2019 Sustainability Report

tgs

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Letter from the CEO

I am proud to present a new Sustainability Report. As over the last nine years, we have chosen this tool to communicate to our stakeholder groups our achievements and the challenges for which we are getting ready in our sustainable development path.

We have overcome the challenges that the year 2019 presented to our business, achieving very positive results in line with our investment policy.

One of our main successes was to maintain our positioning as one of the first midstreamers in Vaca Muerta. We executed the construction projects of the Southern and Northern Vaca Muerta pipelines and the conditioning plant in Tratayén –involving an investment of around USD 300 million–, meeting the terms agreed with our clients.

At the same time, we worked strongly towards the consolidation of our commitment to the community and environmental care, through the constant review of our Sustainability Policy, which steers our actions to ensure people's quality of life as well as compliance with the highest safety standards. We have invested over USD 1.1 million in environmental care improvements. Additionally, we continue working within the framework of the Environmental Management System, based on standards ISO 14001:2015 and the implementation of the Preventive Maintenance Plan to guarantee the integrity and safety of our pipelines.

We continue deepening our bonds with the community, **tgs'** main stakeholder. By means of the program Transporting Awareness, we provide useful information and foster communication on damage prevention with the neighbors who live near our pipeline routes, in areas of high population density. 92 percent of our interviewed neighbors asserted that they found our recommendations useful.

Our commitment to the care of health, safety and environment reaches throughout our whole value chain. For that reason, we train our suppliers and contractors in compliance with the outlined standards.

We are certain that working side by side with the entire energy sector is essential to promote sustainable development. Within this framework, one of the most outstanding achievements of the year was the development of a Road Map that displays our sector's contribution to the Sustainable Development Goals (SDGs) along with companies of the hydrocarbon industry and the Argentine Oil and Gas Institute ("IAPG", according to its initials in Spanish).

These major steps forward were possible thanks to a highly committed work team. That is why we are proud of ranking 7th among the best companies to work at in Argentina, within the category of over 1,000 employees, according to the international consulting company "Great Place to Work". With the aim of acknowledging our workers' contribution we created the program +Energy, by means of which we have rewarded both individual and team work with over 900 distinctions. Our performance is framed within the Integrity Program which — along with the Code of Conduct— guarantees transparency in our businesses and operations.

The year 2020 posits to us an unprecedented scenario in which the COVID-19 pandemic has struck all aspects of our lives. To cope with this crisis, we are redoubling our efforts to guarantee our people's safety and keep rendering a reliable service of excellence to the whole energy sector chain. I would like to thank and underline the commitment and dedication of our people in the face of this unexpected and challenging scenario.

I, hence, invite you to explore the pages of our 2019 Sustainability Report, which we have prepared in accordance with the GRI standards, ratifying our commitment to the Global Compact principles. We wish to foster a fruitful dialogue with all our audiences to continue improving our performance in the economic, social and environmental fields and keep heading shoulder to shoulder towards the sustainable development of our country and our region.

Oscar Sardi
CEO

About tgs

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Highlights

+60%
of the gas consumed in Argentina is transported by us.

43%
share in the country's ethane production.

Our Sustainability Policy guides our actions.

USD 300 million
invested in a 150 km pipeline and a conditioning plant in Vaca Muerta.

We recertified our Integral Management System under ISO 14001, ISO 9001 and OHSAS 18001 Standards.

We work jointly with the IAPG on a Road Map to determine the sector's key SDGs.

23%
share in our country's production of liquefied petroleum gas (LPG).

100%
of our employees have signed our Code of Conduct.

We have improved our process to identify, survey and classify our stakeholder groups.

About our company

We are the largest gas transportation company in Argentina. In our track record of 27 years, we managed to position ourselves as renowned providers of products and services in the industry of gas and its byproducts, both within a local and regional scope.

1,118
employees

Buenos Aires
Main office

$48,561,494
Turnover
in thousands of Argentine pesos

46.5MM Sm³/d
Natural gas processing capacity

1,022,541tn/año
Liquids Production: Ethane-LPG-Gasoline
It does not contemplate CO2 nor inner flows.
1,257,018 tons of total extraction.

85.1MMm3/d
of firm transportation
transportation capacity

780,100HP
Installed Power

9,231km
of pipeline

33
Compressor plants

3
Midstream plants

435
Measurement stations

9
Maintenance bases

Our pipelines

Our transportation system —with a length of 9,231 km —connects the southern and western gas reserves, going through seven provinces to supply with natural gas the City of Buenos Aires, the Greater Buenos Aires and the center and south of our country.

27 years delivering gas and energy to those who need them

Born from the privatization of the former gas state company “Gas del Estado S. E.”, we started operating as Transportadora de Gas del Sur S. A. (**tgs**) on December 28, 1992. Since then —and meeting the terms of the license we have had over 35 years and which can be extended to further ten years—we have rendered the gas transportation public service, dedicated to natural gas liquids production and commercialization and we have also rendered other services to the hydrocarbon sector overall.

Our main pipeline system connects the main gas fields of the south and west of Argentina with the gas distribution companies and industrial clients in these areas and in the Greater Buenos Aires. We also operate the Cerri Complex, where we process natural gas for the production of liquids.

Businesses

Natural gas transportation

We are the most important gas transportation company in our country. We operate efficiently and safely the longest pipeline system in Latin America.

Midstream

Our leadership in the natural gas industry allows us to integrate the links of all the value chain: from well head to the transportation and distribution systems. We create synergies and offer differential value to our producers and clients by means of treatment, conditioning, compression, operation and maintenance services.

Telcosur

Through 4,600 km. of radio link and 3,570 km. of ringed optical fiber, Telcosur renders services as a bandwidth independent provider for cable television, telephone and electricity cooperatives as well as large corporate clients. It is present in Vaca Muerta thanks to the installation of an optical fiber network. Telcosur has a track record of over 20 years and operates in seven provinces of the south and west of our country.

Natural Gas Liquids Production and Commercialization

We are leaders in the production and commercialization of natural gas liquids: ethane, propane, butane and natural gasoline. We conduct these activities at our Bahía Blanca facilities: the Cerri Complex for the production of natural gas liquids and the Galván Plant, for the products' storage and dispatch.

Other businesses

We explore business opportunities that arise in the course of our activities in the energy industry. We thus seek to expand our activities offering a wider range of resources and services. Hence, we participate in the construction and management of basic and detailed engineering projects, environmental impact studies and EPC and EPCM projects with turnkey solutions.

We also provide operation and maintenance services for gas conditioning and treatment plants, compressor plants, pipelines and gas delivery stations. Additionally, we offer technical counseling on hydrostatic analysis of gas transportation systems, pipeline integrity and repairs, pipelines MAOP reassessment, duct inline inspection, pipeline operation and startup of gas measurement systems, cathodic protection systems and compressors operation and maintenance. Additionally, we render laboratory services (to the Calibration Laboratory Nº 31 of the Argentina's National Industrial Technology Institute, "INTI" for its initials in Spanish) for Flow Meters at Atmospheric Pressure and Spin Tests.

Investment in Vaca Muerta

Engaged with our country's economic growth, we seek to increase our participation in innovating projects.
We therefore built in the Vaca Muerta area a 150 km pipeline and a conditioning plant, both in record time, with an aggregate investment of USD 300 million for the whole project. The pipeline goes through 30 productive areas of the gas field and allows the transportation of up to 60 MMm3/d, which are conditioned at the constructed plant before being injected into our regulated transportation systems.

Markets

Líquids

25%
share in the production of liquefied petroleum gas (LPG) in our country

43%
share in the country's ethane production

Production volumes

283,265 tn
Ethane

367,283 tn
Propane

250,884 tn
Butane

121,109 tn
Gasoline

25,866 dispatched trucks

5 exports clients

47 local clients

LPG transported volumes in tons

	Exports		Local Market	
Líquids	Ships	Trucks	Trucks	Pumping
Propane	140,268	25,198	201,265	6,811
Butane	138,533	763	135,537	2,869

Main exports destinations: USA, Ghana, Chile, Puerto Rico, Dominican Republic, Uruguay, Brazil, Paraguay.

Export Share in 2019

Economic Performance

Main economic financial indicators
in thousands of argentine pesos

	2018	2019
Revenues	52,399,423	48,561,494
Operating costs	(24,902,866)	(24,375,503)
Salaries and social security	(3,435,357)	(3,788,502)
Payments to capital providers*	(12,496,827)	(15,932,000)
Payments to governments: taxes and fees	(2,578,080)	(3,044,070)
Investments in community	(24,512)	(21,677)
Total VED	89,611,781	1,399,742

*in **tgs** financial statements, we disclose capital providers' payments as acquisitions of Property, Plant and Equipment in the "Statements of cash flows".

Payment of dividends to shareholders in 2019

Approval date	Amount in thousands of $	Amount per share
04/11/2019	9,504,584	12.17
10/31/2019	256,338	0.33

Total capitalization	2018	2019
Net shareholders equity	47,603,906	48,083,469
Non-current loans	31,003,715	31,860,717
Current loans	681,225	1,722,087

Our Management Model

Our vision

We will be a sustainable management model, working passionately in creating differential value for our shareholders, customers, employees and other stakeholders.

Our mission

Integrate profitably —through our services— the production and consumption of natural gas and its by-products, in order to:

- Contribute to the sustainable development of the country and improve the quality of life of the community.
- Provide creative solutions to the energy industry.
- Operate with quality, safety and environmental care.
- Promote a challenging work environment that implies a differential proposal for your people.

Our values

Integrity

- We ensure consistency between what we say and do.
- We foster honest and transparent behaviors throughout the whole value chain.
- We express ourselves freely and let others express their ideas freely and without fear of judgment.
- We guarantee the principles of respect for differences, non-discrimination and equal opportunities.

Our commitment

- We show determination and passion to carry out the things we propose.
- We value the culture of effort and continuous improvement.
- We wish to improve ourselves day by day and do our best.
- We focus on long-term results, contributing to economic and social development and a healthy environment in the communities where we operate.
- We seek excellence in health, safety and environment issues.
- We collaborate with each other to achieve common interests, prioritizing the interests of the group over individuals'.
- We are open to teach and learn.

Integrated Management System

We commit to manage our businesses and operate our facilities in accordance with the requirements of applicable legislations and other requirements to which we willingly adhere. By means of the continuous improvement of our management system, we seek to prioritize the quality of our services, the safety and health of our staff and contractors, prevent pollution and meet our clients' expectations.

Acknowledgements to our IMS Zero accident prizes

With the aim of rewarding good performance in terms of safety, we keep on awarding acknowledgements to facilities, works, operatives and major maintenance that have overcome certain quantity of hours without accidents deriving in working day losses. Additionally, acknowledgements and prizes are awarded to safe drivers-based on risk, according to information provided by satellite tracking of vehicles.

The main cornerstones of our Policy of Safety, Occupational Health, Environmental Care and Quality are:

- Our people, for their dedication and commitment.
- Our processes, products and services, for the perfect balance that relates their quality, costs, productivity, benefits, environmental monitoring and risk prevention.
- Our Integrated Management System, which meets the requirements of ISO 9001, ISO 14001 and OHSAS 18001 standards, to ensure compliance with this Policy.
- Our contribution to the sustainable development of the community in which we conduct our operations, through actions aimed at improving its quality of life.

As a result of our endeavor to deepen the continuous improvement processes, in 2019 our IMS was audited and recertified under standards ISO 14001, ISO 9001 and OHSAS 18001. Besides, over the year we implemented changes to the support information technology tools for the management of events and risks.

Corporate Governance

Shareholders

tgs' controlling shareholder is Compañía de Inversiones de Energía S.A. ("CIESA"), which holds 51% of our company's common stock. The remaining ownership of **tgs'**s common stock is listed in the Buenos Aires and New York Stock Exchange markets.

[1] Changes in CIESA shareholding structure
On July 13, 2020, the Company was informed of the acquisition of the whole ownership of WST S.A. ("WST") in PEPCA by PCT. Until the date of such transaction WST had owned 45.8% of PEPCA shareholding and had indirectly participated in CIESA with 4.58%.The mentioned transaction neither modified the shareholding structure nor CIESA's direct nor indirect control over **tgs**.

Corporate Governance Practices and Structure

It is our constant endeavor to devise the best Corporate Governance practices with the objective to keep and protect our investors and the community on the whole as well as foster transparency in our actions.

Our Corporate Governance practices have been outlined based on applicable Argentine law (particularly, the Argentine Corporate Law No. 19,550 and its amendments), Law 26,831 and the standards issued by the CNV, being **tgs** listed in Bolsas y Mercados Argentinos S.A.

Besides, **tgs** has American Depositary Receipts (ADR) registered with the Securities and Exchange Commission (SEC) and listed in the New York Stock Exchange (the "NYSE") –the largest stock exchange market worldwide and the second in number of affiliated companies-. For that reason, we are also subject to the rules and regulations issued both by the SEC and the NYSE.

Board of Directors

The Shareholders Meeting annually appoints the members of the Board of Directors between a minimum of nine (9) and a maximum of up to eleven (11)- The Board —which must meet at least every three months —runs and manages the Company.

The Shareholders Meeting determines the remuneration of its members, which includes a variable percentage according to the degree of fulfillment of the Company's strategic goals. The Board of Directors is open to deal with investors' enquiries through the available communication channels, managed by the Investors Relations area. The members of the Management fulfill the same role: they are links in any communication that the employees may want to pursue with the members of the Board of Directors.

Members of the Board of Directors as of December 31, 2019	Age	Nationality	Appointment Date
Chairman: Luis Alberto Fallo	59	Argentine	04/11/2019
Vice-Chairman: Gustavo Mariani	49	Argentine	04/11/2019
Regular Directors:			
Mariano Batistella	37	Argentine	04/11/2019
Gregorio Werthein	36	Argentine	04/11/2019
Luis Rodolfo Secco	56	Argentine	04/11/2019
Carlos Alberto Olivieri	69	Argentine	04/11/2019
Carlos Alberto Di Brico	68	Argentine	04/11/2019
Mauricio Edgardo Szmulewiez	60	Argentine	04/11/2019
Sergio Benito Patrón Costas	44	Argentine	04/11/2019
Alternate Directors:			
Jorge Romualdo Sampietro	75	Argentine	04/11/2019
Nicolás Mindlin	30	Argentine	04/11/2019
Horacio Jorge Tomás Turri	58	Argentine	04/11/2019
Pablo Rodrigo Tarantino	44	Argentine	04/11/2019
Enrique Llerena	64	Argentine	04/11/2019
Santiago Alberto Fumo	59	Argentine	04/11/2019
Pablo Fabián Waisberg	54	Argentine	04/11/2019
Ignacio Gustavo Álvarez Pizzo	34	Argentine	04/11/2019
Hernán Castrogiovanni	39	Argentine	04/11/2019

Supervisory Commission

The Supervisory Commission is our controlling body, in accordance with the provisions of Section 284 of Argentine Corporate Law Nº 19,550. The Corporate Bylaws dictate the creation of a Supervisory Commission made up of three regular and three alternate members. In line with the Corporate Bylaws, two of the Statutory Auditors and their replacements must be appointed by holders of Class "A" shares. The remaining Statutory Auditors and his/her replacements are appointed by the remaining holders of ordinary shares.
The members of the Supervisory Commission are appointed at the Annual Ordinary Shareholders' Meeting and perform their roles for the period of one fiscal year.

Supervisory Commission as of December 31, 2019
Appointment date: April 11, 2019

Regular Statutory Auditors

José Daniel Abelovich

Gerardo Prieto

Walter Antonio Pardi

Alternate Statutory Auditors

Marcelo Héctor Fuxman

Agustín Griffi

Raquel Inés Orozco

Executive Committee

This committee has the aim of enhancing corporate management. In line with the Corporate Bylaws, and under the terms of Section 269 of the Argentine Corporate Law Nº 19,550, in the year 2019 it was constituted by 4 members: Luis Alberto Fallo, Gustavo Mariani, Mariano Batistella and Gregorio Werthein.

Audit Committee

In accordance with the Argentine Public Offering Law, companies who offer their shares to the public must constitute an Audit Committee, a body of at least three regular directors and the same number of alternate directors, most of which shall act independently. The Audit Committee of the year 2019 was integrated by Carlos Alberto Olivieri (Chairman), Carlos Alberto Di Brico (Vice-chairman) and Luis Rodolfo Secco.

Executive Directors

The members of the management, reporting directly to the CEO, manage the different areas: Operations, Businesses, Administration, Finance and Services, Regulatory and Institutional Affairs, Human Resources and Legal Affairs. They are in charge of implementing our corporate strategy and they meet regularly to supervise the objectives, goals, indicators, audit results, legal requirements, communications, claims and compliance with corporate policies, among other issues.

Integrity Program

Our set of policies and processes is devised to ensure the conduction of our business with the greatest transparency, Through our Integrity Program approved by the Board of Directors —in accordance with the terms of Law on Corporate Criminal Liability N° 27,401—, we seek to strengthen, systematize and implement a set of actions and internal procedures. This Program, led by the Legal Affairs Vice-president, as inner responsible for the program is constituted by the Code of Conduct and several other policies to ensure transparency.

Code of Conduct

Our Code of Conduct governs the behavior of our Directors, Statutory Auditors and members of the Management and employees. It outlines the indispensable ethics, transparency and honesty of people who work at the Company. In 2019, 100 percent of our employees signed or re-accepted the code. To ensure its understanding, we also conducted an e-learning format training and we verified its comprehension with random questions after the reading. We also strive to get the acceptance of its principles from our suppliers, independent contractors, consultant and clients.

Risk Management Policy

We have internal standards to identify, assess and monitor risks of a strategic nature. We annually issue a strategic risk report, analyzed by the Board, the management and the Audit Committee, in compliance with the roles that were assigned to them in accordance with current legislations.

Anti Money Laundering Policy

It aims at preventing and detecting “unusual” o “suspicious” activities, based on the definitions of applicable laws, professional regulations and international standards in connection with this issue.

Antifraud Policy

It outlines responsibilities, roles and methodology to prevent and detect irregularities that may arise, based on the activities we conduct.

Bribery

Any payment of bribery, inducement to receive bribery, or any other proposal or suggestion of this kind must be immediately reported to the supervisor of the involved employee. The supervisor must promptly inform about this situation to the officer appointed as contact in the Code. Employees may not accept gifts or gratuities that may be interpreted as likely to influence their objectivity during the purchase of goods and services for **tgs**.

Compliance with antitrust laws

In order to ensure compliance with antitrust laws, members of the Board of Directors, auditors, management members and employees of the Company shall not have conversations or reach agreements with the competition as said actions may be contrary to antitrust laws.

Anticorruption

Our commitment against corruption contemplates a survey of the risks along the Value Chain, through the identification of different conflicts of interest with suppliers and other players of the Value Chain.

Chanel for reporting non-compliances

The Ethic Line is a channel through which our employees, clients, suppliers and other stakeholders can anonymously report potential irregularities and non-compliances to the Code of Conduct.

We have outsourced the company Resguarda to manage infringements reporting through, thus ensuring anonymity and impartiality in the assessment of the cases.

The available mechanisms to report violations are:

- free telephone line: **0-800-666-0962** (telephone interview or recorded message)
- e-mail to **reportes@resguarda.com**
- reporting form at the www.resguarda.com website.

These contact alternatives are communicated at our website, the intranet, at the back of the salaries receipt and through internal signage.

The channel responsible is the Infringement Reporting Reception Committee, made up of two managers of Internal Audit, Legal Affairs, Labor Relations and Human Resources Services

Over the reported period, the channel received seven reports to infringements, which were analyzed in line with the existing procedures. Based on them we detected opportunities for improvement and improved efficiencies and controls to prevent future deviations.

Commitment to sustainable development

When conducting our operations, we always seek to meet three goals: the reliability of the pipeline system, the safety of our employees, suppliers and contractors and the care of the environment. We also strive to identify the social aspects related to the value chain and the stakeholder groups on which we should work to promote their sustainable development.

This is a continuous improvement road that we constantly feed to provide a better response to our stakeholders groups and promote economic, social and environmental development both for our business and the communities.

To this end, we are reviewing our Sustainability Policy, which formally delineates the overall principles to translate the vision of sustainability into the development of strategies and action programs of the Company, consistently with business continuity and the promotion of bonds with our stakeholders.

Sustainability Policy

We are aware that the environmental care of the communities where we operate is part of our business' strength and that our success relies on the capacity of being acknowledged for our operational effectiveness, our corporate responsibility and commitment to our condition of global citizen company. We also understand it is essential to implement dialogue mechanisms and responsible involvement with each of our stakeholder groups, to thus establish trust, transparency and mutual cooperation bonds.

For the reasons detailed above, we have prepared our Sustainability Policy —which reaches all the communities with which we interact —, acknowledging as guidelines the initiatives of Sustainable Development Goals and taking as background the Quality, Environment, Health and Safety Policy, the Code of Conduct, the ten principles of the United Nations Global Compact, and Standards ISO 26000.

Our commitment's main pillars are:

- To promote the overall development and social improvement of all the communities where we act or have influence upon.
- To acknowledge and respect human rights in our influence sphere, ensuring and promoting their protection and making sure we are not accomplices of violations to them.
- To prioritize in our projects and operations the best environmental protection and safety practices for our employees and the community, minimizing and compensating the impacts that our operations may generate.
- To use our influence to promote a culture engaged with sustainable development, through each member of our company and throughout the whole value chain and stakeholder groups.

Accordingly, we engage in the following lines of action:

Environment

The protection of the environment is a key aspect in the conduction of our operations. Responsible consumption and minimization of negative impacts are the axes of our commitment.

People

Aware of the respect our people deserve, we strive to pursue safe and healthy practices. Besides, we generate professional and personal development opportunities with no discrimination whatsoever.

Community

We promote the dialogue with the communities where we operate, seeking to contribute to their people's health and development.

Corporate Governance

Committed to the clarity and transparency of our actions and decisions, we keep a constant dialogue with our stakeholders, considering their expectations and reporting back to them.

Contribution to Sustainable Development Goals

We join the effort of entities and states to push forward the 2030 Agenda and contribute to the fulfillment of the Sustainable Development Goals (SDG). Driven by this commitment, in 2019 we worked along with the Argentine Oil and Gas Institute ("IAPG", according to its initials in Spanish) to outline a Road Map to determine the key SDGs of the sector, defining eight main objectives. This initiative has earned us the acknowledgement of the Argentine Business Council for Sustainable Development ("CEADS", according to its acronym in Spanish).

Also, in 2019 we participated again in the program "Connecting Companies with SDGs", led by the CEADS, presenting cases of concrete initiatives that show our contribution to the goals outlined by the SDGs.

We work towards the sector's shared vision on the key opportunities to strengthen our contribution to the 2030 Agenda.

Road Map: hydrocarbon industry's contribution to the Sustainable Development Goals

The 2030 Agenda for Sustainable Development Goals, with its 17 SDGs, 169 goals, and over 200 indicators addresses the most urgent economic, social and environmental challenges of our current world. The implementation of this wide and ambitious agenda requires the articulation of all stakeholders; the government, the private sector and the civil society.

Aware of the leading role that energy plays in economic and human development, from our positioning in the industry of oil and gas in Argentina we have decided to get involved to generate a space of dialogue and discussion that seeks to build a shared vision on specific actions and proposals related to our contribution in the search of solutions to the challenges presented by the 2030 Agenda.

For over five months, along with the 28 companies of the hydrocarbon industry that constitute the IAPG Sustainability Commission, we worked on a collective building process facilitated by the Ambiens consultant, which comprised surveys, interviews and workshops and culminated in the preparation of the Road Map for our contribution to the SDGs.

Besides, we discussed the issues with representatives of the civil society and provincial and national authorities to include their point of views and expectations in the analysis. This report was prepared in alliance with the IAPG and the CEADS.

Objective of the Road Map

To articulate and materialize a shared vision of the oil and gas industry in Argentina to enhance its contribution to the fulfillment of the SDGs, based on joint thinking and prioritization.

"Since the launching of 2030 Development Agenda, at **tgs** we have been working on the analysis of the contribution we can make from our business to the Sustainable Development Goals. A major step forward since 2019 in this path has been our participation in the cooperative development of the sector's Road Map. We keep moving forward to deepen our own analysis, with a better understanding of how we can enhance our impact, working collectively with other players throughout our whole value chain"

Jeanette Muro Weber,
Analyst, Institutional Relations Management

Contribution to the SDGs

For more information

click here

Our stakeholders' groups

Throughout the 2019, we reviewed our process and decided to conduct some improvements to identify, survey and classify our stakeholders groups, that is to say: the individuals, groups or organizations that either influence or are influenced by our work.

By means of several mechanisms, we continually survey market and context demands, to obtain information on the stakeholders' needs and expectations and generate action to meet them.

This process involved the participation of the Managing Committee and several sectors of the Company. We thus started a work devised to meet the needs and create differential value for our stakeholders and continue showing our commitment to them.

Stakeholder	Stakeholder's expectations regarding tgs	tgs' expectations regarding Stakeholder	Relation and Communication Mechanism
Shareholder	Reasonable investment return. Compliance with regulations and adoption of good market practices.	Capital required for operations and investment activities. Knowledge transfer in specific business areas.	Shareholders meetings, quarterly financial statements, Annual Report, relevant facts, other reports and documents uploaded in our website and the society regulators and contact with the Investors Relations sector.
Suppliers	Products and/or services for the Company's operations. Adequate quality level, timely delivery and price. Long-lasting relations. Balance of strengths. Opportunity for development. Supply of HHRR for the Company operations.	Availability, competence and quality. Delivery terms and quality assurance. Payment terms, foreseeability. Sustainable purchases. Low conflict risk derived from responsibility transfer. Accessible negotiation. Partners.	We develop specific agreements and also work on the Suppliers' Development Program. We encourage work meetings to get acquainted with their needs and measure delivery terms and compliance to ensure the best choice.
Employees	Safe work environment. Efficient health coverage. Career prospects.	Compliance with labor guidelines Competence. Productivity. Motivation and engagement with the Company. Capacity to meet operative needs with adequate competence.	Website and corporate social network (JAM and Success Factors) that strengthen bonds among all company members. We issue an institutional magazine with a digital format to highlight all relevant topics for employees. Regular visits of the Chief Executive Officer, the Management Committee and managers to the employees at their working facilities.
Unions	Compliance with labor legislation. Active participation in decision-making. Safe work environment. Additional benefits for the workforce.	Arbitrate in case of stakeholders needs. Balanced negotiations. Low conflict level.	Collective bargaining negotiations processes and regular bonding meetings.

Stakeholder	Stakeholder's expectations regarding tgs	tgs' expectations regarding Stakeholder	Relation and Communication Mechanism
Community	Economic and social development. Labor sources. Environmental care. Supply of natural gas. Road safety. Communication and dialogue.	Social License for operations. Favorable identification with the stakeholder's representative. Positive appraisal of service. Rational use of gas.	The press and our website. In particular, for those communities close to the areas of operations, we have developed a system of regional representatives, who have direct relation with those stakeholders. The Damage Prevention Program provides information on the pipeline route.
Client	Quality service at a fair price. Service alternatives. Stable and safe supply. Reliable service. Technical support in emergencies. Compliance with service quality standards.	New business channels. Compliance with business agreements. Transparent and trustworthy business relation. Positive institutional image for the industry. Technical support in case of emergencies. Encouragement of rational use of gas practices. Damage prevention program in effect in shared areas. Partner status in industry.	Different communication mechanisms to deal with claims that allow us to set the basis for improving our service system and the rendered services. We frequently conduct opinion polls to know the impact of our services and improve their quality.
Media	Information on the Company's evolution and management. Transparency and communication. Advertising or institutional campaigns. Fluid communication channels.	Relationship based on trust. Anticipation of conflict. Build a positive image for the Company. Social license. Channel of communication with the community. Obtain trend information.	We deal with journalist enquiries through our authorized spokesmen and online information.
Government Entities	Contribute to the society's development (economic, social). Compliance with the rendering of services. Investments in service improvement. Payment of taxes, fines, etc. Environmental performance. Low conflict level with the community. Generation of investments to improve the service. Adequate management of claims and complaints Promotion of rational use of gas. Efficient addressing of emergencies.	Clear and sustainable service policies. Fair arbitration in the resolution of conflicts Generation of relations based on trust with different government bodies. Anticipation of conflict situations and/or opportunities. Participation in the elaboration of standards to be applied in the industry. Fair negotiations. Cooperation in the encouragement of a rational consumption.	Fluid contact through several channels of communication and work meetings, with the National Government, the Enargas and the Ministry of Planning, as well as with Provincial and Municipal Governments.

Stakeholder	Stakeholder's expectations regarding tgs	tgs' expectations regarding Stakeholder	Relation and Communication Mechanism
Native indigenous people	Social and cultural acknowledgment. Appreciation for the use of the land. Trust and transparency Compliance with national regulations (Sect. 75 subsection.17 of the National Constitution) and International Regulations (ILO Agreement 169 OIT). Prior, free and informed consultation.	Trust. Stable communication channels, Accessibility to pipelines and facilities. Personal dialogue with representatives.	Regular meetings Signature of a communications protocol with the current authorities of each community. Prior consultation related to new works. Support in training in trades and skills. Help in productive developments for self-supply.
Land owners	Comply with regulations on easements. Environmental care. Fluid dialogue. Consensus for new works, maintenance and or failure repairs. Respect for private property.	Good communication and dialogue. Prevention of conflicts Commitment in the relation for the due to the obligation and restriction generated by easements. Understanding of the sector's regulations.	Direct communication by means of the most effective methods, via phone, mail, email, and notes. Personal meetings. Entering of easement agreements Entering of agreements over avoidable and unavoidable damages.

Businesses and value chain

2

Highlights

1,022,541 tons
of liquids production: ethane, propane, butane and gasoline.

173
new contracts in 2019
+60% vs 2018

Implementation of an electronic auctions methodology for the purchase of gas for the Cerri complex.

83.7%
of our expense allocated to local suppliers.

Development of Digital Signage System.

Development of preventive and verification maintenance plans to ensure the integrity and safety of our pipelines.

100%
of our contractors trained in safety and environment.

Construction of the Southern Vaca Muerta Pipeline and coming into service of the Northern Vaca Muerta section.

Major business breakthroughs

Our business model is integrated to the different links of the natural gas value chain in Argentina: from wellhead to transportation and distribution. Thanks to this, we can generate synergies and offer differential value to our producers and clients, with services that range from treatment, conditioning, compression, operation and maintenance.

In 2019, we keep performing a leading role in the gas business, firmly positioned as the first midstreamer in Vaca Muerta.

Transportation

Liquids

Midstream

Telcosur

Transportation

We are the most important gas transportation company in Argentina. Our gas transportation system connects the Argentine southern and western gas reserves, going through seven provinces, to supply with natural gas the city of Buenos Aires, the Greater Buenos Aires as well as the center and south of our country.

Overall, we transport over 60% of the gas consumed in our country along our pipeline system that reaches a total length of 9,231 km: the longest in Latin America.

Natural gas transportation modalities:

- Firm Transportation: Service rendered without interruptions or reductions. The customer pays a fixed rate for the reserved capacity.
- Interruptible Transportation: This service is subject to interruptions, depending on the transportation system's available capacity. The rate is variable, subject to the transported volume.
- Exchange and Displacement: It is a transportation service that works in a direction opposite to the flow of the gas. It is interruptible, subject to the kind of service.

In 2019, by means of an open season, we achieved the renewal of 100% of the firm transportation capacity contracts, which would be due in the years 2020 and 2021. We obtained an average contractual term of 12 years, which contributed to extend the average term of all firm transportation contracts to a total of 14 years.

We thus ensured our continuity in the gas transportation business in the long-term and also we provided ourselves with constant cash flows, which then are valued to obtain financing.

The volume allocated in the open season mentioned above was for a total of 12.7 MM m3/day at 9,300 kcal/m3 and its distribution in reception and delivery areas is shown in the graph on the left:

Reception areas

Delivery areas

New transportation agreements

In 2019 we entered a total of 173 new interruptible agreements, 60% above the previous year, generating marginal revenues for **tgs.**

Liquids

We are leaders in the production and commercialization of natural gas liquids: ethane, propane, butane and natural gasoline. We conduct the production at the Cerri Complex, whereas the storage and dispatch of the products is carried out at the Galvan Plant — both facilities located in the district of Bahía Blanca-. This year we achieved a regional diversification based on sales of non-odorized LPG to Brazil, with destination to petrochemical industries.

Cerri Complex

The process by means of which natural gas liquids are extracted consists basically in the refrigerated expansion of natural gas. To such purposes, we have three cryogenic liquid separation trains and two refrigerated absorption liquid separation trains. After liquids have been extracted, they are fractionated and sent to storage for their later commercialization both in the local and exports markets.

- Natural gasoline storage: 16,600 m^3
- Total Liquids Production: 1,022,541 tons

This year we have implemented an electronic auction methodology through the digital platform ARIBA, for the purchase of gas for the Cerri Complex. This tool facilitates real-time information on the parameters on which the gas market is performing at a certain moment, widen the range of potential suppliers and foster competition.

Galván Plant

We dispatch to the LPG local market by means of poliducts and tanker trucks. We dispatch to exports market either by land— for which we have six truck load islands with a loading capacity of up to 85 trucks a day—or by sea via tanker vessels.
For maritime dispatch, we have access to terminals 1, 2 and 3 of Puerto Galván. From there, we dispatch LPG and gasoline tankers, both of our own production and third parties.

The Galván Plant is the first LPG plant in Argentina that dispatches units of 3 scaled axles (not modified) of up to 67 m^3 (roughly 30 tons).

Among the main services we render to third parties, it is worth mentioning:

- Natural Gas Processing/ Products Commercialization.
- Storage/ Reception and Dispatch of trucks and tanker vessels.
- LPG Refrigeration and Heating.

LPG Storage	2019	
	m^3	tn
Pressurized LPG	29,000	16,000
Refrigerated LPG	49,000	26,000
Total	78,000	42,000

Midstream

Positioned as acknowledged midstream services provider, we offer wide-ranging solutions that include:

- Gas gathering, transportation and conditioning.
- Building of conditioning and compression plants.
- Pipelines operation and maintenance.
- Plants operation and maintenance.

Throughout the year 2019, we continued working with our focus on facilitating the entrance of producers to our gathering systems. For that reason, we continue seeking and developing opportunities to provide both natural gas gathering and treatment services, such as the construction and operation of natural gas facilities. We thus keep playing our role of linking the production to the market, positioning ourselves as the first midstreamer of Vaca Muerta.

Vaca Muerta Project

Our strong commitment to the energetic growth of our country is evident in the work we are developing in Vaca Muerta. We have conducted a midstream infrastructure project that will promote the development of natural gas. For its development, it was essential to instrument service agreements with different producers (Total Austral, Shell, Pampa Energía, Pluspetrol, Exxon,etc.). Under said agreements, we could outline the terms and conditions for the rendering of natural gas transportation and conditioning services, ensuring that the producers' gas would be transported and conditioned so that it meets ENARGAS regulations and enters into the regulated transportation system.

The project consisted specifically in the construction, operation and maintenance of a natural gas gathering pipeline network and conditioning facilities proceeding from different production areas to facilitate its further entrance to the regulated transportation system. It therefore aims at gathering a volume of up to 60,000,000 m^3 a day. It was designed in order to enhance related investments and costs— focused on a long-term vision— and presents an attractive option compared to the execution of individual facilities by each producer. Besides, it has facilities to stabilize, store and dispatch the condensed products obtained by means of the conditioning.

The plant conditions natural gas and adjusts its quality to regulated system requirements. It also stabilizes and stores the retained heavy hydrocarbons. For the first stage, it has a natural gas conditioning capacity of 5,000,000 m^3/d but we contemplate to enlarge facilities as the transported gas volume grows.

New projected investments in Vaca Muerta

We are assessing five projects that could contribute to the development of new non-conventional resources in Vaca Muerta:

- Extension of the northern Vaca Muerta Pipeline.
- Increase in the Tratayén plant conditioning capacity and installation of a de-butanization tower that allows the dispatch of butane.
- Project to process natural gas at Tratayén.
- Building of a pipeline, of a length of more than 1,000 km, which allows the transportation of natural gas from Vaca Muerta to the north of the Province of Buenos Aires.
- Liquefaction project in the city of Bahía Blanca, jointly with Excelerate.

Telcosur

Through Telcosur, we render services as independent bandwidth providers for telephone and cable television operators, internet and applications providers, data and added value providers, telephone and electricity cooperatives and large corporate clients.

With a track record of over twenty years, we acquired a vast expertise in managing telecommunications systems in the south of our country.

We are equipped with over 4,600 km of radio link and over 3,570 of optical fiber. We guarantee a 24-7/365 non-stop service with our own highly qualified staff.

Enhancement of telephone centrals

In 2019, we enhanced different aspects of the telephone centrals:

- We renewed and expanded service agreements with clients such as Total Austral, Oldelval, Claro, Silica Networks, Pan American Energy, British Telecom, Centurylink, SACDE and Pampa Energía.
- We finished the digital transmission migration through the technological update of state-of-the art NEC digital radios and we implemented it up to Tierra del Fuego.
- We finished the technological migration of the VHF support system, stage 2019, for the support to pipeline operations in the sections comprised among the provinces of southern Buenos Aires, Río Negro, Chubut, Santa Cruz and Tierra del Fuego.
- We concluded the implementation of the MPLS data platform, stage 2019, as support to data transmission for the compressor plants in the section Bahía Blanca, Río Negro, Chubut, Santa Cruz and Tierra del Fuego.
- We conducted the technological exchange at the Galván telephone central.
- We expanded the amount of facilities with videoconference system at plants.
- We increased the number of facilities with Wi-Fi systems in buildings.
- We finished the digital signage system deploy at all plants.
- We moved forward with the installation of optical fiber along the route of the northern and southern Vaca Muerta pipelines.
- We expanded the optical fiber communications system in the section Cerri-Viedma-Madryn-Pampa del Castillo, providing this section with additional 20 Gb.

Integrity and safety of our pipelines

Pipeline Integrity Monitoring Program

Based on the analysis and planning conducted by the pipeline integrity team in 2019, we carried out an assessment campaign to analyze 140 corrosion geometrical defects, anomalies in longitudinal and circumferential weld seams, which required immediate repairs by means of the installation of 27 reinforcement sleeves and 29 pipes replacement.

Preventive Maintenance Plan

Within this plan, we have carried our integrity assessment works such as inline inspection along 1,090 km and direct assessment by means of CIS+DCVG techniques (in sections without scraper traps) along 184 km of pipe. These studies have been conducted to identify, assess and control threats to integrity, such as internal and external corrosion, geometrical defects, manufacture and/or construction anomalies and coating failures.

Regarding cathodic protection, aiming at restraining corrosion and increase the system reliability, we continued strengthening the system with the installation of 9 new units, 17 lens reinforcements and the revamping of 31 facilities that were obsolete. Said measures were reinforced by the execution of the remote monitoring plan, for which we launched a revamping plan of 31 remote monitoring units and the enlargement of further 8 units, which will be finished by the end of 2020.

Moreover, to guarantee staff safety during field operations, we have finished a revamping of the earth connection of 27 units of cathodic protection. Lastly, we have completed the filling of 12 pipe sleeves in pipeline crossings with road ways, which contributes to the reliability of operations and the safety of the community.

Stress Corrosion Cracking Susceptibility Model and conducted assessments

We added non-destructive tests via magnetic particles and ultrasound for the detection of stress corrosion cracking (SCC) anomalies, based on which we have identified anomalies that were mitigated by means of 66 pipe replacements.

As part of the SCC assessment and mitigation plan, we performed an EMAT technology inline inspection to detect crack colonies. As of this date, we have completed 1,300 km in the San Martín pipeline, 561 in the Neuba I Pipeline and 82 km in the Greater Buenos Aires Ring Pipeline.

Third parties' damage prevention

We have conducted works in the Buenos Aires Ring Pipeline, one of the areas with highest population density. In order to minimize that section's inherent risks, we continued implementing works that allow the mitigation of third parties' damages.
To that end, we completed the expansion of the fiber optic intrusion detection in further 40 km pipes, distributed as follows: 31,4 km between the cities of Cañuelas and San Vicente and 8,6 km between the cities of Cañuelas and Ezeiza. This work, added to the one conducted the previous year, totals a coverage of 80 km monitored by fiber optic intrusion detection.

Along the same lines, and to monitor this kind of anomalies over the total pipeline system, we continued conducting air survey tasks on the San Martin pipeline from Bahía Blanca to San Sebastián, in Tierra del Fuego, covering an extension of 1,970 km.

Pipelines revamping

According to the recoating program and the commitments involved in the Five Year Investment Plan, in 2019 we successfully concluded a 29.5 km recoating replacement work in the San Martín pipeline, over the discharges of the compressor plants Bajo del Gualicho, San Antonio Oeste and the suction of General Conesa plant. This program stands out not only for being the most relevant of the works undertaken in the comprehensive tariff review ("RTI", for its initials in Spanish)but also for its technical deployment, which implies three times as many kilometers as the average programs carried out over the last five years.

We also used non-destructive tests through magnetic particles and ultrasound for the identification of Stress Corrosion Cracking ("SCC") anomalies, based on which we have been able to identify defects that could be mitigated by means of the replacement of 66 pipes.

Finally, we have conducted alluvial recomposition works in pipelines. These tasks seek to mitigate and address the effects of external forces, such as heavy rains that erode and expose pipe segments. Thus, we have concluded the recomposition of the San Martin Pipeline in the Gualicho and Pico Truncado areas. We have also conducted gas pipeline coverage in a line that feeds the YPF-San Román pumping station, mitigating exposure risk and damage on facilities.

Adjustment in the gas pipeline routing

Lastly, due to the identification of population advances close to the Neuba I pipeline system in the proximity of the Neuquen area; we have carried out works to change the pipeline routing by means of the replacement of pipes for an extension of 8.6 km.

Clients, dialogue and satisfaction

Our clients and consumers are an essential link in the value chain. Their vision of our Company constitutes a sensitive indicator of their rating of our services.

For that reason, we use different tools to learn about their opinions and expectations.

Clients Segments

Transportation

- Gas distributors that supply industrial, residential, electricity power plants and GBC through ITS networks (Camuzzi, Naturgy, Metrogas).
- Big users: industrial companies and electricity power plants (Profertil, Aluar, Genelba, Dow Argentina).
- Dealers that sell transportation capacity (ECS. Web S.A., Albanesi).
- Natural gas producers (Total, Pan American Energy, Petrobras Energia and YPF).

Liquids

- Production services.
- Gas producer and shippers.
- Industrial: DOW, MEGA.
- Fractionators who distribute bottled gas from bulk gas (Extragas, YPF, Gas, Total Gas, etc).
- Traders: importers in destination country (PIFCO, RYTSA).
- Network distributors: they distribute propane through network for household use: Camuzzi, Distrigas, FEL, ETC).

Midstream

- Natural gas producers.
- Natural gas Industrial users (Profertil, Aluar,Cerro Vanguardia).
- Other transportation companies (Gas Link).

Telcosur

- Telephone and cable television operators.
- Internet and applications providers.
- Data and added value providers.
- Telephone and electricity cooperatives.
- Large corporate clients.

Customer Assistance Module (CAM)

The Customer Assistance Module (CAM) allows both our staff and our internal and external customers to conduct a follow-up of administrative, commercial and operative processes in different modalities.
This application makes our communication much more efficient and constitutes a main link in the value chain with the client. This year we improved CAM so that the client can check online the loading status of the tank units.

Customer satisfaction survey (CSS)

Every two years we launch a customer satisfaction survey that provides us with a feedback of what the client perceives of us. This allows us to improve our service and it also presents opportunities to seize new businesses.

The survey conducted in 2018 had very good results. In 2020 we will carry out a new survey to know our clients' opinion about the Company and thus work towards continuous improvement.

Firm capacity hired per client

Digital Signage System

Effective means of communication are essential for a distribution company with plants and bases throughout several provinces of the Argentina. Thus, we have decided to develop, acquire and implement a digital signage system as a tool used both to transmit messages with operative contents such as training, news broadcasting and relevant topics.

It has already been implemented at Gutiérrez, Buchanan, Carlos Casares, Saturno, Gaviotas, La Adela, Fortín Uno, Belisle, Chelforó, Cervantes, Plaza Huincul, Neuquén, Bajo del Gualicho, Dolavon, Garayalde, Manantiales Behr, Pico Truncado, Bosque Petrificado, San Julián, Piedrabuena, Rio Gallegos and Río Grande, among other facilities.

Suppliers and contractors

We are an engine of economic growth in our country. Our value chain is made up of two kind of suppliers: local or Argentine –who represent 83.7% of our expense– and overseas suppliers who account for the remaining 16.3%.

Our operations rely on the commitment of our suppliers in each region. It is essential to have the support of companies that provide us with the products and services we need to conduct our activities in each area and that is why we support the growth of the small and medium-sized companies (SMEs) everywhere we conduct our businesses.

Our suppliers	2018	2019
Number of suppliers	1,436	1,187
Total suppliers' expenses (in USD)	535,251,975	194,002,691
% of total suppliers expenses to local suppliers	84.1%	83.7%
% of SMEs suppliers	99.1%	99%

Transparent selection of our suppliers and contractors

Our selection of suppliers is based on the strictest legislation and on the principle of equal opportunities. We also consider whether suppliers meet the same safety, environment and quality principles that we outlined for ourselves and their inner policies related to labor relations, human rights and compliance with regulations. We thus promote fair contracting that fosters sustainability.

Our strategic goals for the procurement of goods and services:

- To conduct procurement of goods and services that add value to the results of the Company and contribute to tgs sustainable development.
- To apply the markets' best practices, acting in an ethical and transparent manner, with social and environmental corporate responsibility
- To integrate our customers so as to meet their needs and respond in a creative manner.
- To inspire a challenging work environment that implies a differential proposal for our people.

We constantly add new imports in the mid-term and long-term, we pursue a constant survey of facilities, quality of service and updating of the critical suppliers registry. We foster the growth of small companies, assessing their needs and contributing to their development into alternative suppliers for big companies.

The overall requirements that our suppliers and contractors must meet before entering a bidding process include the acceptance of our code of ethics and conduct, and the adoption of environmental criteria related to the national and provincial legislation of the venue where the operation or service for which they are bidding is to be conducted.

Suppliers' assessment

Bidding processes related to high impact goods and services are implemented through a procurement portal (ARIBA) by means of the analysis of the suppliers' background. According to the case, an external consultant can be hired to conduct an audit. The implementation of this portal allows us to:

- Standardize and automatize processes.
- Manage the negotiation process with suppliers.
- Ensure traceability throughout the whole procurement process.
- Contribute to the environment with the paper-less concept.
- Promote competition through "on-line" quotes and auctions.
- Detect new supply sources.
- Apply best practices used worldwide.
- Reduce procurement time.

We also have a supplier's portal that works as a communication channel and enables suppliers to manage their current account themselves.

Technical assessments and inspections defined in the Strategic Procurement Department procedures outline criteria to ensure our suppliers' quality and reliability.

To ensure their compliance with labor legislation, we have implemented a software to control requirements and standards to be presented by the contractor, both previously and during the rendering of the contracted services.

As it is outlined in the General Terms and Conditions for the Procurement of Work and Services, the contractor cannot start the related works without previously presenting the corresponding documentation. We regularly review these overall terms and conditions to update the information to be requested, particularly:

- Changes in laws and standards and/or legal application requirements.
- Labor risk insurance, life insurance and personal accidents insurance.
- Best practices in health, safety, sanitation and environment.
- Works start-up and Safety Program approved by the supplier's Labor Risk Insurance Company or Safety Plan.

At any moment, **tgs** may inspect the site or facilities where the contractor's staff works to ensure compliance with the stipulations.

Every work or service involving significant amounts – i.e. expenses higher than USD 50,000– is assessed upon the termination of the contract on 10 key concepts related to the suppliers performance from the beginning—with the timely presentation of documentation—until the culmination of the service.

In 2019, we became the second company in our country to implement the tool CELONIS, a SAP software partner that facilitates processes analysis. We specifically implemented it with the Strategic Procurement Department. With this tool, we shortened analyses terms, exhaustively analyzed the purchase process from the requirement to the issuance of the purchase order and invited our inner clients to find opportunities for improvement to speed up processes.

Training and development

We extend our Policy of Safety, Occupational Health, Environment and Quality to our suppliers and contractors, seeking to generate —through the continuous improvement of our practices and processes— a joint commitment in the protection of people and the environment where we conduct our operations.

Betting on clear and efficient communication, we hold annual meetings with our Suppliers and Contractors with the objective of sharing with them safety and health criteria regarding all the persons that conduct tasks inside our Company and also on environmental care.

With the purpose of introducing better practices, transferring knowledge and leveling the contractors' staff's basic competences, we impart different kinds of training courses to the personnel who join us, subject to the task to be performed.

Besides, in alliance with Bahía Blanca's National Technological University, we conducted training for those suppliers who need to enter the plant, outlining the required safety and prevention criteria to preserve their health and the care of the environment where we operate.

In order to be able to get access to work at any of our facilities, every person sent by contractors and sub-contractors must complete and approve the required specific courses, subject to the task to be conducted.

Additionally, in all the bidding terms and conditions we require contractors to impart training to their workers, equivalent at least to 1% of worked hours.

In 2019, 3,853 workers of contractors received 7,706 hours of training in courses of safety, environment and quality, confined spaces, electric risk, height work, among others.

Our people

3

Highlights

+900
acknowledgements granted to our workers in the +ENERGY Program.

25 participants
in the second year of the Gas Specialization Post-Degree.

Acknowledgement by SEDRONAR for our workers' care and welfare program.

6,000 applicants
and 13 recruitments in the 3rd edition of the Young Professionals Program.

48 training days
seminars and workshops on occupational health and safety.

Work accidents' causes study conducted along with IAPG.

7th
positioning in the "Great Place to Work" work climate ranking.

Development of the **tgs** Emergencies app to fully connect our workers.

Our workers

We are committed to promoting a safe, pleasant and at the same time challenging work environment. We want our people to feel that working with us contributes to their professional fulfillment. To that end, we offer conditions that improve both their lifestyle and their competitiveness.

The accomplishment of these goals implies a strong work on an articulated process of continuous improvement and “open doors” communication with all our employees. We comply with the standards and regulations outlined in every country where we operate and with the practices comprised in our Code of Conduct, document that provides guidance to establish fair, equal and decent relations.

Total number of workers

1,118
Total

1,004
Men

114
Women

Main 2019 employees' indicators

Per Collective Work Agreements

Workers under union agreements

Non- union workers

Per kind of work contract

For indefinite term or permanent

For determined or temporary term

Per kind of job

Full time employment

By professional category

Kind of work agreement	Men	Women	Total
Director	6	1	7
Manager	21	5	26
Head of area	70	12	82
Analyst/ Supervisor	169	30	199
Administrative operative	738	66	804

Per region

	Men	Women	Total
Don Bosco Main office	218	85	303
Zona Bahía Blanca/Buenos Aires Area	273	7	280
Cerri Area	176	12	188
Western Area	179	8	187
Southern Area	158	2	160

Recruitment opportunities

In 2019 we recruited talents into different areas of our organization for their participation in new projects or to cover the facilities expansion planned for the year. We have done it, as always, though an absolutely impartial selection process that ensures equal opportunities for all applicants. Last year, specifically, we optimized the recruitment process.

We reduced search times basing our work on focal groups determined with the internal client to survey expectations of improvements. Besides, we used the assessment center methodology, customized to our needs. In aggregate, we conducted nine assessments to cover positions in strategic areas such as Río Gallegos, Comodoro Rivadavia, Neuquén, Bahía Blanca and the city of Buenos Aires.

Our recruitment channels are the corporate web, LinkedIn, Zona Jobs and Bumeran job portals, issuances in local media where we have presence, in addition to employment fairs and exhibits, such as the annual fair held by the UTN. To further increase time efficiency we also conduct virtual interviews through our corporate Skype, video calls and conference calls.

Young Professionals Program

We conducted the 3rd edition of the Young Professionals Program, with the participation in the recruitment process of 6,000 applicants from the whole country and the recruitment of 13 professionals – six more than the previous year- for different fields (10 men and 3 women).

Internal Recruitment Program

Our internal recruitment program encourages the areas to cover positions by conducting a selection of candidates among our workers. The movements resulting from the internal recruitment may be both vertical and horizontal. The program helps us to offer new challenges to our workers and ensures continuity in management. In 2019 five workers were appointed to new positions and were transferred to the Vaca Muerta Project.

Diversity at work

Pledging our commitment to equality of opportunities overall and particularly to gender diversity, in November 2018, we appointed a woman as Head of Plant for the first time and in 2019 we promoted another woman to that position. In both cases, the profiles correspond to the first breed of **tgs** young professionals. Besides, during the year we appointed another woman as VP of Operations. We talked with them and below you will find their thoughts about their track record at **tgs** and the role of women in the industry.

Claudia Trichilo,
VP of operations

I must say that **tgs** has always had polices and/or practices to support women, from refunding daycare center expenses to supporting new mothers with a flexible timetable, covering non-formal issues that all the employees need to address to be able to articulate family and labor life. This flexibility granted by the Company, based on the commitment of the other part- allowed me to adjust my time according to the needs of all the parts of my life — family and company— and encouraged me to fulfill my expectations and goals in both areas, the personal and professional, both essential so that both parts could harmonically develop and arrive to a good destination.

There has been and there is a great deal of personal effort. Some thirty years ago, the situation was somewhat different: the industry demanded more from a woman to be acknowledged professionally in the same way as a man, you needed to have something different and more valuable to earn yourself a position. I think that in time the industry has been getting used to seeing women holding positions in management, with a leadership style different from men.

I consider that in time characteristics and virtues of both styles have been considered and nowadays a more humane and flexible style is valued, in which the emotional holds an important place and we are all – men and women- learning to lead from that place.

Nowadays, in the oil and gas industry there are more women holding positions at all organizational levels, from operational areas in the field to CEO positions.

The barrier that prevented women to be in the field has already been overcome, mainly due to the entrance of new generations of women and men in the industry, with a vision of equality, fairness and inclusion, not only regarding gender, but comprising a diversity of aspects that are understood now as enriching the possibilities and potential of the whole.

I understand that the challenge must be addressed by all the members of this industry we belong to. The first barriers, the most difficult to demolish, have already been torn down. I prefer to think that the industry challenges belong to all its members and that each of us has a particular and valuable contribution from a particular and different vision. This is the real value and challenge: to include the different visions contributed by everyone, through their experiences and knowledge, to the development of the energy industry, essential for the development and growth of our country.

Agustina Milesi,
Head of Belisle Plant (province of Rio Negro)

How does tgs support the development of women in leadership positions?
On this issue, I can refer to my experience since I joined the company in June 2017. I am pleased to say that **tgs** has strongly encouraged the development of women in leadership positions. We had already seen cases in several sectors', but these kind of roles were not so common in the department of Operations. Three years have passed since I arrived to **tgs**, and I can see there has been a great change, with clear examples such as Guadalupe and Claudia (first woman Head of Plant and Operations VP, respectively).

Which have been the major steps forward in gender diversity in the industry?
The industry overall has shown huge progresses in this aspect. In the case of **tgs**, the matrix is still leaning to the masculine side, but it is not so rare to see women in operative positions. To the examples I mentioned above, we can add that the Galván Plant has three women in truck dispatch roles. In some sectors it is still rather difficult to naturalize this aspect due to the lower number of women, but it is a matter of time and getting used.

What are the challenges that the industry faces to keep promoting the professional development of women towards the future?
I believe that women should not be either more or less promoted than men, instead they should receive the same opportunities. Some companies still impose gender as a work condition without reasonable grounds and today we can see that women can fill in many of these roles without any inconveniences. If we are given the same opportunities, then there is up to that person and his or her capacities to make a career and develop professionally.

Over these three years I went through a stage of young professional, rotating between don Bosco and Bahia Blanca. Afterwards, I worked for a year as plant engineer in the south and today it has been a year since I became leader in the west. Throughout all this time I have lived in four different provinces and worked at three different plants.

I can say with certainty that there are not two identical work teams in the Company and that in every sector there is room for workers who want to develop their careers, no matter their gender.

Guadalupe Benito,

Head of the Confluencia Compressor Plant (Province of Neuquen)

How does **tgs** support the development of women in leadership positions?

When I joined the company in 2017, leadership positions held by women were very few —particularly in the operations department— being Claudia then the operations coordination manager and Sandra Barbieri the head of Laboratory at the Cerri Complex. Today we are some more women in the different operations areas and this a clear evidence of the progress of the Company is making towards that direction.

Which have been the major steps forward to achieve gender diversity in the industry?

It is evident that the progress can be seen throughout the whole industry. Particularly at **tgs**, nowadays there are more women in operative positions, which I believe is a major step forward.

What are the challenges that the industry faces to keep promoting the professional development of women towards the future?

I believe that opportunities must fairly be presented to all genders. It is about understanding that all persons deserve the same opportunities. Then, it is the aptitude and attitude of each person what must define whether he or she is competent or not to perform in a determined role.

Benefits and compensations

Our compensations scheme takes into account individual contribution, work conditions, as well as the obtained results and the Company's financial capacity. Driven by the firm belief that all employees should be able to reconcile their work and personal life so that both coexist in harmony, besides granting fair and equitable remunerations, we consider it is necessary to contribute with a range of special benefits.

Plus Benefits

- Special marriage bonus.
- Special birth or adoption bonus.
- Refunding of children's day care expenses.
- Aid to parents of children with disabilities.
- School aid reinforcement.
- Agreements with sports associations.
- Loans for the purchase, construction and/or repairs of permanent and single housing.
- Personal or emergency loans.
- Subsidy for house renting.
- Burial insurance.
- Life insurance.
- Coverage of disabilities to cover needs not contemplated by the health insurance.
- Parental permit: one extra week added to what the law stipulates for a parent when having a baby.
- Retirement provisions: legal and administrative services for employees who start their retirement proceedings. Besides, once retirement is pre-agreed, the personnel is given a special license without the need of rendering services until the collection of the first retirement payment.

Program to acknowledge employees

In 2019 we launched +Energy, a program that aims at distinguishing and acknowledging employees who transmit **tgs** culture through their individual team work or commitment to the organization. By means of +Energy, we prized people whose achievements go beyond the expectable standards and who have shown organizational performance in line with the company culture. Within the framework of this program we have acknowledged:

583
workers for outstanding actions

257
for their participation in teams

15
for their individual performance

11
outstanding of the year

56
acknowledgements to track record in the Company

Work relations

We endorse the right of freedom of association, in accordance with the parameters outlined by the Argentine legislation, international agreements entered into by the Argentine Republic and labor laws in force in those countries where we conduct activities.

Unions

We continue pursuing cooperation and a good dialogue with unions. Evidence of our respect for the freedom of association and collective bargaining is the sustained growth of union membership of the new employees and the maintenance of the existing ones by union entities.

In 2019, we held several work meetings that ended in understandings reflected in five conventional minutes, signed in the months of April, July, August, October and November. At said meetings not only did we address economic issues related to salaries adjustments but also conventional aspects and personnel claims.

For instance, we dealt with issues related to the safety of our personnel, as the treatment of the Policy of Prevention against Alcohol and Drugs, which was agreed by all the players and implemented at our facilities for our own personnel, contractors and visitors. With the aim of listening to the plurality of voices, the meetings are attended by the general secretaries of the union entities and by the representatives of the different sectors.

These are the union entities that represent our workers framed within the Collective Work Agreements:

- Federation of Natural Gas Industry workers in the Argentine Republic.
- Río Negro and Neuquén Union of Workers of the Industries of Natural Gas, its byproducts and related (except for General Conesa and San Antonio Oeste).
- Southern Patagonia Union of Workers of the Natural Gas and Hydrogen Industry.
- Bahía Blanca Union of Workers of Natural Gas, its by products and related products.
- Union of Workers of the Gas Industry of the city of Buenos Aires and the Greater Buenos Aires.
- Gas Industry Top Management Union.

Development and training at the work place

Training and Development Program

We provide professional development opportunities through permanent learning, from a transversal vision of the business that understands the client as the fundamental axis, always on the lookout for the design of innovating solutions.

In 2018 we started the "Gas Specialization Post Degree" with the Gas and Oil Institute of the University of Buenos Aires ("IGPUBA", according to its initials in Spanish), Throughout 500 teaching hours, its aim is to train professionals in the specialty of natural gas in several fields. For such purpose, it provides global and specific knowledge on the gas industry, departing from the study of the different kinds of natural gas producing fields and the processes and methodologies used for the gathering, treatment, transportation, processing, distribution and commercialization of the obtained gas and liquids. It also upgrades basic engineering and economics knowledge, allowing students to work throughout the whole chain of value. This post-degree was taken by 23 participants in its first year and by 25 in 2019.

On the other hand, we continued along with the CONICET in Bahia Blanca, with our industry's specific technical training, imparting the "Automatic Control of Processes" and we added training in turbo expanders. This training was attended by 32 of our Cerri Complex employees. Additionally, we continued with the training of night shift at our facilities with external instructors.

Training of workers in health and safety at work

We keep working to make sure our workers perform their duties with care, respecting the several safety measures. For that reason, during the year:

- We held 35 awareness training days, reaching over 120 leaders on the topic of the desired culture in terms of safety, environment and health.
- We conducted 13 workshops (called Safe and Healthy Work) to communicate tools that aid to detects, prevent and take risk anticipation actions. They were addressed to 300 workers and contractors.

2019 Employees training indicators

35
average training hours per employee

23
Men

25
Women

Per category

Director	17
Manager	20
Head of area	115
Analyst/Supervisor	31
Administrative/Operative	12

During 2018 and 2019, we supported the training of 160 leaders, who later shared with their teams the guidelines of **tgs** Desired Culture.

Performance-based assessment

The Performance Management Process contemplates the workers' performance goals and the organizational behaviors defined by the Company. It considers issues related to sustainability and relies on three main cultural cornerstones: focus on the client, achievement and innovation.

It involves a cycle of planning, follow-up and assessment that allows a natural association between business and performance management and contributes two essential inputs. On the one hand, it provides information for decision-making in topics such as training, development and compensation.
On the other hand, the promotion of an empowering culture, in which each individual is protagonist of his or her own development (it proposes goals, plans continuous improvement, contemplates self-assessment of results and contemplates learning).

To identify potential leaders, we survey the talent map focused on the analysis of critical positions, so as to ensure sustainability and the continuity of our strategic planning. Afterwards, we complement the identification of the candidates with an analysis of their potential and we jointly define the career record of workers with the complementary training and the time estimated to cover the leading position.

Work teams have these discussions on a regular basis to remain aligned to their goals. Giving and receiving feedback is what allows us to tune the expectation and improve performance to get better and better results. During the period 2018-2019, we strengthened leaders in training workshops and we prepared a guideline to conduct successful feedback talks with their workers and thus foster their leadership and growth potential.

The empowerment culture we propose turns each individual into the protagonist of his own performance— as he is the one who defines goals, plans continuous improvement, self-assesses her/his own results and behavior and reflects upon her-his learning—.

100%

of our employees are assessed based on their performance

Performance- based management indicators	2018	2019
Number of workers assessed based on their performance	984	1,072
Men	894	957
Women	100	115
Per category		
Director	6	6
Manager	26	25
Head of area	204	204
Analyst/ Supervisor	169	204
Administrative/ Operative	589	633

Occupational health and safety

We strive to promote the physical, mental and social welfare of our workers and we are aware that this requires us to address issues related to their health and safety at work. Our Integrated Management System (IMS) is based on compliance with the standards outlined by ISO 9001, ISO 14001, OHSAS 18001 and the recent ISO 45001, specifically referred to occupational safety and health.

The scope of the IMS certification comprises all the activities and operations performed by our own or third-parties personnel. In March 2019, we passed the external audit to maintain the certification of our Integrated Management System under standards ISO 9001: 2005, ISO 14001:2015 and OSHSA 18001:2017. The certifying entity was DNV-GL.

Under this framework, we implemented preventive tools through the observation of the work areas and the interaction of leaders with the staff performing their tasks. We can thus verify their degree of focus on the task, knowledge and risk-awareness of the implemented prevention measures and the importance of avoiding incidents that may cause damage to people, the environment or the facilities.

Health care programs

"Más por Vos" Program ("More for You" Program):

This program to promote health and prevent diseases was designed to address the opportunities for improvement detected in medical tests and in the results of the health survey conducted to our people. Its scope reaches all employees; it is of voluntary and self-managed participation, with a multi- disciplinary professional approach, either in a presence-based modality or online.

Its objectives are:

- To promote and maintain the health of our employees and their family groups.
- To encourage responsible health care habits and behaviors that will improve our employees' quality of life.
- To increase the perception of health awareness as a common good, to be protected both individually and as a group.

In 2019 we renewed the program's website with new challenges and activities to promote well-being.

"More for you" results

1,113
participants

100%
attendance Rate over **tgs** total workforce

84
participants in relaxation workshop

387
participants in physical exercise at the work station

529
number of people who participated in nutrition consultations

2,617
number of consultations

420
Ser+ participants

36
Skin check participants

Cardio-protected spaces

A cardio-protected area is a place where there are automatic defibrillators in strategic spots and non- sanitary staff trained by a medical system for its coordinated use.

Since 2011, we have installed automatic external defibrillators at all plants, buildings and offices and we have trained all the area staff, brigades and those who are to provide first aid. Every two years, our certified facilities are recertified by the Association of Technicians in Emergencies —a non-profit organization with official endorsement and instructors certified by the Ministry of Health—.

Certification of Drug Abuse Prevention Program for the Workplace

We have been acknowledged by SEDRONAR (Planning Secretariat for the Prevention of Drug Addiction and Action against Drug Trafficking) for the implementation of plans and strategies to prevent abuse of psychoactive substances in the work environment. By means of its Program of Certification to Preventive Work Environments, we were distinguished for developing a prevention program focused on our employees care and well being.

Performed tests	2018	2019
On our own staff		
Number of performed tests	293	1,509
Positive cases	0%	1%
Negative cases	100%	99%
On contractors		
Number of performed tests	2,813	7,535
Positive cases	2%	1%
Negative cases	98%	99%

Health Day

Once again, we celebrated the Health Day with the participation of all our employees, as in every year it consisted in the proposal of a series of actions to promote health care awareness and health self-management.

Voluntary Blood Donation Campaign

In 2019, we launched a new blood donations campaign, achieving the participation of 43 persons.

Health monitoring

We conduct an annual health check-up of our workers through two indicators.

- HHI: Hearing Health Indicator: percentage of employees who have undergone audiometric tests over the number of workers exposed to such risk agent.
- CVR (cardio vascular risk). This indicator is used to predict future cardiac, coronary artery disease, thrombosis or strokes.

Besides, in 2019 we started the development of a tool to self-manage health indicators on our MedLab platform.

The Occupational Health area conducts the measurement of said indicators and delivers the results to the employees along with recommendations of healthy practices to implement improvements in their health daily care.

Number of employees with audiometric tests due to exposure to noise

Observed audiometric tests: they detect hearing loss related to exposure to noise.

Blameless: hearing loss not related to exposure to noise.

Normal: normal hearing results.

CVR (cardio vascular risk).
Percentage of employees with relative risk to develop cardio vascular diseases

Ensuring safety

SEQ Culture Program as Value

We keep working on achieving our zero accident goal. In that direction, we continue our Safety, Environment and Quality as Value program ("SEQ" its acronym in English or "SAC" according to its initials in Spanish). As its declaration states, it is based on human factor to reduce risk, it is supported by the ethics of care of human beings and the environment and seeks to generate trust, good habits and awareness in persons.

Preventive Driving Program

We continued training our drivers, particularly the new staff that joins the Company and those who need some conceptual strengthening on preventive driving. Courses comprise a virtual theoretical training, an individual practical course and finally a digital exam. We also provide group talks over road vulnerabilities and individual coaching to 120 drivers, with a content predefined on a quarterly basis, throughout the whole period. Participation in the individual practices amounted to 268 drivers whereas 264 people participated in the 26 group talks.

Besides, we conducted psychometric exercises with 71 drivers, aimed at verifying their perception of the context, decision-making, response, anticipation of maneuvers and thus achieving preventive driving.

Number of trained drivers	2018	2019
Our own drivers	182	207
Contractors' drivers	36	61

"Mirá" Program ("Watch" Program) and Preventive Safety Observations

These programs are two essential tools to promote cultural change in safety.
PSO is based on the observation and interaction process with the staff that carries out the duties, focusing on their behavior and attitude during the execution of their tasks to identify work practices that may turn out to be unsafe. It is a planned and regular activity.

The Mirá Program, on the other hand, aims at the early detection of abnormalities deviations and near misses and the proposal of actions and initiatives that if implemented in time and manner may prevent incidents. Its aim is to perform an immediate improvement action on the detected findings.

Results	2018	2019
Mirá Pogram: number of detected abnormalities	3,522	2,084
Preventive safety observations (PSO)	627	426

Strengthening of safety at works

Always focused on the Zero Accident goal, we keep pursuing launching meetings with contractors prior to works start-up. The objective of these meetings is to highlight preventive action and involve all the parts of the project in risk prevention. In 2019 we conducted these meetings with all the contractors that executed works during the period.

We also held safety awareness meetings in major projects with the aim of involving the contractors' operative staff in the concept of Zero accident – Culture in Safety, Environment and Quality Culture as Value.

Safety Program with Contractors at Cerri Complex

We work shoulder to shoulder with our contractors to strengthen everyone's safety. To deal with this issue, we hold a meeting with our contractors' Safety Responsible Officers in charge of the different works and tasks. During said meetings, we discuss the incidents occurred at our facilities, whether involving our own staff or our contactors'. In the second semester meetings, we started engaging works' contractors' supervisors in order to transmit to them our Culture of SEQ as a Value.

Monitoring

We have procedures to identify dangers to which people are exposed and their corresponding assessment of risks, training, monitoring and implementation of mitigation plans.
These surveys of dangers along with their risk assessment are available in an information technology tool, which must be queried before conducting a task so as to be able to implement the outlined control processes. Besides, each facility has an improvements implementation plan to deal with unsafe conditions.

2019 Occupational health indicators

Deaths resulting from work accident injuries	No deaths in 2019
Number of work accident injuries with major consequences	0
Rate of work accident injuries with major consequences	0.00
Number of recorded work accidents	3
Rate of recorded work accidents	1.43
Contractors	
Deaths resulting from work accident injuries	No deaths in 2019
Number of work accident injuries with major consequences	5
Rate of work accident injuries with major consequences	1.20
Number of recorded work accidents	27
Rate of recorded work accidents	6.50

Knowing for preventing: occupational accidentology analysis

In alliance with the IAPG, we conducted a study on the causes of occupational accidents reported between 2003 and 2018, both of our own employees and our outsourced staff. We particularly evaluated the incidence of the human factor with the aim of designing new approaches to develop prevention in each area.

Results drive us to focus on where it is necessary to strengthen our safety and prevention culture. Thus, we will continue working on the development of leadership skills for the early detection of conditions in which their employees work to determine whether they are psychophysically fit to conduct the task. We are also going to add a comprehensive approach comprising psychosocial aspects in prevention programs.

Response to medical emergencies

This year we implemented the concept of Response to Emergencies Organizational Structure, which allows us to allocate roles to the Crisis Committee Members and the Response Committee Participants within a local scope, thus achieving a flexible structure that adapts to the dimension or consequences of the crisis or emergencies. Under this framework, we updated the crisis plan and conducted a total of 45 emergency drills at all the operative facilities, including compressor plants, maintenance bases and office buildings.

tgs' Emergencies App

The **tgs** Emergencies App —our first developed application— allows the user to be always connected, in a responsive and intuitive manner to our Emergency Plan.

In the event of a medical emergency, an accident or anything that may endanger the physical integrity of the Company's people, facilities or the community, this innovating tool enables communication with #911 to ask for help.
It presents the following functions:

- **Notifications:** sending of messages with tasks, incidents or advice related to safety and health.
- **tgs Emergencies Plan:** it provides detail of the address, telephone and geo-location of all the facilities of the Company with its derivation medical centers.
- **First Aid Guide:** list of a series of accidents, injuries and diseases with their symptoms and treatments.
- **Number of Swiss Medical Emergencies:** direct communication with the medical assistance for the user or another affiliate.
- **Report development:** sending of a message to the system to notify about an incident that is not an emergency so that it is transmitted as a notification to all application users.

Beyond this application, we have other ways of calling 911:

- From all **tgs** extension numbers dialing #911
- From all **tgs** mobile phones calling to 4911
- From all **tgs** handies
- From any phone calling 0291-15-532-6203

tgs' Emergencies App Results	2018	2019
Management of calls to al 911		
Actual calls	28	15
Drill calls	3	13
Calls made by our own personnel	18	13
Calls made by contractors staff	13	15
Rating according to seriousness of calls to 911		
Serious injuries	0	3
Moderated injuries	3	9
Slight injuries	28	16

Monitoring Center at the Gutierrez Operative Base

In late 2019, we implemented a monitoring center at the Gutiérrez Base with report to the Cerri Monitoring Central. The main operations are directed at providing support to the ring operation and for such purposes:

- We conduct a real-time monitoring of all the vehicles at the base to assist in case of an accident.
- We remotely monitor the cameras installed at the main ring measurement points.
- We interact with fiber optic alarms to control pipeline integrity.

The system functions through two means: a panic button alarm and a man-down alarm system for acceleration, horizontality or bump. When the button is pressed during some seconds, it sends a signal to the software we operate at the monitoring central at the Cerri Complex. Upon receiving the alarm, we identify where the unit is located and if the system allows it, we track it with the man down alarm, the device sends automatically y the alarm signal, assuming that the user, for whichever reason—loss of consciousness, accident, neglect—may have dropped the unit. We then activate a procedure of calls to verify the condition of the user: we try to communicate through the unit, we call him by phone or we set in motion the contingency call. We are planning to implement these devices in vans too.

Training days on oil, gas and energy's industry's chemical and radiological emergencies

Along with the toxicology service and the occupational safety and environment service of the Neuquen provincial hospital and the Medical Sciences Department of the National University of Comahue, we conducted training in prevention and addressing accidents related to poisonous animals. The objectives were:

- Provide information on dangerous materials—chemical and radiologic— present in the gas and oil activities.
- Introduce basic concept for risk prevention—sanitary, labor and environmental —related to dangerous materials.
- Introduce basic concepts on the organization of an interdisciplinary response before dangerous materials emergencies.

The main issues we addressed were the knowledge of hazardous dangers in Neuquen and the importance of dealing with chemical and radiological safety in work environments. We also debated on the role of the fire brigade, civil defense and the army during emergencies related to hazardous materials.

Besides, we worked on chemical emergencies prevention and the preparation to several events: work scenarios, pre-hospital and hospital. We provided an introduction to the concepts of radiation and its risks and suggested protection measures. Finally, we imparted a specific workshop on incidents with radiological substances, we performed a chemical emergency drill with multiple victims and defined an outlook for inter-sector team work in the future.

Environment

4

Highlights

USD 1,148,017
in environmental investments.

7.9%
of recycled and re-used **water**.

38 training days and 567 persons
trained in good environmental practices.

50% of compressor plants
equipped with compost bins to treat organic waste.

36,732,100 kWh
of energy generated at the Cerri complex.

Design and elaboration of tgs Environmental Strategic Map.

Assessment of water risk in Vaca Muerta.

Measurement of the Company's carbon footprint.

Implementation of the Stopple tool to reduce vented gas in pipelines.

Commitment to environmental care

We commit to operate in a safe and reliable manner, setting environmental preservation and the community quality of life as our main priorities.

Our Policy of Safety, Occupational Health, Environment and Quality delineates overall prevention guidelines to minimize the impact of our activities, through the continuous improvement of our practices and processes and the observance of current legislation on this matter within a national, provincial and municipal scope, as well as further agreements to which we willingly adhere. Besides, our Code of Conduct also delineates environmental standards.

These standards regulate the emission of contaminating substances to the soil, air or water and outlines control requirements for contaminating substances. They also require shareholders and operators of companies and industries to obtain an environmental permit for the emission of certain substances, instructs them to report on leakages of substances that generate pollution and to generate and keep certain reports.
All these responsibilities are also described in **tgs** Management Manual and in the Legal Regulations Registry applicable to our Company's operations.

We work systematically, improving our performance day by day, in accordance with ISO 14001 guidelines. Our policy also extends to our contractors, from whom we require compliance with the same standards.

"In 2019 we worked on the development of the Strategic Environmental Map, outlining the goals we want to reach in terms of environment. As part of this process, we conducted a diagnosis of the current status, considering the lessons learned and future challenges so that strategy contributes to the business model and is aligned to the fulfillment of goals. Among the defined strategic challenges we can name: productive environmental leadership to drive innovating and creative environmental initiatives, the communication of environmental practices at the Company's facilities and the engagement of all the workers and leaders in the environmental management."

Adriana Endrigo
Head of Environment, Department of Safety, Environment and Quality.

Strategic alliances

Thanks to alliances with other organizations, we can join efforts and reach further with the measures we implement.
These are our main allies to address the environmental issues:

Argentine Business Council for Sustainable Development (CEADS, according to its acronym in Spanish),

Garrahan Foundation: we participate in the Recycling Program and the gathering of paper, caps and others (such as x-ray films) both in our main office and in other districts of the country, where our plants are located.

The Argentine Oil and Gas Institute ("IAPG", according to its initials in Spanish).

Urban Solid Waste Recovery Plant in Cerri ("Ecoplant"): we send organic and inorganic waste generated at our plants to this recycling center of the Bahia Blanca town hall, where it is processed and reintroduced in the productive circuit. The organic waste of our refectory is composted there as well.

Luis Braile Center(Bahía Blanca): we cooperate with paper and cardboard to this non-profit organization that has a program of collection of paper in disuse.

Bella Flor Cooperative, CEAMSE: at our main office in CABA, we separate at origin the urban solid waste, which are organized in a differential manner for their further recovery and recycling with this company that works in the sanitary refilling of José León Suárez.

Oil & Gas Safety and Environment Latin American Congress

In September, we were invited to present our projects within the framework of the Oil & Gas Safety and Environment Latin American Congress. Some of the projects related to **tgs** environmental improvements that we presented are:

Greenhouse Effect Gases (GHG) emissions reduction program
The implemented improvements were divided in gas emissions derived from equipment combustion and natural gas emissions and flare burning, being methane and carbon dioxide our main gases. Action focused on improving the reliability of data and direct investments and emission reductions,

GHG Emissions
To calculate our carbon footprint, we detected all greenhouse effect emission sources, traceable and actual values of the emitted flows.

Seal Venting Measurement project
Ventings were measured in situ, in order to validate the emission rate informed by the seal manufacturer and know accurately venting values per kind of equipment.
We examined **tgs** facilities for the actual measurement of dry venting and wet venting per kind of unit. The design and construction of the measurement skid was conducted by our Measurement Department. tgs presenters were: Adriana Endrigo (Head of Environment), Rafael Maison (Manager of Operative Coordination) and Aldana Chantres (Environmental Analyst).

Preventive Driving Program

In the field of road safety, we presented a work on the Company's Preventive Driving Program, which comprises three dimensions: human, vehicular and assisted mobility. Each of them include multiple aspects:

- **Human:** Theory, practice, medical fitness, psychometric exercise and addictions prevention.
- **Vehicular:** vehicle policy and matrix, maintenance plant and head of fleet, quarterly check up and monthly and bimonthly report.
- **Assisted mobility:** previous trip plan, VHF vehicular tracking system, monitoring center, **tgs** Emergencies APP, #911 o 4911 response to emergencies or first aid, reports with data or indicators, specific communications, case studies, signs, geofence and critical spots.

tgs presenter was Adrián Gericó (Head of Safety and Health Processes).

Integrated management system

Since 1998 we work on meeting continuous improvement requirements and procedures to obtain certification in accordance with certain international standards.

Our Integrated Management System has been duly certified under the standards ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007. Every month we issue a report on our environmental performance, including indicators of the whole company. We also conduct internal and external audits to check whether the IMS meets the requirements of the certified standards. External audits are in charge of a certifying entity that checks the system once a year and grants the renewal of the certificate every three years.

Besides we have a specific procedure for the environmental impact assessment of our projects. These assessments are aligned to the structure defined by ENARGAS in its regulation NAG 153 and the guidelines and standards that correspond to the location of each facility. They include the Environmental Management Program, which contemplates the particularities of each construction stage and its linking to the Environmental Procedures Manual for part of the operation and maintenance. Each new project is included in the Operators' Environmental Management System.

Progress in environmental management improvements and tools

In 2019 we started to use tools to manage the information in a more comprehensive and efficient manner:

- Implement a module of risk management in SAP EHSM, which includes the environmental aspects and impacts.
- Implement a new document management tool, where to migrate the existing documents along with the process that guarantees that documents are controlled.
- Develop improvements in the management of deviations, near misses and PSO/MIRÁ by means of the use of a new IT tool and thus strengthen our culture in terms of safety and environmental care.
- Develop a specific tool for Environmental Aspects and Hazards management to improve the information's visualization and updating.

Definition of environmental goals

Our purpose is to prevent pollution and preserve the natural resources that surround us and that we use in the operation of our Company.
To that end, we work on environmental goals that include:

- Calculation of our main processes' Carbon Footprint and reduction of emissions to the atmosphere by means of investments in devices that decrease the volume of vented natural gas derived from pipeline maintenances.
- Minimization of waste generated at the facilities, both assimilable urban waste and industrial and hazardous waste. Half of our compressor plants have compost bins to treat the organic waste derived from the plant refectories.
- Decrease in energy consumption and improvement in energetic efficiency, investing in technology that allows us to make an efficient use of the resource and improving the existing lighting systems with LED technology in great part of the facilities of the Company.
- Treatment of sanitary effluents to recover them for watering and focusing on the sites with water deficit.
- Water care and the promotion of its responsible use through awareness campaigns, daily control of its consumption and monitoring of its quality.

50%

of the compressor plants have compost bins to treat organic waste.

Environmental risks identification and prevention

Our data base helps us to assess all those activities that may produce a significant impact on the environment or our personnel health or safety.

The main environmental factors that we record are emissions to the atmosphere, emergencies and third parties damages, generation of environmental noise, impact on soil, water courses and archeological or paleontological heritage.
We monitor all these aspects by means of a measurement and follow-up program. We also have an annual drill program to test our response capacity in the event of safety and environmental emergencies, which we conducted during 2019 with satisfactory results.

Environmental Aspects	Possible Environmental Impacts
Emissions to the atmosphere	
CO and NOx release in compressors and power generators	Atmosphere pollution derived from combustion gases.
CO_2 emission by compressors and power generators	Atmosphere pollution derived from greenhouse effect gases.
Operative venting or natural gas leakage	
Third parties' emergencies and damages	
Ruptures caused by third parties operations	Atmosphere pollution derived from greenhouse effect gases/ combustion gases. Risks for the population.
Gas leakages derived from pipeline failure	Atmosphere pollution derived from greenhouse effect gases. Impact on soil. Hazards for the population.
Waste	
Generation of hazardous waste	Inadequate management and disposal of generated waste.
Generation of non-hazardous waste	
Noise	
Generation of noise	Increase in environmental noise level.
Impact on soil	
Hydrocarbon spillage	Soil pollution from hydrocarbon spillage.
Excavations	Possible alteration in soil and vegetation.
Impact on water courses	
Spillages	Water pollution with hydrocarbons.
Pipeline crossings	Possible alteration to the water course and its vegetation and fauna.
Impact on the archeological or paleontological heritage	
Potential finding of objects during excavations	Possible inadequate handling of the findings.

Prevention action in alliance with the community

In 2019 we conducted training days with the fire brigades of the places where our plants are located: Choele Choel, Chimpay, Belisle, Río Colorado, Gaviotas, La Adela, Tratayén and Conesa. We visited our facilities and the main sites that present the highest risks, working together in the prevention of fire. We also imparted training for the fire brigade and our plant staff.

We protect biodiversity

With the purpose of identifying possible intersections between our pipeline routes and the areas defined by the Native Forest Laws of each of the provinces, in 2019 we prepared a map that allows us to identify them.

In our extensive gas pipeline network of over 9,000 km, we have detected minimal overlapping sections, which were duly informed to the environmental authorities for their knowledge, given the preexistence of the pipelines. These areas enter into the protection categories defined by regulations for sites of medium and low conservation level. Given the regular pipeline maintenance tasks and the need to keep accessible their proximities to address any eventuality or emergency, we have contacted the Provincial Entity for Sustainable Development in Buenos Aires (OPDS, according to its initials in Spanish) to inform them of the existence of our pipelines in the detected sections and to reach a consensus on measures to restore and conserve the natural forests in such environments.

Life cycle analysis

Life cycle assessment (LCA) consists in the gathering and assessment of information related to a system's input, output and potential environmental impacts during the different stages of its operation. We started with this analysis in 2018, along the guidelines of ISO 14044 standards.

The first stage of the work was to take a facility as pilot, in order to outline the parameters to be recorded and the calculation methodology. We selected the Cervantes Plant and used data from the period January to December 2018, understanding that such period comprises all the temporary variables of the compression process. Eventually, we will apply this methodology to the other 32 **tgs**' compressor plants.

We have prepared a map that allows us to detect intersections between natural protection areas and our pipelines' system.

Environmental awareness and training

In 2019 we conducted training on leakages handling, waste management, responsible use of water, recycling of organic waste and effluents and asbestos emissions.

38 training days

567 people

trained on good environmental practices.

Worldwide Environment Day Contest:
On June 5, Worldwide Environment Day, we launched a contest to award the most innovating environmental practices, with highest impact and greatest creativity
Employees participated both with initiatives to be applied at the Company (24) and at their homes (29). We selected winners and we awarded them with bicycles and solar packs.

2019 Environmental Calendar:
We dedicated the year calendar to environment awareness and protection, including every month a "¿Did you know that...?" and three pieces of advices to be applied at work and one at home.

Collection Campaigns and Visit to the Greater Buenos Aires Mobile Green Spot:
We carried out two Campaigns to Collect Waste of Electrical and Electronic Equipment (WEEE), batteries, used oil, ink cartridges. We received 431 WEEE units and we trained over 270 persons.

Recycling Campaigns at the main office:
In March, at the main office we launched a campaign for the donation of x-ray films to the Garrahan foundation. Also, during the year we collected 4,523 kg of paper and 28,160 caps.

Awareness action jointly with the Cerri Solid Waste Recovery Plant (Ecoplant):
We coordinated visits to the center of processing of organic and inorganic waste that receives the waste from the Galván plant and the Cerri Complex.
There, we showed the participants the destination of the waste generated in the work environment and the importance of the separation at the origin to facilitate its processing . Besides, on the environmental awareness day, the ecoplant staff offered an awareness talk at the Cerri Complex .

Installation of compost bins at compressor plants:
Continuing with our waste minimization project, we installed nine compost bins to recycle the organic waste generated mainly at the refectories and thus take advantage of the fertilizer obtained for the compressor plants parks.

New signaling in bins and posters to promote waste separation.

Restriction to the use of disposable plastic cups:
We have implemented a system of reusable cups for the meeting rooms at our main office.

Training in emergencies

Being prepared for emergencies calls for constant organization. Therefore, we conduct drillings at all the operative facilities. Of the 45 drills conducted at the operative areas, 17 developed scenarios related to the environment: spillage of substances (oil, alcohol), natural gas leakages and venting and fires.

We also conducted two essential actions for a good management of spillages. On the one hand, we worked intensely to ensure that every sector of the Company where a spillage may happen has contention kits for its immediate handling. On the other hand, we improved the contention devices to prevent leakages and facilitate the cleaning processes at the facilities.

Use of water

We are aware of the importance of a responsible management of water, a non-renewable resource that is essential to life.

We have a specific procedure to manage water and another to handle sanitary effluents. Thus, on a daily basis, each facility records its water consumption through a flow meter and we periodically report said volumes to the authorities. Besides, we conduct a plan to monitor water quality throughout time. We identify all our effluents and we obtain permits from the corresponding authorities.

Our main water consumptions correspond to cleaning tasks and irrigation, so volumes are minimal. The most significant use of water is at the Cerri Complex during the cooling and steaming processes.

1,139.4

mega liters

Water volume extracted in 2019

All water sources we use correspond to fresh water.

Water extraction in operative areas (in m³)

Water extraction per source (in m³)

Water extraction per source according to facility (in mega liters)	Shallow water consumption		Public network consumption		Underground water consumption		Total consumption	
	2018	2019	2018	2019	2018	2019	2018	2019
Transportation	4.1	3.4	1	1	73.8	93.6	78.9	98
Processing	0	0	20.1	8.3	991.7	981.8	1,011.8	990
Midstream processing	0	0	8.2	7	0	0	8.2	7
Works	9	13.6	0	0	0	0	9	13.6
Administrative areas	0	0	29.7	30.8	0.03	0.03	29.7	30.8
Totals	**13.1**	**17**	**59**	**47.1**	**1,065.5**	**1,075.4**	**1,137.6**	**1,139.4**

Total recycled and re-used water (in m³)*

*Total consumed water represents consumption of the operative and administrative areas.
The recovered water volume reflects Cerri Complex data.
The volume of water reused for irrigation reflects Galván plant data. It is pending for 2020 the addition of water reused for the modular treatment of the sewage effluents of the plants of Tratayén, Plaza Huincul and Confluencia.

	2016	2017	2018	2019
Aggregate total of consumed water (m³/year)	1,115,048	1,124,920	1,137,507	1,139,394
% of water recycled and reused versus total consumed water	9.2%	9.0%	7.9%	7.7%

Actions taken to rationalize water consumption

We have developed the measures required to preserve the water, control both the amount of water consumed and discharged and the quality of the discharged and used water.
For such purposes, we follow the procedures described below:

- We keep consumption records on a daily basis.
- We verify compliance with the authorized flows in the areas with water deficit.
- We keep the flow meters in adequate functioning and conditions.
- We notify any deviation from the authorized values.
- We conduct physicochemical and bacteriological analysis with the frequencies outlined by the permits.
- We develop internal communication campaigns to promote water care.

Assessment of water risk in Vaca Muerta

With the building of the Northern and Southern Vaca Muerta Pipelines, we started to evaluate water risk and alluvial mitigation by means of the use of technology in every stage of the project. The soil conditions in which we needed to construct were extremely changing: from highly erosional sandy soils to rocky soils with variable slopes.

To avoid modifying the natural draining, we conducted a basins study, with drone flights over the pipeline route and modeling that allowed us to avoid the most unfavorable areas and design works of alluvial mitigation in others.
Over the 120 km of the Northern Vaca Muerta Pipeline, from Los Toldos to Tratayén, we identified all watercourse crossings and we defined measures for each of them, with the priority of not modifying the natural draining conditions and at the same time prevent soil erosion on the pipes during intense rainfall seasons. The use of contention barriers helped us to reduce the speed of draining in slopes higher than 3%.

Water discharges and effluents

At the facilities related to the natural gas transportation system, only sanitary effluents are produced, with a discharge flow similar to the generated in domiciliary contexts.

Three of our facilities — Confluencia Gas Compressor Plant, Plaza Huincul and Tratayén gas conditioning plants — have sewage treatment plants in modular treatment units that allow us to recover the treated effluents for irrigation. In the Puerto Galván storage plant, only sewage effluent is generated and 100% of it is reused through activated mud treatment. Thus water is recovered for irrigation and operative uses within the premises and we avoid discharges to the Bahia Blanca estuary.

The Cerri Complex is the only facility that besides sewage effluents generates industrial effluents derived from production process drainages and purges. Those liquids are treated in a pool, where water derived from cooling and treatment processes also arrives.
The industrial effluents treated there are discharged into the Saladillo de Garcia stream, so it corresponds to fresh water discharge, the volume of which in 2019 was 192.7 mega liters. The site where our Cerri Complex is located is considered as a water-stressed area.

True to our pledge to the protection of water and the diffusion of good practices for the responsible use of this resource, we have developed the following initiatives with respect to the discharges:

- We do not mix the pluvial, sewage or industrial effluents, which have their own networks of gathering, treatment and destination.
- We make sure that sewage and industrial effluents meet the qualities required for discharge, as outlined by the corresponding permits.
- We obtain permits for all the works that need some water discharge.
- We assess treatment alternatives that foster the reuse of water for irrigation, mainly in water stressed areas.
- As a policy, any new facility that is not reached by a sewage network must have an effluents treatment plant and allow irrigation with the treated water.

Over the last two years, we added a compact system for the treatment of sewage effluents in three plants. This is particularly important in areas with water shortage as it allows the irrigation of the facilities' parks of with the water previously treated.

Cerri Complex 2019 Discharges

280.32
mega liters
of generated effluent

87.60
mega liters
of recovered effluent

192.72
mega liters
of discharged effluent

Waste management

We generate two kinds of waste: non-hazardous waste (residential and inert) and hazardous or special waste.

Non-hazardous waste

Residential

Mainly organic waste derived from the process of food preparation.

Since 2018 we have been installing compost bins. Currently, 50% of our facilities treat the generated organic waste *in situ*. We thus reduce the volume of waste sent to dumps and obtain fertilizer for the facilities parks.

Inert

Consisting in plastic, paper, cardboard, glass, etc.

We make a priority to recycle them at treatment plants, according to the availability of treatment facilities in the area. We are working on detecting recycling opportunities in the different venues to derive to them the inert waste initially segregated at our facilities and thus ensure its inclusion in new productive processes.

In the case of Cerri Complex and the Galván plant, non-hazardous waste is sent to the Cerri Ecoplant. At such facility, inert waste is recovered and conditioned to be used in the recycling industry. Organic waste, on the other hand, is composted by means of a piling system.

Hazardous or special waste

Hazardous waste generally corresponds to solids contaminated with oil (cloth, filters, gloves) derived from maintenance tasks and liquid waste, mainly water polluted with hydrocarbons.

For this kind of waste, we work on the correct segregation of the different generated categories and in the adequate transportation and treatment in accordance with national and provincial legislation in effect.

We keep working on raising awareness in our staff and contractors about the importance of minimizing, separating, reusing and recycling waste.

Quantity of waste generated at **tgs** (in tons)

Transportation of hazardous waste (in tons)*

* **tgs** neither imports nor imports hazardous waste. It has special ovens in two of its compressor plants (Belisle y Gaviotas), in which its own waste is treated.

Waste elimination methods were firstly determined according to their nature (hazardous, organic, inorganic) and secondly, according to local regulations for their adequate treatment and disposal.

Thirdly, we consider the treatment and disposal facilities available in each area in which the waste is generated. For instance, in the case of the Cerri Complex and Galván plant, organic waste generated in the refectory is sent for pile composting to the Ecoplant Gral. Daniel Cerri, where they are treated.

Eliminated hazardous waste (in tons)	2016	2017	2018	2019
Eliminated by incineration	73.56	26.94	60.36	64.04
Landfarming	935.80	916.35	1,280.59	772.98
Safety filling	145.36	99.76	49.22	183.21
Physicochemical, stabilization	139.79	97.95	294.65	59.47
Total	1,294.51	1,141	1,684.82	1,079.70

Eliminated non-hazardous waste (in tons)	2016	2017	2018	2019
Recycling	70	51	185	127
Composting	0	0	0	22
Discharge	47	50	58	66
Others –Sanitary Filling	169	244	58	174
Total	286	345	301	389

Awareness in recycling and waste responsible management

In 2019 we worked on a waste minimization plan (Zero waste program) developing the following measures:

- The improvement in the signaling of the waste bins.
- The elimination of disposable cups, glasses and trays and their replacement with reusable elements.
- The assessment of compost bags for the disposal of organic waste.
- The implementation of ecological paper that does not use tree fiber nor chemical products for bleaching.

We also conducted several actions to foster good practices in waste management. Firstly, as an awareness process tool, we generated a video that can be included in the on-boarding processes for new employees or used to strengthen concepts for the rest of our staff or contractors.

Besides, along with the installation of nine new compost bins at the compressor plants, we trained our personnel and contractors to recycle organic waste. We also proposed visits to the organic waste processing center to show our employees the destination of the waste generated at their work environment and the value of separating them at origin to facilitate their processing. Within the framework of the Environmental Awareness Day, the Ecoplant staff gave an awareness talk at the Cerri Complex.

Use of energy

We use part of the transported natural gas as source of energy for the combustion processes in the main compressors and units and for the generation of electricity as fuel in power generators. We complement our self- generation with electric energy provided by external sources.

Primary direct energy consumed by **tgs**
(MStm3/year at 9,300 Kcal)

99%
1,203,250.50
Fuel gas

1%
11,744.52
Fuel gas for the production of electricity

Internal energy consumption

1,128,997
MStm³/year
Fuel gas

15,896.262
kWh
Electric energy

Energy consumption at the most significant sites

5,879,520 kWh
Cerri Complex

8,046,450 kWh
Galván Plant

1,509,654 kWh
Main office

The main identified consumptions are:

- Pump engines.
- Air coolers engines.
- Compressors.
- Miscellaneous (computers, air conditioning, communication systems, auxiliary services).
- Lighting power.
- Blowers.

In 2019, we implemented multiple technological improvements in the conventional lighting systems in our facilities. Thus, we achieved significant decreases in the consumption of energy, higher energetic efficiency, extended devices' useful life and achieved better lighting. In many cases, we enhanced these benefits with photoelectric sensors. Among the advances achieved in our compressor plants we can underline:

- **Buchanan CP:** over 120 fluorescent tubes and sodium vapor lamps were replaced by LED lamps, tubes and reflectors. In some cases, we added photoelectric sensors.

- **Indio Rico CP:** over 90 fluorescent tubes and lamps replaced by LED and substitution of emergency luminaries, thus increasing autonomy by 60%.

- **Olavarría CP:** about 70 lamps replaced by LED and replacement of electric extractors by wind ones at the plant Power Station to improve the building ventilation.

- **San Julián CP:** installation of 70 lamps, tubes and reflectors and LED.

- **Conesa CP:** decrease in electric consumption in the night shift, due to new devices lower consumption, thus decreasing the generator's load.

- **San Antonio Oeste CP:** higher reliability in the plant lighting system and fewer man-hours for maintenance of the lighting system.

- **Saturno CP:** with the new LED luminaries of the power plant an energetic saving of 60.48 Kw/ month was achieved. At the maintenance workshop, with the 7 new LED lamps saving was of 1,018,08 Kw/month. Besides, the electricity wiring was replaced to avoid leakages.

- **Bosque Petrificado CP:** over 160 fluorescent tubes and lamps replaced by LED tubes, bulbs, panels and reflectors.

- **Bajo del Gualicho CP:** sodium vapor lamps of 250W were replaced by 35W LED, thus resulting in a significant environmental improvement.

Generation of energy

We consume self-generated energy, derived from the transported natural gas, as source for the combustion processes in the main compressors and units and as fuel for the power generators. We complement it with electricity supplied by external sources.

In 2019, at the Cerri Complex we generated 36,732,100 kWh of energy. We also sell energy to the company Mega in PC Belisle. Total energy provided during the year was of 295,394 kWh. Records are taken by means of the three-phase four-wire meter 3 x 380 of the brand ABB, which belongs to Mega and is located at the power plant of the Belisle CP.

36,732,100
kWh
energy generated
at the Cerri Complex

Generation of emissions

Aware that we use, transport and release greenhouse gases (GHG), we redouble our commitment to an efficient environmental management.

We thus started to work on the calculation of the carbon footprint for our main businesses. We also continued with the identification of GHG emission sources and the review of calculation, with digital meters and the updating of gas chromatography.

As part of our strategies to decrease gas vented in our programmed maintenance, in 2019 we acquired and started to use the Stopple tool. This equipment restricts venting only to the area where the work will be conducted, avoiding total venting in the section between valves and therefore notably decreasing the amount of vented gas. The stopple is also good to ensure the arrival of gas to the served cities of the section to be interfered with.

tgs emissions

8,497 tons CO_2
Scope 2
+23% vs 2018

4,320,876 tons CO_2
Scope 1
+8% vs 2018

11,296 tons CO_2
Scope 3
+14% vs 2018

4,340,669 tons CO_2
Total emissions

Natural gas savings by 480,000 m^3 in Olavarría

During a maintenance conducted in the city of Olavarría, gas would have been vented over 30 km of 30” diameter pipeline, which would have equaled 600,000 m3 of natural gas. By means of the use of the Stopple, being able to seal the section of the pipe to be intervened, we could carry out the work venting only 6 km, equivalent to 120,000 m3 of natural gas.

Start-up of sections 2 and 3 of the Northern Vaca Muerta pipeline without venting gas to the atmosphere

We implemented a sequence of measures for the start-up of the new pipeline service, with the entrance of gas and its pressurization, in first instance in the second section (56 km) and later replicating the same methodology in the third section (25 Km), using a nitrogen batch and two smart pigs (cleaning tools). This initiative was driven by our workers to avoid the venting that would have been generated by the start-up of the pipelines.

Community

5

Highlights

+3,600 students
of 20 primary schools were trained on gas responsible use and transportation.

92% of the neighbors
who participated in the Door to Door Program considered that the prevention and care advice was useful.

380 people
participated of the professional training program known as “Learn a trade”.

450 young people
were trained in the program "Getting close to Basket".

220 families
of 40 rural communities participated in the “Cruzada Patagónica” Program.

7 schools
participated in the program "Improvements to Schools Infrastructures" in Bahia Blanca.

We participated of the Plan APELL (Awareness and Preparedness for Emergencies at Local Level)of the United Nations.

+370 volunteers
participated in the social projects of our "Corporate Volunteer Program".

We created the area of Relations with Stakeholders to improve interaction with our communities.

Our commitment to communities

We work driven by the commitment to look after our communities and play an active role in their development.

"Energy is essential for the development of society. Our commitment is to support the community, generating alliances with civil society players to improve the quality of life and access to work of all the populations where we conduct our activities".

Rubén De Muria
VP of Regulatory and Institutional Affairs

In all our operations we seek to fulfill three goals: the reliability of our operative system, the safety of our workers and contractors and the care of the environment.

Also, beyond meeting our regulatory obligations, we generate economic, social and environmental value in the short, medium and long term in every community where we operate.

Over the last years we focused on the Vaca Muerta area, where we are carrying out the construction of the Northern and Southern Vaca Muerta Pipelines and the Tratayén Conditioning Plant. There, we strengthen the relation with the communities, always abiding by the national and international standards.

Private social investment

$21,677,193
Total
-13% versus 2018

$2,276,000
Skills development
-7.5% versus 2018

$831,000
Support to local development
+77% versus 2018

$786,000
School infrastructure improvements program
+11% versus 2018

$419,193
Corporate volunteer program
0% versus 2018

$17,365,000
Donations
-8.7% versus 2018

Dialogue with communities

Our risk analysis and assessment approach and the consequent mitigation actions that we pursue ensure the rendering of a reliable and safe service to the communities. To improve and channel interaction with all stakeholders at the communities where we operate, in 2019 we created the area Relations with Stakeholders within the Institutional Relations Department. Among this area's roles, one is to identify the vulnerable groups and create dialogue channels to analyze consultation about the operations of the Company.

Upon the conduction of new works, we hold prior public hearings with native communities who inhabit the involved areas where our activities are conducted. We finalize these actions with the signature of easement agreements for right of way and cooperation agreements.

Besides, we cultivate direct communication with the town halls and neighbors to announce works that might be of interest to them. Our web site and social networks are open to anyone who may want to contact us.

+3,600

participated in workshops

We also conduct educational workshops within the framework of the program Transporting Awareness in primary schools close to our pipeline route. The workshop is an interactive talk based on the prior knowledge of the students, with the aim of promoting awareness on the rational and safe use of the natural gas transportation systems.

Door to door

The population density of the urban areas we serve keeps going up. This drives us to update our approach in our damage prevention program every year, not only to review the technical aspects of the network but to specifically address the situation above surface.

Thus, in 2019 we conducted door to door visits to the houses near the pipeline route. During said visits, we informed our neighbors about their obligations and responsibilities in connection with the gas facilities, we advised them about accident prevention and above all we established an effective dialogue channel. On the other hand, we gave talks at nearby educational institutions, training children and teachers about prevention and safety.

To measure the impact of the campaign, we designed a survey that neighbors can answer willingly. Based on the results, we seek to improve the program.

84%
answered the survey

92%
knows the Company and considers relevant the information provided

Development of skills

Betting on the fulfillment of people's potential is part of our commitment to the communities where we operate. For such purposes, we carry out programs and initiatives that seek to provide them with personal and career growth.

"Learn a Trade" Professional Training Program

Through the formation in trades, we seek to contribute to the employability of young and adults in the most vulnerable sectors of the city of Bahía Blanca, where some of our plants are located.

The teaching is imparted by teachers of La Piedad Technical Institute ("ITLP", according to its acronym in Spanish), with whom we developed this program over nine years ago.

2019 Edition

80

persons participated in welding, carpentry, electricity, sewer specialist, design and serigraphy courses.

35%

were younger than 30 years.

41%

had not finished secondary school.

Number of participants in the program courses

Course	2016	2017	2018	2019	Total
Welding	-	58	48	52	158
Carpentry	18	12	32	8	70
Electricity	10	8	31	17	66
Design and Serigraphy	-	-	11	-	11
Sewer Specialist	-	-	-	3	3
Total	28	78	122	80	308

Professional Practices at **tgs**

Our professional practices targets young people who are in high school or College University students. The aim is to train them in skills, promote knowledge related to work and familiarize them with the work environment and team work.

High-School Professional Practices are addressed to students older than sixteen years —or to be sixteen in the year of reference—, with the support of the teacher in charge or the Company's tutor.

University /College Professional Practices are addressed to regular students, according to the regulations in force at the university at the moment of their registration.

The students who take these practices are provided with transportation, lunch service and personal protection elements. Besides, each student receives a certificate with the details of the period of attendance, the roles and activities he or she performed and his/her assessment made by the corresponding tutor.

Professional practices

19
Total

Getting close to sports

In a joint effort with the Bahía Basket team, the "Getting Close to Sports" Program seeks to move young people close to basket, with the aim of educating young people from Bahía in the building of values through sports.
The" Getting Close to Sports" Program, seeks to recruit boys and girls that do not play in clubs in a federated manner. Sport proposes different values embedded in the format of the game.
The program was carried out by means of an agreement among Bahía Basket, La Piedad Technical Institute (ITLP) and **tgs**.
It contemplates a quota of 50 students in their first, second or third year of school.
In 2019 the program was extended and received 56 students. Over 100 classes distributed in 160 hours were imparted by players and professionals of Bahía Basket. The teaching included educational talks with professionals about nutrition, social networks and healthy habits to support children in their personal growth. We provided ITLP with practice elements such as cones, basket balls and clothes, besides giving the students a full training equipment and another for competition.
Since the beginnings of this initiative in 2018, 450 young people form vulnerable neighborhoods have practiced basket and obtained an education based on sport values.

56

teenagers between 13 and 15 years participated in the program Getting Close to Basket.

Support to local development

One in every four young people who inhabit the rural communities of our country does not have access to secondary school as there are no available institutions in the proximities or because their infrastructure is very poor.

For that reason, as part of our commitment with the community, at **tgs** we focus on giving educational opportunities to boys and girls between 12 and 17 years of Patagonia rural communities.

"Cruzada Patagonia" Program

Since 2002 we have supported the proposal of Fundación Cruzada Patagónica. Within this program's framework, we work to:

- Facilitate access to education for children, adolescents and adults who live in isolated rural communities.
- Educate people and offer them tools so they can join the labor market.
- Strengthen educational institution and social entities in the region, with whom we seek to develop articulated action.

In 2019 we supported the comprehensive education center San Ignacio with didactic material for curricular, productive and technological areas. We also endorsed the development of solidarity practices, such as vaccination, building of greenhouses, technological innovation projects and masonry. Besides, within an institutional safety and health plan, we replaced the tires of vehicles that travel to the countryside, installed VHF and conditioned spaces. A total of 125 rural families in 5 communities were reached by these initiatives, whereas 180 school students were benefited along with their respective families.

Cruzada Patagonica Program in figures

+2,000
students went through our educational centers

60
rural primary schools that we could strengthen

2
free agro technical educational centers with which we collaborated

4
student houses where students live while they study secondary school

+30,000
people have been benefited these 40 years by the work of the foundation

Schools Infrastructure Improvement Program

In 2019 we continued participating in the Schools Infrastructure Improvement Program articulated by the provincial government.

+1,200

students and teachers participated in the program.

We conducted comprehensive works in two Bahía Blanca schools, which improve the educational quality of over 1,100 students and teachers. Repairs were conducted at the Primary School 10 of General Cerri and Secondary School 11 of Villa Delfina

At the Primary School Nº 10, works included sanitary and electrical installations, masonry works, ceiling, ground movement, change of location of the entrance gate, and repairs to the bathroom door.

At the Secondary School 11 of Villa Delfina, the following installations were made: sanitary, safety, electric, electromechanical, heating, crystal and mirrors with protection against birds in the windows, classroom divisions teachers room, carpentry, recoating , masonry, signaling and ceiling.

Once the works were finished, workshops were conducted for the students to raise their awareness of the need to take care of the school.

Allocated budgets

2018

$1,305,537
ES 353
Level: secondary school

$1,363,102
EP 319
Level: primary school

$1,103,646
JI 927
Level: kindergarten

$1,847,126
ES 28
Level : secondary school

$3,604,797
EP 84
Level: primary school

2019

$6,474,416
EP 10 Cerri
Level: primary school

$5,005,921
ES 11 Villa Delfina
Level : secondary school

Accident prevention workshops for fire fighters brigades

In 2019 we continued working to raise the awareness of the community on how to use natural gas and its facilities, and how to act in the event of emergencies.

In 2019, we carried out an upgrading course on response to emergencies in gas facilities for some fire brigades in the municipalities reached by our pipelines. The course was imparted by specialized professionals (CEPI, NFPA-certified), highly-qualified in fire fighting. Once the workshop was finished, we conducted an analysis of action in event of emergency, which is included in the drill programs to be developed.

43
participants
2018 Event

64
participants
2019 Event

APELL Plan (Awareness and Preparedness for Emergencies at Local Level)

We keep participating in APELL —Awareness and Preparedness for Emergencies at Local Level—, a process designed by the UN that aims at deepening awareness and preparing for emergencies related to major technological accidents. Its goal is to protect the community from human and material losses, as well as avoiding damages to the environment, through the preparation of a coordinated emergency plan.

In 2019, we conducted the following activities:

- We signed the cooperation agreement with the Bahía Blanca port consortium for the fourth consecutive year.
- We recruited the Bahia Blanca Industrial Park Owners Association and the non- profit organization Cangrejitos de Papel of the Boulevard Neighborhood to join our efforts in APELL.

Corporate Volunteering Program

Resting on the cornerstones of solidarity, dialogue capacity, creativity and team work, the Corporate Volunteering Program stipulates overall guidelines to encourage our workers to cooperate in different community aspects, based on the projects they present themselves.

Since we started the program in 2005, over 712 volunteers have joined in 86 projects presented by different areas. Edition after edition, not only new participants joined, but also many volunteers keep participating and showing their commitment and loyalty both to the program and the allied organization.

In the last edition, —2018-2019 – most of the presented projects sought to help organizations that address disabilities. Ranking second, our employees chose organizations that support childhood and the community on the whole. Thirdly, volunteers selected projects related to organizations that promote health and sports.
During the eight edition of the program, we provided economic and professional support to 14 non- profit organizations.

Evolution of the Corporate Volunteering Program

Edition	
1º 2005	33 volunteers 13 projects
2º 2006-2007	67 volunteers 19 projects
3º 2008-2009	60 volunteers 12 projects
4º 2010-2011	71 volunteers 19 projects
5º 2012-2013	82 volunteers 17 projects
6º 2014-2015	83 volunteers 19 projects
7º 2016-2017	71 volunteers 14 projects
8º 2018-2019	72 volunteers 14 projects

Donations

Donations Policy's delineates the procedures to address these initiatives. In 2019, we conducted a specific survey to define the policy scope.

Within this framework, we prioritize donation requests that arise in our community, work area and operations venues. We also assess other variables such as the need for the donation, the magnitude of the project and the relevance and track record of the institution that presents the request:

Over the last period, the selected institutions that received our donations were the following.

- **Tzedaká:** We supported the Tzedaka foundation and participated in five of its projects of:

  Overall Assistance: with a multidisciplinary approach to improve life style.

  Education: seek to guarantee the right to grow and educate of children and young people.

  Health: distribute free medicine and develop preventive health programs.

  Shoá survivors: they address their primary and emotional needs, to restore their dignity.

  Society: they work on different issues through alliances and network.

- **Holocaust Museum:** we collaborated in the remodeling of the premises.

- **"Haciendo Camino" Foundation:** we participated in a year-end dinner held to raise funds for the growth and overall development of children from 0 to 5 years and to support and train mothers from pregnancy onwards.

- **Integrar Association:** we contributed to their marathon for inclusion.

- **La Adela Municipality:** we donated clothing for the personnel who works at the waste treatment plant. We also imparted training courses.

- **Cerri Retirement Center:** we donated electrical material for the institution.

- **Luis Piedra Buena Secondary School (Santa Cruz):** donation of lockers, tools and computers for the school.

- **Río Colorado Hospital:** we donated emergency material.

- **San Francisco Javier Salesiana Institution – Civil Association (Bahía Blanca):** donation of food for holiday camps of children in vulnerable situation who depend on the institution.

- **Espartanos Foundation:** we support the foundation in its quest to reduce criminal rates, promoting inclusion, socializing and support to people deprived from their freedom through ruby, education, work and spirituality.

- **AEDIN:** we participated in the program as sponsors of the technological classroom.

Future challenges

6

We are committed to the continuous improvement of our business' sustainable management. Hence, it is important to think about our future challenges to keep working along this path: creating economic, social and environmental value for our stakeholders. In this framework, we have outlined the following key challenges on which we will keep working with our eyes set to the future.

Commitment to Sustainability

- Constant monitoring of the economic financial situation that allows us to ensure financial liquidity and solvency to conduct the required investments for the sustainable growth of the company.
- Updating of the Sustainability Policy.
- Development of a new materiality matrix, giving priority to key sustainability issues for the business and our stakeholders.
- Definition of key sustainable development goals for the Company within the framework of the road map jointly devised with the industry.
- Launching of **tgs** Sustainability Site with the main Company highlights.

Businesses and value chain

Midstream

- Search of incremental gas volumes to be gathered by the Vaca Muerta system by means of the celebration of transportation and conditioning agreements.
- Development of the processing and liquefaction projects, both pivotal for the growth of our midstream business.
- Sale of engineering and construction services for natural gas facilities, maximizing the use of **tgs** inner resources.
- Operation and maintenance in gathering system and non-regulated system facilities.

Transportation

- Compliance with our undertaken transportation commitments: ensure the rendering of this essential public service, focusing on customer satisfaction and meeting the quality standards required for the activity.
- Management of critical maintenance, integrity and prevention tasks along the pipeline system, so as to ensure the reliability of the system and meet satisfactorily the winter demand and the requirements of regulatory entities.
- Development of a culture of maintenance based on reliability, supported by technological innovations and processes improvements.

Telcosur

- Completion of the infrastructure communication works in Neuquen, Vaca Muerta and advance in the rendering of communications services in the area.
- Advance in the development of alliances to seize opportunities in the telecommunications business.

Liquids

- Ensure the supply of natural gas for thermal plant reposition (main Company's cost) at competitive prices.
- Diversify LPG exports destinations so as to increase this product's added value.
- Grow in the rendering of logistic services at the Galván port area to enhance the positioning of the assets that tgs owns in this area.
- Promote logistic synergies with other relevant players of the Bahía Blanca petrochemical pole to obtain efficiencies that improve revenues for every company.
- Develop businesses schemes to add value to the natural gas liquids that will be extracted from the non-conventional fields of the Vaca Muerta area.

Our people

- Progress in the processes started to promote the cultural change towards the digitalization of processes and documentation.
- Progress in the e-learning format of the different training instances, whether technical or management, among others.

Environment

- Implementation of **tgs** Environmental Strategic Map.
- Internal communication of the measurement of **tgs** Carbon Footprint to define reduction goals.
- Continue with the implementation, opening and training for the use of the new information tool to support the integrated management system . New IMS (SAP EHSM).

Community

- Launching of the Social License Process for potential new **tgs** operations in the Bahía Blanca area.
- Creation of a relationship framework with native communities.
- Outreaching of La Piedad program to get to the most vulnerable sectors in Bahía Blanca.

Response to COVID-19 Pandemic

In the year 2020 we faced an unexpected and challenging scenario caused by the worldwide COVID-19 pandemic, which impacted on all dimensions of our lives. In this context, we redoubled our efforts to ensure the safety of all our people and keep rendering a reliable and excellent service. Among the main measures we implemented, we can underline:

- Conducted budget adjustments to preserve our financial situation, allocate reasonable resources to mitigate the negative impact of the main macroeconomic variables and the delays in tariff increases.
- Organization of work teams, prioritizing the health of our workers and their families to ensure continuity and reliability of the gas transportation public service, liquids processing and dispatch, midstream and telecommunication services.
- Implementation of sanitized areas in our sensitive operational areas, such as the dispatch and control room of **tgs** pipeline system, our networks operations center of telecommunications and the operations rooms of our main facilities. Measures included cleaning of rooms, prevention of physical contact between the different shifts, as well as prohibition of the use of public transportation of this staff, among others.
- All the personnel who can carry out his or her tasks form their houses, have been connected by remote work connection and under no circumstances are to be allowed to attend the office. These workers represent 41% of the Company's headcount.
- Regarding the staff that carries out operation and maintenance of our pipelines and plants, they are operating with the minimum staff possible to ensure the continuity of the transportation public service. Said personnel is divided in different shifts and follow all the required safety and prevention protocols. This staff represents 59% of our workforce.
- The Occupational Health Area, along with other relevant parties, has prepared a set of specific protocols for each kind of task to be performed at our Company (involving both our own personnel and our contractor's staff). The mentioned protocols have been included in our management system, follow the guidelines and are updated based on the recommendations and suggestions of the Ministry of Health of Argentina and the World Health Organization.
- Implementation of a Health Monitoring System at the entrance of the facilities both for our own and our contractor's staff, including temperature monitoring and a questionnaire related to symptoms compatible with COVID-19 (CONICET).
- Regarding training, we continued with digital learning through the use of MICROSOFT TEAM + JAM (collaborative social and corporate network platform) for training conducted in-house or with Educational Institutions IGPUBA (UBA) PLAPIQUI (CONICET Bahia Blanca).

About the report

7

Scope

Objective of the Sustainability Report: Communicate our stakeholders about the operational, economic social and environmental performance of **tgs**, departing from a process that contributes to improve accountability and the sustainable management of our business.

Regularity: annual.

Issuance Number: 9.

Reported period: from January 1, to December 31, 2019.

Scope: the reported information comprises all our Company's businesses.

Economic financial information: our economic and financial performance is fully disclosed in the Annual Report and Financial Statements 2019, available at http://www.tgs.com.ar/investors/financial-information

International Standards

We prepared the sustainability report using international guidelines and standards of transparency and accountability:

- Global Reporting Initiative (GRI) Standards: This report has been prepared in accordance with GRI Standards; Option Essential. The GRI standards constitute the most accepted framework worldwide to publicly inform economic, environmental and social impacts of an organization.
- Sustainable development goals: (SDG) in the table of contents GRI we link the SDGs in accordance with the SDGs Compass tool developed by the United Nations and GRI.
- United Nations Global Compact: through this report we present our Communication on Progress (COP).

Materiality Analysis

The contents included in the Sustainability Report have been defined based on a Materiality Analysis developed in 2016, reviewed in 2017 and 2018, considering the impact of material issues identified in the business and their importance for our stakeholders groups.

Materiality Matrix

Stakeholders \ Company	-		+
+		• Human resources: Professional training. • Facilities and operations: Midstream [1]. • Environment: GHG Issuances. Governance: Relations with government. • Safety: Road safety.	• Safety: Third Parties Damage Work station. • Facilities and Operations: NG Transportation; Liquids separation, fractionating and storage; Pipeline and poliduct integrity.
	• Community – Direct contribution. • HHRR – Behavior - Welfare. • Value Chain - Suppliers development. • Facilities and Operations - Telecommunications. • Environment – Responsible consumption.	• Environment: Water pollution; Energy consumption ;Impact on soil; Noise. • Value chain: Fair negotiation practices; Contractors management. • HHRR: Relations with Unions; Productivity; Work climate. • Governance: Risk management; Ethics and Transparency; Communication channel. • Human Rights: Discrimination • Community: generation of local employment • Commercial: New businesses.	• Community/ Easement/ Land Owners. • Facilities and Operations: LPG. Transportation through third parties trucks.
-	• Community: Volunteers program. • HHRR: Turnover.	• Value chain: Training and competition. Facilities and Operations: Transportation by ship; Technological innovation. • Environment: Use of water ;Generation of waste. • Community: Training.	

[1] Midstream: **tgs** integrated services for the transportation of hydrocarbons from the field to **tgs** treatment plants in Tratayén, Río Neuquén or Plaza Huincul, where they will be processed to meet the technical quality required for entrance into the main regulated pipelines

GRI Table of Contents

This report has been prepared in accordance with GRI Standards: option Essential.

References:
Indicators aligned to the Global Compact Principles of the United Nations.
MEF2019: information reported in 2019 tgs Annual Report and Financial Statements available at www.tgs.com.ar/investors.
All notes included in the table are explained below it.

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	102-4 Location of operations	7		
	102-5 Ownership regime and legal form	13		
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	102-8 Breakdown of organizational workforce	36-40, Note 1		8, 10
	102-9 Organizational Supply Chain	34		
	102-10 Significant changes in the organization and its chain of supply	Note 2		
	102-11 Prevention or approach principle	12, 15, 16-17, 68-60, 62, 89		
	102-12 External initiatives	12, 18		
	102-13 Affiliation to associations	59		

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GRI 102: 2016 General statements	102-16 Values, principles, standards and code of conduct	11-15		16
	102-17 Counseling mechanisms and ethical concerns	15		16
Governance				
GRI 102: 2016 General statements	102-18 Governance structure	MEF 2019 (Section 9, Corporate Governance)		
	102-19 Delegation of authority	MEF 2019 (Section 9, Corporate Governance)		
	102-21 Survey to stakeholders groups about economic, environmental and social issues	13-14, 15, 19-23		16
	102-23 Chairman of the maximum governance body	Note 3		16
	102-26 Role of the highest governance body in setting objectives, values and strategy	MEF 2019 (Section 9, Corporate Governance)		
	102-30 Effectiveness of risk management processes	MEF 2019 (Section 9, Corporate Governance)		
	102-32 Highest governance`s body role in sustainability reporting	Note 4		

GRI standard	Contents	Page or answer	Omission	SDGs
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	102-42 Identification and selection of stakeholders	19		
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	103-3 Management approach assessment	10, 16-17, 85-86		
GRI 201: 2016 Economic performance	201-1 Direct economic value generated and distributed	10		8,9
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	103-2 Management approach and its components	10, 16-17, 19-22, 45, 89		
	103-3 Management approach assessment	10, 16-17, 19-22, 89, 45, 85-86		
GRI 202: 2016 Market presence	202-1 Ratios of standard entry level wage paid by the organization	Note 9		1, 5, 8
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	10, 16-17, 19-32, 25-29, 32, 34-36, 75, 89		
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	203-1 Infrastructure investments and services supported	75		5, 9, 11
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GRI standard	Contents	Page or answer	Omission	SDGs
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	10, 16-17, 34-36, 89		
	103-3 Management approach assessment	10, 16-17, 34-36, 85-86		
GRI 204: 2016 Procurement practices	204-1 Proportion of spending on local suppliers	34		8
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	15, 16-17, 19-22, 34, 89		
	103-3 Management approach assessment	15, 16-17, 19-22, 34, 85-86		
	205-2 Communication and training about anti-corruption policies and procedures	15, 34		16
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
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	103-3 Management approach assessment	16-17, 19-22, 58, 60-62, 70-71, 85-86, 89		
GRI 302: 2016 Energy	302-1 Energy consumption within the organization	70-71		7, 8, 12, 13
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Material Issues				
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 58, 60-62, 65-66, 89, Note 11		
	103-3 Management approach assessment	16-17, 19-22, 58, 60-62, 65-66, 85-86, 89		
GRI 303: 2018 Water and effluents (content on management approach)	303-1 Interactions with water as a shared resource	66		6, 12
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GRI 303: 2018 Water and effluents	303-3 Water withdrawal	65, Note 12		6
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Biodiversity				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 58, 60-62, 63, 89		
	103-3 Management approach assessment	16-17, 19-22, 58, 60-62, 63, 85-86, 89		
GRI 304: 2016 Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Information partially available. In the next report we will inform progress related to this topic's analysis.	6, 14, 15

GRI standard	Contents	Page or answer	Omission	SDGs
Material Issues				
Emissions				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 58, 60-62, 72, 89		
	103-3 Management approach assessment	16-17, 19-22, 58, 60-62, 72, 85-86, 89		
GRI 305: Emissions 2016	305-1 GHG emissions (scope 1)	Note 15		3, 12, 13, 14, 15
	305-2 Indirect GHG emissions when generating energy (scope 2)	Note 16		3, 12, 13, 14, 15
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	305-6 Emissions of ozone-depleting substances (ODS)	Note 18		3, 12
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Note 19		3, 12, 14, 15
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GRI 103: 2016 Management Approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 58, 60-62, 67-69, 89		
	103-3 Management approach assessment	16-17, 19-22, 58, 60-62, 67-69, 85-86, 89		

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Material Issues				
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 34-35, 89		
	103-3 Management approach assessment	16-17, 19-22, 34-35, 85-86, 89		
GRI 308: Suppliers environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria		Unavailable information. For our next report we will work to develop this issue.	
Employment				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 39-40, 41-43, 44, 89		
	103-3 Management approach assessment	16-17, 19-22, 39-40, 44, 85-86, 89		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	41-43, Note 21		5, 8, 10
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	44		3, 5, 8

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Material Issues				
Occupational health and safety				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 39, 46, 48-53, 54-55, 89		
	103-3 Management approach assessment	16-17, 19-22, 39, 46, 48-53, 54-55, 85-86, 89		
GRI 403: Occupational health and safety 2018 (content on management approach)	403-1 Occupational health and safety management system	48-49, 51-52		8
	403-2 Hazard identification, risk assessment and incident investigation	53, 54-55		8
	403-5 Worker training on occupational health and safety	46, 48-50, 54-55		8
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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53		8
	403-9 Work-related injuries	53, Note 22		3, 8, 16
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GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 46-47, 89		
	103-3 Management approach assessment	16-17, 19-22, 46-47, 85-86, 89		

GRI standard	Contents	Page or answer	Omission	SDGs
Material Issues				
Training and education				
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	46		4, 5, 8, 10
	404-2 Programs for upgrading employee skills and transition assistance programs	46		8
	404-3 Percentage of employees receiving regular performance and career development reviews	47		5, 8, 10
Diversity and equal opportunities				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	11, 16-17, 19-22, 39, 41-43, 89		
	103-3 Management approach assessment	11, 16-17, 19-22, 39, 41, 85-86, 89		
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity in governance bodies and employees	39, 41-43, Note 23		
Non -discrimination				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	11, 16-17, 19-22, 89		
	103-3 Management approach assessment	11, 16-17, 19-22, 85-86, 89		
GRI 406: Non -discrimination 2016	406-1 Cases of discrimination and corrective actions taken	Note 24		5, 8

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Freedom of association and collective bargaining				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 45, 89		
	103-3 Management approach assessment	16-17, 19-22, 45, 85-86, 89		
GRI 407: Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	Note 25		8
Human rights assessment				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 34, 89		
	103-3 Management approach assessment	16-17, 19-22, 34, 85-86, 89		
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments		Unavailable information. We are working on systematizing this information to include it in next reports.	
Local communities				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 75-76, 77-81, 82-83, 89		
	103-3 Management approach assessment	16-17, 19-22, 75-76, 77-81, 82-83, 85-86, 89		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	77-81, 82-83		

GRI standard	Contents	Page or answer	Omission	SDGs
Material Issues				
Supplier social assessment				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 34-35, 89		
	103-3 Management approach assessment	16-17, 19-22, 34-35, 85-86, 89		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria		Unavailable information. We will work to develop this information for next reports.	5, 8, 16
Public policy				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	15, 16-17, 19-22, 89		
	103-3 Management approach assessment	15, 16-17, 19-22, 85-86, 89		
GRI 415: Political contributions	415-1 Political contributions	Note 26		16
Customer health and safety				
GRI 103: 2016 Management approach	103-1 Explanation of the material topic and its boundary	16-17, 19-22, 89		
	103-2 Management approach and its components	16-17, 19-22, 30-31, 32-33, 89		
	103-3 Management approach assessment	16-17, 19-22, 30-31, 32-33, 85-86, 89		
GRI 416: Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	30-31, 32-33		

Notes

Note 1		For indefinite term or permanent	Temporary
Breakdown by work contract and region 2019	Don Bosco Main Office	290	13
	Bahía Blanca/Buenos Aires area	251	29
	Cerri area	178	10
	Western area	181	6
	Southern area	159	1

Note 2: There have been no significant changes at the Company in 2019.

Note 3: Luis Alberto Fallo is the Chairman of the highest governance body and does not have executive roles at the Company.

Note 4: The CEO is in charge of approving the contents of the Sustainability Report.

Note 5: For the purposes of this report we used the reference measurement methods outlined by the GRI standards.

Note 6: No changes.

Note 7: 2018.

Note 8: For enquiries related to this report, address the following mail as contact: sustentabilidad@tgs.com.ar

Note 9: At **tgs** there are no salary differences derived from gender. The salary value at the entry level of our collective agreement is a single one, regardless of the gender of the person who joins the company. As the employee grows in work category within the agreement, values keep being unique without gender difference. The salary of a worker may be above the minimum due to several conditions inherent to the job, including an additional per area and shift.

Note 10: In 2019 there were no confirmed corruption cases.

Note 11: Most of our facilities are outside the urban network in very few cases water is provided by the public network. Overall, we have drilled water wells for the extraction of underground water. The different water sources correspond to fresh water. In 2019, total extracted water amounted to 1,139.4 mega liters. In some cases, water may be collected via an aqueduct and in others we can buy it in bulk and receive it at the plants in tanker trucks.

Note 12

Water extracted in water stressed areas (in mega liters)	2019			
	Shallow water consumption	Third parties consumption	Underground water consumption	Total consumption
Transportation	3.4	1	27	31.4
Processing	0	8.3	981.8	990
Midstream processes	0	7	6.3	13.3
Administrative areas	0	2.1	0	2.1
Totals	**3.4**	**18.3**	**1,015.10**	**1,036.80**

Note 13: "The Cerri complex is the only facility that generates industrial effluents from processes, saline discharges from reverse osmosis desalinization plant, cooling tower purges and plant cleaning flushes. Industrial effluents are taken to a pumping well where the volume is equalized and sent to an API pool of 220 m^3 for a primary separation. There hydrocarbons are separated by density difference. The pool has a skimmer at the head that collects the separated hydrocarbons. Then, the effluent enters into a facultative pool that produces oxidation and stabilization of the remaining organic matter. The generated mud sediments settle and the liquid is discharged through over-spilling through a groove that acts as a solids trap from there, they are sent to the sampling taking chamber where the effluent is chlorinated, before being discharged to the stream Saladillo de García.

The minimum quality criteria of the Cerri Complex discharges are determined by the Water Regulating Entity of the province of Buenos Aires and the CTE (Executive Technical Committee). It also has a discharge permit and complies with the monitoring plan outlined by the authorities. The only incident occurred in May 2019, overcoming the 0.5 limit of chloride in the Cerri effluent discharge."

Note 14: "In 2019, total consumed water added up to 1,051.79 mega liters (contemplating amounts of water recovered or reused through treatment processes).
In 2019, total consumed water in water- stressed areas was of 949,25 mega liters (contemplating amounts of water recovered or reused through treatment processes).
Water consumptions at the company are not industrial. This resource is used for irrigation, sanitary installations and the firefighting network, so water is extracted from the different sources in a similar way as residentially.
Water consumption estimates: based on the daily reading of the flow meters extracted water volumes are recorded in the inner procedure company worksheet (F01-PSMA275), thus the values informed hereby correspond to what was declared by each facility. For those sites , specifically the administrative offices, that do not have a meter provided by the water company , consumptions were estimated taking as reference value 0,25 m^3/person/day. The information of the number of persons in each facility is provided by human resources.
Recovered water estimates: in the case of the Cerri complex, values are estimated assuming a constant flow. Within the investments foreseen for 2020, we plan the installation of a flow meter. Regarding the Galván plant, we estimate— based on the irrigation tanker— a daily reuse of 9 m^3."

Total water consumption in 2019

Extracted water	1,139.40
Recovered water	87.6
Water consumption	1,051.79

Total water consumption in 2019 in water-stressed areas

Extracted water	1,036.80
Recovered water	87.6
Water consumption	949.25

Note 15: This calculation includes: CO_2 and CH^4. We do not generate emissions derived from combustion or biomass degradation (biogenic) in scope 1. The year taken as basis for the calculation of our carbon footprint was 2018. So it will be used to standardize data taking. The report approach is per business unit. Calculations of CH^4 emissions are based on standardized procedures of internal calculations. Combustion gases emissions are calculated based on laboratories and the hours of service of the different equipments.

Scope 1 emissions per origin

Values in tons CO_2 2018 2 eq/year	2018	2019
CO_2 emissions		
Natural gas emissions in process equipment	2,981,273	3,040,896
Natural gas emissions in power generators	63,676	171,660
Process	26,332	17,730,70
Flare burning	16,538	19,810
Total CO_2 emissions	**3,087,818**	**3,250,096**
CH^4 emissions		
Due to programming	9,852	12,569
Scheduled maintenance at compressor plants	4,403	3,866
Scheduled maintenance at processing plants	29	24
Maintenance in pipelines/ PM	131,631	191,625
Failure in the turbine compressor start-up	222	158
Electrical failure	1,903	897
Electronic failure	913	618

Scope 1 emissions per origin

Values in tons CO_2 2018 2 eq/year	2018	2019
CH^4 emissions		
Due to mechanical failure	470	1,608
Due to external causes	82	108
PEM new facilities	4,343	40,543
Due to process instability	451	51
Due to instruments malfunctioning	14,288	10.078
Due to chromatography venting	6	31
Due to dry seal venting	42,494	42,563
Due to wet seal venting	694,261	694,396
Other regular venting	3,978	3,672
Other causes	1,162	67,973
Total methane emissions	910,490	1,070,780
TOTAL GHG EMISSIONS	**3,998,308**	**4,320,876**

Note 16: Scope 2 emissions correspond to acquired electric energy. The base year is 2018, as it is the one we took as basis for the calculation of our Carbon Footprint and departing from which we will be able to standardize data recording. There are no emissions derived from special activities.

Note 17: It includes emissions of our staff and or contractors vehicles. The following gases are included in the calculation: SO_x, CO_2, CH^4 and N_2O. The base year is 2018 as it is the one we took as basis for the calculation of our carbon footprint and departing from which we will be able to standardize data recording.

Note 18: We do not use this kind of substances.

Note 19

NOx Emissions	2018	2019
Transportation business (CP and pipelines)	5,980	14,251
Liquids business (Cerri Complex – Galván)	1,040	1,369
Midstream processes	427	356
Total NOx emissions	**7,448**	**15,976**
CO emissions		
Transportation business (CP and pipelines)	22,824	37,873
Liquids business (Cerri Complex – Galván)	418	447
Midstream processes	88	88
Total CO emissions	**23,330**	**38,408**

Note 20: there were no significant spillages in 2019. Eventual spillages consist in non-significant leakages from tanks and equipment. They result in controlled events as every facility has spilling management kits.

Note 21

Turnover indicators	2019	
	Total hires	**Hires rate**
Hire rate		
Per gender		
Women	13	11.40%
Men	121	12.05%
Total	134	11.99%
Turnover rate	**Total turnover**	**Turnover rate**
Per gender		
Women	11	9.65%
Men	42	4.18%
Total	53	4.74%
Per age group		
Under 30 years old	8	6.25%
30 or older than 30 and younger than 40	16	4.37%
40 or older than 40 and younger than 50	11	3.47%
50 or older than 50	18	5.86%
Total	53	4.74%

Note 22: Main work accidents in 2019 were recorded in hands, knees and lower members. The injury rate was calculated on the total workers at the Company, i.e. our own staff and contractors. Total worked hours in 2019 amounted to 6,251,165, calculating rates per every 1,000,000 hours of work.

Note 23

Breakdown by age and position of employees

	Under 30 years old	30 or older than 30 and younger than 40	40 or older than 40 and younger than 50	50 or older
Director	0	0	0	7
Manager	0	0	6	20
Head of Area	0	6	23	53
Analyst/ Supervisor	5	43	68	83
Administrative/ Operative	123	317	220	144

100% of **tgs**' highest governance body is made up of men.

Note 24: No discrimination cases were recorded in 2019.

Note 25: In 2019, we did not record transactions or suppliers whose right to freedom of association and collective bargaining may have been at risk .

Note 26: tgs does not make political contributions.

tgs