicle accident rate goal of less than 2.0 for land seismic operations; and a total recordable incident rate of less than 3.0 for marine operations.

## Our Commitment to the Environment

### What We Believe

TGS is committed to leading the industry in minimizing the impact of its activities on the environment. To achieve this, we continually assess our potential effect on the environment and endeavor to plan operations which minimize their environmental impacts. Prior to initiating seismic data acquisition, TGS typically conducts environmental impact assessments as part of the permitting process. The company monitors its environmental performance against plans and we are dedicated to the continuous improvement of our environmental programs and standards for all of our operations.

TGS strives for zero spills or unplanned releases to the marine environment

 Contractor Health & Safety Statistics	2018	2017
Man-hours	2,607,162	2,821,187
Fatalities	0	0
Lost Time Injuries (LTI)	0	1
Medical Treatment Cases	9	4
Restricted Work Cases	3	3
Recordable Case Frequency*	4.60	2.84
LTI Frequency*	0.00	0.35

\*Per million man-hours

on offshore operations, and zero reportable spills in the onshore environment. Through TGS's charters of seismic vessels, we require that contractors comply with all applicable environmental laws and regulations. Seismic vessels chartered by TGS undergo audits by the International Marine Contractors Association/ Offshore Vessel Inspection Database (IMCA/OVID), either conducted by TGS, the vessel, or another third-party, that evaluates compliance with all applicable HSE regulations and industry requirements, and ensures that all necessary HSE permits and certificates are valid.

TGS understands the importance of working with local governments, regulatory authorities, and non-government organizations and, therefore, TGS maintains positive communication with regulatory authorities and other governmental and non-governmental organizations to help identify, understand and mitigate environmental risks associated with geophysical activities. Finally, we promote environmental awareness across our offices by encouraging employees to minimize waste and manage waste output, minimize carbon emissions by survey design, guard against accidental and operational pollution, and mitigate any active or operational pollution.

### What We Do

TGS continues to monitor environmental issues by capturing data on the topic through IMCA/OVID accredited audits on all chartered seismic vessel and monitors spills and unplanned releases during seismic operations. We assess and report on biologically-important areas, including marine mammal migration paths, spawning grounds, sanctuary areas, or other ecologically sensitive locations where TGS has activities. No recordable spills or unplanned releases to the marine environment and no reportable spills or releases to the onshore environment occurred in TGS operations in 2018.



TGS actively supports the IAGC, both financially and through employee participation, in committees and projects to positively influence sensible and sustainable legislation and address environmental misconceptions associated with the geophysical industry. We also support the IAGC's efforts to create standards and protocols for seismic operations in frontier areas. We continue to liaise with stakeholders (including local fishing industries) and plan seismic surveys so that environmental implications are appropriately mitigated. In 2018, TGS employees, including the SVP Onshore, General Counsel, Director Marine Acquisition and HSE Director actively served and participated in IAGC boards and committees. TGS is also involved with the International Association of Oil & Gas Producers (IOGP) and supports its efforts to improve safety, environment and social performance, and promote responsible and sustainable operations within the oil & gas industry. Each year, TGS participates in IOGP's global forum - which includes both clients and competitors - to share best practices and to troubleshoot issues that may arise in the industry.

In terms of environmental efforts by TGS offices and their employees, we encourage sustainability through several initiatives. For example, recycling bins for paper and cardboard, glass, plastic, batteries and print toner cartridges are available, and employees are encouraged to follow proper recycling procedures, which are displayed above the associated recycling bins. TGS reduces energy consumption in its offices by utilizing light sensors when spaces are not in use. TGS' UK offices encourages employees to cycle to work, unplug electricity-consuming devices when they are not in use, and use reusable bags (available on site) for shopping or transport needs to cut down on the use of plastic bags.

### Looking to the Future

TGS intends to continue its work with the IAGC and IOGP in an effort to develop and ensure environmentally sound practices in the seismic industry. As a longstanding goal from year to year, TGS will aim for zero spills and unplanned releases to the marine environment during seismic vessel operations, and zero reportable spills in the onshore environment. TGS will require that each chartered vessel undergoes an IMCA/OVID audit within six months of hire, and every twelve months thereafter. For onshore operations, an audit is to be completed within four weeks of the start of recording activities. Finally, TGS will continue to ensure that its marine and land contractors participate in and abide by the environmental standards set forth in TGS' Contractor Management System.

## TGS' Energy Consumption

TGS is an office-based company that does not operate or own vessels, manufacturing plants, or factories. Nevertheless, TGS is committed to working towards understanding the energy consumption and greenhouse gas emissions in its operations and finding ways to reduce its impact. In 2018, we started tracking our electricity usage and vehicle emissions with the aim of establishing more robust and complete reporting and goal-setting of our scope 1 and scope 2 emissions in the coming years.

2018 Electricity Usage	(kWh)	(kTonnes)
Offices	4,380,081	3.1
Data Centers	21,676,330	15.3
<b>Total</b>	<b>26,056,411</b>	<b>18.4</b>

2018 Vehicle Emissions	CO <sub>2</sub> (kTonnes)	CH <sub>4</sub> (kg)	N <sub>2</sub> O (kg)
	.03	1.8	1

*\* Calculations based upon the United States Environmental Protection Agency's Greenhouse Gas Equivalencies*

## TGS' Commitment to Environmentally-Sound Operations

TGS is committed to working with stakeholders - including regulatory authorities and other governmental and non-governmental organizations - to identify, understand and mitigate environmental risks associated with its geophysical activities. Some examples of TGS' efforts in 2018 included:

- During the 2018 summer season in the Norwegian Sea, TGS (i) worked in close cooperation with the Ocean Research Institute to avoid seismic operations within sensitive spawning areas; (ii) coordinated its activities with the Norwegian Fishery Directorate and Norwegian Coast Guard; and (iii) adopted and applied Norwegian Oil & Gas recommended guidelines for co-existence with the fishing sector while conducting seismic surveys. As a result of TGS' cooperation with these entities, a No-Go fishing zone was introduced and TGS accommodated and amended its plans in order to avoid any potential conflict with spawning areas, fishermen and authorities.
- In Australia, TGS received approval from the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) for the NW Shelf Renaissance North multi-client marine seismic survey Environment Plan (EP). TGS agreed to (i) meticulously consulting with stakeholders; (ii) react positively and proactively on the regulator's feedback and concerns; (iii) reduce the scale (survey area reduced by 70%) and duration (validity reduced by 60%, from five years down to two years); (iv) reposition the coastal-side perimeter so acquisition would not occur in waters shallower than 200m (previously 150m); and (v) restrict the size of individual surveys to further reduce any potential environmental impacts. This EP gave TGS additional agility and flexibility

in the competitive Australian market and will allow 3D surveys to be positioned within the EP polygon in a cost- efficient and environmentally sound manner.

- In Canada, TGS and its partners liaised with the authorities and fishing unions to minimize operational conflicts and to ensure ongoing communication throughout the duration of the seismic surveys. This included time area closures, accommodating a Fishing Liaison Officer on board all vessels and ensuring that all reporting requirements were fulfilled on time.

## Our Commitment to Business Ethics

### What We Believe

TGS is committed to complying with all applicable laws, including fair competition and antitrust, export controls and trade sanctions, anti-corruption and anti-bribery, and insider trading. We engage in ethical and fair business practices with our clients, partners, suppliers and other third-parties. In return, TGS expects the highest levels of personal conduct and fair dealing from all of our employees, the Board of Directors, partners, and any third-parties retained on behalf of the Company. TGS believes in competition and endeavors to not take an unfair advantage in a business situation by acting illegally, unethically, or by abusing or misusing confidential information.

The TGS Code of Conduct sets the standard of responsible conduct and fair business practices for every TGS employee and serves as the Company's ethical roadmap – ensuring all employees perform their duties with honesty and integrity and in accordance with the law. In 2018, TGS updated its Code of Conduct to ensure that it continues to address key ethical and legal concerns in today's operations, including conflicts of interest, anti-corruption and anti-bribery, antitrust and fair competition, insider trading, data security and data privacy, trade controls and sanctions. Following this update, 100% of TGS employees completed an annual certification that reinforced each employee's personal pledge that he or she has read, understood and will uphold the Code of Conduct in his or her business activities and participated in live Code of Conduct trainings – either held in-person or via video link.

TGS' Compliance Program endeavors to foster an open, transparent and ethical environment centered around our Code of Conduct. The TGS Compliance Officer reports to the Board of Directors and the CEO and provides updates on at least a quarterly basis. The Compliance Officer aims to educate TGS employees on potential compliance concerns, as well as implement policies, procedures, and guidelines to detect and prevent potential compliance concerns. In January of each year, an annual letter from the CEO is issued to all TGS employees that outlines the company's expectations regarding business ethics across our operations.

## Doing Things The Right Way is the TGS Way

TGS wants to know about potential problems before they become serious, and policies are in place that prohibit retaliation against reporting employees. TGS investigates all potential violations of the law and its Code of Conduct, such as insider trading, conflicts of interest, financial fraud, and corruption issues. TGS will also engage internal or external legal counsel as needed in dealing with possible violations of its corporate policies.

TGS provides multiple avenues for internal and external stakeholders to discuss or report potential non-compliance. Employees are encouraged to report any violation of TGS' values or policies to their supervisor, the Compliance Officer, or through the TGS hotline, which allows employees to report anonymously suspected instances of non-compliance.

In 2019, TGS will be updating its hotline system to allow for both telephone and web reporting of incidents, allow those who file a report to track its progress, and better manage reported incidents.

### Anti-Corruption and Anti-Bribery Efforts

TGS recognizes that preventing bribery and corruption in its operations is essential in today's business environment. TGS works to ensure that all employees – as well as our partners and third-parties – understand and are sensitive to the legal requirements that apply to the Company's operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business, and the anti-bribery and anti-corruption laws of the various countries in which TGS operates or conducts projects.

TGS' Anti-Corruption policy, which applies to both TGS employees and all third-parties acting on our behalf, expressly prohibits bribery, kickbacks and other illegal payments, as well as facilitation payments and political contributions on behalf of the company. Review and prior approval are required for gifts, entertainment, or travel expenses provided to government officials, as well as charitable or social welfare contributions to be made by or on behalf of TGS. TGS requires that key employees and managers who interact with government officials or work on high-risk projects complete annually an online anti-corruption training and certification program. In 2018, every active TGS employee completed the online anti-corruption training and certification (same as 2017). Finally, TGS periodically conducts assessments of its policies, procedures, and guidelines to identify weaknesses and areas for improvements.

## TGS' Commitment to Working with Ethical Third Parties

TGS expects its partners and third-parties (suppliers, vendors, agents and consultants) to share its commitment to ethical, lawful conduct and takes a zero-tolerance position with third-parties who fail to understand and abide by their compliance obligations. To that end, TGS works with its partners and third-parties, particularly those assessed as presenting a higher compliance risk, to stress the importance of operating ethically and in compliance with international anti-corruption laws and anti-bribery laws. In 2018, TGS's efforts with respect to such higher risk parties included:

- Conducting due diligence on partner and third-party relationships based upon various risk factors (geographic location and nature of services) at the outset of the relationship and updating that information on a regular basis throughout the relationship
- Incorporating compliance provisions in agreements to prohibit bribery and corruption
- Requiring TGS's third-parties to certify their compliance with TGS's Anti-Corruption policy and complete online anti-corruption training. All but one of TGS's international agents completed their certification and training in 2018 (100% compliance in 2017), and TGS terminated the relationship with the agent who failed to comply with this requirement
- Conducting quarterly reviews of payments to third-parties
- Reporting regularly to the Board and the Audit Committee about the status of and payments to these third-parties

TGS will remain focused on ensuring compliance with anti-corruption and anti-bribery laws and standards in its partner and third-party relationships to ensure its operations are conducted under the highest ethical standards.

## Looking to the Future

TGS will remain active in monitoring the international developments and best practice in anti-corruption compliance. In addition, TGS will conduct a policy review of key compliance policies - including the anti-corruption policy - to ensure it continues to address the key areas and best practices in anti-corruption compliance. TGS will aim for 100% compliance by both key TGS employees and international consultants with TGS' anti-corruption training and certification requirements. Finally, TGS will conduct an internal compliance assessment and survey of its operations to evaluate each business group's understanding and implementation of TGS' compliance policies and procedures, and implement action plans as needed within those groups to address any identified weaknesses or areas for improvement.

## Our Commitment to Supporting Our Communities

TGS actively supports reputable charitable programs and organizations that serve people in need in countries where TGS has offices or projects by providing ongoing financial donations. We also encourage employees to donate their time and energy to help those in society who are less fortunate. TGS is committed to supporting local, non-profit community organizations and charities that focus their services on people and are dedicated to (i) providing access to healthcare, medical services, and helping to fight disease; (ii) assisting underprivileged, underrepresented, or at-risk communities or groups; (iii) providing humanitarian aid or disaster relief; (iv) addressing environmental issues; or (v) promoting geophysics and geoscience educational experiences to children.

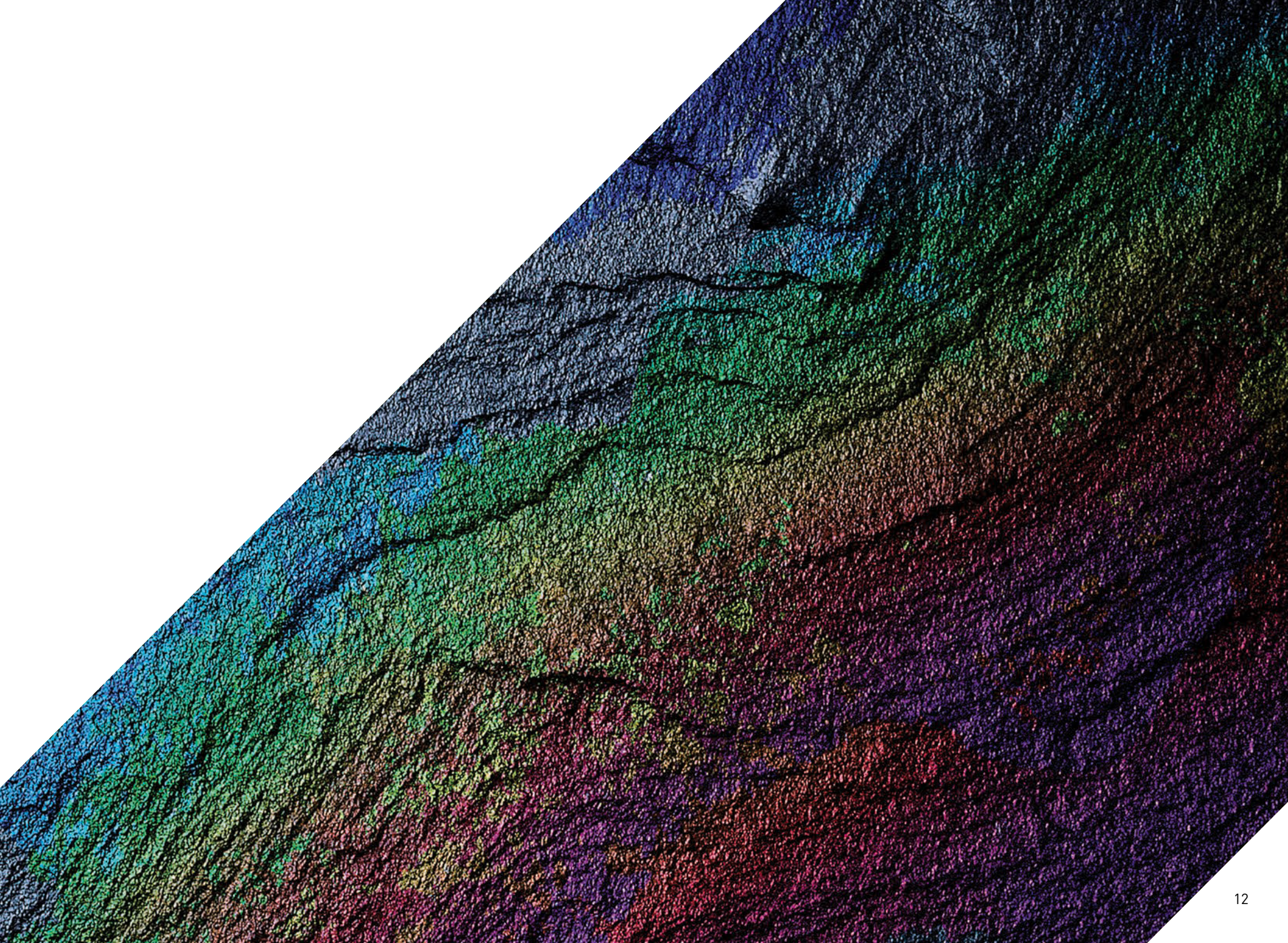
TGS recognizes that it has a social obligation to advance the research, development and technical capabilities in areas in which we conduct projects. As an example, TGS partners with several African governments to promote and advance their geoscience knowledge and technical capabilities. Through these partnerships, TGS provides geoscience training as well as technological resources - including software and related equipment - for the purpose of ensuring these countries are equipped to manage and promote their oil and gas resources.

## TGS Giving Back

In 2018, TGS made charitable contributions to organizations that help underprivileged youth, fund medical research and access to healthcare, provide humanitarian aid and organizations promoting geophysics and geoscience educational experiences to children in Norway, the United States, Canada, and the United Kingdom. TGS continued to recognize its employees' charitable spirit by matching employee's monetary donations or making monetary donations in recognition of an employee's work with an organization. In 2018, TGS employees:

- Participated in fun-runs to raise money for organizations dedicated to improving medical diagnostic research
- Donated their time to local food banks
- Held board positions in charitable organizations aimed at assisting underprivileged and at-risk communities
- Provided learning experiences to students and children interested in furthering their geoscience and geophysical knowledge









# 2017

# Corporate Social Responsibility

## 1. Report on Corporate Social Responsibility

The term “Corporate Social Responsibility” (CSR) is often used interchangeably with “Corporate Sustainability.” The Dow Jones World Sustainability Index defines Corporate Sustainability as “*a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.*”

TGS has prepared a CSR report to communicate to stakeholders how it integrates sustainability priorities within its business operations and strategy. Specifically, the report covers TGS’ CSR policies, actions, results and future ambitions and plans, focusing on our people and our conduct, namely our anti-corruption, health and safety, and environmental efforts within the Company and with our Stakeholders. Our commitments, activities and performance on the priorities identified by TGS are set forth in the case studies, facts and figures below. It is the opinion of the Board of Directors that this report complies with the CSR requirements of the Norwegian Accounting Act section 3-3c.

## 2. Responsibilities Towards Our Stakeholders

TGS believes that Corporate Social Responsibility is a fully compatible and integrated part of conducting business successfully. The foundation of the Company’s superior business performance is built on TGS’ fair business conduct and long-standing values of honesty, integrity, accountability, and respect for others. In order for TGS to prosper, we need the trust and respect of our customers, shareholders, employees, and the communities in which we work and live. These values have long been a fundamental part of how TGS has chosen to do business and the Company has developed and refined these values over time. The purpose of the TGS Statement of Values is to provide a moral and ethical compass to assist and guide the Company in business situations that arise every day. These standards apply to all its activities in every market that TGS serves.

*TGS believes that Corporate Social Responsibility is a fully compatible and integrated part of conducting business successfully.*





Honesty, integrity and fairness form the cornerstones of TGS' relationships inside and outside the Company.

**TGS is responsible to its customers.** Through quality and service, the Company consistently strives to meet or exceed the expectations of customers, both promptly and profitably.

**TGS is responsible to its employees.** TGS' single greatest asset is its employee base. The Company considers each employee as an individual, and recognizes and respects the dignity, culture and merit of each employee. TGS aims to provide equal opportunity for employment, development and advancement. The Company's human resources policies are designed to ensure fair and equitable treatment and to encourage personal growth. The TGS health, safety and environmental management system (HSE-MS) is designed to ensure that all Company operations are conducted in the absence of significant risk, by continuously identifying and controlling hazards which may arise through any aspect of the Company's operations.

**TGS is responsible to the communities and environment** in which it operates and works and to the world community as well. TGS monitors its environmental performance versus plans and is dedicated to the continuous improvement of its environmental programs and standards for all its operations. TGS works with its suppliers to ensure that their health, safety, and environmental standards are consistent with that of TGS. The Company actively supports reputable charitable programs and organizations, as well as local social welfare programs within the countries in which seismic data acquisitions are performed, that serve people and communities in need by providing ongoing financial donations. In addition, TGS has implemented a program that encourages employees to donate their time and energy to help those in society who are less fortunate. The largest contributions in 2017 were donated to organizations that brought humanitarian relief to areas devastated by hurricanes and natural disasters. TGS supports the United Nations Universal Declaration of Human Rights and strives to apply the declaration's principles regarding the freedom, rights, dignity and worth of the human person and promotion of equality irrespective of gender, race or religion throughout business operations.

**TGS is responsible to its shareholders** and when we operate according to our principles, they should realize a fair return over the long term. The Company understands that its main contribution to society comes from operating and growing a profitable and thriving business that creates value over the long term.

### 3. Priority Identification

In identifying CSR priorities for TGS, it is important that the Company considers how its business impacts stakeholders across the value chain, from planning projects and consulting with local communities and regulatory authorities (including permitting requirements), to selecting and working with partners, agents and contractors, to managing HSE risks in geophysical operations, and to ensuring compliance with the TGS Code of Conduct and anti-corruption program in dealings with third parties.

On an annual basis, TGS conducts a risk assessment process whereby risks from across the business (including CSR risks) are assessed by a pool of key TGS employees that are across offices and departments. These individuals rank the top ten risks they perceive the Company will face, identify the current mitigation measures in place for each of those risks, and score the risks based upon their impact to TGS and probability of occurring. From these responses, the TGS Board of Directors and the Executive Team identify and prioritize the top risks to TGS, some of which may relate to CSR risks, and implement an action plan to address these risks for the coming year. In addition, all TGS departments, including Human Resources, Compliance, and Health, Safety and Environment, set annual goals for each year, and TGS' Executive Team and Board of Directors participate in reviews of compliance, health, safety and environmental performance on at least a quarterly basis.

TGS also seeks feedback from regular meetings with shareholders, customers, other stakeholders and the International Association of Geophysical Contractors (IAGC). In addition, TGS is a participant in the UN Global Compact and is publicly committed to implementing the Global Compact's principals on human rights, labor, environment, and anti-corruption into the Company's strategy, culture and day-to-day operations.

From these inter-related processes TGS identified its CSR priority areas, set the CSR goals, plans and actions for 2017:

- **People:** Engaging our workforce so employees feel passionate about their jobs, are committed to the organization and put discretionary effort into their work
- **Anti-Corruption:** Employing the best practices to ensure anti-corruption compliance in all our operations
- **Health, Safety & Environment:** Promoting safe, healthy, and environmentally sound practices within the company and by our vendors and suppliers
- **Human Rights:** Advocating for responsible labor practices by our vendors and suppliers

## 4. People

### 4.1. Who We Are

TGS strives to promote and maintain a work environment in which our people are treated with dignity, decency and respect. TGS expects all relationships among persons in the workplace will be business-like and free of unlawful bias, prejudice and harassment. It is TGS' policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other status protected by law.

The TGS Code of Conduct prohibits discrimination and harassment in the workplace. All TGS employees must annually attend Code of Conduct training, which includes training on TGS' anti-discrimination and anti-harassment policies. Every year, new TGS employees must complete an online training focused on maintaining a workplace free from discrimination or harassment.

### 4.2. What We Did in 2017

Employee engagement is critical to the long-term sustainability of TGS. TGS seeks to maintain high levels of employee engagement while complying with labor rights and providing favorable work conditions.

Following analysis of the results of the 2016 Employee Engagement survey, TGS identified the following focus areas to help improve engagement and developed action plans to target those areas: (i) communication, (ii) training & development, and (iii) compensation & rewards

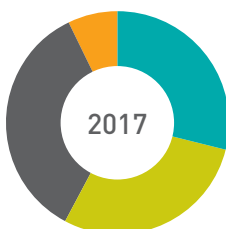
To improve communication, TGS focused on enhancing its employees' digital communication experience, primarily through ODIN, the Company's intranet site which serves as a platform to communicate globally with all employees.

#### Employee Statistics

	2017	2016
Total # of Employees at year end	597	614
New Hires	31	19
Internal Job Fill	47%	58%
Employee Turnover	6%	8%

#### Tenure

0 - 5	2016 / 36%	2017 / <b>29%</b>
5 - 10 years	2016 / 29%	2017 / <b>29%</b>
10 - 20 years	2016 / 30%	2017 / <b>35%</b>
+20 years	2016 / 6%	2017 / <b>7%</b>



#### Gender – Management



2017 / Male 71%  
2016 / Male 71%



2017 / Female 29%  
2016 / Female 29%

#### Gender – Total Employee Population



2017 / Male 59%  
2016 / Male 57%

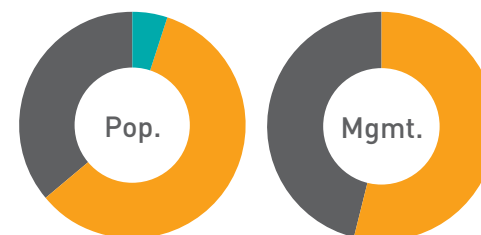
2017 / Female 41%  
2016 / Female 43%

#### Age / 2017

- 30 y/o Total Pop. / **5%** Mgmt. / **0%**

30 – 50 y/o Total Pop. / **59%** Mgmt. / **54%**

50+ y/o Total Pop. / **36%** Mgmt. / **46%**





Through this platform, TGS' CEO announced the Company's 2017 corporate goals, industry updates and company programs. To facilitate better two-way digital communication, TGS rolled out the latest Skype for Business online communication platform as part of a corporate-wide Microsoft Office 365 implementation. In addition, TGS implemented a new approach to goal setting with the ambition to set annual goals for all employees that tie in to the Company's communicated corporate goals, thereby driving greater alignment and a common purpose in the work environment.

The Company's training & development efforts focused on the Company's Performance Development Program, which comprised of an annual review, goal setting and identification of training and development needs, and follow-ups on at least a quarterly basis. TGS also provided and delivered several leadership series training programs, focusing on giving and receiving feedback and DiSC assessments (a tool used to facilitate discussions based on understanding people's behavioral differences in the workplace, especially within teams and business units). The Company also held a Leadership Forum for TGS' emerging leaders and improved the mentorship program.

To address compensation & rewards, TGS completely revised the benchmarking process, moving away from a biennial, third party supported approach. The Company adopted a more thorough process by directly subscribing to multiple compensation databases and testing and benchmarking all positions on an annual basis. These changes provide TGS with a better understanding of compensation trends within the industry and allows the Company to better identify and prioritize compensation issues. Finally, TGS revamped its employee reward program to incorporate recognition of culture and team-work in addition to exceptional performance.

#### **4.2.1. Employee Engagement**

Since 2011, TGS has engaged a third party to deliver an employee engagement survey that provides a best practice approach to engagement, incorporating employee anonymity and a substantial database of peer data for benchmarking. In 2017 the platform was significantly upgraded to provide an online interface for employees and a more comprehensive set of online analytical tools.

The employee engagement survey assesses the overall "Engagement Capital" of an organization. Engagement Capital refers to the amount of commitment, discretionary effort, and intent to stay that employees exhibit given their experience of past events, present expectations, and future expectations. The TGS employee engagement results are compared to a benchmark which is comprised of over 400 mid-sized organizations across multiple industries and geographies, with over 400,000 individual employee responses.

TGS employee response rate was a record 93% (up from 87% in 2016). With the benchmark showing only a 70% response rate, which signals an engaged workforce. TGS' overall Engagement Capital increased and remains in line with the benchmark.

#### **4.2.2. Professional Development**

TGS is committed to strengthening its culture of excellence. Providing professional development opportunities for its workforce is a cornerstone to that end. Building upon long-term corporate objectives, TGS continued to provide general leadership skills and technical training at each of its core offices in 2017.

TGS employees participate in an annual Performance Development Program, whereby the employee and his/her manager discuss the progress of last year's goals, establish goals for the upcoming year, evaluate the employee's performance over the past year, review the employee's career aspirations and identify opportunities for further development. TGS recognizes that this process is critical to ensuring that its employees continue to develop the necessary skills to grow with the company.

TGS offers both onsite and out-of-office professional development training opportunities to employees, encourages employee participation in industry events, supports internal career progression, and provides tuition assistance for higher education courses for employees. This year TGS held its biennial Leadership Forum, which is focused on providing leadership training to the Company's top 20 emerging leaders. TGS also continued its Executive Mentorship program for talented individuals to be mentored by members of the Executive team.

Finally, TGS provides technical training to its employees through onsite training programs and lunch- and-learns as well as encourages employees to participate in industry events. This year employees participated in over 1,124 hours of in-house geological and imaging courses and lunch-and-learn sessions (down from 1,875 hours in 2016 due to focus on higher level training for a smaller group). TGS employees also participated in University Consortia around the world such as: Delphi, CWP – The Center for Wave Phenomena at Colorado School of Mines, University of Texas in Dallas, SEP at Stanford University and CSIM – Center for Subsurface Imaging and Fluid Modeling with King Abdullah University of Science and Technology.

### 4.3. Our Ambitions and Plans

TGS recognizes the value of having an engaged workforce and will continue to actively identify opportunities to improve engagement, provide professional development, encourage career discussions, and maintain open communication in 2018. TGS will use the results of the 2017 employee engagement survey to identify areas for improvement and actions that can be taken at all levels in the organization to improve employee engagement. TGS specifically plans to implement management and leadership training programs, business unit succession planning, improved transparency on compensation processes, and an initiative to enhance communication between departments. Furthermore, the CEO will hold focus groups with employees to help identify ways to improve organizational communication. TGS' ambition is to see continual improvement in employee engagement and this will be measured through conducting another employee engagement survey in 2018.

## 5. Anti-Corruption and Compliance

### 5.1. Our Code of Conduct

TGS expects the highest levels of personal conduct and fair dealing from all its employees, the Board of Directors, partners, and any third parties retained on behalf of the Company. The TGS Code of Conduct sets the standard of responsible conduct and fair business practices for every TGS employee and serves as the Company's ethical roadmap – ensuring all employees perform their duties with honesty and integrity and in accordance with the law.

As a function within the TGS Executive Team, the Compliance Program endeavors to foster an open, transparent and ethical environment in accordance with the TGS Code of Conduct. The TGS Compliance Officer reports to the Board of Directors and the CEO and provides updates on at least a quarterly basis. The Compliance Officer aims to educate TGS employees on potential compliance concerns as well as implement policies, procedures, and guidelines to detect and prevent potential compliance concerns. In January of each year, an annual letter from the CEO is issued to all TGS employees that outline TGS's expectations regarding ethical and compliant conduct.

All TGS employees are to complete an annual certification that represents each employee's personal pledge that he or she has read, understood, and will uphold the Code of Conduct in his or her business activities, as well as to participate in annual live Code of Conduct trainings, either held in-person or via video-conference, and other online compliance training initiatives.

TGS provides multiple avenues for TGS' internal and external stakeholders to discuss or report potential non-compliance. Employees are encouraged to report any violation of TGS' values or policies to their supervisor, the Compliance Officer, or through the TGS hotline, which allows employees to report suspected instances of non-compliance anonymously. TGS wants to know about potential problems before they become serious, and policies are in place that prohibit retaliation against reporting employees. TGS investigates all potential violations of its Statement of Values and Code of Conduct, such as illegal acts, conflicts of interest, financial fraud, corruption issues or breaches of TGS' corporate policies. TGS will also engage internal or external legal counsel as needed in dealing with possible violations of its corporate policies.

*The TGS Code of Conduct sets the standard of responsible conduct for every TGS employee and serves as the Company's ethical roadmap – ensuring all employees perform their duties with honesty and integrity and in accordance with the law.*

### 5.2. What We Did in 2017

As a global company, TGS recognizes that preventing bribery and corruption in its operations is essential in today's business environment. TGS works to ensure that its employees understand and are sensitive to the legal requirements that apply to the Company's operations, including the U.S. Foreign Corrupt Practices Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business, and the U.K. Bribery Act.

TGS' Anti-Corruption policy, which applies to TGS employees and all third parties acting on behalf of TGS, expressly prohibits bribery, kickbacks and other illegal payments, as well as facilitation payments and political contributions on behalf of the company. Review and prior approval is required for gifts, entertainment, or travel expenses provided to government officials, as well as charitable or social welfare contributions to be made by or on behalf of TGS. TGS conducts due diligence on third party relationships based upon various risk factors, including but not limited to the location of where services are to be performed, the types of services to be performed, and the entity performing the services. TGS includes anti-corruption provisions in agreements with third parties providing services on behalf of the company, and third parties deemed to be high-risk must complete

annual anti-corruption training and certification requirements. TGS continually conducts assessments of its policies, procedures, and guidelines to identify weaknesses and areas for improvements.

Each year, all TGS employees are required to certify their compliance to TGS' Code of Conduct and participate in live Code-of-Conduct training, both of which include a focus on TGS' anti-corruption efforts. One-hundred percent of active TGS employees completed both the Code of Conduct certification and Code of Conduct training for 2017. In addition to the Code of Conduct training, which includes discussion of TGS' Anti-Corruption policy, TGS administered an online anti-corruption training and certification program to key employees and managers who interact with government officials or oversee employees who interact with government officials that included training on and certifying compliance with TGS policies. One-hundred percent (100%) of active TGS employees completed the online anti-corruption training and certification (same as in 2016).

TGS worked with its international agents to stress the importance of and ensure compliance with international anti-corruption laws in 2017. All of TGS's international agents are required to annually certify compliance with TGS's Anti-Corruption policy and complete online anti-corruption training. One-hundred percent (100%) of TGS's international agents completed their annual certification of compliance with TGS's Anti-Corruption policy and anti-corruption training in the past year (same as in 2016). TGS also continued to monitor third party relationships and conducted quarterly reviews of payments made to high risk third parties to verify their compliance with contractual terms and the law in 2017.

## 100% CERTIFIED

- 100% of TGS employees completed Code of Conduct certification and Code of Conduct training
- 100% of key TGS employees completed TGS' Anti-Corruption training and certification program
- 100% of TGS international agents certified their compliance with TGS' Anti-Corruption policy and completed Anti-Corruption training

### 5.3. Our Ambitions and Plans:

TGS will continue to be active in monitoring the international developments and "best practices" in anti-corruption compliance. Going forward TGS intends to further the actions undertaken during 2017 with a continued emphasis on

monitoring both the payments made to and relationships with TGS's international agents, and will maintain its hands-on approach to ensure TGS' international agents understand and abide by TGS' anti-corruption policy. TGS will continue to review and update international agent due diligence information on a periodic basis so as to maintain current and accurate information for all international agents. In addition, TGS will focus on utilizing technological and software solutions to provide more efficient monitoring of its compliance program. TGS will continue to aim for 100% compliance by both key TGS employees and international consultants with TGS' anti-corruption training and certification requirements. Finally, TGS will review and update the Code of Conduct and related policies as part of its commitment to internationally accepted "best practices" for compliance.

## 6. Health and Safety


### 6.1. What We Believe

*TGS is dedicated to the continuous improvement of health, safety and security standards for its people and insists on the same policy from its contractors.*

TGS has defined safe operating procedures and guidelines in the HSE Management System that are designed to meet or exceed all appropriate legal requirements and, in the absence of any defined standards, to meet or exceed generally accepted industry-wide "best operating practices." TGS actively participates with all relevant client/contractor associations and relevant authorities in developing HSE standards.

TGS maintains a high level of safety awareness by means of safety meetings, internal auditing, review meetings and general communications. All employees and contractors are actively encouraged to participate in the conduct, management and continuous improvement of safety. TGS requires all employees and contractors to be accountable for and committed to their own health and safety as well as for those with whom they work. Employees and contractors are empowered to intervene and STOP any operation or activity that they feel is unsafe or hazardous, with the knowledge that such action will be supported by management.

Both the TGS HSE Director and senior management have responsibility for the communication and implementation of TGS health and safety policies, including provision of information, training and resources to employees.

 Employee Health & Safety Statistics	2017	2016
Man-hours	991,765	1,103,829
Fatalities	0	0
Lost Time Injuries (LTI)	0	1
Medical Treatment Cases	0	0
Restricted Work Cases	0	1
Recordable Case Frequency*	0.0	0.18
LTI Frequency*	0.00	0.18
Working Days Lost	1,421	1,536
Sickness Absence Frequency	1.15%	1.11%

\*Per million man-hours

## 6.2. What We Did in 2017: HSE Reviews and Training

TGS conducts quarterly HSE reviews with the Executive Team. TGS continues to promote a top-down message of health and safety by making its senior management responsible for ensuring that all employees completed at least two HSE training modules during 2017. Management also participated in audits of all office locations, and all TGS staff are assessed on active HSE commitment during annual performance reviews.


In 2017, all TGS Executive Team members conducted at least 1 HSE facility inspection. All office locations performed two HSE related lunch and learn activity, which included topics such as, First Aid / CPR Training, Stress Awareness, and Home Safety.

There was one lost time incident for contractor field crews in 2017. With respect to TGS employees, there were no lost time incidents in 2017. The Total Recordable Incident rate for employees for 2017 was 0.00, and the combined rate with contractors was 0.42 (per 200,000 man hours).

There were 27 field visits from senior management and operations managers during 2017, and full compliance with vessel and land crew audit requirements was achieved. Additionally, 40 inspections were performed at TGS office locations globally.

The Motor Vehicle Accident Rate in 2017 (per 1,000,000 miles) was 0.00.

One hundred percent (100%) of employees completed both HSE training courses offered in 2017.

 Contractor Health & Safety Statistics	2017	2016
Man-hours	2,821,187	2,975,592
Fatalities	0	0
Lost Time Injuries (LTI)	1	1
Medical Treatment Cases	4	1
Restricted Work Cases	3	2
Recordable Case Frequency*	2.84	1.34
LTI Frequency*	0.35	0.34

\*Per million man-hours

## 6.3. Our Ambitions and Plans

TGS management will continue to champion TGS' HSE training initiatives by increasing management's presence at both land and marine operations and by having management conduct facility inspections at TGS' offices. TGS will continue to require all land and marine contractors to participate in TGS' Contractor Management System for both land and marine surveys. Additionally, all TGS employees will be required to complete two HSE training courses during 2018. Each office location has a goal to host two HSE lunch-and-learn events in 2018. Finally, TGS has set as targets for 2018 of zero lost time injuries across all operations, and a total recordable incident rate of less than 2.0 and a motor vehicle accident rate goal of less than 2.0 for land seismic operations.

# 7. Environment

## 7.1. What We Believe

TGS is committed to leading the industry in minimizing the impact of its activity on the environment. To achieve this, TGS continually assesses its impact on the environment and endeavors to plan operations that minimize environmental impact. TGS typically conducts environmental impact assessments as part of the permitting process prior to initiating seismic data acquisition. TGS monitors its environmental performance versus plans and is dedicated to the continuous improvement of its environmental programs and standards for all its operations.

TGS strives for zero spills and unplanned releases to the marine environment during seismic vessel operations and zero reportable spills in the onshore environment. Through TGS's charters of the seismic vessels, TGS influences and aims to ensure that contractors comply with all applicable environmental



laws and regulations. Seismic vessels chartered by TGS undergo audits from the International Marine Contractors Association/Offshore Vessel Inspection Database (IMCA/OVID audits), either conducted by TGS, the vessel, or another third party, that evaluate compliance with all applicable health, safety, and environmental regulations and industry requirements, and ensure that all required health, safety, and environmental permits and certificates are valid.

TGS understands the importance of working with local governments, regulatory authorities, and non-government organizations, and therefore, TGS maintains positive communication with regulatory authorities and other governmental and non-governmental organizations to help identify, understand and mitigate environmental risks associated with geophysical activities. Finally, we work to implement improved environmental awareness in office locations and minimize waste and manage waste output, minimize carbon emissions by survey design, guard against accidental and operational pollution, and mitigate against any active or operational pollution.

*TGS understands the importance of working with local governments, regulatory authorities, and non-government organizations, and therefore, TGS maintains positive communication with regulatory authorities and other governmental and non-governmental organizations to help identify, understand and mitigate environmental risks associated with geophysical activities.*

## **7.2. What We Do**

TGS continues to include environmental aspects within IMCA/OVID accredited audits on all chartered seismic vessel and monitor spills and unplanned releases during seismic operations. TGS assesses and reports upon biologically-important areas, which include marine mammal migration paths, spawning grounds, sanctuary areas, or other ecologically sensitive locations where TGS has activities. There were no recordable spills or unplanned releases to the marine environment and no reportable spills or releases to the onshore environment in 2017.

TGS actively supports the IAGC both financially and through employee participation in committees and projects. In 2017, TGS employees, including the SVP Onshore, General Counsel, Director Marine Acquisition and HSE Director actively served and participated in IAGC boards and committees. Through its

work with the IAGC, TGS seeks to positively influence sensible and sustainable legislation and address environmental misconceptions associated with the geophysical industry. TGS supports the IAGC's efforts to create standards and protocols for seismic in frontier areas, and to plan seismic surveys to minimize environmental implications and liaise with stakeholders (including local fishing industry). TGS is also involved with the International Association of Oil & Gas Producers (IOGP) and supports its efforts to improve safety, environment and social performance and promote responsible and sustainable operations within the oil and gas industry. Each year, TGS participates in IOGP's global forum, which includes both clients and competitors, to share best practices and to troubleshoot challenges that may have arisen in the industry.

One example of TGS' efforts in 2017 to work with stakeholders, including regulatory authorities and other governmental and non-governmental organizations, on identifying, understanding and mitigating environmental risks associated with geophysical activities is in the Barents Sea. TGS worked with the Norwegian Fishery Directorate and the Ocean Research Institute to review the fishery and biological restrictions in the survey area. As a result, the survey outline was rotated to be parallel with and hence avoid the Blue Halibut fishing areas. Once the fishing season started there were still concerns from the fishing unions regarding the proximity of the TGS operation to the fishing area so TGS proactively moved the operation 20 nautical miles away from the fishing areas. All the stakeholders involved were satisfied with the move which resulted positively for both parties.

In Australia, TGS coordinated with the regulators including NOPSEMA (National Offshore Petroleum Safety and Environmental Management Authority), on the new Environment Plan for future seismic surveying over the Shelf off the Northwest Coast. As a result, the Environmental Plan was reduced in geographical scale and duration after engagement and feedback from stakeholders.

In Canada, TGS and their partners liaised with the authorities and fishing unions to minimize operational conflicts and to ensure ongoing communication throughout the duration of the projects. This included time area closures, accommodating a Fishing Liaison Officer on board all vessels and conducting test lines as requested by Fisheries and Oceans Canada.

## **7.3. Our Ambitions and Plans**

Going forward TGS intends to continue its work with the IAGC and IOGP to develop and ensure compliance with environmentally sound practices in the seismic industry. As with prior years, TGS will continue to aim for zero spills and

unplanned releases to the marine environment during seismic vessel operations and zero reportable spills in the onshore environment. TGS will continue with the goal in for each chartered vessel to undergo an IMCA/OVID audit within six months of hire and every twelve months thereafter, and an audit within four weeks of the start of recording activities for land seismic crews. Finally, TGS will continue to ensure its marine and land contractors participate in and abide by the environmental standards set forth in TGS Contractor Management System.

## 8. Human Rights

TGS supports the UN Universal Declaration of Human Rights and aims to apply its principles throughout its business operations. These principles include recognition of the freedom, the rights, the dignity and the worth of the human person and promotion of equality irrespective of gender, race or religion. TGS will not use or support child labor or slavery in any of its offices. TGS also works with contractors and vendors to ensure that field and seismic vessel operators abide by the UN Universal Declaration of Human Rights and do not use or support child labor or slavery in their operations for TGS. To that end, TGS requires vendors, contractors and suppliers to provide TGS their policies regarding their human rights and labor practices so that TGS may review and ensure that any contractors or third parties with whom TGS contracts maintain the same commitment to human rights as TGS.

## 9. Community and Charitable Relations

Through the TGS Charitable Contributions Committee and in accordance with its charitable contributions guidelines, TGS actively supports reputable charitable programs and organizations that serve people in need in countries where TGS has offices or projects by providing ongoing financial donations as well as encouraging employees to donate their time and energy to help those in society who are less fortunate.

For example, in 2017, TGS worked with several governments in Africa where TGS has ongoing business relationships and obligations to support their local community efforts aimed at improving education, transportation, infrastructure, and medical resources in the regions. In addition to the monetary donations, TGS provided geological and science books and computer equipment to promote and advance geosciences education at the university level.

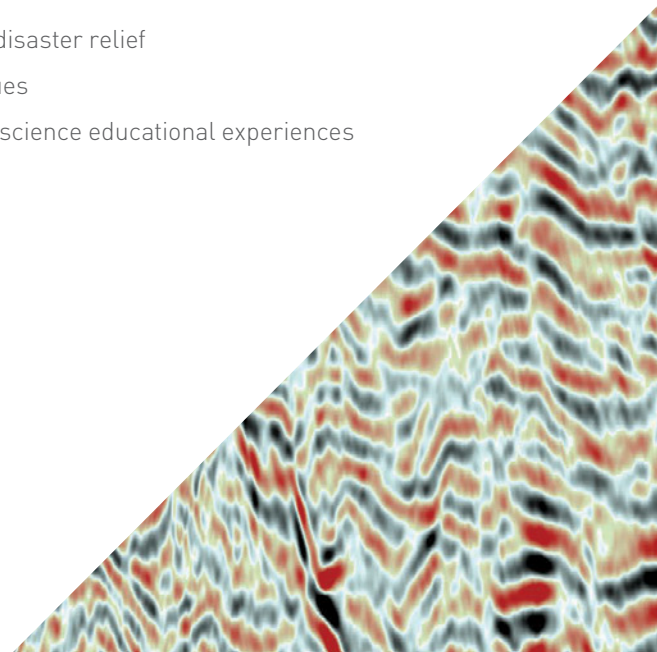
In light of the devastation caused by Hurricane Harvey to Houston, TGS made monetary donations to hurricane relief organizations as well as matched

employee donations made in support of the hurricane relief efforts. TGS also made charitable contributions to organizations that help underprivileged youth, fund medical research and access to healthcare, provide humanitarian aid and organizations promoting geophysics and geoscience educational experiences to children in Norway, the United States, Canada, and the United Kingdom. TGS continued to recognize its employees charitable spirit by matching employee's monetary donations or making monetary donations in recognition of an employee's work with an organization. Overall, TGS employees reported that they had spent more than 703 hours on TGS-supported charitable activities during 2017. TGS will continue to support local charities and non-profits in the communities in which we operate and to encourage TGS employees to do the same.

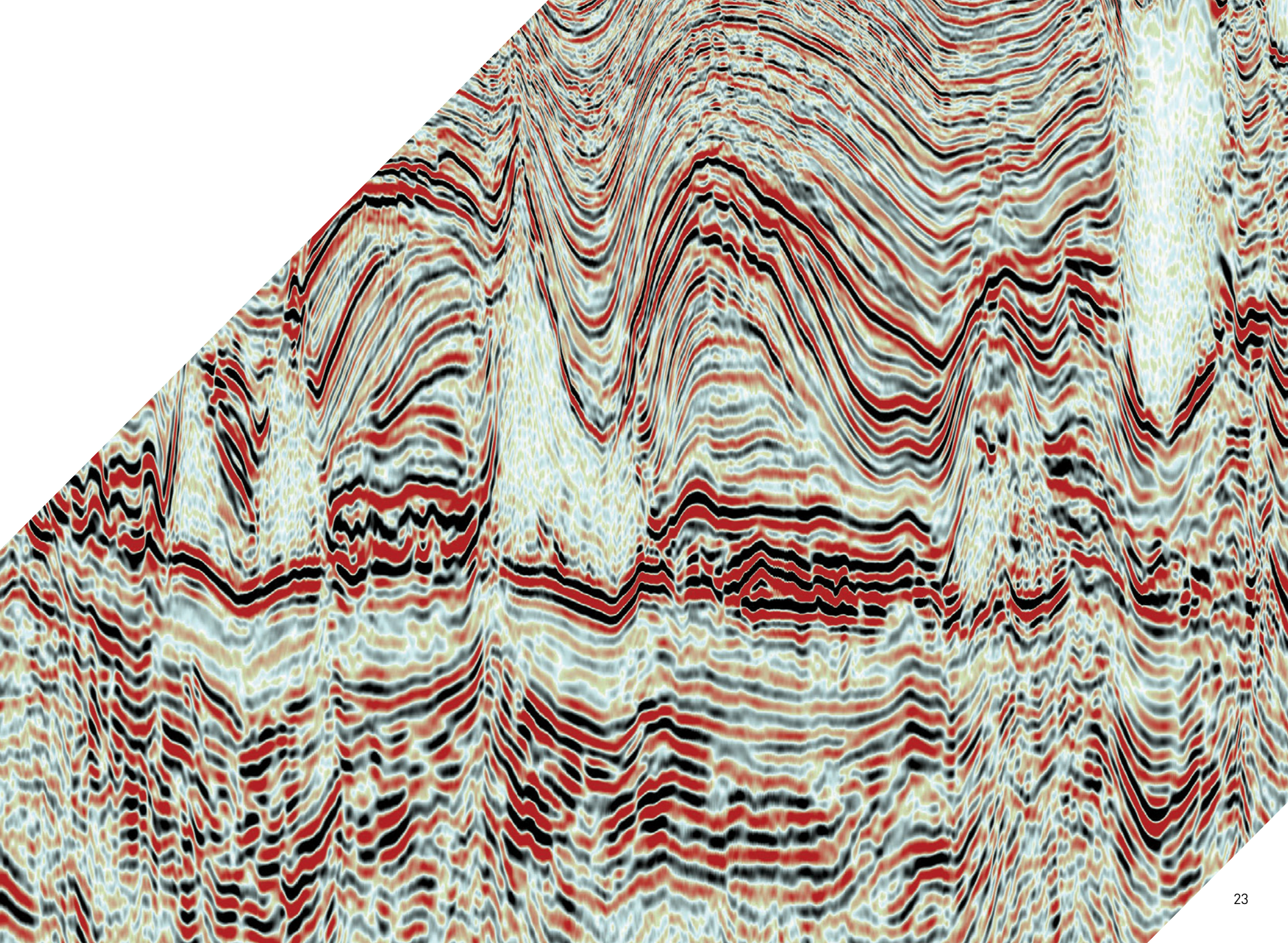
*TGS is committed to supporting local, nonprofit community organizations and charities that focus their services on people.*

TGS is dedicated to:

- Providing access to healthcare, medical services, and helping to fight disease
- Assisting underprivileged, underrepresented, or at-risk communities or groups
- Providing humanitarian aid or disaster relief
- Addressing environmental issues
- Promoting geophysics and geoscience educational experiences to children











# 2016



# Sustainability Report

## 1. Report on Corporate Social Responsibility

The term “Corporate Social Responsibility” (CSR) is often used interchangeably with “Corporate Sustainability.” The Dow Jones World Sustainability Index defines Corporate Sustainability as “a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.”

TGS has prepared a CSR report to communicate to stakeholders how it integrates sustainability priorities within its business operations and strategy. Specifically the report covers TGS’ CSR policies, actions, results and future ambitions and plans, focusing on our People and our Conduct, namely our anti-corruption, health and safety, and environmental efforts within the Company and with our Stakeholders. Our commitments, activities and performance on the priorities identified by TGS are set forth in the case studies, facts and figures set forth below. It is the opinion of the Board of Directors that this report complies with the CSR requirements of the Norwegian Accounting Act section 3-3c.

## 2. Responsibilities Towards Our Stakeholders

TGS believes that Corporate Social Responsibility is a fully compatible and integrated part of conducting business successfully. The foundation of our Company’s superior business performance is built on our long-standing values of honesty, integrity, accountability, and respect for others. In order for TGS to prosper, we need the trust and respect of our customers, shareholders, employees, and the communities in which we work and live. These values have long been a fundamental part of how TGS has chosen to do business and the Company has developed and refined these values over time. The purpose of the TGS Statement of Values is to provide a moral and ethical compass to assist and guide the Company in business situations that arise every day. These standards apply to all its activities in every market that TGS serves.

Honesty, integrity and fairness form the cornerstones of TGS’ relationships inside and outside the Company.

*“TGS is responsible to our customers, our employees, the communities in which we live and work, to the world community and to our shareholders. Living the TGS Values every day, in everything that we do, helps us to meet or exceed the expectations of our stakeholders both today and in the future, and is critical to delivering sustainable growth over the long term.”*

*– Hank Hamilton, Chairman*



**TGS is responsible to its customers.** Through quality and service, the Company consistently strives to meet or exceed the expectations of customers, both promptly and profitably.

**TGS is responsible to its employees.** TGS' single greatest asset is its employee base. The Company considers each employee as an individual, and recognizes and respects the dignity, culture and merit of each employee. TGS aims to provide equal opportunity for employment, development and advancement. The Company's human resources policies are designed to ensure fair and equitable treatment and to encourage personal growth. The TGS health, safety and environmental management system (HSE-MS) is designed to ensure that all Company operations are conducted in the absence of significant risk, by continuously identifying and controlling hazards which may arise through any aspect of the Company's operations.

**TGS is responsible to the communities and environment** in which it operates and works and to the world community as well. TGS monitors its environmental performance versus plans and is dedicated to the continuous improvement of its environmental programs and standards for all of its operations. TGS works with its suppliers to ensure that their health, safety, and environmental standards are consistent with that of TGS. The Company actively supports reputable charitable programs and organizations, as well as local social welfare programs within the countries in which seismic data acquisitions are performed, that serve people and communities in need by providing ongoing financial donations. In addition, TGS implemented a program that encourages employees to donate their time and energy to help those in society who are less fortunate. The largest contributions were donated to organizations that work with underprivileged youth, homeless families and organizations that provide medical and humanitarian assistance in disease plagued regions. TGS supports the United Nations Universal Declaration of Human Rights and strives to apply the declaration's principles regarding the freedom, rights, dignity and worth of the human person and promotion of equality irrespective of gender, race or religion throughout business operations.

**TGS is responsible to its shareholders** and expects that they should realize a fair return. The Company understands that its main contribution to society comes from operating and growing a profitable and thriving business that creates value over the long term.

*TGS joined the UN Global Compact in 2016 and publicly committed to implementing the Global Compact's principals on human rights, labor, environment, and anti-corruption into our strategy, culture and day-to-day operations.*

### 3. Priority Identification

In identifying CSR priorities for TGS, it is important that the Company considers how its business impacts stakeholders across the value chain, from planning projects and consulting with local communities and regulatory authorities (including permitting requirements), to selecting and working with partners, agents and contractors, to managing HSE risks in geophysical operations, and to ensuring compliance with the TGS Code of Conduct and anti-corruption program in dealings with third parties.

On an annual basis, TGS conducts a risk assessment process whereby risks from across the business (including CSR risks) are assessed by different groups within TGS: Strategic, Operations, Legal and Compliance, and Finance. These groups identify the top risks, along with the current mitigation measures in place for each of those risks, and rank the risks based upon their impact to TGS, likelihood, and whether the risk is increasing, stable or decreasing. From these analyses, TGS' Executive Team identifies the top risks to TGS, some of which may relate to CSR risks, and implements a mitigation plan to address these risks for the coming year. In addition, all TGS departments, including Human Resources, Compliance, and Health, Safety and Environment, set annual goals for each year, and TGS executive team and Board of Directors participate in reviews of compliance, health, safety and environmental performance on at least a quarterly basis.

TGS also seeks feedback from regular meetings with shareholders, customers, other stakeholders and the International Association of Geophysical Contractors (IAGC). In addition, TGS joined the UN Global Compact in 2016 and publicly committed to implementing the Global Compact's principals on human rights, labor, environment, and anti-corruption into our strategy, culture and day-to-day operations.

From these inter-related processes TGS identified its CSR priority areas, set the CSR goals, plans and actions for 2016. The continuation of the challenging market conditions in the oil and gas industry resulted in TGS remaining steadfast in our commitment to:

- **People:** Engaging and developing employees in difficult market conditions
- **Anti-Corruption:** Employing the best practices to ensure anti-corruption compliance in all our operations
- **Health, Safety & Environment:** Promoting safe, healthy, and environmentally sound practices within the company and by our vendors and suppliers
- **Human Rights:** Advocating for responsible labor practices by our vendors and suppliers

## 4. People

### 4.1. Who We Are

TGS strives to promote and maintain a work environment in which our people are treated with dignity, decency and respect. TGS expects all relationships among persons in the workplace will be business-like and free of unlawful bias, prejudice and harassment. It is TGS' policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other status protected by law.

TGS Code of Conduct prohibits discrimination and harassment in the workplace. All TGS employees must annually attend Code of Conduct training, which includes training on TGS' anti-discrimination and anti-harassment policies. New TGS employees must complete an online training focused on maintaining a workplace free from discrimination or harassment.

### 4.2. What We Did in 2016

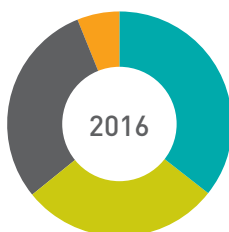
Employee engagement is critical to the long-term sustainability of TGS. TGS seeks to maintain high levels of employee engagement while complying with labor rights and providing favorable work conditions. Due to the difficult market conditions in the oil industry, 2016 continued to be a challenging year. TGS announced a reduction in workforce and implemented reduced work hours in select locations. TGS focused on keeping employees engaged and motivated and maintaining

#### Employee Statistics

	2016	2015
Total # of Employees at year end	614	747
New Hires	19	31
Internal Job Fill	58%	56%
Employee Turnover	8%	10%

#### Tenure

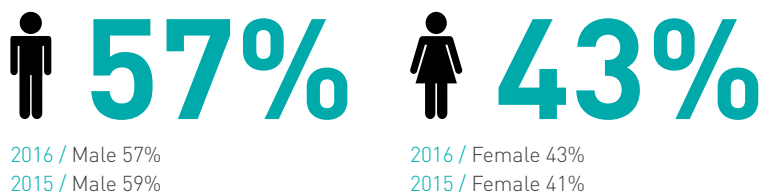
0 - 5	2015 / 46%	2016 / <b>36%</b>
5 - 10 years	2015 / 26%	2016 / <b>29%</b>
10 - 20 years	2015 / 23%	2016 / <b>30%</b>
+20 years	2015 / 5%	2016 / <b>6%</b>



#### Gender – Management

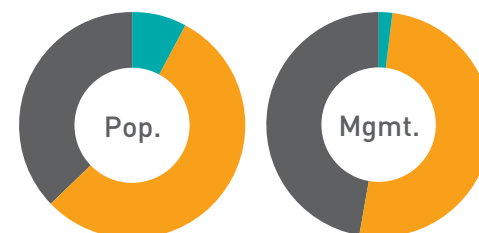


#### Gender – Total Employee Population



#### Age / 2016

- 30 y/o	Total Pop. / <b>8%</b>	Mgmt. / <b>2%</b>
30 – 50 y/o	Total Pop. / <b>55%</b>	Mgmt. / <b>51%</b>
50+ y/o	Total Pop. / <b>37%</b>	Mgmt. / <b>47%</b>





internal communications by launching our new intranet site which serves as a platform to enhance communication with our employees. We utilize the site to keep employees informed on industry updates, company programs & initiatives and employee events. In addition, through town hall sessions, we continued to update employees on the state of the industry and how TGS planned to approach the challenges ahead. We now broadcast our town hall sessions live globally on a quarterly basis. In addition, TGS continued to provide learning and professional development opportunities for employees, both internally and externally, aimed at encouraging employee advancement.

*It is TGS' policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, age, disability, or any other status protected by law*

#### 4.2.1. Employee Engagement

One of TGS' main priorities in 2016 focused on keeping employees engaged and motivated to retain top talent and enhance performance in these challenging market conditions. TGS actively sought feedback and input from the workforce and continued to communicate with employees to address their concerns. Engaged employees are essential to the success of TGS. Increasingly, we understand that employee engagement is a requisite for high performance. Hence, TGS performed its biennial Global Employee Engagement Survey in November 2016, to help identify opportunities for increasing employee engagement. The anonymous survey measures employees' perceptions of past events, present experiences, and future expectations for a more complete view of employees' engagement levels. The survey compares TGS employee responses to a global, multi-industry benchmark across eight metrics to identify areas of improvement. TGS had an 87% response rate and scored highly in the areas of Culture/Values and Work Environment. Professional Development and Communication were identified as areas of focus to continue to improve engagement.

Communication across the organization is vital to maintaining an informed and engaged workforce in which employees are motivated to contribute and improve performance. Therefore, it is necessary for TGS's leaders to be visible and accessible to the entire workforce and employees be encouraged to share their opinion on important issues facing the organization. TGS holds quarterly employee meetings across all of its key offices, which include a Q&A session with the CEO and presentations from various projects or business units on their operations. Additionally, all business groups and departments hold a multi-day

planning session at the start of the year in which members of that department participate in planning and discussing business objectives and goals for the coming year.

#### 4.2.2. Professional Development

TGS is committed to strengthening our culture of excellence. Providing professional development opportunities for our workforce is a cornerstone to that end. Building upon long-term corporate objectives, TGS continued to provide general management skills, business acumen courses and technical training at each of its core offices in 2016.

TGS employees participate in an annual performance and professional development review, whereby the employee and his/her manager discuss the progress of last year's goals, establish goals for the upcoming year, discuss the employee's performance over the past year, review career aspirations and identify opportunities for further development. TGS recognizes that this process is critical to ensuring that its employees continue to develop the necessary skills to grow with the company.

TGS offers both onsite and out-of-office professional development training opportunities to employees, encourages employee participation in industry events, supports internal career progression, and provides tuition assistance for higher education courses for employees. TGS also continued its Executive Mentorship program for talented individuals to be mentored by members of the Executive management team.

 **1,815 hrs**

*2016 was the third full year of TGS' revamped technical training program, and employees participated in over 1,815 hours of in-house geological and imaging courses and lunch-and-learn sessions.*

Additionally, TGS provides technical training to its employees through onsite training programs and lunch- and-learns as well as encouraging employees to participate in industry events. Employees participated in over 1,815 hours of in-house geological and imaging courses and lunch-and-learn sessions (down from 2,006 hours in 2015 due to the fewer number of employees in the company). TGS employees also participated in five University Consortia around the world in 2016.

#### 4.3. Our Ambitions and Plans

TGS recognizes the value of having an engaged workforce and will continue to actively identify opportunities to improve engagement, provide professional

development, encourage career discussions, and maintain open communication in 2017. TGS's commitment will be further reinforced through the implementation of leadership sessions and focus on transparent communication from the top down. TGS will hold focus groups with employees to better understand the feedback and to gain understanding of the areas of improvement. Corporate goals that align with these initiatives will be posted in our new intranet (ODIN) and reinforced during quarterly employee meetings. Finally, TGS conducted its Global Employee Engagement Survey in 2016 and will use the results of that survey to measure our effort in increasing our employees' engagement, and we are committed to conducting another survey in 2017..

## 5. Anti-Corruption and Compliance

### 5.1. Our Code of Conduct

TGS expects the highest levels of personal conduct from its Board of Directors, its entire staff, regardless of position, and its agents and contractors. The TGS Code of Conduct sets the standard of responsible conduct for every TGS employee and serves as the Company's ethical roadmap – ensuring all employees perform their duties with honesty and integrity and in accordance with the law.

As a function within the TGS executive team, the Compliance Program endeavors to foster an open, transparent and ethical environment in accordance with the TGS Code of Conduct. The TGS Compliance Officer reports to the Board of Directors and the CEO and provides updates on at least a quarterly basis. The Compliance Officer aims to educate TGS employees on potential compliance concerns as well as implement policies, procedures, and guidelines to detect and prevent potential compliance concerns. In January of each year, an annual letter from the CEO is issued to all TGS employees that outline TGS's expectations regarding ethical and compliant conduct.

All TGS employees are to complete an annual certification that represents each employee's personal pledge that he or she has read, understood, and will uphold the Code in his or her business activities, as well as to participate in annual live Code of Conduct trainings, either held in-person or via video-conference, and other online compliance training initiatives.

TGS provides multiple avenues for TGS' internal and external stakeholders to discuss or report potential non-compliance. Employees are encouraged to report any violation of TGS' values or policies to their supervisor, the Compliance Officer, or through the TGS hotline, which allows employees to report suspected instances of non-compliance anonymously. TGS wants to know about potential problems before they become serious, and policies are in place that prohibit

retaliation against reporting employees. TGS investigates all potential violations of its Statement of Values and Code of Conduct, such as illegal acts, conflicts of interest, financial fraud, corruption issues or breaches of TGS' corporate policies. TGS will also engage internal or external legal counsel as needed in dealing with possible violations of its corporate policies.

*The TGS Code of Conduct sets the standard of responsible conduct for every TGS employee and serves as the Company's ethical roadmap – ensuring all employees perform their duties with honesty and integrity and in accordance with the law.*

### 5.2. What We Did in 2016:

As a Company that operates throughout the world, TGS recognizes that bribery and corruption is a serious risk in today's business environment. TGS works to ensure that its employees understand that when conducting business in other countries, employees must be sensitive to the legal requirements that apply to foreign operations, including the U.S. Foreign Corrupt Practices Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business, and the U.K. Bribery Act.

TGS' Anti-Corruption policy applies to both TGS employees and third parties acting on behalf of TGS and expressly prohibits bribery, kickbacks and other illegal payments, as well as facilitation payments and political contributions on behalf of the company. Review and prior approval is required for gifts, entertainment, or travel expenses provided to government officials, as well as charitable or social welfare contributions to be made by or on behalf of TGS. TGS conducts due diligence on third party relationships based upon various risk factors, including but not limited to the location of where services are to be performed, the types of services to be performed, and the entity performing the services. TGS includes anti-corruption provisions in agreements with third parties providing services on behalf of the company, and third parties deemed to be high-risk must complete annual anti-corruption training and certification requirements. TGS continually conducts assessments of its anti-corruption policies, procedures, and guidelines to identify weaknesses and areas for improvements. International agents are periodically audited to ensure their compliance with their agreement to TGS and applicable anti-corruption laws.

To support the concept that compliance starts at the executive level and to ensure that all aspects of the business are up-to-date on anti-corruption best

practices, the Compliance Director provided quarterly and ad hoc presentations to the management team and business groups on global developments in anti-corruption laws and enforcement actions in 2016.

In 2016, TGS focused on monitoring third party relationships and implemented additional internal controls to monitor payments made to high risk third parties to ensure their compliance with contractual terms and the law.

Each year, all TGS employees are required to certify their compliance to TGS' Code of Conduct and participate in live Code-of-Conduct training, both of which include a focus on TGS' anti-corruption efforts. One-hundred percent of TGS employees completed both the Code of Conduct certification and Code of Conduct training for 2016. In addition to the Code of Conduct training, which includes discussion of TGS' Anti-Corruption policy, TGS administered an online anti-corruption training and certification program to key employees and managers who interact with government officials or oversee employees who interact with government officials that included training on and certifying compliance with TGS policies. One-hundred percent (100%) of active TGS employees completed the online anti-corruption training and certification (same as in 2015).

## 100% CERTIFIED

- 100% of TGS employees completed Code of Conduct certification and Code of Conduct training
- 100% of key TGS employees completed TGS' Anti-Corruption training and certification program
- 100% of TGS international agents certified their compliance with TGS' Anti-Corruption policy and completed Anti-Corruption training

TGS continued to work with its third party agents to stress the importance of and ensure compliance with international anti-corruption laws in 2016. All of TGS's international agents are required to annually certify compliance with TGS's Anti-Corruption policy and complete online anti-corruption training. One-hundred percent (100%) of TGS's international agents completed their annual certification of compliance with TGS's Anti-Corruption policy and anti-corruption training in the past year (same as in 2015).

### 5.3. Our Ambitions and Plans:

TGS will continue to be active in monitoring the international developments and "best practices" in anti-corruption compliance. Going forward TGS intends to further the actions undertaken during 2016 with a continued emphasis on monitoring both the payments made to and relationships with TGS's international

agents, and will maintain its hands-on approach to ensure our international agents understand and abide by TGS' anti-corruption policy. TGS will continue to aim for 100% compliance by both key TGS employees and international consultants with TGS' anti-corruption training and certification requirements. In the coming years as part of its monitoring of international agents, TGS will continue to review and update international agent due diligence information on a periodic basis so as to maintain current and accurate information for all international agents. Finally, TGS will continue to stay committed to internationally accepted "best practices" for anti-corruption compliance, and will work to update policies and procedures accordingly.

## 6. Health and Safety

### 6.1. What We Believe

TGS is dedicated to the continuous improvement of health, safety and security standards for its people and insists on the same policy from its contractors. TGS has defined safe operating procedures and guidelines in the HSE Management System that are designed to meet or exceed all appropriate legal requirements and, in the absence of any defined standards, to meet or exceed generally accepted industry-wide "best operating practices." TGS actively participates with all relevant client/contractor associations and relevant authorities in developing HSE standards.


TGS maintains a high level of safety awareness by means of safety meetings, internal auditing, review meetings and general communications. All employees and contractors are actively encouraged to participate in the conduct, management and continuous improvement of safety. TGS requires all employees and contractors to be accountable for and committed to their own health and safety as well as for those with whom they work. Employees and contractors are empowered to intervene and STOP any operation or activity that they feel is unsafe or hazardous, with the knowledge that such action will be supported by management.

Both the TGS HSE Director and senior management have responsibility for the communication and implementation of TGS health and safety policies, including provision of information, training and resources to employees.

### 6.2. What We Did in 2016: HSE Reviews and Training

TGS conducts quarterly HSE reviews with the executive team. TGS continues to promote a top-down message of health and safety by making its senior management responsible for ensuring that all employees completed at least two HSE training modules during 2016. Management also participated in audits of all



 Employee Health & Safety Statistics	2016	2015
Man-hours	1,103,829	1,562,934
Fatalities	0	0
Lost Time Injuries (LTI)	1	0
Medical Treatment Cases	0	0
Restricted Work Cases	0	1
Recordable Case Frequency*	0.18	0.64
LTI Frequency*	0.18	0.00
Working Days Lost	1,536	1,040
Sickness Absence Frequency	1.11%	0.53%

office locations, and all TGS staff are assessed on active HSE commitment during annual performance reviews.

In 2016, all TGS Executive Team members conducted at least 1 HSE facility inspection. All office locations performed at least one HSE related lunch and learn activity, which included topics such as First Aid / CPR Training, Bicycle Safety, Home Safety, and Fire Extinguisher Training.

There was one lost time incident for contractor field crews in 2016. An investigation was performed and remedial measures were put in place to prevent similar incidents from occurring in the future. With respect to TGS employees, there was one lost time incident in 2016. The Total Recordable Incident rate for 2016 was 0.18 (per 1,000,000 man hours).


There were 13 field visits from senior management and operations managers during 2016, and full compliance with vessel and land crew audit requirements was achieved. Additionally, 39 inspections were performed at TGS office locations globally.

The Motor Vehicle Accident Rate in 2016 (per 1,000,000 miles) was 0.00, as only a small number of land activity was completed.

One hundred percent (100%) of employees completed both HSE training courses offered in 2016.

### 6.3. Our Ambitions and Plans

TGS management will continue to champion TGS' HSE training initiatives by increasing management's presence at both land and marine operations and by having management conduct facility inspections at TGS' offices. TGS will continue to require all land and marine contractors to participate in TGS' Contractor Management System for both land and marine surveys. Additionally,

 Contractor Health & Safety Statistics	2016	2015
Man-hours	2,975,592	6,466,840
Fatalities	0	0
Lost Time Injuries (LTI)	1	1
Medical Treatment Cases	1	11
Restricted Work Cases	2	13
Recordable Case Frequency*	1.34	3.87
LTI Frequency*	0.34	0.15

\*Per million man-hours

all TGS employees will be required to complete two HSE training courses during 2017. Each office location has a goal to host two HSE Lunch and Learn events in 2017. Finally, TGS has set as targets for 2017 of zero lost time injuries across all operations, and a total recordable incident rate of less than 2.0 and a motor vehicle accident rate goal of less than 2.0 for land seismic operations.

## 7. Environment

### 7.1. What We Believe

TGS is committed to leading the industry in minimizing the impact of its activity on the environment. To achieve this, TGS continually assesses its impact on the environment and endeavors to plan operations that minimize environmental impact. TGS typically conducts environmental impact assessments as part of the permitting process prior to initiating seismic data acquisition. TGS monitors its environmental performance versus plans and is dedicated to the continuous improvement of its environmental programs and standards for all of its operations.

TGS strives for zero spills and unplanned releases to the marine environment during seismic vessel operations and zero reportable spills in the onshore environment. Through TGS's charters of the seismic vessels, TGS influences and aims to ensure our contractors comply with all applicable environmental laws and regulations. Seismic vessels chartered by TGS undergo audits from the International Marine Contractors Association/Offshore Vessel Inspection Database (IMCA/OVID audits), either conducted by TGS, the vessel, or another third party, that evaluate compliance with all applicable health, safety, and environmental regulations and industry requirements, and ensure that all required health, safety, and environmental permits and certificates are valid.

TGS understands the importance of working with local governments, regulatory authorities, and non-government organizations, and therefore, TGS maintains positive communication with regulatory authorities and other governmental and non-governmental organizations to help identify, understand and mitigate environmental risks associated with geophysical activities. Finally, we work to implement improved environmental awareness in office locations and minimize waste and manage waste output, minimize carbon emissions by survey design, guard against accidental and operational pollution, and mitigate against any active or operational pollution.

*TGS understands the importance of working with local governments, regulatory authorities, and non-government organizations, and therefore, TGS maintains positive communication with regulatory authorities and other governmental and non-governmental organizations to help identify, understand and mitigate environmental risks associated with geophysical activities.*

## **7.2. What We Do**

TGS continues to include environmental aspects within IMCA/OVID accredited audits on all chartered seismic vessel and monitor spills and unplanned releases during seismic operations. TGS assesses and reports upon biologically-important areas, which include marine mammal migration paths, spawning grounds, sanctuary areas, or other ecologically sensitive locations where TGS has activities. There were no recordable spills or unplanned releases to the marine environment and no reportable spills or releases to the onshore environment.

TGS actively supports the IAGC both financially and through employee participation in committees and projects. In 2016, TGS employees, including the SVP Onshore, General Counsel, Director Marine Acquisition and HSE Director actively served and participated in IAGC boards and committees. Through its work with the IAGC, TGS seeks to positively influence sensible and sustainable legislation and address environmental misconceptions associated with the geophysical industry. TGS supports the IAGC's efforts to create standards and protocols for seismic in frontier areas, and to plan seismic surveys to minimize environmental implications and liaise with stakeholders (including local fishing industry). TGS is also involved with the International Association of Oil & Gas Producers (IOGP) and supports its efforts to improve safety, environment and

social performance and promote responsible and sustainable operations within the oil and gas industry. Each year, TGS participates in IOGP's global forum, which includes both clients and competitors, to share best practices and to troubleshoot challenges that may have arisen in the industry.

One example of TGS' efforts in 2016 to work with stakeholders, including regulatory authorities and other governmental and non-governmental organizations, on identifying, understanding and mitigating environmental risks associated with geophysical activities is in the Asia Pacific region. TGS completed a comprehensive round of stakeholder engagement communications with a diverse range of government and non-government groups, most notably commercial fishermen, during the planning phase for the recently acquired North West Shelf Renaissance 2016 (NWSR16) regional 2D survey. Survey commitments included the deployment of independent Marine Fauna Observers on-board the survey vessel, who provided the means of compliance with the Australian Department of the Environment's EPBC Act Policy Statement 2.1, ensuring all mitigation and adaptive management procedures were adhered to when marine mammals were encountered.

TGS spent a period of 9-months throughout 2016 liaising with the Australian government regulator, NOPSEMA, on a basin-wide 5 year Environment Plan, which provides the building block upon for the company to develop and acquire new 2D or 3D surveys in a geographically expansive zone.

Additionally in 2016, TGS completed a seismic survey program in the arctic waters off of North East Greenland. The sensitive nature of the environment demanded careful planning of survey activities. TGS commissioned specialist environmental consultants CMACS (now NIRAS) to undertake a detailed environmental impact assessment (EIA) in line with requirements under Greenlandic regulations. The EIA report considered the potential effects of seismic survey in arctic waters, home to diverse and potentially sensitive marine wildlife such as whales, walrus and seabirds and the supporting ecosystem, as well as the potential for interactions with local communities and activities such as fishing and hunting.

Key considerations were the underwater noise associated with seismic surveys and potential for potential pollution from any hydrocarbon spills. Detailed noise modelling was completed to understand the potential effects on sensitive species such as the bowhead whale, narwhal and walrus. Taking into account the presence of protection areas for key marine groups, a comprehensive set of risk reduction and mitigation measures were developed. These included enhancements to standard 'best practice' approaches (e.g. marine mammal observer teams) because of concerns about highly sensitive species such as bowhead whales. Practical measures were developed to address stakeholder

concerns whilst allowing efficient survey operations.

There was active stakeholder engagement, most notably through a public hearing prior to the survey permit approval during which individuals, community groups, government authorities and NGOs had an opportunity to comment on the survey proposals.

### **7.3. Our Ambitions and Plans**

Going forward TGS intends to continue its work with the IAGC and IOGP to develop and ensure compliance with environmentally sound practices in the seismic industry. As with prior years, TGS will continue to aim for zero spills and unplanned releases to the marine environment during seismic vessel operations and zero reportable spills in the onshore environment. Further, TGS has set a goal in 2017 for each chartered vessel will undergo an IMCA/OVID audit within six months of hire and every twelve months thereafter, and an audit within four weeks of start for land seismic crews. Finally, TGS will continue to ensure its marine and land contractors participate in and abide by the environmental standards set forth in TGS Contractor Management System.

## **8. Human Rights**

TGS supports the UN Universal Declaration of Human Rights and aims to apply its principles throughout our business operations. These principles include recognition of the freedom, the rights, the dignity and the worth of the human person and promotion of equality irrespective of gender, race or religion. TGS will not use or support child labor or slavery in any of its offices. TGS also works with contractors and vendors to ensure that our field and seismic vessel operators abide by the UN Universal Declaration of Human Rights and do not use or support child labor or slavery in their operations for TGS. To that end, TGS' Contractor Management System requires vendors, contractors and suppliers to provide TGS their policies regarding their human rights and labor practices so that TGS may review and ensure that any contractors or third parties with whom TGS contracts maintain the same commitment to human rights as TGS.

## **9. Community and Charitable Relations**

Through the TGS Charitable Contributions Committee and in accordance with its charitable contributions guidelines, TGS actively supports reputable charitable programs and organizations that serve people in need by providing ongoing financial donations as well as encouraging employees to donate their time and energy to help those in society who are less fortunate.

TGS is committed to supporting local, nonprofit community organizations and charities that focus their services on people and are dedicated to (i) providing access to healthcare, medical services, and helping to fight disease; (ii) assisting underprivileged, underrepresented, or at-risk communities or groups; (iii) providing humanitarian aid or disaster relief; (iv) addressing environmental issues; or (v) promoting geophysics and geoscience educational experiences to children.

TGS consults with local communities to seek input and address concerns relating to seismic data acquisition projects, especially in relation to onshore seismic activities, areas sensitive to the fishing industry and the Arctic.

Significant contributions were made to over 21 charitable organizations during 2016. The largest charitable contributions were made to organizations that help underprivileged youth, fund medical research and access to healthcare, and provide humanitarian aid. Donations were also made to organizations that help homeless families and organizations promoting geophysics and geoscience educational experiences to children. TGS employees reported that they had spent more than 856 hours (up from 405 hours in 2015) on TGS-supported charitable activities during 2016. TGS will continue to support local charities and non-profits in the communities in which we operate and to encourage TGS employees to do the same.



