We have come a long way to be one step closer

2016 Annual Sustainability Report

This report has been translated from its original language.
Conducting a transparent business and maintaining a fluid communication with all our stakeholders’ groups is paramount to DIRECTV Argentina. That is the reason behind our decision to issue this Sustainability Report, which allows us to account for our management in the social, financial and business arenas. The information contained herein is laid out in accordance with the essential “conformance” to the GRI (Global Reporting Initiative) G4 guidelines and was drafted by DIRECTV Argentina Corporate Social Responsibility Area in cooperation with all of the company’s areas, whose engagement in delivering the required information was vital. We believe no external verifications need to be conducted based upon the in-depth, detailed data compiling and the company’s high degree of commitment regarding the truthfulness of the compiled data.

All opinions, enquiries or comments related to this report are welcomed and may be addressed to the following email box: rse@DIRECTVla.com.ar

You may also contact us by writing to:
DIRECTV Argentina Corporate Social Responsibility Department
Capitán Justo G. Bermúdez 4547
Complejo Panamerican Bureau, Tower I, First Floor, Munro (B1605DII)
Vicente López District,
Buenos Aires, Argentina
Since our start, AT&T has been about one thing: harnessing the power of our network to change lives and improve the world. And just as our network technology has gotten better over the years, so has our ability to address some of society’s toughest challenges.

A great example is education where technology is radically changing how students learn and how teachers teach. In the US, AT&T Aspire, our $400-million education initiative, is helping prepare more young people to succeed in school, on the job and in life. We’re working with external organizations like Udacity, Coursera and numerous universities- to create opportunities for specialized online degrees or certifications. And in Latin America our ESCUELA+ initiative has connected teachers and students in more than 7,500 schools across 8 countries to a world of educational discovery.

We are even using these same tools to help our employees gain the high-tech skills they need as we become a more software-centric company.

Technology can also speed the transition to a low-carbon economy- from networks that use less energy and water to better ways to conserve fuel through smart traffic management. Our 2025 goal: to enable carbon savings for our customers that are 10x the footprint of our operations.

Finally, as one of world’s largest telecommunication companies, we want people to use technology responsibly. Over almost 8 years, our “It Can Wait® program” has signed up millions of US drivers who have pledged to keep their eyes on the road, not on their phones. And now we are expanding our initiative to Mexico.

None of this would be possible without our employees, who are dedicated to their communities as they are to their jobs. In 2016, AT&T employees and retirees volunteered more than 5.4 million hours to make their communities better places to live and work.

Leveraging technology to build a better tomorrow is something we take very seriously. I invite you to learn more about our efforts in the following pages.

Randall Stephenson
Chairman and Chief Executive Officer
Welcome Letter

Our goal at DIRECTV is always to stay closer to our customers, to our teams and to each of our stakeholders groups which turn our company into a professional, transparent and genuine place to work. We also aim at offering top entertainment in every part of our country. What is this due to? We want to offer all Argentine inhabitants a TV connection and access to entertainment.

2016 was equal to times of transition as we began operating regionally and our ultimate goal was to achieve the integration of Argentina, Chile, Peru and Uruguay into only one team. And we are on the right track since we have focused on and enhanced business results without ever neglecting our company’s major asset: each of its talents.

As regards our portfolio of products we have succeeded in broadening their scope due to the development of a satellite internet service providing connectivity to various Argentine rural areas. We still generate a strong sports commitment; our sports investments are held as ongoing attempts to offer top high-quality contents. European Leagues, local rugby as well as local and foreign basketball teams lie as an integral part of the preferential programming options available for access to our customers, whether this access being achieved either through their television sets or mobile devices. On the other hand, and aiming at boosting our customers’ service skills and at reasserting our leadership in Pay Television, I consider it worth mentioning that a new satellite has been deployed to successfully serve the entire region.

Our commitment to Argentina also gets reaffirmed through the undertaking of initiatives such as the development of locally-produced contents which are later exported to all Latin America. And to provide support to students in their early steps as producers, our endorsement for the university filmmaking is displayed through the award of our Cinema Plus grant, whose fourth edition is underway. The three Latin American winners stand good chances of pursuing filmmaking studies at one of the world’s most prestigious institutions: the University of Southern California Filmmaking Arts School where filmmaking studies featured the presence of renowned film directors like George Lucas, Ron Howard and Robert Zemeckis.

Additionally, one of our top priorities is supporting youth, above all, during their various training stages. To that end, we have rallied our efforts with those of the “Fundación Sí” and have collaboratively aided in the opening of university residences where dozens of youth are helped face up the university lifestyle while far away from their families. By way of example: a new university residence has been set up in Santiago del Estero this year.

Last but not least, I would like to share with you the outcomes of our “Escuela Plus” educational program held as DIRECTV’s initiative to provide classroom audiovisual contents and having been around in Argentina for nine years now. We definitely take pride in recalling that the first school to have ever become part of Escuela Plus program was that of Esperanza base located in the Antarctic region. At DIRECTV we endeavor daily to ensure all Argentine inhabitants have access to a television connection, which thus results in the fulfillment of our ongoing innovation and quality commitment.

Manuel Abella
President of DIRECTV Southern Region
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We are committed
What is DIRECTV?

We stand as the major Paid satellite TV operator worldwide, with 25.3 million customers in US and 12.5 million in Latin America. All of our shares got listed on the New York tech-focused companies stock market, NASDAQ, until July 2015 when DIRECTV’s merger with AT&T took place and we have been part of the latter ever since that time.

Our headquarter office is based in the city of Los Angeles, US, whereas that of AT&T is located in the city of Dallas, Texas. We are Mexico and Latin America Division service providers, with the Latin American region being made up of Argentina, Brazil, the Caribbean, Chile, Colombia, Ecuador, Peru, Puerto Rico, Venezuela and Uruguay.

DIRECTVARGENTINA
DIRECTV Argentina has been doing business in Argentina as a corporation since 1988 with its capital stock of (95.23%) owned by DIRECTV Latin America and the other 4.77% held by Galaxy Latin America Investments.

We stand as market leaders due to our innovation, variety of contents and customer service policy.

We offer a Paid TV service with the best digital sound and image system and Prepaid TV, allowing anyone unable to afford monthly fees or searching for flexible, inexpensive television options to access this service. As we aimed at getting adjusted to new consumption needs, in 2010 we started offering our own broadband service called DIRECTVInternet.

Aiming at providing our customers the best entertainment experience at anytime and place we offer a set of contents featuring the world’s most popular signals as well as a differential programming list. We also endeavor tirelessly to achieve world-class quality products, and to offer a unique service, which will thus result in customers becoming our company’s fans.

4,091 employees work daily at the headquarter and corporate offices and in the 19 operational stations operating in Buenos Aires city and Argentina inland area, and our goal is to offer a top service to more than 2.6 million households.

4,091
STAFF MEMBERS

19
TECHNICAL STATIONS

2,609,718
CUSTOMERS

$1,984,382
SPENT IN COMPENSATIONS AND CONTRIBUTIONS

$2,718,613
SPENT IN FEES AND TAXES
Our Essence

We aim at transforming our company into the top entertainment experience at any time and place. How do we want to achieve this goal? We will attain our goal by offering interesting preferential contents, sound and image cutting-edge technology as well as high quality services for those who put their trust in us.

VALUES
Leadership
Innovation
Determination
Readiness
Teamwork
Integrity

BUSINESS OBJECTIVES
1. Offering a WOW experience to all our customers
2. Keeping on growing in the three market segments
3. Creating higher efficiency at a companywide level. Being a source of inspiration.
4. Getting committed to our staff and to the community.

AN IMPROVEMENT AND PLANNING EXAMPLE
The merger of two of DIRECTV Argentina’s major areas namely Sales and Field Services was conducted in 2016 so that they could undertake business initiatives together. This merger implied a genuine challenge and the one who is very much acquainted with challenges and surmountable hurdles is actually Santiago Lange, a yachtsman and Olympic medalist. The sportsman was invited to give a talk to the new Operations’ team and to let them know about his latest experience at the Olympic Games and planning tips.

Lange highlighted the importance of sharing a decision-making policy and of planning “When you are half-way through an initiative, every decision made is absolutely critical, but you remain calm if you have planned everything in advance and have previewed your goals”, he said. “When things change, they keep us alive”, added Lange when referring to DIRECTV’s strategy to get two areas merged into a sole team, which then became part of the Operations’ Vice-Chairmanship, whose goal is supporting the business priorities and to work on the company’s future.

CATAMARCA’S NEWLY OPENED STATION
The opening of a new operational station was achieved in San Fernando del Valle de Catamarca in 2016 along with the cooperation of Xungang company. This initiative aimed at enlarging the company’s service coverage and to strengthen its presence in Argentina’s Northern region. DIRECTV’s new facilities are strategically located along a 700-m² area to secure fast access to the city and a dynamic exit towards Catamarca’s province inland area. The opening of this new station aims at getting services closer to the community and to assess growth opportunities in the Argentine Northern area.

Technical Stations
- Munro Station (Buenos Aires)
- Pacheco Station (Buenos Aires)
- Fraga / Chacarita Station (CABA)
- Mataderos Station (CABA)
- Ituzaingó Station (Buenos Aires)
- Lanús Station (Buenos Aires)
- La Plata Station (Buenos Aires)
- Junín Station (Buenos Aires)
- Corrientes Station
- Salta Station
- Tucumán Station
- Rosario Station (Santa Fe)
- Comodoro Rivadavia Station (Chubut)
- Berazategui Station (Buenos Aires)
- Mendoza 1 Station
- Mendoza 2 Station
- Córdoba Station
- Río Gallegos Station (Santa Cruz)
- Catamarca Station

Headquarter Offices
- Munro (Buenos Aires)

Call centers
- Munro (Buenos Aires)

RBC Broadcast Center
- Martinez (Buenos Aires)

Corporate Offices
- Rosario (Santa Fe)
- City of Buenos Aires
- Córdoba
- Mendoza
At the forefront of technology

1998
DIRECTV’s arrival in Argentina was intended to bring about a transformation in the Pay TV market.

2007
This year witnessed the arrival of DIRECTV Plus, a program enabling the recording and rewinding of TV programs live, the making of instant replays and the storage of up to 100-programming hours, among other benefits.

2008
DIRECTV HD, which is held as a high-definition premium service, was rolled out this year.

2012
We began broadcasting 3D-programs. Additionally, DIRECTV’s Internet initiative was put in place.

2014
DIRECTV’s customers were able to watch Brazil’s Soccer World Cup online either in their smartphones or tablets (with the use of Android or iOS systems). Anyone with access to a computer was able to watch the World Cup 64 matches live via the following website: www.DIRECTVplay.com

2016

SATELLITE INTERNET SERVICE
Argentina was the first Latin American and worldwide country where DIRECTV deployed a Satellite Internet Service which, for the first time ever provides a high-speed affordable service option to rural areas. It is about an unlimited and preferential edition providing excellent opportunities to customers residing in urban centers remote areas.

MORE HOUSEHOLDS CONNECTED
Since October 2016 DIRECTV’s Internet service has been offered to rural and peripheral areas belonging to a great part of Buenos Aires province like the districts of San Nicolás, Pergamino, Junín, Chivilcoy, Luján, Cañuelas, Olavarría, Azul, Tandil and Mar del Plata, among others. The service, which will be offered as a postpaid monthly plan with a 15-Mb browsing speed, a 10, 20 or 50-Gb data packet and unlimited recharging options, is already available for residential users in these areas.
Business Integrity and Ethics

We believe our business must be based on the highest code of ethics and integrity standards so that we are still deemed as the best. These standards will lie as the building blocks to provide our customers an enriching experience, to strengthen successful ties with our partners and to build a sound culture.

CORPORATE GOVERNANCE
DIRECTV Argentina’s Governing Body is staffed by seven men and women entrusted with determining the major corporate lines and with developing core strategies and processes. Also, it falls upon this body to lay down the Corporate Social Responsibility and Sustainability Guidelines. As regards this Governing Body’s composition, 100% of its members are originally from the community where we operate.

Our entire team annually undergoes an assessment which is based on the use of the Feedback to Grow management development tool, which enables us to set clear goals for every fiscal year and to evaluate people upon the basis of their commitment to the achievement of these goals. The resulting score is key to determining the BOD’s annual bonus.

CHANGING TO KEEP ON GROWING
Noteworthy appointments were made at DIRECTV Argentina Leadership team in 2016:

• Manuel Abelleira was called upon to serve as chairman of DIRECTV Argentina eight years ago. At that time, an enormous customers’ portfolio growth was reported, along with the creation of a sound taskforce. In his capacity as chairman, he also boosted innovation with the roll-out of new products like the Prepago service, which erected as the driving engine to push the region’s development and allowed thousands of Argentines to access Paid television.

The announcement of DIRECTV’s purchase by AT&T in 2016 implied a step forward in Manuel Abelleira’s professional career. Back in 2016, he was appointed president of DIRECTV’s Southern Region, which also includes Argentina, Chile and Uruguay. His challenge involves coordinating the various Management teams and boosting each of the Southern region’s countries business opportunities. He has been running DirecTV’s business in Peru since November 2016.

• Mariano Diaz de Vivar took office as Operations Director of Buenos Aires province, which accounts for 43% of the company’s turnover in Argentina. In his capacity as such, Mariano runs a cross-sectional team staffed by more than 1000 people including technicians, salesmen and administrative staff. It falls upon him to pull together all operations conducted in 8 of his own stations as well as to monitor ties with six of DIRECTV’s strategic agents while additionally working with the other two Northern and Southern region management areas.

• Guillermo Roca was appointed Operations Director of the Northern Market, which accounts for over 35% of the company’s total turnover and has been running the DIREC-TV’s technical and business 400-staff teams since the date of his appointment.

• Alejandro Sánchez took office as Operations Director of Argentina’s Southern Market and has been running the Sales, Operations and Field Services Departments in nine provinces since 2016. Additionally, it will lie with him to run the DIRECTV’s Internet service in Mendoza province.

7 WORKERS

57%

43%

ARE AGED 30-50

7 WORKERS ARE FROM ARGENTINA
CORPORATE POLICIES AND CODE OF ETHICS
Since 2014 all the DIRECTV’s community has been complying with an Ethics and Anti-Corruption Corporate Policy, which lays down its staff members’ expected behaviors, highlights what values apply to their daily routines and shares good honesty, liability and integrity practices at work.

These policies are disclosed to all staff members when initially recruited by DIRECTV, who are also given yearly compulsory trainings hosted by the Human Resources Department. During those trainings, they are informed the Ethics Point tool is available for their use to anonymously report any type of discrimination cases.

Should any of the staff members become aware of any behavior held either as improper or contrary to the company’s values, the latter may report that behavior through one of the two channels below:

1. Confidential channels like the Ethics line
2. The issue may be raised before the staff member’s area manager or director. As the company has an “open doors” policy in place, this channel is usually the most selected option.

1,738 HOURS OF TRAINING ON HUMAN RESOURCES
3,477 STAFF MEMBERS TOOK PART IN VIRTUAL COURSES
92% STAFF MEMBERS RECEIVED TRAINING ON HUMAN RESOURCES

ETHICS LINE
It is a contact channel available to employees, through which behaviors they regard either as improper or contrary to DIRECTV’s values may be reported (whether anonymously or by the employees disclosing their personal data).

The cases reported at Ethics Point reach the Internal Auditors’ Area through the tool portal, where all cases reported, the actions adopted in each case and the outcomes achieved are duly documented. Should a discrimination case be reported, it will be assessed along with the Human Resources team of the relevant area, and a joint action plan will be designed.

Upon the execution of all applicable actions and the validation of the outcomes expected, the case is eventually closed regardless of the fact that the Human Resources Department may proceed with the follow-up of the employees having reported the foregoing case.

ANTI-CORRUPTION POLICIES
Our anti-corruption policies are governed by the US FCPA Act (Foreign Corrupt Practices Act or Act on Corrupt Practices abroad), which DIRECTV must observe since as member of AT&T, it is a public company listed on the New York Stock Exchange (NYSE). This act bans the authorization, offer or promise of any direct or indirect treatment given to a public officer on behalf of the company either to accomplish or retain a business or secure an undue advantage.

This act also lays down guidelines for the management of any governmental institutions or officers’ expenses (such as price caps, frequency of expenses incurred etc.).

Aiming at the promotion of anti-corruption policies, compulsory trainings are annually offered to all Government officials and to third-parties rendering services on behalf of DIRECTV.

Pursuant to the corporate applicable guidelines, a decision to enlarge the scope and management levels of the staff this policy applies to was made in 2016. As a result, Legal and Public Affairs, Corporate Liability, Anti-Fraud, Finances, Human Resources, Sales and Marketing categories were included in the foregoing anti-corruption policy.
Customer Announcements and Programming. The number of staff provided with training rose from 97 in 2015 (80% of all staff convened to attend trainings) to 298 (84% of all staff called upon to attend those trainings) in 2016. Additionally, our policies are posted on our intranet, and queries on this issue are dealt with by a policy officer.

**NUMBER OF STAFF TRAINED ON ANTI-CORRUPTION**

<table>
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<th></th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td></td>
<td>97</td>
<td>298</td>
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Reviews are conducted by the Internal Audits Area to assess the process risks as well as the controls mitigating such risks. Corruption-related risks stand among those risks being assessed.

As a result of all assessments conducted, no cases of corruption have been detected and the effective operation of related-risk controls was confirmed.

No cases of discrimination were reported, either.

**Technical Stations:** reviews in situ were performed in the districts of Munro, Lanús, Pacheco, Tucumán, Córdoba and Comodoro Rivadavia; with such districts accounting for 33% of the company’s own stations. Additionally, remote reviews were carried out in 100% of the stations.

**Logistical Operations:** reviews were performed in the district of Buen Ayre headquarters as well as in the offices located at the Poeta Rizzo district and Córdoba province.

**NET Sites:** randomized reviews were carried out in 59 NET sites (which account for 6% of the total 987 sites), including CABA, Pacheco, Ituzaingó, San Miguel, La Matanza districts, and Córdoba and Mendoza provinces.

Our company also features some other business-transparency guidelines. By way of example, the Approvals Policy establishes the levels of approval to secure compliance in Procurement, Recruitment, Contracts and Payment processes areas, among others.

**ECONOMIC INDEPENDENCE**

In economic terms, DIRECTV stands as a company run independently of any State agency. The sole Governmental institution grant is awarded through a Tax Credit System, which is part of our employment inclusiveness program called ATP.

Several processes risks were confirmed in different company’s areas in 2016.

**Administrative Offices:** countless reviews of various processes underway at Munro and Optima corporate offices have been performed.
2016 Awards and Acknowledgements

We endeavor ourselves so that when our customers comfortably watch television at home it is just more than a program viewing experience they can enjoy; we want them to have a WOW experience. Our daily efforts towards the achievement of this goal get mirrored in specific outcomes such as when we receive market recognition through the granting of awards and acknowledgements.

• Customer Experience Leaders
  DIRECTV came out first at the IZO ranking amongst the Argentine television companies, and stood as a leading design consulting and Customer Experience strategies company both in Spain and Latin America.

• Customer Satisfaction
  According to a report published by La Nación newspaper in 2016, DIRECTV was ranked among the 11 companies offering its customers the highest degree of satisfaction and the best experiences ever. DIRECTV received recognition for its customer care and good practices policy and as a result of its customers’ loyalty it is currently held as a cable television segment leader. The survey, which was conducted by Bain Consulting Company for the first time in Argentina, got 5000 respondents.

• The best reputed company in the Mass Media Industry
  A new edition of the MERCO ranking on the 100 companies with the highest degree of prestige in Argentina was published on Clarin newspaper iEco supplement. DIRECTV is still ranked fifth in the Mass Media Industry and Manuel Abellayra, in his capacity as president of the company, moved up to 6 places in the business leaders’ ranking.
We are sustainable
A 360º Management Approach

It is only feasible to build a long-term sound business endeavor if a positive impact is exerted upon people, the community and the surrounding environment. At DIRECTV, we are aware of this fact, and that is why we endorse sustainability in each of our daily activities.

Endeavoring daily for the sake of sustainability entails taking into account the rest of the community’s social environmental concerns as well as those ones related to our company’s operations including those business ties we forge with our major partners.

As market leaders, we stand as major society players. However, we can solely exert influence on our environment if our taskforces along with our business partners, get motivated, if an efficient resources management system is put in place and our support is offered to the community. Only in this way can we serve as a major change driver.

The sustainability approach at DIRECTV, which it is referred to as a 360º approach, involves all of the stakeholders’ groups we build ties with and reaches out to all our company’s operations.
Strengthening ties with Stakeholders´ groups

We understand sustainability goes hand in hand with listening to our stakeholders´ expectations and concerns and making them become part of our daily management approach.

Our stakeholders are the ones listed below:

- **Customers**: they are our priority.
- **Employees**: they work daily to offer the top entertainment experience.
- **Governing Body**: it is a key-player during decision-making.
- **Community**: we support each other to secure the highest growth for all.
- **Value Chain (suppliers and official agents)**: they allow us to ensure the quality of our products.
- **Opinion Makers**: journalists, specialized press, bloggers, trend creators and influencers.

During our talks with the stakeholders´ groups above, some enriching issues for the management of our company were raised and their inclusion as part of our management agenda will be assessed according to the applicable business strategy:

- **Customer Service Issues**: hurdles to deal with some Argentine idiomatic expressions frequently arise in light of the customer service diversity of cultures involved.
- **Survey geographic region-based issues**: stakeholders´ groups recommend that region-based surveys should be used as different strategies are applicable in each region.
- **Fair Trade Policies issues**: attempts were made in 2016 to devise a sustainable purchase criteria definition which may become an integral part of our management approach.

We have established an ongoing interaction network with these stakeholders groups, with which we aim at developing a fruitful dialogue and trust relationship for everybody´s growth.

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1. See chapters 3-6 of this report for further information about DIRECTV’s relationship with each of its stakeholders´ groups.
Involvement in Public Affairs

Forging ties with public organizations is key to DIRECTV’s life as a social player. Based on that dialogue, it seeks to boost accountability efficiency, to achieve a more adequate industry performance and to contribute to Argentina’s growth.

Our company adheres to all legislative standards and regulations in place, and also evinces an interest in holding a discussion that may exert an impact on the relevant area’s public policies. Therefore:

- We interact either with other television companies or a broader group of companies and are members of chambers seeking companies’ development and their value contribution to our country.
- We support accountability and training-promoting organizations and are members of some of them.
- We operate with local authorities of populations groups featuring the presence of DIRECTV.

DIRECTV is a member of the following organizations, among others:

- CAPPSA (Argentine Chamber of Producers and Programmers of Audiovisual Signals).
- IDEA (Institute for Business Development in Argentina).
- AMCHAM (American Chamber of Commerce in Argentina).
- CEADS (Business Council for Sustainable Development).
- Council of the Americas.
- RAP (Political Action Network).
- CICOMRA (Argentina’s IT and Communication Chamber).
- BLAPP (Parliamentary and Public Affairs Agency).
Accountability and Transparency

Setting goals, evaluating outcomes and informing them later are vital to the achievement of sustainable performance. Our sixth Sustainability Report aims at giving an overview of our business activities as well as of their impact upon the environment and, whenever possible, it is meant to be inspiring for others.

MATERIALITY ASSESSMENT

Our sixth sustainability report is meant to highlight the uninterrupted continuity of the indicators published in previous reports based on the DIRECTV’s relevant issues review. These are social, environmental and economic issues which exert a dramatic impact on the company and are held as relevant by our stakeholders groups. Over time, this allows gathering a greater deal of data to display the management trends in use.

1. We began selecting the contents for our report during the course of a meeting held with DIRECTV’s Executive Board in which the company’s material issues were reviewed and validated while also taking into account their impact on the business as well as the trends and best practices of the area involved.

2. Next, a survey was conducted so that the various stakeholders groups involving customers, employees, suppliers, NGOs, Governments, official representatives and journalists could engage in the validation of and allocation of priority to the list of contents selected.

3. By cross-checking the stakeholders groups’ replies on a group-by-group basis, an average of the total number of replies received was struck, which resulted in priority being allocated to those relevant issues to be disclosed in this 2016 Annual Sustainability Report.

Even if no major outcomes variations in this year’s report have been informed compared to the issues addressed in 2015’s Report, DIRECTV argues that the issue of VOLUNTEERING work must be tackled and developed since it is key to the sustainable business development.

SUBJECTS

| QUALITY AND CUSTOMER SATISFACTION | 1 |
| NATIONAL INDUSTRY DEVELOPMENT | 2 |
| CORPORATE GOVERNANCE, ETHICS AND TRANSPARENCY | 3 |
| ECONOMIC PERFORMANCE AND IMPACT ON ARGENTINA | 4 |
| TECHNOLOGICAL INCLUSIVENESS | 5 |
| DIVERSITY, INCLUSIVENESS AND EMPLOYABILITY | 6 |
| VALUE CHAIN DEVELOPMENT | 7 |
| SOCIAL INCLUSIVENESS | 8 |
| SOCIAL INVESTMENTS PROGRAMS | 9 |
| TALENTS’ MANAGEMENT | 10 |
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| MANAGEMENT OF BUSINESS ENVIRONMENTAL IMPACT | 12 |
| JOB SECURITY AND HEALTH | 13 |
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2016’S ADJUSTMENT

CATEGORY

Strategic

Relevant
Liaison with GRI and SDG aspects

Below is the liaison of material (strategic and relevant) issues with GRI aspects and their coverage in the 2016 Annual Sustainability Report.

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<td>Regulatory compliance (EN)</td>
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<td>Labor Practices Grievance Procedures (LA)</td>
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<td>3</td>
<td>CORPORATE GOVERNANCE, ETHICS AND TRANSPARENCY</td>
<td>No Discrimination (HR)</td>
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<td>Unfair Competition Practices (SO)</td>
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<td>Regulatory Compliance (PR)</td>
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<td>Investments (HR)</td>
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<td>4</td>
<td>ECONOMIC PERFORMANCE AND IMPACT IN ARGENTINA</td>
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<td>DIVERSITY, INCLUSIVENESS and EMPLOYABILITY</td>
<td>Diversity and equal opportunities (LA)</td>
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<td>Actions intended to attract prospective employees</td>
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<td>Procurement Practices (EC)</td>
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<td>6</td>
<td>VALUE CHAIN DEVELOPMENT</td>
<td>Suppliers’ environmental assessment (EN)</td>
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<td>Assessment of Suppliers’ employment practices (LA)</td>
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### We are sustainable

#### 2016 Annual Sustainability Report

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<th>Issues Ordering</th>
<th>Liaison with GRI Aspects and Sector-Based Guide</th>
<th>Coverage</th>
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<tr>
<td>8</td>
<td>SOCIAL INCLUSIVENESS</td>
<td>Management Approach (DMA)</td>
</tr>
<tr>
<td></td>
<td>Easing the availability of tools for individuals with some types of disability</td>
<td>Local Communities (SO)</td>
</tr>
<tr>
<td>9</td>
<td>SOCIAL INVESTMENT PROGRAMS</td>
<td>Indirect economic impacts</td>
</tr>
<tr>
<td></td>
<td>Focusing on education, sports and labor inclusiveness</td>
<td>Employment (LA)</td>
</tr>
<tr>
<td>10</td>
<td>TALENTS’ MANAGEMENT</td>
<td>Training and education (LA)</td>
</tr>
<tr>
<td></td>
<td>Internal atmosphere at work, labor and staff balance, talents’ retention, benefits and flexibility</td>
<td>Management approach (DMA)</td>
</tr>
<tr>
<td>11</td>
<td>TECHNOLOGICAL INNOVATION</td>
<td>Energy (EN)</td>
</tr>
<tr>
<td></td>
<td>Product, quality and service</td>
<td>Emissions (EN)</td>
</tr>
<tr>
<td>12</td>
<td>MANAGEMENT OF BUSINESS ENVIRONMENTAL IMPACT</td>
<td>Effluents and waste (EN)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Products and services (EN)</td>
</tr>
<tr>
<td>13</td>
<td>JOB SECURITY AND HEALTH</td>
<td>Job security and health (LA)</td>
</tr>
<tr>
<td>14</td>
<td>PLURALITY OF CONTENTS</td>
<td>Management Approach (DMA)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market presence (EC)</td>
</tr>
</tbody>
</table>

**NOTE 1:** No coverage restrictions have been detected in any of the material issues described in this report.

**NOTE 2:** No changes have been reported in the scope and coverage of every issue outlined in this report vis-à-vis the ones informed in prior annual reports.
**SUSTAINABLE DEVELOPMENT GOALS**

By virtue of the global initiatives in place, there follows an introduction to the liaison of DIRECTV’s sustainable management material (strategic and relevant) issues with the Sustainable Development Goals (SDG) defined by UN member countries for the 2030 agenda in September 2015.

<table>
<thead>
<tr>
<th>SDG</th>
<th>DTV Arg Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Securing an inclusive, equitable quality education and promoting ongoing learning opportunities for all.</td>
<td>Our talents’ competencies are strengthened through the Center for Leadership Development and the Leadership and Culture School. Additionally, we cooperate with the community through our Escuela plus program.</td>
</tr>
<tr>
<td>5. Achieving gender equality and empowering all women and girls.</td>
<td>DTV Argentina is staffed by 40% of female employees and 43% of females are members of the Governing Body. For the sake of providing equal opportunities for all our staff, we have the “Women Leadership Program” in place, which was specially developed to boost women’s growth.</td>
</tr>
<tr>
<td>8. Promoting sound, inclusive, sustainable economic growth, full and productive employment and decent work for all.</td>
<td>We offer and ensure safe, sustainable working conditions through the application of our employment building blocks: ● Diversity, inclusiveness and employability ● Job Security and Health ● Talents’ Management</td>
</tr>
<tr>
<td>9. Industry, innovation and infrastructure</td>
<td>We work on the Prepaid kit assembly along with Redactivos, an NGO dealing with the issue of people with disabilities’ labor inclusiveness</td>
</tr>
<tr>
<td>11. Making cities and human settlements become inclusive, safe, resilient and sustainable.</td>
<td>A new operational station was opened in Catamarca in 2016 to enlarge the scope of the service coverage as well as to strengthen the supply of services provided in Argentina’s Northern region.</td>
</tr>
<tr>
<td>12. Securing sustainable production and consumption guidelines.</td>
<td>Argentina was the region’s first country to provide a satellite internet service at affordable prices in rural areas.</td>
</tr>
<tr>
<td>16. Promoting peaceful and inclusive societies aimed at sustainable development, easing access to justice for all and creating effective, responsible and inclusive institutions at all levels.</td>
<td>Since 2013, we have been working in close collaboration with “El Correcamino” Cooperative Association, an institution staffed by former cardboard men entrusted with the removal of recyclable waste from our headquarter offices, call and broadcast centers.</td>
</tr>
<tr>
<td>16. Promoting peaceful and inclusive societies aimed at sustainable development, easing access to justice for all and creating effective, responsible and inclusive institutions at all levels.</td>
<td>Prepaid Kit: it is a service accounting for 41% of our customers, out of which 57% comes from low-income families. Additionally, we work with Red Activos in the assembly of such kits.</td>
</tr>
<tr>
<td>16. Promoting peaceful and inclusive societies aimed at sustainable development, easing access to justice for all and creating effective, responsible and inclusive institutions at all levels.</td>
<td>We focus on this goal by adhering to the following two working building blocks: ● Corporate governance ● Security of data and products and services data</td>
</tr>
</tbody>
</table>
We entertain
Experienced Leaders

At DIRECTV we endeavor daily to offer our customers a quality proposal with unique preferential products, cutting-edge technology and customized services. We endeavor to stand out as the best.

We offer a satellite television system with more than 200 channels and programs such as films, sports, preferential events, news and children’s programs, educational channels and many other options.

Our satellite allows us to offer our customers 76 high-definition channels with clear, undistorted images so that they can enjoy a great entertainment experience. Similarly, the best music is made available to our customers through our audio and radio channels.

DIRECTV service is available anywhere in Argentina, since its signal uses a satellite as a transmission vehicle as well as a parabolic antenna receiving that signal in every household. Other items included in the satellite system are the set-top box and the security smart card.

We have been offering a DIRECTV Prepaid System, which stands as the first Recharge Paid System-based Television service available in Argentina since 2008. With this product, customers can choose to hire a television service and pay for the minimum number of days they aim at watching television without it being applicable to comply with any other invoicing or agreement requirements. All this entails the possibility of enjoying the top entertainment experience and the best of cutting-edge technology.
Our products

- **DIRECTV SD**
  (Standard Definition)
  It is a family-focused basic television service offering different programming options such as sports, films, children and news programs as well as concerts with digital sound and image features.

- **DIRECTV HD**
  (High Definition)
  It is the digital television system with the best image quality and highest resolution format held as more advanced than SD definition. DIRECTV HD displays sharper images of an amazing variety of colors and offers Dolby Digital 5.1 sound to enjoy a surround sound system experience.

- **DIRECTV Plus HD**
  It is a high-definition television system for live program recording, pausing, fast-forwarding and rewinding with the best image system, up to 1,080 resolution lines and Dolby Digital 5.1 sound to enjoy a surround sound system experience. The user decides what film or program to watch as well as the modality and time to watch it.

- **DIRECTV Nexus**
  It enables the recording, pausing, rewinding and viewing of recorded programs from any television set as it serves as a digital set-top-box when used in any kind of set-top box. It also offers customers the best On Demand HD options, including applications such as DIRECTV App and TV Apps.

- **DIRECTV On Demand**
  It is the best on demand market option with over 2,000 titles, 100 of which deemed as preferential. All on demand programs can be enjoyed in an HD format and it is always available for use.

- **DIRECTV TV Apps**
  It is an application which enables customers to access their invoice data from the screen of their television and, just with one click and no need for a phone call being made, to contact a business advisor.

- **DIRECTV Internet**
  It is our own broadband service, which was created in 2010 so that we could continue offering our customers the top entertainment experience while also tuning in ourselves to novel consumption trends. The service is currently available in some of Argentina, Brazil and Colombia’s areas.

  This is a 3-9 mega Internet service with Wimax, LTE and FTTH technology made available to our Argentine customers residing in Mendoza, Córdoba and Buenos Aires provinces.

  Since October 2016 this service has been offered in large part of Buenos Aires’ rural and peripheral areas such as the major districts of San Nicolás, Pergamino, Junín, Chivilcoy, Luján, Cañuelas, Olavarria, Azul, Tandil and Mar del Plata, among others.

- **DIRECTV Play**
  It is the DIRECTV online platform where our customers can, at no extra cost at all, enjoy the best films, entire series, children’s contents and sports events live.

  DIRECTVplay.com’s users can access their favorite television programs anytime and anywhere through their PC, tablet or smartphone. The Centennial Cup Americas and the Rio 2016 Olympic Games were some of the 2016’s most relevant television programs broadcast by DIRECTV Play.
At DIRECTV, we are constantly thinking about ways to enhance and to broaden our customers’ entertainment experience. Aiming at offering our customers original, preferential contents, our company provides them with the OnDIRECTV signal, an entertainment channel broadcasting its own series and classical films, documentaries, concerts, special events and daily top shows featuring renowned figures like Jimmy Fallon and Ellen Degeneres.

As part of its 2016’s programming options, OnDIRECTV broadcast the second part of season 2 of Kingdom, a DIRECTV preferential series set at the world of mixed martial arts. Additionally, the platform also released the second season of the original film La Casa del Mar, starring Dario Grandinetti, Soledad Villamil and Gloria Carrá, among others. The season 1 of this Argentine thriller miniseries produced by Cisne Films, and co-produced by StoryLab and DIRECTV was nominated for the International Emmy awards. Additionally, we still offer our volunteering work and community support program known as Piedra, papel, tijera.

By end of 2015, we took a step forward for the sake of developing the entertainment industry: we completed the building of the DIRECTV Arena stadium, the first indoor stadium seated at the Great Buenos Aires’ Northern area. This multi-purpose stadium with a capacity to host 15,000 people, and located at the 35 km from Panamericana Highway Pilar Branch, is home to sport events, musicals, theatre plays, children’s shows, congresses and seminars. Some of the events held at DIRECTV Arena stadium in 2016 featured the presence of Ricky Martin, Cristian Castro and Maluma’s shows, among others.
Always in motion

In addition to music and films, DIRECTV’s customers can enjoy a great sports experience as a result of the top market technology and preferential contents available such as DIRECTV Sports and DIRECTV Sports+.

The channels below offer the best original programming list including programs like:

- Más que fútbol, hosted by Juan Pablo Varsky and Matías Martin.
- Repechaje, hosted by Diego Korol, Pichu Straneo and Cayetano.
- De fútbol se habla así, Hosted by Pablo Giralt, Toti Pasman, Claudio Husain, Héctor Gallo and Daniel Cacioli.
- Vamos a la Caye, hosted by Cayetano and many other programs.

Additionally, we broadcast live matches of the Spanish League, the Premier League, the French League, the Copa del Rey, the Coppa Italia, the French Cup, the German Cup, the Argentine promotion soccer, the National Basketball League, the NBA, the EuroLeague and many other competitions.

Yet, not everything broadcast by DIRECTV entails soccer. Rugby also plays a leading role on ESPN and Extra-DIRECTV channels. As regards car racing programs, they can viewed on Formula 1 channel and the Argentine Rally is available on DIRECTV Sports channel.

Three major sport events were held in 2016: the Centennial Copa America was videotaped with a multi-camera system so that viewers would not miss out any single detail and Euro 2016 and the 2016 Olympic Games were broadcast on an 8-screen majestic interactive mosaic. This system was also used for broadcasting the tennis Grand slams, the Golf Majors and the Formula 1 races.

Additionally, there was an increase in the number of entertainment options available, which was pushed by those applications supporting our customers’ novel consumption trends. Thus, users can enjoy watching preferential matches live in their computers, tablets or smart phones at no extra cost due to the development of DIRECTV Sports Apps.

Among other of its features, the app includes the broadcasting of live programs and VOD replays, news programs, editorial contents and real-time statistical data.

OLYMPIC GAMES’ MINUTE-BY-MINUTE COVERAGE

In the case of the 2016 Olympic Games, the application broadcast each of the Games stages in real time, offered a major events’ guide as well as the updating of results, medals and statistical data. The application displayed a total of 168,211 visits out of its 40,511 users during the 16-day sport event, which amounted to 195,481 video viewings.

The most watched televisions programs on DIRECTV Sports application were the tennis game for the gold medal (Murray vs Del Potro), the soccer game for the gold medal (Germany vs Brazil) and Argentina vs Honduras match.
We are accountable and ethical

At DIRECTV we have a transparent, outspoken, inclusive business communication policy in place.

• We stand out against any deceitful, offensive or poor taste messages and boost healthy competition without discrediting or disdaining our competitors.
• We have adopted an advertising self-regulation policy as duly set forth by the International Council on Self-Regulation Advertising (CONARP according to its Spanish acronym). In turn, it falls upon our company’s legal affairs department to overview all messages to be sent out from the different company’s areas and the contents of those messages as well as any relevant monetary issues are assessed.
• All changes introduced to the recruiting system or to the promotional benefits available are informed on an advanced, comprehensive, and detailed basis and any increase in prices, and changes to the invoicing cycles and to the programming grid are informed through special reporting systems.

INFORMATION AND LABELLING

One of the responsible business practices boosted at DIRECTV is the adequate labeling of all our products, which is, in turn, governed by the national applicable regulations.

In the first place, the labeling of our products is compliant with the requirements of the Fair Trade Act sections 1º-7º in terms of products identification and their name of origin. Secondly, reference to consumer data as well as to the protection of the latter’s health is made in the Consumer Protection Act sections 4º-6º.

Similarly, our products feature other types of electrical security certification according to the provisions under binding Resolution Nº 92/1998 of the Argentine Institute of Standards and Certification (IRAM). This standard sets forth that all electrical and electronic products traded in Argentina must bear the Electrical Security Certification issued by a certifying entity.
duly acknowledged by the Argentine Accreditation Body (OAA) and renowned by the Argentine Government.

Our set-top boxes and electronic devices are compliant with the 2002/95/CE directive of RoHS regulation (Restriction of Hazardous Substances) aimed at reducing the electrical and electronic devices amount of substances damaging the environment and health. As duly set forth in this regulation, our suppliers are required to restrict the amount use of certain substances such as lead, mercury, cadmium, etc in electrical or electronic parts of the devices to be traded by DIRECTV.

In light of the foregoing restriction, no danger either to the environment or to people’s health is posed by our devices during manufacturing or when their shelf-life period comes to an end. Additionally, this is an issue of utmost importance during the reuse or recycling of devices, above all, during waste and materials removal stages. It is also vital for repaired devices to be made up of regulation-compliant materials.

All our products bear a logotype indicating our set-top boxes are compliant with the abovementioned regulation or such indication may just as well be included in the relevant reference manual.

For further information about this issue please visit the website below:
www.directv.com.ar/tecnologia/decodificadores/

No breach of the regulations applicable to the labeling of products and data during the reporting period has been informed.

CUSTOMERS’ PRIVACY
The protection of our customers’ and employees’ personal data is of utmost importance at DIRECTV. To that end, there is a Personal Data Protection Policy available at our website.

Also, there is an internal policy for the exercise of those rights conferred by Act Nº 25.326 which sets forth the applicable procedures in case an individual requests either access to his personal data or the correction, updating or removal thereof.

DIRECTV is registered with the National Do-Not-Call Registry created by the Undersecretariat of Register Management and Control Coordination of the Registration Affairs Secretariat under the Argentine Ministry of Justice and Human Rights.

MINUTE-BY-MINUTE GAMES’ COVERAGE
Each of the claims filed in 2016 was adequately and timely dealt with pursuant to the applicable laws and regulations namely:

- 15 fines for $194,087 were filed during the period under report under the Consumer Protection Act. The payment of 2 of them was made and an appeal for the remaining 13 was filed. Payment of 7 fines for an amount of $81,812 was also made in 2016 notwithstanding the reporting date of such fines.
- 4 fines for $126,100 were filed before the National Do-Not-Call Registry. These fines have been appealed and payment thereof is still pending.
- 5 claims for a total amount of $74,000 were filed as duly set forth in the Do-Not-Call Registry Creation Act. One of those lawsuits has been settled and the other 4 are still undergoing a trial stage.
- No unfair competition, anti-trust practices or anti-free competition claims have been filed.
- 2 claims and 4 certified letters have been submitted before the Personal Data Protection Bureau to request the enforcement of the rights enshrined in Act Nº 5.326 (Personal Data Protection Act). Both claims have been duly dealt in compliance with the currently effective regulations.
Customers: our priority

As our customers are a priority for us in all of our business initiatives, our goal is to improve their service experience to the fullest. To that end, we offer them programs and tools to acknowledge our customers’ loyalty:

- **MiDIRECTV**
  It is an online customers’ self-management platform enabling the latter to conduct invoicing queries, to purchase a programming Premium plan, and to access preferential viewings and discounts, among other benefits.
  For further information, please visit the following website: [www.directv.com.ar/miDIRECTV](http://www.directv.com.ar/miDIRECTV)

- **DIRECTV Fans**
  It is a customers’ benefits club offering over 100 discounts in shops, restaurants and travel agencies.

  The DIRECTV’s employees with the service installed in their households can also access such benefits, and if still not customers, they may register themselves with a user number they will be allocated with.
A Two-Way Communication

We are always in contact with our customers and permanently offering them information through the different channels available:

**Website:**
DIRECTV.com.ar
Information about our services
Customer Service Chat

**DIRECTV Play:**
DIRECTVplay.com.ar
Programming Information

**Telephone Line:**
0810-333-4732 (Pospaid Customers)
0810-999-8636 (Prepaid Customers)

**Email:**
at_cliente@DIRECTVla.com.ar

**SMS:**
Send the word “ANTENA” to 2442 number
We give replies to queries from anyone wishing to hire DIRECTV Prepaid Package. For the sake of service improvement, customers can send an SMS with the zip code of the area where the service will be installed and where guidance for the antenna diameter required for a better signal will be offered.

**CHANNEL 100**
It displays a service manual.

**SOCIAL MEDIA**
- @DIRECTVAr / @DIRECTVServicio
- @DIRECTVla
- @DIRECTVLatinAmerica
- @DIRECTVLatinAmerica

We can also communicate with our customers by sending them monthly print newsletters, images on printed invoices, call centers promotional messages and institutional letters.
Our first strategic goal is to offer a great experience to all our customers. Therefore, various types of surveys aimed at monitoring the areas customers are in contact with are conducted to assess their level of satisfaction, and, thus, confirm our management efficiency.

1. Sales
Surveys intended to assess customers’ satisfaction with the sales teams seek to pinpoint processes opportunities for improvement by spotting those issues with the most deviation cases, and identifying the drivers boosting customers’ satisfaction.

As a result, data compiling is derived from two sources:
- a) The daily database of Sales Posted and Approved the preceding day.
- b) A customer phone survey with questions about data on functionalities, programs and business conditions, among other issues.

2. Field Service
As Field Services is responsible for installations, technological assistance, work planning and reporting tasks, it is a sensitive area and we want to become fully aware of our customers’ experience. With that goal in mind, a post-technical visit survey is performed (whether such visit being intended for installation or technical assistance purposes or for the supply of additional services).

183,157 effective surveys were conducted in 2016. Customers’ dissatisfaction with Field Services has improved by 0.4 points compared to the preceding year percentage and currently stands at 6.6%.

<table>
<thead>
<tr>
<th>GROUNDS FOR DISSATISFACTION</th>
<th>OVERALL TOTAL FIGURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q Effective Surveys</td>
<td>183,157</td>
</tr>
<tr>
<td>% Overall Dissatisfaction</td>
<td>6.6%</td>
</tr>
<tr>
<td>% Dissatisfaction with the term</td>
<td>14.9%</td>
</tr>
<tr>
<td>% Lateness</td>
<td>4.9%</td>
</tr>
<tr>
<td>% Staff untrained on customer service</td>
<td>4.7%</td>
</tr>
<tr>
<td>% Lack of interest</td>
<td>3.7%</td>
</tr>
<tr>
<td>% Unsatisfactory Operation</td>
<td>6.0%</td>
</tr>
</tbody>
</table>

Telecenter
1,584,512 surveys were conducted in 2016 to assess our customers’ level of satisfaction with the Telecenter service. The level of dissatisfaction accounted for 8.6% and it has risen by 2.8 points compared to the previous year percentage.

Also, a change has been made to the methodology used: the offline survey was upgraded to an online one.

Net Promoter Score (NPS)
An identical survey methodology was used still in 2016, and the dissatisfaction question was changed into that of the (NPS) service recommendation.

Number of surveys conducted: 25,461
NPS 26%

In order to evaluate our customers’ loyalty, we have used the Net Promoter Score (NPS) index, which is calculated based on a single service recommendation question.

According to the outcomes obtained, customers can be classified as follows:
- Promoters: are customers allocating 9-10 points
- Passive: are customers scoring questions with 7 or 8 points
- Naysayers: are customers allocating 6 or fewer points.

The percentage of naysayers is deducted from that of promoters to get the final results, and, thus a percentage which allows performing a service quality measurement is obtained. Thus, the NPS index may be as low as -100 ("All customers are naysayers") or as high as 100 ("All Customers are promoters"). An NPS index above 0 is viewed as good and an NPS index of 50 is outstanding.

Promoters - Naysayers – Service Quality NPS index

Our NPS index in 2016 amounted to 26%, both for Prepaid and Postpaid Service customers. This percentage has positioned ourselves as industry leaders.
We cooperate
Our team is made up of 4,091 people: 2,447 males and 1,644 females averagely aged 35-34. Although the largest number of employees works in the city of Buenos Aires, we have offices in Mendoza, Tucumán and Córdoba, as well as in other seven country’s regions.

The average company seniority time is **4.5 years**.

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4,091</td>
<td>2,447</td>
<td>1,644</td>
</tr>
<tr>
<td>TOTAL HEADCOUNT</td>
<td>MALES</td>
<td>FEMALES</td>
</tr>
</tbody>
</table>

+80% of our staff work in Buenos Aires.

58% of our staff are aged 30-44.

+65% of our staff are CWB employees.
### DIRECTV TEAM, EXPRESSED IN FIGURES (2016)

<table>
<thead>
<tr>
<th>Category-based classification</th>
<th>Males</th>
<th>Females</th>
<th>Total Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Headcount</td>
<td>2,447</td>
<td>1,544</td>
<td>4,091</td>
</tr>
<tr>
<td>Directors</td>
<td>29</td>
<td>7</td>
<td>36</td>
</tr>
<tr>
<td>Managers</td>
<td>91</td>
<td>43</td>
<td>134</td>
</tr>
<tr>
<td>Heads</td>
<td>192</td>
<td>82</td>
<td>274</td>
</tr>
<tr>
<td>Employees</td>
<td>1,081</td>
<td>1,399</td>
<td>2,480</td>
</tr>
<tr>
<td>Technicians</td>
<td>1,054</td>
<td>113</td>
<td>1,167</td>
</tr>
<tr>
<td>Seniority-based classification</td>
<td></td>
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</tr>
<tr>
<td>Average Seniority Rate</td>
<td>4</td>
<td>5</td>
<td>0.88%</td>
</tr>
<tr>
<td>30 years</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20-24 years</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15-19 years</td>
<td>63</td>
<td>69</td>
<td>132</td>
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<tr>
<td>10-14 years</td>
<td>69</td>
<td>84</td>
<td>153</td>
</tr>
<tr>
<td>5-9 years</td>
<td>674</td>
<td>624</td>
<td>1,498</td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>1,441</td>
<td>987</td>
<td>2,308</td>
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<tr>
<td>Age-based classification</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Average Age</td>
<td>35</td>
<td>34</td>
<td></td>
</tr>
</tbody>
</table>

Aged 18-19: 4, 0, 4
Aged 20-29: 689, 519, 1,208
Aged 30-44: 1,413, 955, 2,368
Aged over 45: 341, 170, 511

Region-based classification
- **Corrientes**: 33, 3, 36
- **Buenos Aires**: 1,853, 1,479, 3,332
- **Salta**: 26, 11, 37
- **Chaco (*)**: 4, 8, 12
- **Neuquén (*)**: 3, 4, 7
- **Tucumán**: 97, 29, 126
- **Mendoza**: 253, 43, 296
- **Córdoba**: 87, 29, 116
- **Rosario**: 35, 23, 58
- **Río Gallegos**: 29, 2, 31
- **Chubut**: 27, 13, 40

Type of employment-based classification
- Full-time job: 2,444, 1,633, 4,077
- Part-time job: 3, 11, 14

Type of agreement-based classification
- Permanent or indefinite-term agreement permanent: 2,441, 1,640, 4,081
- Seasonal or fixed-term agreement: 6, 4, 10

Other indicators
- Number of employees with disabilities (**) 2, 1, 3

(*) The staff members from Chaco and Neuquén provinces have been part of the headcount since 2015 and due to a mistake this information failed to be included in the prior report.
(**) The intellectual disability is the only one taken into account due to grounds involving the employee’s need for accompaniment and adaptation to the job position.
## AGE-GROUP AND CATEGORY-BASED STAFF

<table>
<thead>
<tr>
<th>Category</th>
<th>Aged 18-19</th>
<th>Aged 20-29</th>
<th>Aged 30-44</th>
<th>Aged above 45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>0</td>
<td>0</td>
<td>23</td>
<td>13</td>
</tr>
<tr>
<td>Managers</td>
<td>0</td>
<td>1</td>
<td>95</td>
<td>38</td>
</tr>
<tr>
<td>Heads</td>
<td>0</td>
<td>13</td>
<td>202</td>
<td>59</td>
</tr>
<tr>
<td>Staff</td>
<td>4</td>
<td>862</td>
<td>1,385</td>
<td>229</td>
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<tr>
<td>Technicians</td>
<td>0</td>
<td>332</td>
<td>663</td>
<td>172</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>1,208</td>
<td>2,368</td>
<td>511</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Males</th>
<th>Females</th>
<th>Total Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-CWB Staff</td>
<td>21.98%</td>
<td>12.59%</td>
<td>34.56%</td>
</tr>
<tr>
<td>CWB staff</td>
<td>37.84%</td>
<td>27.60%</td>
<td>65.44%</td>
</tr>
<tr>
<td></td>
<td>59.81%</td>
<td>40.19%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
In addition to being aware of how our taskforce is made up of, it is vital for us to know up to what extent it changes and thus to be able to continue developing initiatives which will turn us into better employers.

That is why we take into account the employees’ turnover index, which is calculated by dividing the total end of year headcount (4,091) by staff having ended its employment relationship with the company (436).

<table>
<thead>
<tr>
<th>GENDER-BASED CLASSIFICATION</th>
<th>RECRUITMENTS</th>
<th>% Hiring</th>
<th>DISMISSALS</th>
<th>% Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Females</td>
<td>72</td>
<td>1.76%</td>
<td>170</td>
<td>4.16%</td>
</tr>
<tr>
<td>Males</td>
<td>149</td>
<td>3.64%</td>
<td>266</td>
<td>6.50%</td>
</tr>
<tr>
<td><strong>Total Headcount</strong></td>
<td><strong>221</strong></td>
<td><strong>5.40%</strong></td>
<td><strong>436</strong></td>
<td><strong>10.66%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AGE-BASED CLASSIFICATION</th>
<th>RECRUITMENTS</th>
<th>% TOTAL RECRUITMENT</th>
<th>DISMISSALS</th>
<th>% TOTAL TURNOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALES</td>
<td>% Recruitment</td>
<td>FEMALES</td>
<td>% Recruitment</td>
<td>MALES</td>
</tr>
<tr>
<td>Aged 18-19</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Aged 20-29</td>
<td>80</td>
<td>1.96%</td>
<td>44</td>
<td>1.08%</td>
</tr>
<tr>
<td>Aged 30-44</td>
<td>61</td>
<td>1.49%</td>
<td>26</td>
<td>0.64%</td>
</tr>
<tr>
<td>Staff older than 45</td>
<td>8</td>
<td>0.20%</td>
<td>2</td>
<td>0.05%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>149</td>
<td>3.64%</td>
<td>72</td>
<td>1.76%</td>
</tr>
</tbody>
</table>
### AGE-BASED CLASSIFICATION

<table>
<thead>
<tr>
<th></th>
<th>RECRUITMENTS</th>
<th>% TOTAL RECRUITMENT</th>
<th>DISMISSALS</th>
<th>TOTAL TURNOVER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MALES % Recruitment</td>
<td>FEMALES % Recruitment</td>
<td>MALES % Turnover</td>
<td>FEMALES % Turnover</td>
</tr>
<tr>
<td>BUENOS AIRES</td>
<td>120 2.93%</td>
<td>62 1.52%</td>
<td>4.45%</td>
<td>214 5.23%</td>
</tr>
<tr>
<td>CHUBUT</td>
<td>0 0.00%</td>
<td>1 0.02%</td>
<td>0.02%</td>
<td>2 0.05%</td>
</tr>
<tr>
<td>CÓRDOBA</td>
<td>8 0.20%</td>
<td>3 0.07%</td>
<td>0.27%</td>
<td>14 0.34%</td>
</tr>
<tr>
<td>CORRIENTES</td>
<td>1 0.02%</td>
<td>0 0.00%</td>
<td>0.02%</td>
<td>3 0.07%</td>
</tr>
<tr>
<td>MENDOZA</td>
<td>14 0.34%</td>
<td>5 0.12%</td>
<td>0.46%</td>
<td>23 0.56%</td>
</tr>
<tr>
<td>RÍO GALLEGOS</td>
<td>0 0.00%</td>
<td>0 0.00%</td>
<td>0.00%</td>
<td>0 0.00%</td>
</tr>
<tr>
<td>SALTA</td>
<td>1 0.02%</td>
<td>0 0.00%</td>
<td>0.02%</td>
<td>2 0.05%</td>
</tr>
<tr>
<td>SANTA FE</td>
<td>3 0.07%</td>
<td>0 0.00%</td>
<td>0.07%</td>
<td>6 0.15%</td>
</tr>
<tr>
<td>TUCUMÁN</td>
<td>2 0.05%</td>
<td>1 0.02%</td>
<td>0.07%</td>
<td>2 0.05%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>149 3.64%</td>
<td>72 1.76%</td>
<td>5.40%</td>
<td>266 6.50%</td>
</tr>
</tbody>
</table>
Our Proposal

We want all our team members to take pride in being part of DIRECTV. Thus, we seek to attract, be inspiring to and develop talented, different and great people based upon an interesting value proposal.

In line with our Human Resources policies, we endeavor ourselves so that our staff can achieve an employment and family life balance. In this regard, some of the benefits granted involve a shorter post-maternity working day, remote working and flexible working hours.

RATES OF EMPLOYEES’ RETENTION AND RETURN TO THE WORKPLACE

<table>
<thead>
<tr>
<th>Females</th>
<th>Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of employees who return to the workplace upon the expiration of the paternity or maternity leave</td>
<td>74%</td>
</tr>
<tr>
<td>Rate of retention of employees granted a paternity or maternity leave</td>
<td>84%</td>
</tr>
</tbody>
</table>

At DIRECTV we simplify it for our staff having become parents to wish and to be able to resume work at the end of their maternity or paternity leave. The rate of employees’ return to the workplace at the end of their paternity leave in 2016 amounted to 100%, whereas the maternity leave rate was equal to 74%.

EXPERIENCE AT DIRECTV

The commitment we undertake to each member of the company is mirrored at the DIRECTV Experience value proposal, made up of five building blocks which exert an impact upon all of the organization and the employee’s life:

<table>
<thead>
<tr>
<th>#1</th>
<th>Leadership: Leaders who are in contact with DIRECTV values on a daily basis, are inspiring, give feedback and help others give their very best shot.</th>
</tr>
</thead>
<tbody>
<tr>
<td>#2</td>
<td>Growth: Learning and professional and personal growth enabling experiences</td>
</tr>
<tr>
<td>#3</td>
<td>Working Atmosphere: A challenging and fun working environment, which boosts comradeship and encourages everyone to exert a positive impact on the team, the community and the environment.</td>
</tr>
<tr>
<td>#4</td>
<td>Acknowledgement: Initiatives appreciating and recognizing people for their merit or higher performance.</td>
</tr>
<tr>
<td>#5</td>
<td>Work Atmosphere: A challenging and fun working environment, which boosts comradeship and encourages everyone to exert a positive impact on the team, the community and the environment.</td>
</tr>
</tbody>
</table>
Talent Recruitment

As each employee offers the company a distinctive type of talent contribution, we particularly focus on selecting those people who will join our taskforce. And once they have joined our company, we aim at making the newly-hired staff feel comfortable and have an enjoyable experience at the workplace.

SELECTION PROCESSES

In addition to the open job searches to fill up specific job posts, staff selections with ongoing informational interviews are conducted all the year round.

We particularly focus on the dissemination of internal searches as we are well aware that talent lies among us and solely has to make its way.

Announcement Methods:
The company’s selection area establishes how it will make the job search announcement based on each job requirements and the current employees’ profiles.

• **Internal Job posting**

In line with this job posting system, priority is given to anyone already being a DIRECTV staff member. In order to invite the staff to apply for a specific job post, we send them a weekly email with the job openings available and the minimum applicable requirements; job openings are posted at our Experiencia DIREC-TV website and at the app; we work with leaders so that we give feedback to all applicants.

Anyone failing to get shortlisted gets a customized email in which they are explained the reasons for that decision and are invited to attend a meeting if wishing to be provided with further information.
they boost job applications and we disseminate job posting internally on a monthly basis.

- **External Job posting**
  We turn to various sources like databases, referred applicants’ campaigns, job websites or newspaper announcements, staff selection consultants, the universities contact data section, institutional employment agencies, and even to the social media where 2.0 searches are performed.
  Our job searches are posted on Facebook, the DIRECTV Linkedin page and on universities Facebook pages.

- **Mixed Job posting:** internal and external applicants’ data are taken into account in job searches worthy of using a mixed job announcement modality.

We have opened a preferential Linkedin group called “Talento HD” where the editions of our young professionals’ program are disseminated.

**TALENTO HD PROGRAM- YOUNG PROFESSIONALS**
Our aim at DIRECTV is to attract professionals with leadership potential, capable of meeting the business rising needs and to offer them training. With this goal in mind, we have developed the Talento HD program aimed at the selection of talented young professionals to provide them with a training, learning and development experience.

Applicants can be:
- **outsiders:** undergraduate students or graduates with sound academic background, mastery of the English language, travel availability and interpersonal and teamwork skills.
- **DIRECTV’s employees:** they must feature 12-month minimum seniority at their current employment and outstanding employment productivity and performance indicators.

Once selected, they can access:
- a one-month DIRECTV Onboarding program in which they can learn about the business, the culture and the leaders of every Management Area;
- a training plan suited to their competencies and needs within a project with a real business impact;
- a year-round turnover plan while additionally leading three or four projects from the different company areas, each one entailing a two-to-three month initiative;
- intensive training programs so that they develop a company comprehensive view;
- a project-based coach supporting the staff during the performance of specific tasks and, upon completion of those tasks, the latter will give feedback to the participant and to the Human Resources team;
- mentor-based guidance while taking part in the program above

**WHAT IS TALEO?**
It is an automated program enabling the development of the entire on line recruiting process from the description of the search profile stage to the job opening approval. This program favors the interaction among the different company areas and allows leaders to approve job offers and openings electronically from their email accounts, among other benefits. We are working towards unifying an Argentine and Latin American applicants’ unique database which will aid in homogenizing the recruiting process.

The 8th edition of Talento HD program was put in place in 2016. During the five-year term it has been around, over 100 projects have been led by these high-potential young professionals.
ONBOARDING PROCESS
As a company our added value largely relies on the level of our employees’ professionalism and on their sense of belonging. Thus, the more we allow entrants to become involved in the tasks they will perform, the higher their commitment and performance level will be. This involvement begins the very first day they join DIRECTV through the onboarding process, which is an initiative that reaches out to all staff nationwide under different modalities based upon their job posts. The program comprises the following stages:

1. Employment Induction and Corporate Integration
A successful integration can only occur if an employees’ sharing and culture and business dissemination policy is in place. To that end, we have developed the Welcome Day experience aimed at adding value to the staff entry at the workplace, the latter takes part in field experiences which allow him to develop an understanding of the various corporate roles available and of our service culture when contacting our customers. Such field experiences entail points of sale, operational stations, and customers visits with the technical installation staff, wiretapping experiences with the Telecenter team (Customer Service and Telesales) or visits to the Regional Broadcast Center.

2. Field Experiences
During the post newly-hired employee’s entry days at the workplace, the latter takes part in field experiences which allow him to develop an understanding of the various corporate roles available and of our service culture when contacting our customers. Such field experiences entail points of sale, operational stations, and customers visits with the technical installation staff, wiretapping experiences with the Telecenter team (Customer Service and Telesales) or visits to the Regional Broadcast Center.

3. Feedback to Grow
We recognize how important it is to have a feedback-rich culture both for our staff’s performance and for the development of our teams. To that end, trainings on the management performance program and its use are offered to all our staff members.

4. Employees’ job position and roles-based trainings
Our newly-hired staff can access a wide range of skill-management development and business and products awareness workshops and trainings by means of our Corporate University called DIRECTV learning. This proposal is aligned with the staff’s roles and duties as well as with their employment areas and includes courses like Trainings on Products, Sales or Telesales, Ethics Workshop and on demand Specific Trainings.

5. Focus group post onboarding and Corporate Competencies Workshop
As regards operational stations, induction in each area where the employees will work is provided:

• Field Services: The team’s newly-hired staff attend a one-and-a-half day face-to-face induction program at the operational stations.
• Sales: Anyone joining our company as salesperson is offered a training and induction program taught by a business trainer and including follow-up coaching.
• TLC: The staff recruited at the Telecenter area are offered a two-week induction program to receive training about the culture, values and skills required to fulfill their duties.

LEADERS’ INDUCTION PROGRAM
All new leaders take part in an induction program for the purpose of speeding up their integration to their team. This is an initiative enabling the development of a warm leaders-employees’ atmosphere, a shorter team adaptation time, the identification of priorities and a higher level of organizational commitment, among other benefits.

LEADERSHIP FORMULA:
We have developed a scheme containing our leaders’ expected competencies and behaviors, which is aligned with a regional initiative in place and whose building blocks are the five core elements of DIRECTV’s Leadership Formula below:

1. Establishing a strategic management
2. Delivering results
3. Developing talent
4. Doing the right thing
5. Having a business criterion

The building blocks above can be broken down into competencies, and such competencies also get mirrored in every position expected behavior.
Once a newly-hired employee begins to work for DIRECTV, it is our aim the latter can find the best place to achieve professional development and to display his full potential. To that end, we intend to be fully knowledgeable of each of our business sectors to offer each team opportunities suited to its needs.

• DIAGNOSIS
A diagnostic organizational structure assessment, which involves the making of a company mapping to identify high levels of potential, the teams’ planning, the leaders’ training in using potential assessment tools, evaluation of outcomes and the calibration of an action plan, is conducted by using the Talent Review tool so that we are able to meet our current and future goals. Coaching sessions and customized trainings are provided to talents detected during this review.

• TRANSPARENCY
When it comes to evaluating leaders’ positions and for the sake of developing more equitable promotion criteria, we conduct a preliminary survey with Hay Group Consulting firm’s guidance, which enables us to assess a job title and compare it to other similar market positions. In doing so, promotions get standardized based on the gathering of unbiased data, which certainly secures the achievement of external competitiveness.

Conversely, a potential–based promotion validating and confirming interview has been added. And the promotion process is ended on a transparent basis by disclosing all actions taken at a company internal level. Additionally, an email announcement with the latest recruited and promoted employees with their photos and a brief resume is sent.

• PROMOTION
Undergraduate and Graduate Grants
Since 2015 undergraduate and graduate grants have been awarded to staff endeavoring to pursue higher education studies and DIRECT aids them in funding such studies. 22 grants were awarded by DIRECTV in 2016, 5 of them being undergraduate grants the other 17 intended for graduate staff.

• PERFORMANCE ASSESSMENT
Aiming at promoting a higher employee’s performance level,
77% of the employees had a performance evaluation during 2016

The Feedback-to-Grow management tool is available and involves the three stages below:

1- Planning: definition of individual goals
2- Follow-up: mid-year review
3- Assessment: end-of-year review

**WHAT IS FEEDFORWARD?**

We use the feedforward tool to enrich the leader and employee exchanges during feedback meetings. It is an upward feedback enabling to broaden the leader and employee’s scope of conversation to tackle those issues to be worked on by the leaders with specific facts and future-oriented positive information.

<table>
<thead>
<tr>
<th>2016 EMPLOYEES’ EVALUATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees to be evaluated</td>
</tr>
<tr>
<td>Total number of employees evaluated</td>
</tr>
<tr>
<td>% of employees evaluated</td>
</tr>
</tbody>
</table>

**GENDER AND CATEGORY-BASED BREAKDOWN**

<table>
<thead>
<tr>
<th>Category</th>
<th>Males evaluated</th>
<th>Females evaluated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1 (Administrative Employees/ Technicians/ CSR/ Salesmen)</td>
<td>66%</td>
<td>99%</td>
</tr>
<tr>
<td>Category 2 (Analysts)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Category 3 (Senior Analysts / Coordinators)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Category 4 (Chief)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Category 5 (Manager)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Category 6 (VPs/ Director)</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Category 7 (CEO)</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

*All DIRECTV’s employees with more than 3 months’ seniority in the company are to undergo a performance evaluation. Neither outsourced, nor temporary staff or satellite technicians are subject to this evaluation.
DIRECTV’s staff are given the opportunity to face up new challenges in addition to the availability of a wide range of skill development and business training courses they can attend to achieve higher performance levels. We are aware that 70% of learning is based on the workplace experience, 20% of this phenomenon occurs during coaching and feedback sessions, and 10% of learning takes place during formal trainings.

**INDIVIDUAL DEVELOPMENT PLAN**

The Individual Development Plan (IDP), which is a tool used to encourage employees to take over their own development based upon a plan with new challenges and experiences to be developed with the leader, is currently in place to aid employees reflect upon their professional development. All employees may submit a request to attend DIRECTV Learning training courses on a twice-a-yearly basis. Once the employee and his chief have agreed on the individual development plan, the former selects which of the DIRECTV learning courses are best suited to his learning goals and signs up for those courses he is interested in.

In addition to aiding their team in the development of an IDP, leaders also work on the design of their own plan.

The directors and managers IDPs are subject to Human Resources customized follow-up.

As we would like all our staff to take over their own development a large number of learning strategies are available.

The method of announcement for employees to attend trainings is aligned with the requirements of every job title and with the current employees’ profiles.

**COURSES AND TRAININGS**

Most of DIRECTV workshops are not mandatory except for the *On boarding* one, which is delivered on the staff’s first day at work and some specific Telecenter workshops. Our aim was to offer a varied 2016’s priorities-aligned training proposal: Operating at a Regional Level, Focusing on the Core Business, Achieving Smart Growth, Making Profits in the Prepaid Business and Streamlining our contents.

**2016’s FIGURES**

- 721 courses taught
- 2,289 participants
- 983 males trained
- 1,306 females trained
- 1,714 training hours
- 1 average annual hour per employee
1. CENTER FOR LEADERSHIP DEVELOPMENT

The aim of the Center for Leadership Development is to improve and boost all employees’ leadership competencies. To that effect, it features an ongoing segment-based formal action, project allocation and role-based on the job learning development program.

The Center comprises the following initiatives:

1. A Business School
2. A Language School
3. A Leadership and Culture School

Training options are available in any area:

1. Business School: we have designed a customized employees’ program along with our business leaders. Also, a “Business Program” primarily aimed at analysts and taught by corporate leaders was available in 2016, which, along with the universities’ material and DIRECTV leaders’ expertise have allowed offering a business global view.

2. Language School: an online in company program for the improvement of English writing and speaking skills was available. 253 people, most of them residing in Buenos Aires as well as in Cordoba and Mendoza provinces, are currently involved in this program.

3. Telecenter School: a performance improvement and development boosting program is available for our Call Center employees.

4. Cross Learning: All our employees can sign up for a wide range of diverse theme-based courses (such as those ones on oral presentations, creativity, coaching, leadership, Excel and Power Point use, etc).

5. Leadership and Culture School:
   - Coaching and Leadership Bases: This school is aimed at providing all DIRECTV’s leaders adequate skills and trust to build fruitful and meaningful ties with the staff and to develop their talent based upon a deliberate performance management system.
   - Women Leadership Program: In order for all our staff to enjoy equal opportunities, there is a program specially developed to boost women’s growth, which stands as an opportunity for females to share issues and experiences and to be supplied with tools allowing them to reflect upon their self-development. Since 2011 we have hosted 11 editions with over 1,500 participants.
   - We had guest speakers such as Sebastián Wanraiich along with Julieta Pink and Felipe Pigna who achieved a turnout of over 400 attendees.

   - Leaders as teachers: We are well aware at DIRECTV that all our own employees are endowed with great valuable knowledge that can be shared for the benefit of all. To that end, we have invited different experts to share their time with us and serve as workshop trainers.

DIRECTV’s leaders and experts have the opportunity to travel and share experiences with colleagues from other countries (like the United States or Latin American countries). Thus, they deliver workshops and conferences, attend regional meetings and teach best practices and management tools courses, among other activities.

3. DIRECTV TALKS

These 2-hour inspiring talks, which aim at developing general interest and groundbreaking themes learning and at inspiring our teams for new ideas, are meetings where experts address a wide range of subjects such as science, technology and education.

Diego Golombek, who holds a baccalaureate and phd degree in Biology, and serves as CONICET researcher and Coordinator of the National Popularization Program of Science and Innovation was our guest speaker in 2016 and his talk was entitled: “Science in everyday life”. Gonzalo Bonadeo, who is both a reporter and a sports commentator, was another of our guest speakers who delivered a talk on the 2016’s Rio de Janeiro’s Olympic Games.

All learning courses and a monthly course schedule are available at Experiencia DIRECTV platform so that nobody is left out.

We have no specific programs for staff members who are about to retire.
Achieving the goal

At DIRECTV we believe every company’s achievement is more substantial if shared with the ones having enabled the achievement of such goal. To that end, our staff in turn receive an equitable, competitive, performance-aligned wage compensation with benefits specially intended to meet their interests and needs.

WAGE COMPENSATION
DIRECTV frames its wage structure under the tenets of merit, internal equality and external competitiveness which enable to attract, retain and reward top talents. Internal equality aims at preserving a homogeneous structure where wages are aligned with the duties of each job. To that end, a wage range model including a job complexity-based rating, is used.

As a business talent attraction and retention enabling tool, external competitiveness is a vital parameter which we keep updated with market research studies conducted by top suppliers like (Mercer, Hay Group and Towers Watson).

ORGANIZATIONAL STRUCTURE ANALYSIS
The Towers Watson’s Global Grading System job leveling tool, which is a novel, reliable, systematic method to compare equal jobs internally regardless of the duties or job title, has been put in place to assess our organizational structure.

The use of this tool implies the following opportunities namely:
- Identifying and bringing equal jobs together
- Better understanding every job requirements
- Clarifying job promotion opportunities data
- Easing the wage structure design while focusing on internal equality
- Determining other Human Resources practices (like bonuses, benefits, etc)

Starting and Minimum living wages difference
The lowest starting wages at DIRECTV during the reporting period are payable to “accounts executives” and are 129% higher than the minimum living wages. As no female served as an account executive in 2016, a similar job position with wages slightly higher than those payable to account executives was used for comparative purposes. This is why an employee’s gender unrelated percentage difference has been reported.

<table>
<thead>
<tr>
<th>Males and Females’ Wages Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range of Females’ Starting and Minimum Living Wages</td>
</tr>
<tr>
<td>Range of Males’ Starting and Minimum Living Wages</td>
</tr>
</tbody>
</table>

FEMALES AND MALES’ WAGES RATIO

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>25%</td>
</tr>
<tr>
<td>Manager</td>
<td>-6%</td>
</tr>
<tr>
<td>Boss</td>
<td>-9%</td>
</tr>
<tr>
<td>Employee</td>
<td>-28%</td>
</tr>
<tr>
<td>Technician</td>
<td>-5%</td>
</tr>
</tbody>
</table>

(1) These variations have been calculated upon the basis of a gender and category-based average base wage. Positive percentages account for females’ wages higher than those of males and negative percentages indicate females’ wages lower than males.

By way of example, this clarification is relevant when assessing the “employee” category including quite different organizational levels (like CWB employees serving in operational positions, administrative staff, junior and senior analysts, experts, coordinators and supervisors). This mix of heterogeneous positions, each with a different number of males and females, causes the differential percentage not to adequately reflect the gender-based wage gaps.
BENEFITS
DIRECTV offers its staff a distinctive, comprehensive value proposal which focuses on a benefits program specially developed for the latter. We yearly boost current proposals, introduce new ones and expect them to become increasingly more inclusive.
In order to ease access to this value proposal, our staff can turn to the Experiencia DIRECTV microsite to enable them to perform category and region-based benefits browses and a communication campaign is also underway to promote its use.

Benefits are listed below:

For us to feel better
- Special Leaves and Flexibility
- Longer leave periods
- High-quality healthcare coverage (Medicus)
- An in-house physician’s office
- Staff’s Assistance Program
- Discounts in fitness centers (Megatlón and SportClub)
- Pharmacy discounts
- Free-of-charge bus service
- Free-of-charge snacks and refreshments
- Coupon book for Norcenter Food Court

For us to enjoy with our beloved ones:
- DIRECTV free-of-charge service
- HBO and Movie City Pack
- DIRECTV Fans

CHILDCHARE FEES REFUND
DIRECTV Argentina’s staff with children aged until 5 are granted a child care fees refund, which this year rose to a $2,500 monthly amount.

For us to have fun
- End-of-year celebration
- Annual yoga classes
- Marathons
- Restaurants, bars and shows’ discounts
- Special raffles and competitions

Back to School
- Baby carriage as a child’s birth gift
- “Honor Roll” Program for staff’s children
- Staff’s children scholarships (*)
- DIRECTIVISIMO (Child’s day celebration)
- Our Children Visit Us During Winter Holidays
- Magical Day—Christmas celebration and gifts-giving
- Foreign travel discounts

DIRECTV Argentina staff’s children can take part in a global scholarship program so that they can attend a vocational-technical institution. In 2016, 1 scholarship was awarded to Argentina.

The DIRECTV unpaid television service is the sole benefit granted to all full-time staff excluding those employees working on a part-time or temporary basis.

For our professional development
- San Andrés University Discounts: 20% discounts are granted for management graduate courses.
- Siglo 21 University Discounts: 10% discounts are granted for undergraduate and graduate courses both for the staff and their immediate family relatives.
- Torcuato Di Tella University Discounts: 15%-20% discounts are granted based on the course of studies selected.
- Scholarships for Higher Education students

Preferential Benefits
- DIRECTV Corporate Benefits: Discounts at more than 100 stores as well as special restaurant, food delivery and travel discounts are granted. And many other discounts are also available!
- Preferential supermarket, fuel purchase and show tickets discounts are granted.
- Movistar: discounts in cellular phone plans, cellular phone devices and tablets are granted.
- Seguros AON: up to 30% housing and automobile insurance discounts are granted.
Internal Communication

We believe reporting the value of everything we do at DIRECTV is vital. If our staff is aware of the difference our work makes on our customers’ life and on society, they will realize their work is particularly meaningful. With this inspiring goal in mind, our actions are informed throughout various communication channels, therefore, reaching out to all employees.

TURNING COMMUNICATION INTO AN EXPERIENCE

Being communicated on an ongoing basis is vital for us to feel part of each of our company’s initiatives and achievements. In addition to face-to-face meetings or areas of recognition like Momento DIRECTV, we keep internal channels open such as the ones below:

1. Internal Social Network: VOX
2. Experiencia DIRECTV intranet, with its own app
3. Correspondents Internal Communication Network
4. Specific Areas’ Newsletters
5. Communication Campaigns

6. Physical billboards are posted on support areas as well as on digital and technical stations.
7. Leaders are given advanced information on all actions taken and a preferential schedule is available.

1. Internal Social Network: VOX

DIRECTV’s internal social platform known as VOX, which is aimed at aiding in the communication and collaborative working processes, is available to 100% of the staff and can be accessed from any internet connected device at any time. Its primary goal is to gather all colleagues and DIRECTV Panamericana projects’ relevant data, thus transforming the search of information, learning and teamwork tasks into more efficient jobs.

Theme-based fora, groups and applications such as internal chat rooms are available in this platform. New rollouts and ideas, voting results and novelties, etc are posted on this platform and new segment and project-based specific groups like that of leaders are opened. It is just from these groups that key segment data are announced and we celebrate the Weekly Connection DND, which is a weekly announcement event for the exchange of tools like articles, videos and questionnaires and is aimed at strengthening our leadership.
2. Intranet Experiencia DIRECTV with its own app

The Experiencia DIRECTV.com channel, which is available to 100% of our staff and features a blog-like format, offers dynamic contents with a very high rate of refresh and cool language combining the use of short texts and multimedia contents. Under its content sections you can access all of the company’s values and mission data including the list of its major products (the “DIRECTV” section), the formalities handling data applicable at DIRECTV under the question-reply format (the “Replies” section); each and every preferential staff’s promotion and program (the “Benefits section”); access to specific microsites for initiatives like COOL-TURA, Feedback to Grow, e-learning and Póne PLAY!: jobposting opportunities, photo galleries, videos and many other contents.

We have developed this website application, which is intended for all staff members and enables access to the Experiencia DIRECTV sections from tablets and smartphones, so that we can stay together and connected and share experiences at any time. Furthermore, it offers an internal messaging service for technicians with whom no direct communication channel was available before, and is available for Android and IOS systems. Other of its preferential contents include the access to the #silosabecante section where hilarious videos featuring staff singing and aesthetically arranged as if for a musical contest are posted.

3. Correspondents Internal Communication Network

This channel features more than 30 staff members selected by leaders and HRBPs, whose role is to monitor the organizational reality and to identify potential news in their business sectors and with their partners help them to go viral.

There is a private group available to communicate with the IC area and receive information in advance so that they may serve as spokesmen and contribute to the campaigns promoted within that area.

4. Newsletters from Specific Areas:

We are the Sales Sector: The business area has its own monthly newsletter where news of each Argentine region and business objectives are announced and also features its own website within experienciaDIRECTV.com.

• We are the IT sector: We have an IT newsletter to share technical projects and progress in our sector.

5. Communication Campaigns

It lies with DIRECTV’s Internal Communication Team to develop an annual business objectives-aligned communication plan, which also supports the different company’s areas.

6. Physical billboards in technical and digital stations and support areas

Communication material has been devised for physical billboards (like the ones available in support and technical stations) or digital ones (featuring LCD televisions where announcements and videos are shown) aiming at offering an internet connection to all our staff who spend a great deal of time outside the workplace or simply lack direct access to a PC.

7. Advanced notice to leaders about all actions put in place and supply of a preferential schedule

Our communication policy consists in initially briefing our leaders so that they are aware of the announcements and are able to boost the cascade effect towards their teams and to give replies to staff queries. To that effect, they are given an in-depth announcement explanation and are referred to the Experiencia DIRECTV articles for further information.

We also supply an annual schedule of activities, which allows leaders to access a single site viewing of all initiatives: from the achievements celebration times to Feedback to Grow activities, Individual Development Plans and the performance assessment. In turn, leaders are monthly emailed a digital schedule for the viewing of all initiatives.
Occupational Health and Safety

It lies with us to improve our staff’s quality of life based upon a prevention of accidents and diseases policy, and also to develop a high-quality plan.

Our policy is disseminated at a companywide level and is based on the following basic safety principles:

- We conduct our business while ensuring the physical integrity of our staff, of anyone supporting the latter, as well as of the third parties that may be adversely affected by our acts.
- A safe, healthy working environment is established and preserved.
- Our safety and occupational safety standards are improved on an ongoing, gradual basis.

The objectives above are based upon the commitment and conviction arguing that in order to boost good health and to achieve a high level of safety, it is vital to consider the following basic guidelines:

- Health, security and occupational safety must initially be built into all of the company’s activities.
- All occupational accidents, injuries and diseases may be prevented.
- Ongoing training and education are vital for the effective prevention of occupational hazards and are held as the foundation for the ongoing improvement of safety in our daily activities.
- Safety resources streamline the quality of our company’s management policy.
- The review, updating and announcement of the Occupational Health and Safety Policy are key to the renewal of our commitment and that of our staff.

A group of physicians and bachelors of science in nursing render a workplace healthcare service.
Safety and Health

Our Occupational Safety and Health policy sets forth that the conduct of our work must secure the physical integrity of our staff, suppliers, teams and facilities, as well as that of third-parties that may be adversely affected by our acts.

Our company adheres to the Collective Bargaining Agreement (N° 223/75) governing our work as well as to the Occupational Safety and Health bylaws for the Cable Television Sector, which lays down specific prevention, occupational safety and health actions.

This Health and Safety regulation is the Labor Risk Superintendence (SRT according to its Spanish acronym) Resolution N° 311/03 (as an integral part of the Occupational Health and Safety Rules for the Cable Television Sector), which is enforced through our GreenBook and nationwide applied in Argentina where full-time employees and our company’s hired and outsourced workers conduct their business.

This internal Safety and Health Handout is delivered to all staff members, who may encounter grounds for the following:

- General and Specific Hazards
- Prevention Matrix
- Safety Organization
- Training
- Tools (General Standards, Hazards Prevention)
- Prevention and Operational Stations’ Safe Suitability
- First Aid
- Labor and Risk Insurance Benefits

COLLABORATIVE WORK
Aiming at developing a collaborative working atmosphere and at promoting staff, management and Trade Union cooperation, we work together towards the joint promotion of health, the prevention of occupational hazards and the improvement of the staff’s working conditions.

Similarly, ongoing dialogue and workplace procedures are underway and involve the following:

- Involvement of staff’s representatives (Trade Union) in inspections, health and safety audits.
- Regular inspections on staff and facilities. Corrective actions plans, if any, are agreed upon at the technical committee.
- Training and Education. There is a Safety and Health Plan in place, in line with a work plan and the specific needs for the operation of the various websites/company’s areas.
- Grievance procedures
- The right to refuse to perform hazardous jobs

SPECIFIC ACTIONS
Aiming at monitoring the staff’s safety and health the following actions have been put in place:

- Development of training, education and information processes
- Employees’ evaluation on the training courses taught
- Practical prevention workshops like stretching and speech language pathology courses
- Development of overall and specific standards and procedures
- Supply of personal protection items and devices
- Regular monitoring and control of physical pollutants
- Anti-flu vaccination campaign

The standards and action plans outlined in our Safety Manual apply to 100% of the staff work, as well as to accidents occurring due to work conducted inside and outside the workplace area.
A 50% decline in the number of occupational voice using-associated diseases has been reported at the Telecenter area. This risk factor is controlled through the inspection of the work stations conditions and the supply of hazard experts’ trainings courses.

**INDEX REFERENCE:**
- Number of accidents compared to the staff number (broken down on a female and male category basis)
- Number of lost workdays compared to the number of working days (broken down on a female and male category basis)
- Number of employees with diseases vis-à-vis the total headcount (broken down on a female and male category basis)
- Number of days staff have been absent at the workplace vis-à-vis the days worked (broken down on a female and male category basis)

No new occupational diseases were reported during 2016.
Yet, there was a biological occupational hazards updating due to the Dengue and Hanta Virus cases detected in the Argentine Northern region.

**MANAGEMENT OF STAFF’S HEALTH AND SAFETY**
The major actions taken under the period under report are the ones below:
- Accident and disease prevention-focused operation
- Prevention-based occupational healthcare services
- Adoption of a Healthcare Management Policy
- Wider healthcare coverage and extended hours to provide support in case of a surgery.
- Development of a unified clinical records registry to speed up and to simplify administrative work.
- Supply of prevention-oriented training and data: Occupational Hazards related safety trainings, CPR and First-Aid courses; Healthcare Plans;
- Control of workplace safety conditions and use of emergency evacuation drills.

**TAKING CARE OF OUR STAFF**
The Occupational Diseases analysis is defined by Act Nº 24.557 according to the work conducted as well as to the hazard factor and time of exposure involved.

The Occupational Health and Safety Area is entrusted with the assessment, identification, measurement and adoption of mitigating actions, if applicable, in the face of any hazard factor the staff are exposed to.

Upon the identification of the hazard factor, studies and measurements are performed and the outcomes, time of exposure, time limits permitted as well as a conclusion are duly recorded in an outcomes protocol.

In line with the above, the Health and Privacy principles outlined under the Healthcare Accident or Sickness Leave Management Policy (Section 36 Bis. Pol) are protected. The freedom of association at DIRECTV is respected and an open, fluent dialogue is maintained with the leaders of the Argentine Television Union (SATS/AID according to its Spanish acronym).
We integrate
Every link matters

Each link of our value chain is key to fulfilling our mission namely the supply of top entertainment options to Argentine households. All actors from input and service suppliers to business agents and installation technicians are highly committed to quality and ethics at the workplace.

A customer residing in the city of Salta clicks on the “play” button and enjoys his favorite program. In order to make this possible, the value chain development began in a factory Southwards from Argentina long ago. Broadly speaking, this is the scheme in place:

1. Set-top boxes are first assembled at Rio Grande Manufacturing Site (Province of Tierra del Fuego).
2. Secondly, the devices are carried to Buenos Aires’ Distribution Center.
3. Subsequently, they are delivered to Buenos Aires city and Great Buenos Aires operational stations and business agents and to regional distribution centers.
4. Set-top boxes are installed by expert technicians in households at a countrywide level.

In case of Prepaid Products, the assembly of the antenna, the set-top box, cables, connectors and the LNB (low noise block) is carried out with the support of the non-profit organization RedActivos and products are then delivered to the biggest retail chains. As regards the prepaid service customers, they can purchase the set-top box from a store and proceed to its subsequent installation at home by themselves.

Other major stakeholders in this system are travelling salesmen, who pick up the prepaid devices and then make end consumers sales in those areas where access to a trading network is hard.
The aim of DIRECTV is to develop sound long-standing relationships with our services and products suppliers based upon honesty, integrity, fair treatment and free competition principles.

We do business with three types of suppliers:
- Anyone providing us operation products such as set-top boxes, antennas, installation material and logistics services;
- Anyone providing us television signals;
- Anyone offering us internal support, whether it being for investment, systems and Call Center maintenance projects.

Upon the selection of a new supplier, we ensure the latter is compliant with our Suppliers’ Registration Policy, which defines features of constituent, financial, economic and tax stability and his approval with our Company’s Code of Ethics is granted.

In addition to local suppliers, we also do business with foreign companies which are all requested to adhere to certain documents resembling the Argentine Code of Ethics and that such documents are aligned with the US requirements.

By way of example, and when production inputs come into play, suppliers are asked to comply with the “Conflict Minerals Regulation”, which aims at ensuring tin, tantalum, tungstene and gold-importing companies import these minerals from responsible sources.

90% of our suppliers are locally-based whereas the remaining 10% makes purchases from and enters into agreements with foreign suppliers.
Sales Agents

Our goal at DIRECTV is that our sales agents grow stronger on day-after-day basis. Thus, our work is geared at consolidating their business knowledge, their capacity and ethical conduct.

Giving additional value to the customer’s closest link undeniably entails the development of our chain of work. To that end, weekly meetings with business agents are held to review business drivers—such as sales volumes and the industry growth—and annual conferences are hosted to unify the applicable criteria.

We have six trainers providing both training and assistance to new sales agents in different provinces. Similarly, the latter are sent a monthly email including the currently effective business conditions so that they keep posted about business policies, commissions and the latest news. Last but not least, sales agents are visited daily by our market executives.
Much more than suppliers

It is vital for us to know the staff working daily for DIRECTV and to keep close reliable ties with them.

How do we select our suppliers? The specific need for the undersigning of a new agreement arises from each company area and is reported to the Purchases Department to deal with this need. Subsequently, a quote is sent by the latter and the supplier with the best technical, economic solution is eventually selected.

What do we value in our suppliers? We take into account their agreements size and their company’s financial, legal and corporate standing. Expert, independent organizations aid us in assessing every proposal and we ensure all of them are compliant with all their staff’s legal obligations. An ongoing control by the Contractors’ Monitoring Department is conducted on the most critical suppliers to ensure they duly observe all applicable standards.

In some specific cases and should the circumstances so require, an agreement is sometimes awarded to a supplier, yet this decision is to be accounted for by the head of the area deciding the agreement award which is then validated by the Procurement Department.

An evaluation is primarily performed on those suppliers featuring a mid and long-term contract relationship with our company and to whom part of our business operations are handed over. It lies with us to monitor and verify compliance on our suppliers’ side of each and every labor and social security obligation and of any other duties derived from the currently effective laws (Section 30 of the Employment Contract Law) as well as from collective bargaining agreements from the television industry (Argentine Television Union- OBA Nº223/75).

The suppliers assessed are Internet Deployment service providers, serve as Collection Management Companies, and Indirect Sales Calls, Sales and Installation suppliers, and also include those providers responsible for the retrieval and recycling of devices and for the performance of safety and cleaning tasks.

• An assessment was conducted in 100% of our new suppliers in 2016 to evaluate whether they were compliant with their labor duties.
• An assessment was carried out in 100 companies to evaluate the impacts on the labor issues supply chain.

25 of those companies were found to be non-compliant with their labor commitments while remedial plans for 24 of those companies were put in place and the business relationship with the remaining company was terminated.
• The environmental criteria assessment is pending.
Action Promoters

Against the backdrop of our value chain we also work with civil society organizations, and it is our goal to promote their development and growth.

“EL CORRECAMINO” COOPERATIVE ASSOCIATION
It lies with this former waste pickers association to pick up recyclable waste from our headquarters office, and from our call and broadcasting centers. Since 2013 we have offered various kinds of support to this association such as with the delivery of a gift van and the provision of technical assistance to draw up its accounting balance sheets.

RED ACTIVOS
It is a social company gathering 18 sheltered workshops, which, in turn, employs 600 people with intellectual disability, who, after serving as DIRECTV’s supplier in the assembly of our prepaid products since 2013 are currently engaged in the remote control kits assembly and have undertaken design projects like the 2015’s Sustainability Report, or the 2014’s Christmas boxes, including the manufacturing of refill bags or processes like fasteners’ kits and clamps.

Also, we offer them funding for the workshops trainings delivered by occupational therapists and aimed at enhancing the company’s productivity.
We share
We are a community

Our goal is that our company can exert a positive impact not only on an in-house level but also on the community where we work.

At DIRECTV we believe in thinking ahead and looking beyond immediate results. For the very same reason, our time and resources are spent in programs and initiatives carried out by over 30 groundbreaking future committed social institutions.

We have developed three building blocks namely:
- Education
- Sports
- Labor Inclusiveness

EDUCATION

Education is key to social equality. At DIRECTV we dream of a country where no child is left behind and has access to quality education. This is why we address the issue of education by undertaking various initiatives and also aid in easing activities carried out by key organizations sharing this viewpoint with us.

ESCUELA+, which stands as our major Corporate Social Responsibility program, lays its foundations on our services technological potential enabling us to offer educational audiovisual contents to Argentina’s inland rural areas, even to the Antarctica region.

By virtue of Escuela Plus, DIRECTV can boost a Latin American school model where TV aids in bridging the technological and cultural divide in rural and urban areas and in exerting influence over the improvement of teaching and learning.

This view is sustained with the cooperation of strategic partners like National Geographic, Discovery en la Escuela, Fundación Torneos and Takeoff Media as well as with the contribution and cooperation provided by the provincial and national Ministries of Education.

Since 2007 Escuela Plus has provided teachers with television educational programs and training courses so they can include the use of audiovisual contents in their classes and, therefore, boost a higher degree of enthusiasm and motivation amongst students.

The program in Argentina was first used at Raúl Ricardo Alfonsín Provincial School Nº 38, which is seated at Antarctica Esperanza Station and stands as Argentina and the world’s Southernest educational institution.

At present, it is available in more than 500 schools and over 7,000 educational institutions from 8 Latin American countries can now access this program, which results in the benefit of roughly 80,000 students.

On the other hand, we support social institutions´ work which enables access to quality education and this in turn benefits those who need it most.

Support to Organizations:
- Support Center and Primary School: We offer our support to the work conducted under the framework of Propuesta DALE!, which is a program that facilitates the learning of reading and writing skills in children having been unable to develop such skills during the educational system expected time frames. It lies as a highly successful tailor-made proposal focusing which focuses on phonological awareness, and includes the use of material and processes specially developed.

We work with more than 30 Non-Governmental Organizations to stimulate children’s trust.

- High School: Since 2012 we have been endorsing “Enseña por Argentina”, which is an organization attracting higher education leaders to the educational sector so that they can enjoy a first-hand classroom experience, get training on teaching-related subjects, and cooperate with the schools where they work. Enseña por Argentina’s professionals do not solely work on academic outcomes but also foster the sense of feasibility in children; they empower and help them identify a large number of their own abilities and interests. If this work is linked with sound values of endeavor and commitment, the goal we pursue is that all children have the opportunity to choose and define their future. Along the way, there also emerges a community of professionals.
who, in line with this first-hand classroom experience, will be life-long ambassadors of a quality education for all.

- Tertiary Level/Higher Education: We have partnered with Fundación Integrar, which is aimed at securing adequate resources and suitable coaches to support a large number of people wishing to pursue a course of studies even if unable to afford so. As regards its track record, it has achieved enormous growth along its 10 years of service and currently features 35 graduates and 327 students.

We also offer our support to Fundación SI University residences and this year we have primarily focused on the revamping of Santiago del Estero’s venue.

Vulnerable Populations:

- Madre Teresa de Virreyes School: As a way to express our support, we have awarded two education grants to high school students of this model school providing top-quality education to the Virreyes neighborhood’s residents.

- Las Lomas Oral School: In this case we have also offered our support by awarding a grant to one student attending this school which lies as an outstanding education institution for hard-of-hearing children.

- Cascos Verdes: We have made our contribution so that through Cascos Verdes people with intellectual disabilities (PID) can study to become environmental educators and then be able to search for employment.

SOCIAL SPORT

As a leading sports company, DIRECTV is well aware that in addition to sports offering entertainment, they are stand as a tool for the prevention of social issues, for the development of good values and bonds as well as for the achievement of improvement and bodily welfare. This is why we always keep sports in mind as one of our social investment building blocks.

Power Chair Football Argentina (PCFA) is a foundation which promotes the development of an exciting sport for people with motor disabilities which are so severe they are unable to push their wheel chairs themselves and, need drive power wheelchairs, instead. Not only have we provided our support since 2015 through the funding of the foundation’s activities, but we are permanently on the search of further opportunities. This is why we thought our staff could take up this initiative and the outcomes have been amazing. When Pablo Giralt, who serves as DIRECTV Sports’ star commentator, broadcast his teams and players’ various achievements and initiatives among thousands of followers, he suddenly became PCFA’s unconditional sponsor. And Pablo del Puerto, who serves both as DIRECTV’s staff member and as official referee, joined this initiative, as well. At first, he volunteered to serve as a soccer matches referee and then received in-depth training and at present serves as leader and coordinator of Power Chair Football referees for the American continent. These are just two examples to illustrate how people who are highly committed certainly make a huge difference.

Watch me Work, from the Women National Basketball Association (WNBA), is an awareness-raising and employment program aimed at girls and teenagers which encourages them to become aware of their own abilities, to trust their potential and pursue whatever it is they may be excited about, whether it being sports, studies or any other activity. In cooperation with this association, this year DIRECTV has hosted a workshop with the presence of a professional female basketball player and a dancer (cheerleader) who talked with a group of girls from Vicente Lopez district about their experience and shared with them a brief and hilarious basketball and dancing experience.

Building specific areas where sports can be played is another way to make a sports contribution. Even if no specific project was developed in 2016, a major contribution was made in 2014 and 2015 with the building of a soccer field at the 21-24 shanty town and of a basketball and multi-sport court at the 20 shanty town.

LABOR INCLUSIVENESS

Work is held as one of the most worthwhile human activities contributing to the development of people’s potential and allowing them to stand up for themselves and to add value to society, as well.

At DIRECTV we are aware that finding employment is harder for certain population vulnerable groups. That is why we have become involved in this theme so that we can make our small contribution:

“Apto para Todo Público” (ATP) Program. (Suitable For All Audiences Program) In cooperation with Nordelta Foundation we have delivered “Customer Service” courses since 2012. Since then trainings have been provided to 260 people, over 90% of them being females, who learn everything from how to perform job searches and to prepare a Curriculum Vitae to the development of users’ service techniques such as performing sales, dealing with claims and making negotiations. 48-hour courses are attended for 3 months and additional digital literacy 30-hour class workshops have been delivered as an option on some occasions. Courses include a visit to our call center where students perform practical phone call readings.
and take part in a group interview experience in cooperation with our Human Resources Team. A total of 13 attendees to these courses have been recruited to permanently work for DIRECTV.

Inclusive Purchases: Greater priority is currently given by the different company areas, above all, by the Purchase Team to the search of suppliers who even if performing a goods delivery or supplying a quality service while timely, duly and competitively complying with their duties, create additional value to the community. This is why Red Activos, which lies as a network of sheltered workshops, has performed different tasks and has, thus, been part of our supply chain since 2013. Back in 2016 the workshops were primarily engaged in the assembly of remote controls and cables held as a key element of the “Prepaid” box, which is held as DIRECTV’s flexible product. And GOTa, which stands as La Usina’s built-in design and creativity study, entailed various tasks from the design of Christmas boxes handed out to the staff to even the 2015 Annual Sustainability Report. In addition, we offer funding for the occupational therapists’ working hours which results in a significant increase in the productivity of these undertakings.

• Labor Inclusiveness: Regardless of those DIRECTV’s staff members having some type of motor disability though not requiring any special support, three of our employees do have an intellectual disability. In their capacity as environmental educators educated under the framework of “Cascos Verdes” Program they are all able to make significant contributions. Adjustments to their timetables and activities were made and the groups were offered support to understand specific features and the dynamics of a daily routine. Juan José, the “oldest” of all of the environmental educators, celebrated his first 3 years of employment at DIRECTV within the Corporate Social Liability Area. Victoria works for the Human Resources Department and Martin in the Operations Area. All of them infect us all with their commitment and enthusiasm!
“The impact has been enormous as we desperately needed order and they worked hard to get rid of all unwanted objects. The dining-room colorful painted furniture items gave the site greater joy and made a qualitative difference. We have also been supplied with computers and with DIRECTV’s service and that is absolutely priceless. They pushed themselves to the limits and the initiative proved highly positive!”

Marta, Head of MAMA Children’s Home in Villa Ballester
The power of help

We believe every employee’s partial growth also lies in actively cooperating with the community where they work. The same holds true with our customers and suppliers as they are key to driving a positive change.

Among all our company’s stakeholders groups, employees are the ones who more adequately define our daily actions and spirit. To that end, channeling their willingness to help is a way to express our value and recognition for them.

**VOLUNTEERED WORK POSITIVE FIGURES**

- **63** working hour social activities
- **2,493** volunteers in those activities
- **69** Argentina’s inland areas volunteers
- **28,571** volunteered hours (42% higher than the hours volunteered last year)
- **94%** of social investment programs were adopted in those areas with the highest staff number
- **100%** of the activities were performed with the government, municipalities or foundations’ support
These are some of the social undertakings boosted by DIRECTV in Argentina:

**FUNDACIÓN BANCO DE ALIMENTOS (FOOD BANK FOUNDATION)**
As Summer time usually shows a slight decline in volunteers’ assistance, a group of 200 of DIRECTV’s staff members aided in sorting over 141,000 kilograms of foodstuff monthly sent by Fundación Banco de Alimentos, an NGO helping to feed over 92,000 people in 679 soup kitchens nationwide.

**CINEMA PLUS**
This short-film DIRECTV promoted contest is aimed at yearly supporting and boosting the Argentine and Latin American filmmaking industry. A film by Juan Carlos Herrera, who studies at the National University of Córdoba, gained recognition in 2016. Not only was his short film "Redención" rated second at the Cinema Plus Grants Program, but was also worthy of recognition from the UN Civilizations Alliance, which rewards social inclusiveness, immigration and diversity-based films.

In October 2016 Herrera travelled to New York with his family and a DIRECTV’s team to receive this special recognition award.

**DIRECTÍSIMO**
A special event was hosted at Paseo La Plaza Complex in 2016 to celebrate the Child’s Day. Over 1,500 people, among princesses, pirates and witches, attended theater plays—with a different one being performed in each of the complex rooms. In addition to DIRECTV’s staff, who attended this event with their children, 100 other children from social institutions including Escuela Inmaculada Concepción, Familia de la Esperanza, M.A.M.A Children’s homes and Embarrate and Las Tunas Foundations attended this event for the first time ever. Additionally, 260 books were collected to be given away to Fundación Leamos un Libro, a non-profit organization developing and offering reading and books promotion programs and undertakings.

**LA LOMA YOUTH NEIGHBORING CENTER**
In 2016, the La Loma Youth Neighboring Center undersigned a series of labor agreements with other companies to add value to their working area. To that end, in November that year DIRECTV along with “Desde tu Lugar” NGO, got engaged in the revamping of one of its saloons: improvements on the drywall roof were made, the premises were painted and furniture items were fixed. Remedial work, carpentry, clothing, hairstyling and make-up classes are currently taught. The improvements to the saloon enabled the delivery of higher quality workshops and an increase in the number of workshop attendees.

**FUNDACIÓN SÍ**
Just like every year DIRECTV’s volunteers in cooperation with Fundación Sí, got down to work and devised school supplies to support the neediest children at the onset of the school year.

Similarly, a group of DIRECT’s staff members volunteered to collaborate in the refurbishment of Fundación Sí University Residence in the province of Santiago del Estero where rural areas youth are given opportunities to pursue their higher education studies in their own province. The volunteers got engaged in the painting of two houses and a study room and in the building of a clay oven. Additionally, air conditioning and the DIRECT’s service were installed, household goods were supplied, and the storage area where foodstuff and teaching material are kept has been tidied up.
“DIRECTV´s investment in 2016 helped us strengthen and sustain our Early Childhood Program as regards building care and maintenance needs and develop experiences with 200 children and 100 mothers attending our institution. (The child´s fees to be monthly paid in line with the foregoing program amount to $1700.-). By virtue of the volunteers´ cooperation we were able to provide more adequate premises both to the children and their mothers, which stands both as a qualitative and quantitative difference. But most importantly, we were able to SHARE and develop enriching experiences with DIRECTV´s staff, which make the “difference” in terms of the commitment they undertake in each activity we carry out together. Thank you very much!”

Florencia Pascuzzo, Developments Coordinator of Pequeños Pasos Association.
Loma Hermosa. District of San Martín.
Regional Initiatives

Our company undertakes social initiatives at a regional level, and DIRECTV Argentina has also become part of those initiatives.

THE FORUM

The development of this initiative offers a platform so that prosocial entities engaged in community improvement endeavors are able to promote their cause on television among the general public. In 2016, a 36,275-second gift was made to 8 NGOs for US$ 181,000. Similarly, the same organizations, through the spots broadcast by our company, are engaged in a regional contest where customers and social media users may become familiar with these organizations, broadcast their messages and support them with their votes. The most highly voted organizations are awarded a monetary prize to boost their growth.

PIEDRA, PAPEL Y TIJERA

This initiative stands as a proposal to undertake building and equipment improvements in social organizations exerting an impact on

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<td>GENERACIÓN DIRECTV - NOENCONTRADO.ORG ARGENTINA</td>
<td>61</td>
<td>4,270</td>
<td>$ 21,350,00</td>
</tr>
<tr>
<td>GENERACIÓN DIRECTV - NOBLEZA OBLIGA</td>
<td>157</td>
<td>6,280</td>
<td>$ 31,400,00</td>
</tr>
<tr>
<td>GENERACIÓN DIRECTV - FUNDACION PURA VIDA</td>
<td>23</td>
<td>690</td>
<td>$ 3,450,00</td>
</tr>
<tr>
<td>GENERACIÓN DIRECTV - HACIENDO CAMINO ARGENTINA</td>
<td>98</td>
<td>3,920</td>
<td>$ 19,600,00</td>
</tr>
</tbody>
</table>

Also, 100 of DIRECTV’s employees, who came all from different countries, travelled to the city of Canoa, Ecuador back in December 2016 to serve as volunteers following the 7.8 earthquake which heavily hit the region. As regards DIRECTV’s team, it provided its support and assistance in the rebuilding of 10 houses, and Gonzalito Rodríguez, who stands as DIRECTV’s joint ambassador encouraged and supported the teams during their volunteering work.

ACCIÓN GENERACIÓN

Through the adoption of this regional program, monetary assistance is offered by the company for the purchase of construction material and working tools for the victims of natural disasters. Those employees wishing to make money donations may do so by getting funds deducted from their wages and then DIRECTV matches the total amounts received as money donations, which are channeled through Fundación Sí. We offered our support and assistance in 2016 when floods hit the cities of Concordia and Entre Ríos (in January) and the Southern part of Corrientes province, Santa Fe and the Northwest region of Entre Ríos province (in April).
The aim of this program is to cooperate with, support and enrich primary and high schools teaching content with the DIRECTV Plus™ set-top box and its partners’ contents: Discovery en la Escuela, Fundación Torneos and National Geographic.

Escuela Plus preferential channel was launched in 2016 so that we may continue supporting an inclusive quality education for the entire Latin American continent, which also entails other educational programs like Discovery en la Escuela, Fundación Torneos, National Geographic Channel and Takeoff Media. In partnership with NBA and Formula 1 channels, original commercial pop-ups featuring various basketball and car racing practices, which provide an outline of some of the scientific subjects notions addressed in Educational Plus program, are broadcast on this channel.

Each of the countries where Escuela Plus is available has a telephone preference service line for schools and teachers so that they may deal with their technical queries and be provided with a solution. It is the first toll-free number which is part of a global CSR program.

**ESCUELA PLUS IN ARGENTINA, IN NUMBERS**

- 520 CONNECTED SCHOOLS
- 8,000 teachers have access to educational contents
- 1,000 teachers are attending training courses
- 16,000 students benefit from this teaching resource
- 5,000 monthly hours of informative, cultural and educational contents
- 500 Teaching support items including teaching guides and lesson planning sheets.
- 10 Argentine provinces use this program for learning purposes.
“On behalf of CONIN Luján de Cuyo Center we wish to express our acknowledgement for DIRECTV’s investment in its CSR program, which has been beneficial for the Center and has also proved vital for the deployment of the genetic potential of those children who are getting over the scourges of malnutrition. Painting and psychomotricity material (a mini springboard, balls, fences, a coordination ladder and mats) were given as gifts to the Center by DIRECTV in 2016 and that is how we were able to restore the hardwood floor of the premises where our Center operates, which has rendered it into a safe place for children to play and learn. Regardless of the material gifts, we highly value and appreciate the volunteering work by DIRECTV’s staff who performed floor sanding, cleaning and painting tasks and got engaged in the mounting of garden furniture items, among other activities. Everybody seemed to be interested in the work performed by using the CONIN methodology and, in addition, some staff from Mendoza division have continued bringing us some gifts”

Pia Merciel, Coordinator of Conin de Lujan de Cuyo Center, Mendoza.
We preserve
We are committed to the future

Engaging in sustainable management also entails preserving the relevant resources, without comprising the needs of the future generations. Reducing energy consumption, encouraging efficient waste management and pushing these values in our agents and suppliers are some of the specific actions we put in place.

At DIRECTV Argentina, we endeavor for the benefit of environmental sustainability, which among other things, involves that we:

- Boost reduced consumption of resources like energy, paper and water as well as of those inputs that may directly or indirectly affect the environment or the population’s health.
- Manage waste efficiently by fostering the reduction, reuse and recycling of the waste generated, particularly hazardous waste.
- Encourage all our value chain to comply with these environmental standards.
- We also consider it vital to be respectful of the environment and we endeavor ourselves so that our products exert the least impact upon the planet. We are committed to the environment and are the first television broadcasting company which has ever conducted the measurement of its carbon footprint.

EVERY ACTION MATTERS

DIRECTV achieved recognition for its environmental impact reduction work from “Apertura” business magazine in the “Green Companies” report.

Over the last years, the company has redefined and reworked on its operating processes so that every second of electricity is used as efficiently as possible.

The report highlights some of the actions taken such as the decentralization of our set-top boxes refitting and retrieval model; the development of a Prepaid product novel packaging (requiring the use of 32% less of cardboard) and the development of a smaller, more efficient set-top box with up to 30% less consumption than the previous model.

Great news: No fine for failure to comply with an environmental regulation was reported in 2016
We preserve sustainability

2016 Annual Sustainability Report

Responsible Resource Management

We endeavor on a daily basis to achieve an ongoing reduction in the consumption of our resources (energy and water) both at the offices and at our company broadcast center. We also monitor and control the use of fuel in our fleet of vehicles.

ENERGY CONSUMPTION

Despite the 0.4% increase at the offices area, a 1% reduction in the per-square-meter consumption of electricity was achieved in 2015 vis-à-vis the figure reported in the previous period. Some of the actions first taken in 2014 and still in place in 2015 involved the following:

- the automatic shutdown of air conditioners outside the office hours
- the availability of more naturally-lit offices
- the supply of all-in-one devices to encourage employees to turn off the lights the offices

Our electricity consumption rate grew by 9.6% in 2016 with no significant variations being observed either in the company square meters area or in its staff number.

Conversely, the total fossil fuel energy consumption in our fleet rose by 12.3%.

Internal Energy Consumption (Source Unit)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (Kwh)</td>
<td>8,260,854</td>
<td>8,212,132</td>
<td>9,002,596</td>
</tr>
<tr>
<td>Diesel (lts)</td>
<td>821,747</td>
<td>827,417</td>
<td>1,016,490</td>
</tr>
<tr>
<td>Petrol (lts)</td>
<td>633,213</td>
<td>553,348</td>
<td>534,052</td>
</tr>
</tbody>
</table>

Internal energy consumption (GJ)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Renewable fuel consumption</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B) Non-renewable fuel consumption:</td>
<td>81,118</td>
<td>78,410</td>
<td>87,424</td>
</tr>
<tr>
<td>Electrical energy (GJ)</td>
<td>29,739</td>
<td>29,564</td>
<td>32,409</td>
</tr>
<tr>
<td>Diesel fuel (GJ)</td>
<td>29,682</td>
<td>29,886</td>
<td>36,716</td>
</tr>
<tr>
<td>Petrol fuel (GJ)</td>
<td>21,697</td>
<td>18,960</td>
<td>18,299</td>
</tr>
<tr>
<td>Total organization energy consumption: A+B</td>
<td>81,118</td>
<td>78,410</td>
<td>87,424</td>
</tr>
</tbody>
</table>
In addition to monitoring the consumption of energy in our offices and at our broadcast and call centers, we also control the external energy consumption resulting from our operations, for example: consumption derived from our staff’s plane trips or from the use of our set-top boxes in our customers’ residences, including Prepaid and Postpaid services.

**External Energy Consumption (GJ)**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Renewable fuel consumption</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B) Non-renewable fuel consumption:</td>
<td>1,445,667</td>
<td>1,563,579</td>
<td>1,644,667</td>
</tr>
<tr>
<td>Owned (Prepaid) (GJ)</td>
<td>459,336</td>
<td>337,684</td>
<td>388,355</td>
</tr>
<tr>
<td>Leased (Postpaid) (GJ)</td>
<td>986,331</td>
<td>1,225,895</td>
<td>1,256,311</td>
</tr>
<tr>
<td>Total organization energy consumption: A+B</td>
<td>1,445,667</td>
<td>1,563,579</td>
<td>1,644,667</td>
</tr>
</tbody>
</table>

**VARIATION IN SOURCE-BASED ENERGY CONSUMPTION**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fossil fuels</td>
<td>1,380,765</td>
<td>1,398</td>
<td>1,550,542</td>
<td>3%</td>
</tr>
<tr>
<td>Diesel fuel</td>
<td>29,739</td>
<td>29,682</td>
<td>29,886</td>
<td>9.6%</td>
</tr>
<tr>
<td>Petrol fuel</td>
<td>21,697</td>
<td>18,960</td>
<td>18,299</td>
<td>-3.5%</td>
</tr>
</tbody>
</table>

**External Energy Consumption (Source Unit)**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff’s plane trips (kms)</td>
<td>14,290,680</td>
<td>13,582,860</td>
<td>4,386,548</td>
</tr>
<tr>
<td>Prepaid Product (kWh)</td>
<td>127,593,261</td>
<td>93,801,034</td>
<td>107,876,493</td>
</tr>
<tr>
<td>Postpaid Product (kWh)</td>
<td>273,980,768</td>
<td>340,526,337</td>
<td>348,975,330</td>
</tr>
</tbody>
</table>

**Electricity Internal Consumption**

- **Owned (Prepaid)** (GJ): 1,445,667
- **Postpaid** (GJ): 1,563,579
- **Total organization energy consumption**: 1,644,667

**In addition** to monitoring the consumption of energy in our offices and at our broadcast and call centers, we also control the external energy consumption resulting from our operations, for example: consumption derived from our staff’s plane trips or from the use of our set-top boxes in our customers’ residences, including Prepaid and Postpaid services.

**Reduction of source-based energy consumption**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (GJ)</td>
<td>29,739</td>
<td>29,564</td>
<td>32,409</td>
<td>9.6%</td>
</tr>
<tr>
<td>Diesel fuel (GJ)</td>
<td>29,682</td>
<td>29,886</td>
<td>36,716</td>
<td>22.9%</td>
</tr>
<tr>
<td>Petrol fuel (GJ)</td>
<td>21,697</td>
<td>18,960</td>
<td>18,299</td>
<td>-3.5%</td>
</tr>
</tbody>
</table>

**External Energy Consumption**

**Notes:**

- In the case of the remaining operations carried out at a regional level.

---

**We preserve**

2016 Annual Sustainability Report
The number of set-top boxes enabled in 2016 rose by 7.8%, which accounted for almost 4% less than the previous year’s rate. Still, the variation in added consumption, which is attributed to the development of our newer and more efficient products, amounted only to 5.2%.

Additionally, our staff’s plane travelled distance dropped to almost 70% in 2015 compared to the rate reported in 2015. This drop can be attributed largely to the higher use of teleconferencing tools, to a more adequate travelling management system and to more budgetary controls.

Even if no major energy efficiency advances for our set-top boxes were made in 2016, this issue is part of our agenda. We are permanently endeavoring for the development and innovation of our products aiming at reducing our environmental impact on all of our value chain.
We are aware that greenhouse gases exert a direct impact on global warming. This is the reason why at DIRECTV we have committed ourselves to reducing their emissions.

The different pillars upon which we endeavor for this sustainable commitment involve the following: reduced environmental impact on inputs logistics and distribution activities, on technical assistance and installation operations, and on our corporate offices and broadcast center, also including the development of more efficient set-top boxes.

The measurement of our Carbon Footprint, which has been undertaken since 2012 on an uninterrupted basis allows us to identify our operations' highest-impact sources and create opportunities for improvement. The replacement of desktop computers with all-in-one computer models with a 50% lower energy consumption stands as a specific example of the actions we have taken to reduce our emissions.

Despite the 12.3% rise in the fuel consumption of our vehicles compared to the increase rate reported in 2015, our direct GhG (Scope 1) emissions only grew by 10.3%. This rise can be largely attributed to the purchase of more modern and self-contained vehicles.

Our plane trips GhG emissions dropped by 66.1% in 2016. This is largely due to the higher use of teleconferencing tools and to the US headquarter office's control over travelling expenses.
Even if the number of our offices and square meters has remained unchanged over the last year, our GHG (Scope 2) emissions have risen by 10%.

**INDIRECT GREENHOUSE GASES EMISSIONS**

**[Ton CO₂ eq]**

<table>
<thead>
<tr>
<th>Electricity</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,222</td>
<td>3,203</td>
<td>3,511</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** No emissions data gathered either by outsourced technicians or by the logistics area are included herein as it is technically unfeasible to get full and accurate data about these indirect impacts. Anyway, we have contacted our suppliers to attempt to get successful estimates. We continue working on this issue.

**TO SUM UP:**

- Our GHG (Scope 1) emissions rose by 10% in 2016.
- Electricity consumption grew by 9.6% and our square meter efficiency dropped by 12.8%.
- Even if the number of set-top boxes rose by 7.8%, the variation in added consumption was only that of 5.2% due to the development of our newer and more efficient products.
Resource-efficient management

As regards the low waste generated by our organization during work, its management is entrusted to specialized suppliers. Additionally, electronic and hazardous waste is also subject to adequate management.

DIRECTV Argentina has a program on source separation of waste in place, which is aimed at reducing the amount of waste generated in our facilities and eventually dumped into landfills. To do so, recyclable material (such as paper and cardboard, PET, plastic bottle caps and aluminum packaging) is separated from non-recyclable waste.

<table>
<thead>
<tr>
<th>Total weight of waste managed according to waste type and treatment method</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Hazardous Waste</td>
<td>38,897</td>
<td>89,985</td>
<td>316,671</td>
</tr>
<tr>
<td>WEEE (kg)</td>
<td>38,897</td>
<td>89,985</td>
<td>316,671</td>
</tr>
<tr>
<td>Recyclable MSW</td>
<td>N/D</td>
<td>N/D</td>
<td>N/D</td>
</tr>
<tr>
<td>Non-Recyclable MSW</td>
<td>N/D</td>
<td>N/D</td>
<td>N/D</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>ND</td>
<td>ND</td>
<td>ND</td>
</tr>
<tr>
<td>Batteries, etc. (kg)</td>
<td>N/D</td>
<td>50</td>
<td>ND</td>
</tr>
<tr>
<td>Total (in kg)</td>
<td>38,897</td>
<td>89,985</td>
<td>316,671</td>
</tr>
</tbody>
</table>

Note: The outcomes of WEEE management procedures are reported by DIRECTV since it has a comprehensive management and monitoring system in place for those volumes of products having reached the end of their shelf life period and being subject to final recycling. In turn, the outcomes of recyclable and non-recyclable MSW management operations are not reported by DIRECTV since even it features a source separation of waste program, it still lacks an adequate control and follow-up system for these volumes of waste. The significant increase in waste management practices recorded in 2016 can be attributed to a strong survey having been conducted since September in all devices awaiting for repair which, in many cases and due to an inadequate state of repair or the absence of spare parts, were delivered to our final electronic recycling supplier.
We preserve

2016 Annual Sustainability Report

We reduce the amount of electronic waste through its recovery also including those defective set-top-boxes which- due to service cancellation, upgrades or changes of technology reasons- the customer no longer needs.

We reuse devices. The devices are examined in our own and third-party laboratories and the following three levels of repair involving namely (1) reusing (2) aesthetic retrofitting and (3) technical retrofitting are carried out.

Eventually, should none of the three options above prove feasible, the devices recycling is entrusted to a duly qualified supplier, who engages in the materials processing stage so that they can be reused as inputs of other industries.

An increase in the number of retrofitted set-top boxes was recorded in 2015 and 2016 compared to the number of retrieved set-top boxes. This increase can be attributed to the market demand according to which some of last year’s set-top boxes may be awaiting for repair or to re-enter the market.

HAZARDOUS WASTE

At present we are not conducting any measurement of the amount of hazardous waste generated—small quantities of batteries, fluorescent lamps, toners, etc considering their low materiality level. We are neither planning to do so as a short or medium-term goal.

NOTE: The terms used in the foregoing tables are listed hereunder:

• Retrieved: these are set-top boxes retrieved by DirecTV from its customers’ households for several reasons (such as service cancellations, upgrades, technology replacements, technical failures, etc.)
• Retrofitted: these are set-top boxes which after their recovery DirecTV is entrusted with having them fixed based on three levels of repair namely: 1. Reusing (it involves the cleaning and packing of devices) 2. Cosmetic 3. Technical
• Recycled: these set-top boxes are delivered to the end supplier who is responsible for having the devices disassembled and their parts detached, as well as for processing their material separately for their sale as inputs of other industries. In the specific case of electronic circuit boards, the latter are detached and exported for their adequate refining in duly prepared facilities.

MANAGEMENT OF PRODUCT LIFE CYCLE

At DIRECTV we believe we remain liable for our products even after they are delivered at our customers’ households. This the reason why we apply the 3 Rs strategy to manage our products life cycle which involves the following stages namely:

• Reducing
• Reusing
• Recycling

Recovery and Retrofitting

<table>
<thead>
<tr>
<th>Year</th>
<th>Set-top boxes lent (Postpaid)</th>
<th>Set-Top boxes available (retrieved)</th>
<th>Set-top boxes retrieved</th>
<th>Set-top boxes Retrofitted</th>
<th>% of set-top boxes retrofitted/retrieved</th>
<th>Scrap (recycled) set-top boxes</th>
<th>% of set-top boxes recycled/retrieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,959,549</td>
<td>819,058</td>
<td>604,490</td>
<td>501,659</td>
<td>83%</td>
<td>24,091</td>
<td>4%</td>
</tr>
<tr>
<td>2015</td>
<td>4,196,062</td>
<td>821,605</td>
<td>669,934</td>
<td>674,811</td>
<td>101%</td>
<td>60,405</td>
<td>9%</td>
</tr>
<tr>
<td>2016</td>
<td>4,322,278</td>
<td>1,125,636</td>
<td>649,650</td>
<td>735,151</td>
<td>113%</td>
<td>163,776</td>
<td>25%</td>
</tr>
</tbody>
</table>

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Promoting environmental commitment

Only if we work collaboratively with other social players will we be able to come across effective solutions to address environmental issues.

LATIN AMERICAN GREEN AWARD

Creating an environmental protection network, sharing experiences and rewarding people with a sustainable mindset are some of the goals of the Latin American Green Award which is a contest assembling the top 500 Latin American social and environmental projects and it is hosted by Sambito environmental consulting office and sponsored by the CAF- the Latin American Development Bank- the Municipality of Guayaquil and other partners. As regards DIRECTV’s involvement, it serves as the contest media partner which is also engaged in boosting the knowledge and impact of this initiative for the sake of securing a more sustainable region.

Argentina had 56 projects registered for this contest 2015’s edition (out of which 48% standing among the top 500 initiatives) and climbed into fourth place in the countries’ ranking.

Also, it was an Argentine entrepreneur called Charly Karamanian, who was awarded a prize for La Casa G initiative: The Sustainable House in the Energy category undertakings.

“DIRECTV supports and engages in environmental protection acknowledging and inspiring initiatives such as the Latin American Green Awards. This is part of our community commitment which we fulfill based on our business major building block: television”, asserted Sandro Mesquita, head of AT&T DIRECTV Latin America Corporate Citizenship & Environmental Sustainability Area.

E-BILLING

Aiming at going paperless, a campaign has been launched to invite our Postpaid customers to choose the e-billing system. What has the campaign consisted of? Emails to our customers were sent to encourage them to choose this invoicing system, banners were posted on MIDIRECTV website and messages were added to paper invoices so that our customers could easily go for this new invoicing system.

A total of 544,554 customers adhered to this invoicing system in 2016.

R2 CERTIFICATION PROJECT

We aim at doing business with suppliers holding the R2 certification, which is the US standard adopted for e-waste responsible recycling and the one superseding the ISO 14001 and 0HSAS 18001 standards. This objective is aligned with our sustainability goal to be achieved in the course of our operations, which implies that 100% of our e-waste undergoes recycling.

An in-depth survey for the evaluation of our suppliers’ status of operation and business ties was conducted on a country-by-country basis aiming at helping the latter meet the foregoing standard.

We currently have five applicant suppliers selected in a cooperative endeavor with GreenEye Partners so that we can take up the process of certification in the region. Argentina did not take part in the 2016’s initial certification phase though it will certainly be part of the 2017’s second stage.

1. The G House is a single-family house where the use of different criteria, systems and technologies are combined on a sustainable, efficient and functional basis. Passive climate strategies were used for field planting and plants facing jobs while additionally leveraging the benefits of sunshine and cross ventilation. Traditional techniques and materials were used during the house building and the construction work was wisely conducted with the inclusion of more advanced materials and technologies as supplementary elements, which has, therefore, allowed enjoying outstanding thermal comfort with the energy consumption rate being lower than 50% of that of a traditional house.
# GRI G4 Table of Contents

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<th>BASIC GENERAL CONTENTS</th>
<th>DESCRIPTION</th>
<th>PAGE / RESPONSE</th>
</tr>
</thead>
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<td></td>
</tr>
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<td>G4 - 1</td>
<td>Statement by the organization’s top decision-maker</td>
<td>4</td>
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<td>Description of main impacts, risks and opportunities</td>
<td>3, 4</td>
</tr>
<tr>
<td><strong>Organization Profile</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4 - 3</td>
<td>Organization business name</td>
<td>7</td>
</tr>
<tr>
<td>G4 - 4</td>
<td>Main brands, products and services</td>
<td>7</td>
</tr>
<tr>
<td>G4 - 5</td>
<td>Headquarters’ location</td>
<td>2, 8</td>
</tr>
<tr>
<td>G4 - 6</td>
<td>Countries where the organization operates</td>
<td>7</td>
</tr>
<tr>
<td>G4 - 7</td>
<td>Proprietary and legal aspects</td>
<td>7</td>
</tr>
<tr>
<td>G4 - 8</td>
<td>Markets served</td>
<td>8</td>
</tr>
<tr>
<td>G4 - 9</td>
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