



Transformation in progress

2016 Sustainability report





21

data centers in
9 countries

As a result of the deployment of new technologies and services, the telecommunications industry has contributed to the transformation of the way in which we interact with each other, do business and keep in touch with the rest of the world. For over 15 years, América Móvil has been the primary driver of this transformation in Latin America through the development of the largest integrated platform in the region, which has enabled it to make the latest technologies available to millions of people.





+196,000

base stations conform our
infrastructure

This transformation translates into progress, development opportunities and improved quality of life for individuals, organizations and communities alike. In América Móvil we are constantly evolving, which requires us to reaffirm our commitment with continuing to set the pace in our industry as we have done so far. We will continue to make investments in technology to improve the services we offer to our customers, foster the economic growth of the countries in which we operate, and create value for our stakeholders.



280.5

million mobile
subscribers



In addition to connecting people with the world and with their worlds, in the years to come we will connect millions of devices through the Internet of Things —the next life-changing technological advancement— which will make our everyday activities even easier given the increased level of development worldwide. This reality invites us to look to the future with optimism, in the knowledge that we will be in a position to expand our corporate footprint, consolidate our leadership and preserve our vocation for ongoing transformation.



Transformation in progress

At América Móvil, we are working hard to preserve our position of leadership in the telecommunications sector by offering state-of-the-art technologies and improved services while moving toward the achievement of internal and external sustainability.

For several years, we have been laying the ground for this transformation through various initiatives, beginning with the identification of nine stakeholder groups that exert influence on our operations and productivity and with whom we are engaged in two-way relationships characterized by an ongoing dialogue.

Based on these interactions, we set out to identify those aspects of our operations that are material to sustainability. In 2015 we conducted a survey among 49 thousand employees, investors, directors, customers and suppliers of five of our subsidiaries in different countries, which we supplemented with a materiality analysis performed by Telekom Austria, and identified 30 material aspects that we have since been addressing through numerous actions.

Internally, we have established local and, in some cases, regional sustainability committees to replicate and increase our efforts across our operations and to measure and improve our sustainability performance.

In addition, our commitment to being a sustainable organization has led us to subscribe to global initiatives such as the United Nations Global Compact, which we joined in early 2016. We have begun analyzing the ways in which we can contribute to the achievement of the 17 Sustainable Development Goals, focusing our efforts on those such goals that most closely relate to our operations: Quality education; Gender equality; Decent work and economic growth; Industry, innovation and infrastructure; Reduced inequality; Sustainable cities and safe communities; Responsible consumption and production; Climate action; and Peace, justice and strong institutions.

In order to provide an easier understanding of this report, we have divided it into two large sections that best illustrate the way in which we are having material sustainability impacts:



Transforming our Business, which describes how we are changing internally to become an increasingly sustainable operation.



Transforming our Environment, which describes the manner in which we foster the development of those who use our services and the communities where we are present.



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Message from
the CEO



Towards Sustainable
Management



Transforming our
Business



Transforming our
Environment



Exhibits



Message from the CEO

G4-1



In 2016, we joined the
UN Global Compact.

The networks we have developed will allow us to meet the growing demand for data services that we expect to experience over the next years.

The global telecommunications sector is evolving at an unprecedented pace as a result of the deployment of new technologies and services, changes in regulation, and an increasingly competitive environment.

Alongside this rapid transformation, our customers' preferences and consumption patterns have also changed dramatically. Data services usage levels now exceed those of voice services. Our data traffic volumes have been growing twofold from year to year, and data usage is expected to increase at a rate of seven times per year with respect to current levels by 2020. Against this backdrop, we believe that in the years to come we will be in a position to not only continue to connect people as we have done so far, but also to connect hundreds of thousands of devices through the Internet of Things.

To achieve this transformation, we make ongoing investments in infrastructure and to upgrade our fixed and mobile networks in order to offer more specialized services to our customers. We have built the largest integrated platform in Latin America, which is outfitted with fiber-optic cabling and the most recent technology available, which has allowed us to retain our position of leadership in the telecommunications industry in the region.

Throughout the 16 years since we began operations, we have adhered to a customer-oriented service philosophy that requires us to engage in an ongoing effort to develop new strategies for improving not only the way in which we allow our customers to communicate, but also their overall experience.

We owe special recognition to the hard work and dedication of our employees, to whom we entrust the implementation of our new strategies and who contribute with their talent towards our achievement of an excellent service, consistent with our institutional values and with our Code of Ethics.

In 2016, we faced significant macroeconomic challenges that we were able to overcome successfully, and we made steady progress in ensuring the preservation of our efficiency and in optimizing our costs without compromising the quality of our services.

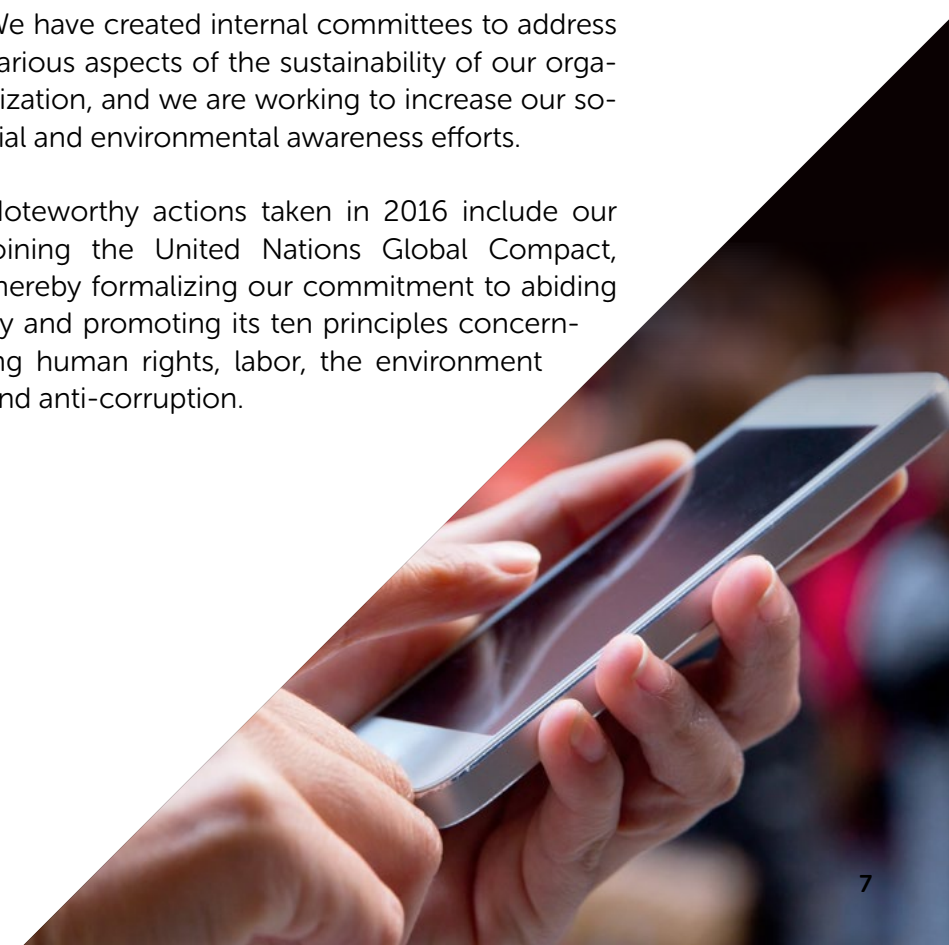
Telecommunications serve as a launching pad for the development of inclusive societies.

No one can dispute that telecommunications today constitute a founding element for the overall development of our society and for changing the lives of its members. Well aware of this fact, we foster the socioeconomic development of our communities through digital inclusion, focusing our efforts on providing for their increased connectivity and improved quality of life.

In each of the countries in which we operate, we are focusing our efforts to address the key issues of concern to our industry, such as the protection of personal data, to ensure that the use of our networks does not result in the infringement of the rights of our customers. In addition, we have subscribed to global initiatives concerning child protection, the digital inclusion of vulnerable groups, the respect of human rights, and the protection of the environment.

We have created internal committees to address various aspects of the sustainability of our organization, and we are working to increase our social and environmental awareness efforts.

Noteworthy actions taken in 2016 include our joining the United Nations Global Compact, thereby formalizing our commitment to abiding by and promoting its ten principles concerning human rights, labor, the environment and anti-corruption.





We are part of the Sustainability Index of the Mexican Stock Exchange.

In addition, we undertook a thorough revision of our Code of Ethics, our Personal Data Privacy and Freedom of Expression in Telecommunications Policy, our Information Security Policy, our Human Rights Policy, and our Anti-corruption Policy, all of which will be mandatory for each of our subsidiaries and suppliers effective as of 2017.

We have been upgrading our base stations not only to achieve increased efficiencies in terms of costs and services, but also to reduce our consumption of energy to mitigate the impact of our operations on the environment. We also continued to encourage our customers to dispose their old mobile devices in our Customer Service Centers for their subsequent transfer to entities specialized in the reclaim and recycle of their components, which by reason of their nature have a material impact on the environment, thereby engaging our entire value chain in our efforts toward reusing our resources.

We contributed to our communities through various social and environmental programs, including the provision of free access through our networks to Aprende.org, the digital learning platform of *Fundación Carlos Slim*, which offers training for employment, skills development courses, certifications, diplomas, as well as information to foster healthcare awareness and economic development of our communities. Also the alliance with the World Wildlife Fund (WWF) to join efforts in the preservation of wildlife species such as the jaguar, the mon-

arch butterfly and the marine species that inhabit the Sea of Cortes.

In the working scene, we provided professional opportunities to our more than 194 thousand employees through competitive salaries, ongoing training, and the implementation of professional and personal development platforms.

In terms of communities, we contributed to the economic and social development, as well as education of thousands of communities located far from urban population centers in each of the countries in which we operate, by providing them with access to mobile and fixed telephony.

In each of the 25 countries in which we operate, we sought to strengthen our relations with government authorities and to ensure that we remain compliant with all of the applicable laws on the subject of free competition. In Mexico, the Federal Institute of Telecommunications (*Instituto Federal de Telecomunicaciones*, or IFT) audited our operations on several occasions and found us in compliance with the preponderant economic agent regulations to which we are subject, for which we credit the efforts of our various business units. We will continue to work closely with Mexican regulatory authorities to comply with the additional regulations they have imposed us.

As a result of the aforementioned actions, we continue to be one of the 30 companies whose shares are included in the Sustainability Index of

the Mexican Stock Exchange, and we intend to keep our commitment to their advancement.

The future is challenging, but in América Móvil we are prepared to face it.

While we expect to face new and significant challenges in 2017, we possess the requisite tools to translate them into opportunities to transform and reconfigure our operations to keep up with technological evolution as we have done over the past 16 years.

Based on our achievements so far and on our everyday activities, we look to the future with no small measure of optimism in the conviction that we will continue to be a detonator of growth and development in each of the markets in which we participate.

As in previous years, I am pleased to submit to you América Móvil 2016 Sustainability Report, **Transformation in Progress**, which describes in detail our achievements in 2016 and the aspects on which we intend to focus in 2017.

We appreciate the unwavering trust of our investors, customers, employees, suppliers and distributors, and we hope that they continue trusting us to communicate them with the world.

Daniel Hajj Aboumrad

Chief Executive Officer of América Móvil



Towards Sustainable Management

Materiality

G4-18, G4-19, G4-20, G4-21

The transformation of our business and of our environment can only be conceived within a context of overall sustainability. Accordingly, in order to advance along the path towards becoming an organization whose operations take into account the aspects that are material to sustainability in our industry and in the markets in which we participate, we first set out to identify such aspects through consultation process with our stakeholders.

As part of the process, in 2015¹ we conducted an online survey among a sample mix of our customers, employees, executive officers, investors, directors and suppliers in five countries. In the end, more than 49 thousand people participated in this survey.

The results of the survey were then reviewed by the corporate Sustainability Committee, which identified, prioritized and validated the materiality of the topics of concern.

To further ascertain the materiality of the topics so identified, from both an internal and an external perspective, we analyzed the practices employed by other telecommunications companies worldwide and conducted a review of our processes and documentation.

Given the ever-changing nature of trends, we intend to update our materiality analysis in 2017 to ensure the inclusion of all relevant economic, social and environmental impacts of our operations.

¹ For a complete list of the material aspects of our operations, see our 2015 Sustainability Report, which is available at <http://www.americamovil.com/sites/default/files/2016-09/AMX-IS-2015-ingles.pdf>

The principal material aspects of our business are as follows:

- » Fostering the adoption of good Corporate Governance practices.
- » Ensuring the profitability of our company.
- » Acting by the principles contained in our Code of Ethics.
- » Providing for customer satisfaction.
- » Disseminating anti-corruption information and mechanisms.
- » Providing training and development to our employees.
- » Disclosing our risk management strategy for service disruptions.
- » Reporting on instances of monopolistic or anti-trust practices.
- » Bridging the digital divide.
- » Ensuring the security of information.

In 2016, some of our stakeholders requested the inclusion of certain additional topics in our report —such as the risks associated with the data privacy— and we are in the process of revising our Code of Ethics and related policies accordingly.

United Nations Global Compact and Sustainable Development Goals

In 2015, América Móvil and our subsidiaries entered the process of joining the **United Nations Global Compact**, which calls for companies to align with universal principles on human rights, labor right, environmental preservation, and fight against corruption.

In early 2016 the commitment became effective, and over the course of that year we participated and invited all members of the sustainability committees of our subsidiaries, as well as certain major suppliers, to participate in various online training courses offered by this initiative.





Principles of the United Nations Global Compact
Human Rights
<div>1. Businesses should support and respect the protection of internationally proclaimed human rights within their areas of influence.</div> <div>2. Businesses should make sure that they are not complicit in human rights abuses.</div>
Labor
<div>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</div> <div>4. Businesses should uphold the elimination of all forms of forced and compulsory labor.</div> <div>5. Businesses should uphold the effective abolition of child labor.</div> <div>6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.</div>
Environment
<div>7. Businesses should support a precautionary approach to environmental challenges.</div> <div>8. Businesses should undertake initiatives to promote greater environmental responsibility.</div> <div>9. Business should encourage the development and diffusion of environmentally friendly technologies.</div>
Anti-corruption
<div>10. Businesses should work against corruption in all its forms, including extortion and bribery.</div>

In 2016, we undertook an assessment of the manners in which we can contribute to the achievement of the **Sustainable Development Goals** defined also by the United Nations. Based on the characteristics of our organization, and on our ongoing actions on sustainability, we determined that we have the ability to contribute primarily to the following nine of the 17 goals:



We provide access to quality technical and professional education to both men and women in order to enable them to improve the skills required to have better job opportunities, as well as the skills needed for entrepreneurship. These opportunities are available to our employees through **Aprende.org** platform and **Claro Colombia University**. In addition, through the **Carso Digital Fellowship** and the **Telmex-Telcel Foundation Fellowship**, we provide support in the form of computers and Internet access to elementary, middle and high school-aged children of our employees, and financial and meal support to high-performing undergraduate and post-graduate students. We also provide access to quality education opportunities to the members of our communities through technology platforms such as **Académica**, **Khan Academy in Spanish**, **Ponte a Prova 2015**, **MIT Open Course Ware**, **Net Education**, and **Udacity**.



We seek to empower working women in rural communities to attain improved economic conditions through the effective use of technology and telecommunications to market their products.



We offer a number of technological options for fostering economic productivity and job creation through **Aprende.org** platform, **Training for the Job** initiative, and **Claro Colombia University**. In addition, we use technology as a tool for strengthening the ability of domestic financial institutions to promote the use of banking, financial, and insurance services and make them increasingly accessible to all people. We have created in excess of 193 thousand jobs and have incorporated in our supplier selection process measures designed to contribute to the elimination of forced and child labor. We protect the rights of our employees as such, and foster the maintenance of a safe workplace environment.



We develop and upgrade on an ongoing basis our existing infrastructure in the countries in which we operate, to connect a growing number of people with the world and with their worlds as a means for fostering economic development, environmental sustainability, and the wellbeing of all human beings. We provide access to IT and telecommunications services to marginalized communities in isolated geographic regions in order to contribute to bridging the digital divide by bringing more people into the digital era. In addition, through **Technology and Innovation Center (CTIN)**, we offer college students opportunities to develop hardware, software, and applications, and provide them with technologically innovative design, finance, and marketing tools. We also contribute to the education of talented young people who are interested in the development of content and new mobile telephony services, through **Mobile Campus**.



We use technology to potentiate the digital, economic and social inclusion of many, without regard of age, religion, gender, disability, origin, economic status, or other condition. One example of this is **Telcel 4GLTE-Infinitem Digital Village**, an event at which we provide to individuals of all ages free-of-charge access to and training on the use of information and communication technology (ICT) through workshops, courses, and conferences. In addition, through **XXI Century Mexico**, an event that caters to Telmex-Telcel Foundation scholars, we provide a space for exchanging ideas on topics relating to politics, the economy, science, sports, culture, and human development, with world-renowned lecturers. Moreover, through our digital learning spaces **Digital Libraries** and **Telmex Hub**, we reinforce the importance of digital inclusion.



We provide support to the victims of natural disasters by ensuring the continuing availability of our voice and data services, and by providing such services free-of-charge in the immediate aftermath of the occurrence. We have established response protocols for both foreseeable and unforeseeable events. For example, during hurricane conditions we secure our base stations, deploy crews, and deliver food supplies, spare parts, and power generators with full fuel tanks to ensure their operability. In addition, through our **Natural Disasters Support** initiative, we provide humanitarian relief to residents of the affected areas.





We advocate for the recycling of the equipment used in connection with our services in each of the countries in which we operate, through our **Salvá Lo Bonito**, **Claro Recycle**, and **Green Program** initiatives. We are strengthening our commitment to sustainability by incorporating relevant policies and strategies into all aspects of our operations.



Technology provides for increased resiliency to the risks relating to climate change and natural disasters. In addition, through our alliance with WWF we contribute efforts toward the **Protection of Jaguars**, and we also support various other organizations engaged in the conservation of endangered species.



We are committed to keeping our entire value chain free from any form of abuse, exploitation, trafficking, torture, and violence against children, and endeavor to reduce the occurrence of incidents of bribery and other forms of corruption. Since our joining the **Global Compact**, we have taken a number of actions at our subsidiaries' level to comply with the 10 principles established by the initiative. We seek to ensure the public availability of information, and respect the fundamental rights of our employees by allowing them to engage in collective bargaining. In addition, we contribute to the overall development of the members of our communities through **ASUME** (*Asociación de Superación por México*), which is engaged in the formation of happy and responsible men and woman of peace who are devoted to themselves, their families, their jobs, and their countries.

Stakeholders

G4-24, G4-25, G4-26, G4-27

We have identified nine primary stakeholder groups based on their influence on our operations and productivity, and are engaged in an ongoing dialogue with each such group.

Stakeholders and means of communication

<p>Customers Social media, market research studies, helplines, corporate website, chat, mobile applications, self-service modules, suggestion mailboxes, mail, and blogs.</p>	<p>Media Corporate communications, e-mail, dedicated space in our website, telephone calls, events, and in-person meetings.</p>	<p>Investors Events and presentations, quarterly conference calls, operating and financial reports, corporate websites, e-mail, and dedicated telephone line.</p>
<p>Suppliers Dedicated telephone lines, grievance mailboxes, events, and in-person meetings.</p>	<p>Employees Surveys, intranet, e-mailing, internal publications, hotlines, and grievance mailboxes.</p>	<p>Distributors E-mail, telephone calls, specialized publications, manuals, advertising materials, and satisfaction surveys.</p>
<p>Industry associations and other participants In-person meetings, special events, and industry information exchanges.</p>	<p>Government authorities Alliances, agreements, in-person meetings, information requests, and audits.</p>	<p>Community Social programs and events, as well as in-person meetings.</p>



Through formal communications with our stakeholders, in 2016 we identified and addressed key and other aspects of our operations that had given rise to grievances for various reasons, which helped us improve our relationships with our stakeholders in each country.

We assess our channels of communication with our stakeholders frequently in order to improve them and ensure the ongoing maintenance of a transparent, close, timely, and meaningful dialogue.

Maintaining two-way communication channels with our stakeholders allows us to hear their comments and concerns about topics such as the installation of antennas and base stations, the inclusion of individuals with disabilities in our workforce, our waste management efforts, and our interactions with government agencies.

Scope of the Report

G4-13-G4-22, G4-23, G4-28, G4-29, G4-30, G4-32, G4-33

We are in our sixth year of reporting on sustainability. Our Sustainability Report contains a transparent disclosure of our operating, social, labor and environmental performance during the period from January 1st to December 31, 2016.

Our Sustainability Report has been prepared following the Global Reporting Initiative guidelines in its G4 version and in accordance with the Core option, without external assurance. Unless otherwise indicated, the information contained herein encompasses the 25 countries in which we currently operate. Our total workforce includes the employees of our following subsidiaries: Telvista USA, Telvista México, Speedy Móvil, UNO TV México,

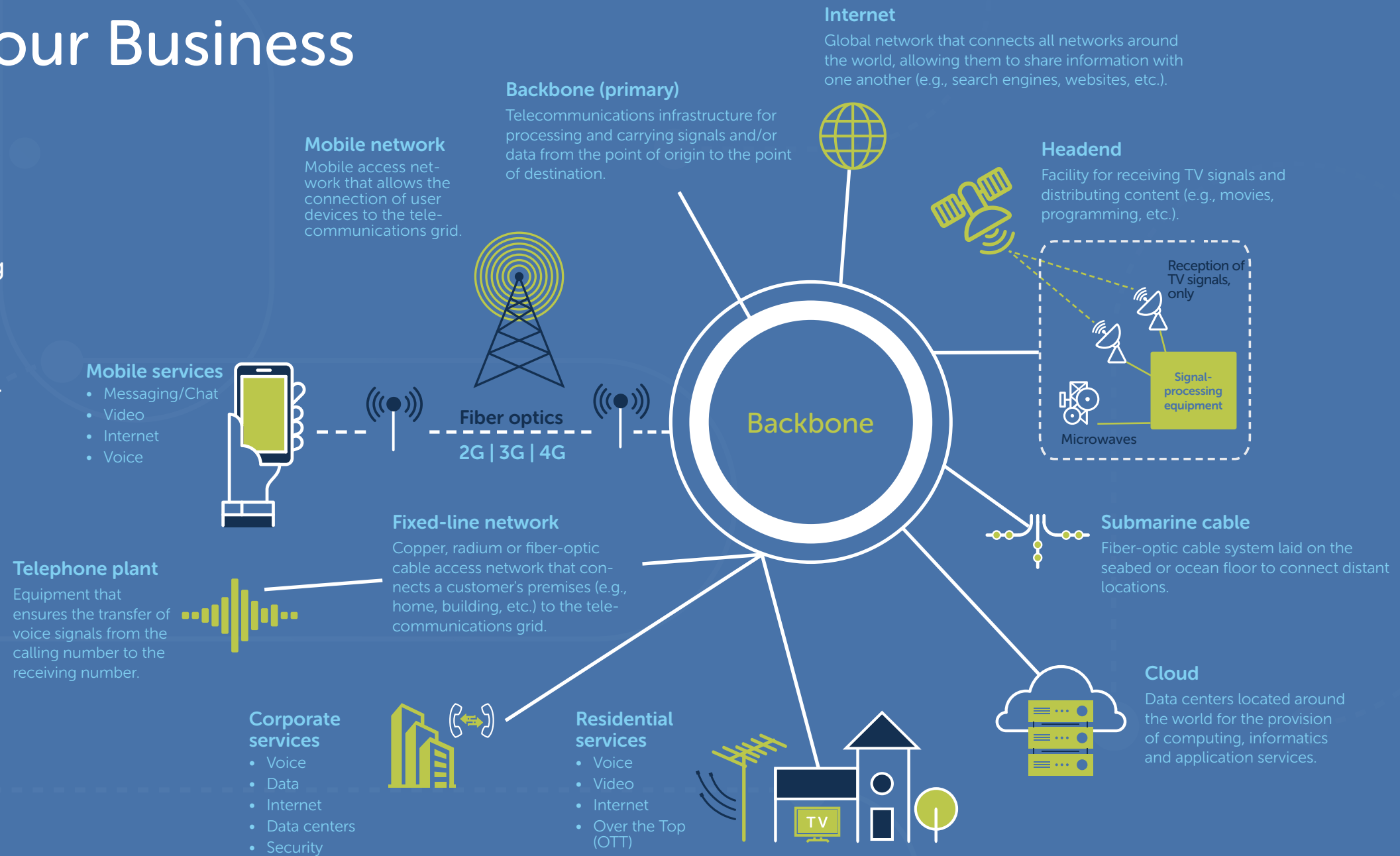
Plaza VIP, Editorial Contenido, Rie, CMI, Tracfone, DLA USA, DLA Argentina, Comertel, Omsasi, Inttelmex, Tecmarketing, Red Uno, Telnor, CTBR, LIMSA, CYCSA, IMTSA, FYCSA, Teleconstructora, SCITUM, GTA, VSYS, Multicom, Telmex USA, OraTV USA, HITSS USA, HITSS, ADSA, CMI, TELINT, AMCO, Edico, Transfer, Imusic+E35, and Brasil Center.

Our Brazilian subsidiaries Embratel, Claro and NET merged in 2016. As a result, our operations in Brazil are undergoing a transition period and this report does not include certain indicators that were included in our 2015 Sustainability Report.

In 2016, we did not reformulate any information included in previous reports, and there was no material change in the scope, coverage, our structure, ownership, or supply chain. We have updated our CO₂ emissions data for 2015 to include our emissions by country. Accordingly, the emissions data contained herein differs from the data contained in our 2015 Sustainability Report.

Transforming our Business

In América Móvil we are changing the way we do things within our organization in order to achieve a sustainable management, preserving the economic leadership that has characterized us, attaining increased efficiencies in the use of our resources, and ensuring that our team members possess the requisite skills to take on the challenges in our industry and to anticipate the needs of our customers.





Profile

Service Excellence

Employees

Environmental Performance

Corporate Governance



Profile

We are transforming the provision of integrated telecommunications services to enable millions of people to communicate with the world and with their worlds, and to access content, information and knowledge as a means for improving their quality of life.

25

countries in Latin America and Europe with access to our services

363.4

million access lines

At the end of 2016 we maintain our position as the world's second largest telecommunications company (excluding China) in terms of number of access lines



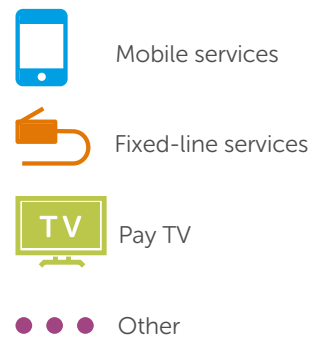
Profile

Service Excellence



































































Employees

Environmental Performance

Corporate Governance



(1) Equity participation held by Telmex Internacional, in which América Móvil holds a 97.86% interest.
(2) In November 2016, our fixed-line operations in Ecuador were merged into our mobile operations in that country.
(3) Includes our mobile, fixed-line, broadband, and Pay TV (including DTH) subscribers.

Principal brands and services by country					
Country or region	Principal brands	Principal services	Equity participation	No. of access ⁽³⁾ (thousands)	Percentage of the operations (millions of access)
Mexico	Telcel		100%	95,131	26%
	Telmex		98.70%		
	Sección Amarilla ⁽¹⁾		98.40%		
	Telvista		89.40%		
Brazil	Claro	  	97.70%	96,887	27%
Colombia	Claro	 	99.40%	35,258	9.70%
	Telmex	 	99.30%		
United States	TracFone		100%	26,070	7%
Southern Cone					
Argentina	Claro		100%	32,319	8.89%
	Telmex		99.70%		
Paraguay	Claro	  	100%		
Uruguay	Claro	 	100%		
Chile	Claro	 	100%		
	Telmex ⁽¹⁾	 	100%		
Andean Region					
Peru	Claro	  	100%	22,621	6.22%
Ecuador	Claro ⁽²⁾	 	100%		
Central America					
Costa Rica	Claro	 	100%	20,477	5.63%
El Salvador	Claro	  	95.80%		
Guatemala	Claro	  	99.30%		
Honduras	Claro	  	100%		
Nicaragua	Claro	  	99.60%		
Panama	Claro	  	100%		
Caribbean					
Puerto Rico	Claro	  	100%	8,116	2.23%
Dominican Republic	Claro	  	100%		
Austria & Eastern Europe					
Austria	A1	 	51%	26,608	7.32%
Belarus	Velcom				
Bulgaria	Mobitel	 			
Croatia	Vipnet	  			
Slovenia	Si.mobil				
Macedonia	Vip Operator	  			
Serbia	Vip Mobile				
The Netherlands	Kpn	 	21.10%	-	-
Total				363,487	100%



Profile

Service Excellence

Employees

Environmental Performance

Corporate Governance

Company presence



Profile

Service Excellence

Employees

Environmental Performance

Corporate Governance

Infrastructure

G4-EC7

We are transforming our operations to preserve our position of leadership and to continue to provide our customers with the best telecommunications experience in the market. To achieve this transformation, we make ongoing investments in the improvement and upgrading of our infrastructure.

We are transforming our internal operations through the implementation of technological changes in our networks, IT systems, and processes, in order to deliver the best customer experience, offer new products, and service new markets.

The investment plan for 2016 was of 155,024 million pesos¹, in upgrades to our infrastructure and in the development of new projects.

One of our most significant infrastructure development projects is the upgrade of our **base stations** through Single RAN.

Benefits of the base stations upgrade:

- » Increased network flexibility and efficiency.
- » Enhanced network capacity and coverage.
- » 50% site space reduction, 60% weight reduction, and 40% energy consumption reduction².
- » Service synergies to speed up the expansion of network capacity (3G) and coverage (LTE).
- » Simplified migration of traffic between 2G, 3G, and 4G technologies.

¹ CAPEX.

² This is the expected reduction upon the project is 100% completed.

We launched this project in 2014, and it is expected to be completed in 2018. As of the end of 2016, the percentage of completion stood at 46%. SingleRAN allows base stations to be reconfigured remotely as new technologies are developed, thus eliminating the need for individual, on-site upgrades, which translates into cost and time efficiencies.

While evolving towards an enhanced service, we have used servers designed to take into account performance, availability, scalability, flexibility, cost factors, and redundant, resilient networks with sufficient capacity to accommodate unexpected surges in demand, all of which are capable of supporting large volumes of data in real time.

The above has had a positive impact on our revenues, customers' experience, CAPEX, OPEX, quality and efficiency.

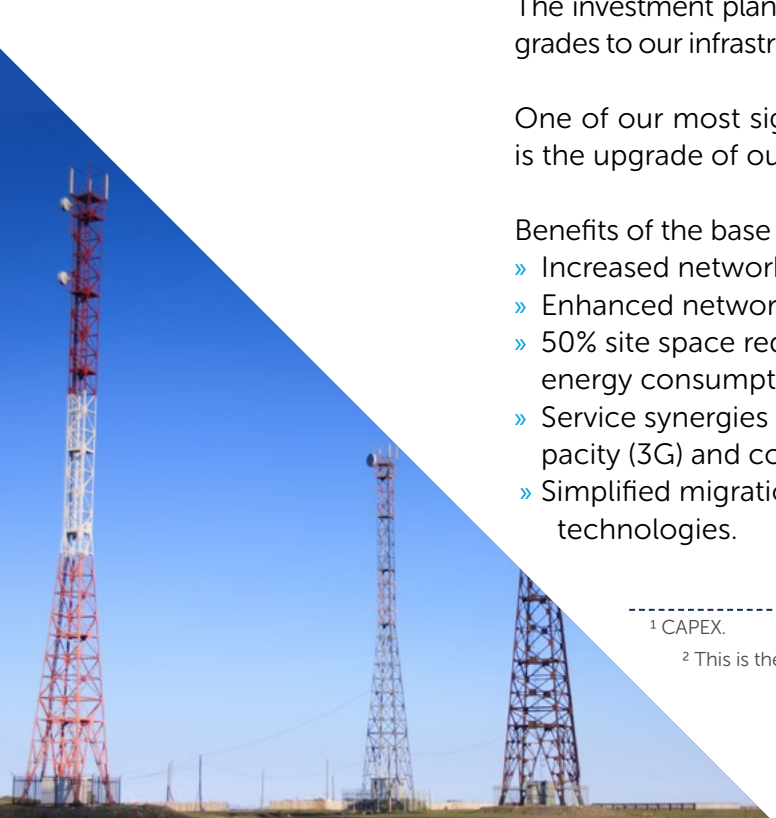
In addition, since 2014 we provide international connectivity through our **submarine cable** to the subsidiaries in the United States³, Central and South America with more than 168 thousand km of submarine cable, which includes the AMX-1 system of 17,500 km length with 12 landing points.

This cable has the capacity for the transmission of 85 terabits per second, of which only two terabits are currently being used. When operating at full capacity, the cable is able to process 846 million calls simultaneously, and to transfer 53 million images per second and download 2.2 million songs per second.

³ In the United States, we do not own any mobile telecommunications facilities or hold any mobile spectrum licenses. Instead, we purchase airtime through agreements with mobile service providers and resell airtime to customers.



62% of our base stations are equipped with 3G and 4G technologies.





Profile

Service Excellence

Employees

Environmental Performance

Corporate Governance



Our Vision

To be the fastest-growing telecommunications company and preserve our leadership in the telecommunications industry.

As support to our complex infrastructure, we have a **Satellite Fleet** operated by Star One, constituting the largest satellite network in Latin America.

In December 2016, we launched the Star One D1 satellite to replace the Star One B4 satellite, which had reached the end of its useful life. The Star One D1 satellite, which has life expectancy of 15 years, supplies capacity in Mexico, and Central and South America. When operating at full capacity, it has the ability to broadcast 1,300 standard or 780 high definition channels, and 2 million songs, simultaneously. With the deployment of this satellite, we increased the size of our operating satellite fleet to a total of nine, and strengthened our commitment to providing to our customers the best telecommunication experience.

We also own and operate 21 **data centers** located in nine countries (including 18 in Latin America, and 3 in Austria), which have an aggregate area of 31 thousand square meters, which we use to manage a number of cloud solutions.

Economic Performance

G4-9, G4-56, G4-EC1

We seek to maximize our economic performance in order to offer to our customers and strategic partners the security of a stable organization while creating value for our shareholders and investors.

To that end, we make ongoing investments in infrastructure, incorporate innovative, more efficient internal processes throughout our organization, and address those aspects of our operations that are material to our stakeholders.

Data Centers by country



Argentina
1 Data Center
Tier II+



Austria
3 Data Centers
IVe ITIL v3



Brazil
3 Data Centers
Tier II, II+ y III



Chile
4 Data Centers
Tier II, II+ y III



Colombia
2 Data Centers
Tier II, ICREA 5



Ecuador
1 Data Center
Tier II, ICREA 5



Mexico
2 Data Centers
ICREA 5



Peru
4 Data Centers



Dominican Republic
1 Data Center
Tier I



Profile

Service Excellence

Employees

Environmental Performance

Corporate Governance

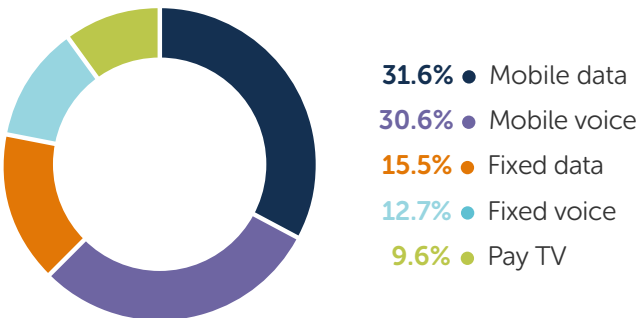
As of December 31, 2016, we had:

- » 363.4 million access lines.
- » 280.5 million mobile subscribers.
- » 82.9 millions RGUs⁴.

To that same end, and in that same conviction, we endeavor to offer a broad range of telecommunications services that are at the forefront of global trends, in order to address the communications needs of our customers. We are also engaged in significant efforts to build a sustainable organization that focuses not only on generating economic value, but also on procuring benefits for society and for the environment.

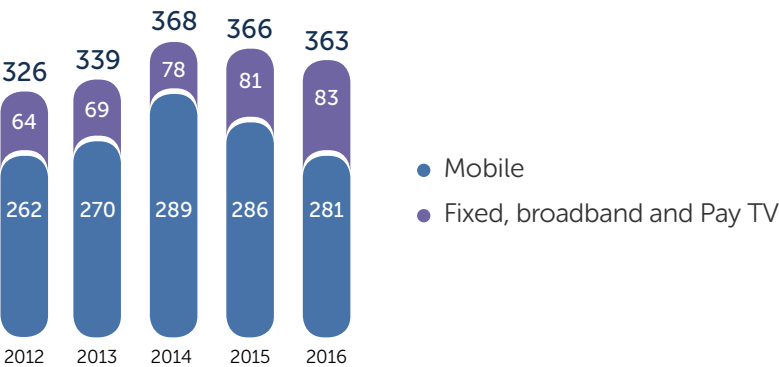
As in prior years, our operating results for 2016 were a reflection of the ambitious goals that we set out to achieve at the beginning of the year.

Service revenues 2016



⁴ RGUs: Revenue Generating Units, which include our mobile, fixed-line, broadband, and Pay TV subscribers.

Million access lines



Economic Performance 2016	
(+)	(-)
Direct Economic Value Generated (EVG)	
\$979,605,083	-
Economic Value Distributed (EVD)	
-	\$579,636,043
Economic Value Retained (EVG-EVD)	
\$399,969,040	-

Thousands of Mexican pesos.
EVG = Operating revenues + interest income.
EVD = Operating costs + other expenses + income tax expense + interest expense + dividends paid.



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Highlights

+727,000 km of fiber-optic cable

196,159 base stations

85 terabits per second of transmission capacity through our submarine cable system

21 data centers

9 satellites

Institutional goals



Customer satisfaction

- **Increasing our NPS.** We monitor our customer satisfaction levels using the Net Promoter Score (NPS)*, because satisfied customers are likely to recommend our services.
- **Maintaining our current CHURN rate.** We aim to retain our customers' loyalty and continuously monitor our CHURN rate to determine the percentage of customers disconnected during a given period.
- **Improving the quality of our services.** We make on-going investments in network infrastructure to improve our customers' mobile communications and browsing experience.



Growth

- **Increasing our number of subscribers.** We believe that the products and services we offer will allow us to attract a growing number of subscribers.
- **Meeting our revenue budget.** We constantly introduce innovations and seek to identify new opportunities to improve our customer service.



Leadership

- **Retaining our Market share.** We engage in teamwork throughout our organization, which is critical to retaining our long-standing market leadership.



Profitability

- **Keeping our operations within budget.** We endeavor to manage our resources efficiently as a means for achieving our projected results for a given period.

* Index that measures the difference between the number of subscribers who are willing to recommend our services, and those who are not





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Service Excellence

We make service excellence a priority to satisfy our customers by transforming their telecommunications experience through innovations in technology, coverage, and infrastructure.

1,107

evaluated suppliers

807,205

customer satisfaction
surveys in 10 countries

36

customer service
executives trained in the
use of sign language



We serve people,
businesses, government
and companies.

Service excellence

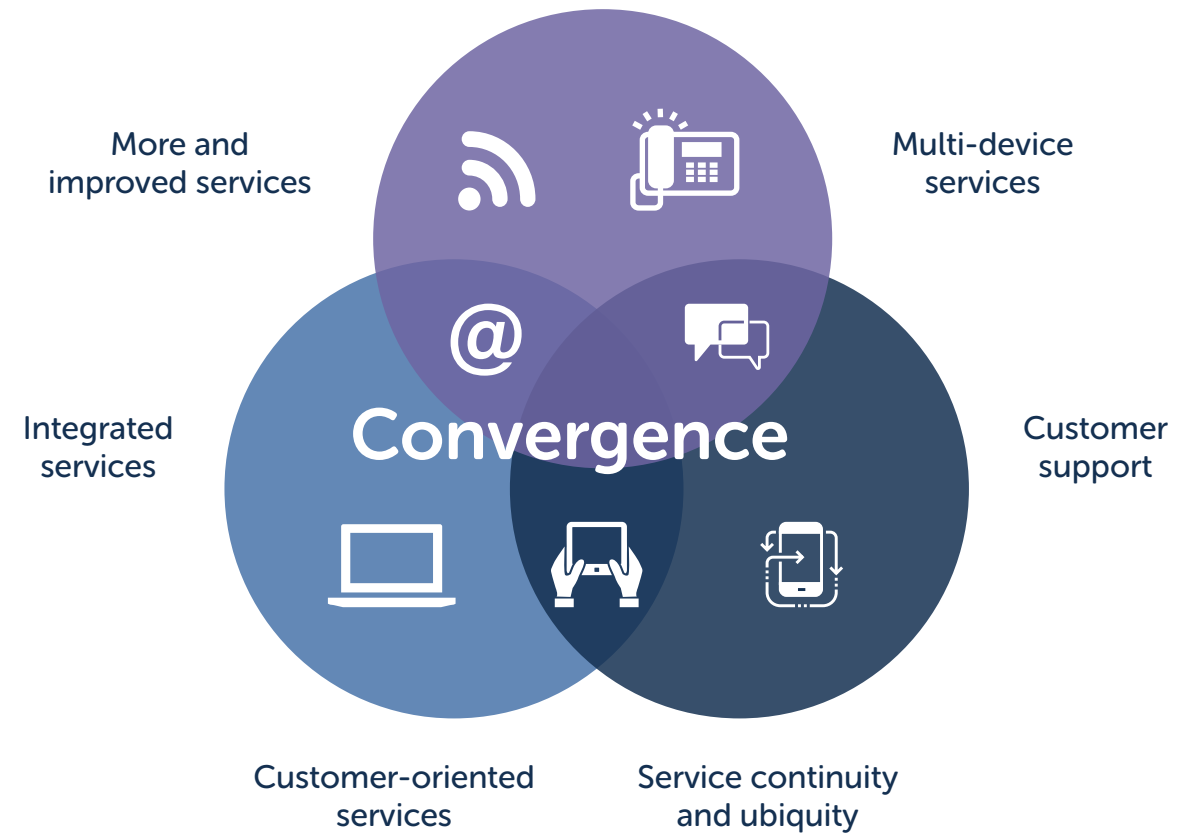
We believe that the transformation of our operations must necessarily begin at the root of the very reason for our existence: our customers. Accordingly, we are transforming the products and services we offer, to make them more flexible and far reaching, and we are changing our internal processes to create an interconnected operating system that may enable us to deliver a unique experience to our customers.

The technological changes that we have implemented have allowed us to keep up with the exponential growth of data traffic, the increased consumption of video content, and the new trends concerning the use of smartphones and Cloud services.

Customer satisfaction

G4-27, G4-PR5

In 2015, we redefined our strategic goals in order to make customer satisfaction our top priority and place it at the center of our business decisions. Since then, we have experienced a material improvement in our direct interactions with our customers given the level of care and cordiality displayed by our customer service staff.





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We provide all of our customers with access to in-person, telephone, and/or online support, depending on the country where they are located.

Customer support channels		
In-person	Telephone	Online
<ul style="list-style-type: none">• Customer Service Centers (CSC)• Authorized distributors• Self-help modules	<ul style="list-style-type: none">• Special service numbers, such as *111 and *264• Call centers	<ul style="list-style-type: none">• Chat• Social media• Website• <i>Mi Telcel</i>• <i>Mi Telmex</i>• <i>Mi Claro</i>

Customer interaction 2016

81%



In-person

18%



Telephone

1%



E-mail

Given the large number of requests submitted through these channels, in recent years we have sought to diversify our customer support resources through the inclusion of additional options in our websites and the deployment of the *Mi Telcel*, *Mi Telmex*, and *Mi Claro* applications. Notwithstanding the above, in-person and telephone support remain our customers' preferred options and, accordingly, we strive to upgrade them continuously in order to improve our customer ratings.

To further improve our level of customer satisfaction, we have implemented several self-assessment tools and various corrective actions. In 2016, we surveyed 807,205 customers in 10 countries¹, and received positive feedback about our Internet service, the quality of our signal in terms of availability and call continuity, the performance of our data services, our sales processes, the cost of our service plans and equipment, the timeliness of our billing processes, the availability of airtime recharges, and the resolution of grievances.

By the same token, we identified various opportunities for improvement, including the supply of information on new products and services, our range of online and automated post-sale transactions, our response times and level of first contact resolution, the positiveness and memorableness of the experience we deliver, the waiting times of our call centers and Customer Service Centers, the clarity of the information we supply, the size of our customer service network, our technical support capabilities, our post-sale service, and the level of coordination with our technical area to address deep-rooted issues that affect our customers' service.

We also identified certain grievances with respect to WiFi coverage and stability, the insufficiency of the amount of megabytes of data included in our service plans, and service disruptions.

We have adopted the **Net Promoter Score (NPS)** index, which allows us to measure the monthly value generated by our customers and to determine whether we are actually meeting their needs and expectations. The NPS measures the likelihood that a customer will recommend us based on his or her experience. In 2016, we achieved NPS scores above 50% in several countries, including 81% in Peru, 65% in the Dominican Republic, 60% in Paraguay, 55% in Mexico (Telcel), and 54% in Uruguay.

¹ Argentina, Chile, Colombia, Ecuador, United States, Paraguay, Peru, Puerto Rico, Dominican Republic, and Uruguay.



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In addition, in 2013 we began developing a tool for introducing technological innovations in our Big Data analysis as a means for understanding our customers' experience with the use of our devices and customer support channels, and for identifying potential areas of improvement.

This tool helps us improve our customers' experience by allowing us to get to the bottom of service disruptions (which we cannot accomplish through the NPS), to improve our revenues through the prevention or early resolution of issues, and, more importantly, to reduce the number of customer grievances.

We are a proud pioneer in the use of this tool —that is fully customer oriented— and expect to implement it in all countries within two years.

Highlights

22,356,413 followers on Facebook*

3,717,409 followers on Twitter*

807,205 customer satisfaction surveys

Responsible marketing

G4-PR7

All of our communications and marketing strategies for the dissemination of service and product information, and all of our communications with our stakeholders, reflect the corporate principles and values set in our Corporate Governance Policies and our Code of Ethics, and comply with the laws of the countries in which we operate.

Given the importance assigned by our customers and users to the maintenance of sound marketing practices, we are in the process of developing a responsible marketing policy that we will release in 2017.

Supply chain

G4-12, G4-EC9, G4-LA14, G4-LA15, G4-LA16, G4-EN32, G4-EN33

All of the products and services required for our operations are purchased locally using a strategic, centralized model that maximizes the use of our subsidiaries' synergies. As a result, 43% of our procurement budget is used with strategic suppliers, and 55% is used in Mexico and Brazil, which allows us to achieve significant economies of scale while optimizing our budget and expenditures. In each of the countries in which we operate, we retain strategic suppliers for services that are of a local nature, which relate primarily to the maintenance of our networks, and to our customer service platforms and call centers.

At each of our mobile and fixed-line business units that serves to the mass residential and corporate markets, we maintain commercial relationships with all of the leading suppliers of products and services to the technology and telecommunications industries, which allows us to remain at the forefront of technology and to deliver value propositions to our customers. We currently have more than 21 thousand suppliers worldwide.

*In Argentina, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Colombia, Ecuador, Peru, Puerto Rico, and Uruguay.





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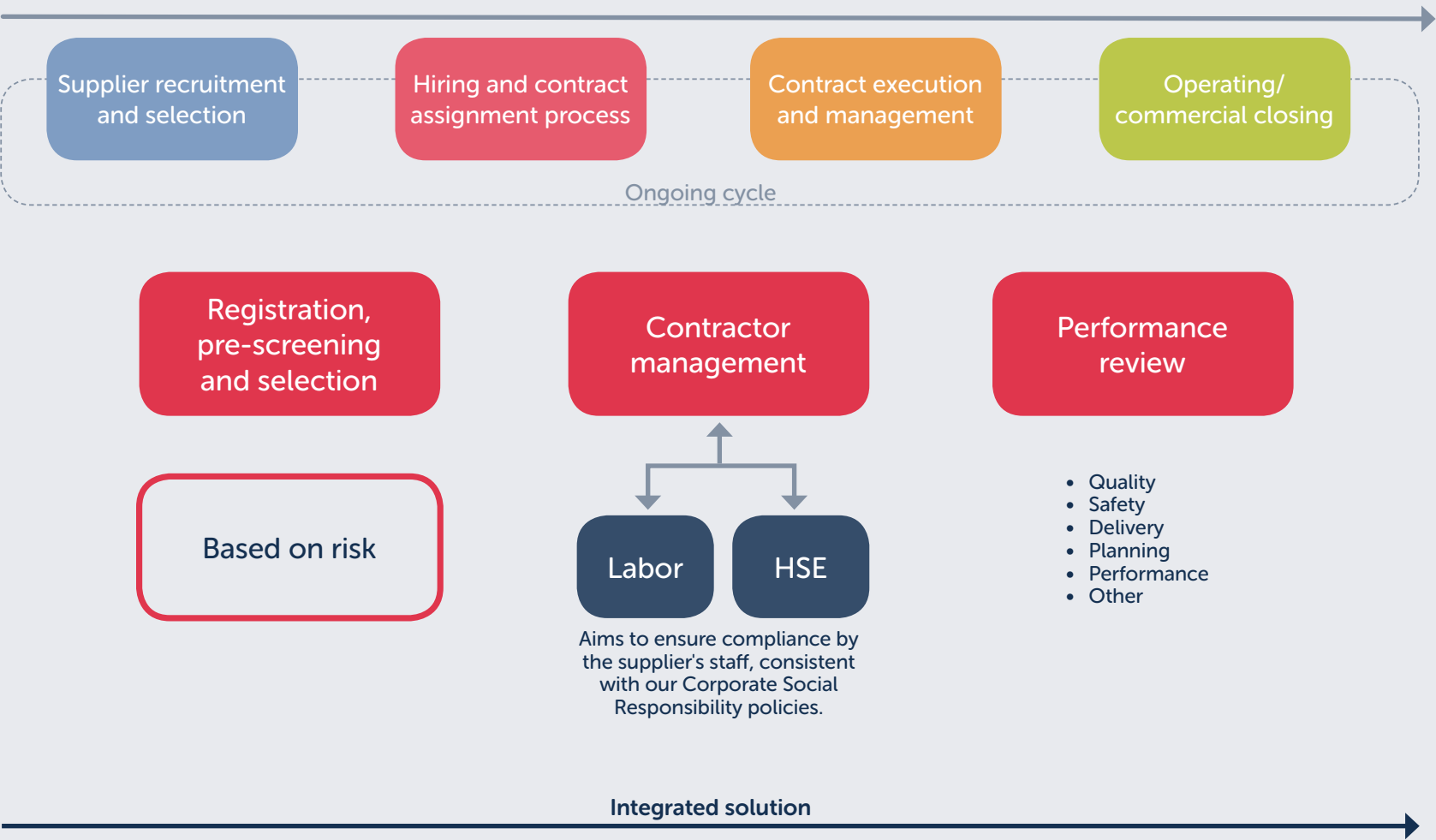
Corporate Governance



We currently have contracts with more than 21,000 suppliers.

Procurement **Support and Labor Relations**

Involves multiple areas of our organization



Success story

We believe in the importance of entering into commercial relationships based on mutual adherence to the highest global standards. Consistent with this belief, we have implemented a Supplier Review program in **Colombia** through a world-renowned vendor screening and compliance management firm.

This process entails a comprehensive assessment of each of our suppliers across a broad range of aspects, taking into consideration our needs and our commitment to environmental, social and labor issues.

We are changing the way in which we interact with the members of our supply chain, in order to establish relationships characterized by an increased awareness and ownership of social and environmental impacts in the telecommunications sector.



We review our suppliers' **environmental management** based on the compliance of the following aspects:

- » Environmental protection policies and procedures.
- » Environmental aspects and impacts matrix.
- » Definition and implementation of environmental management programs (water, waste, and energy).
- » Environmental Management System (EMS) implemented.
- » Identification of statutory requirements in environmental topics.



Regarding **human resources management**, we are reviewing our suppliers' compliance with:

- » Properly defined and documented organizational structure.
- » Position profiles and job description manuals.
- » Properly defined and documented recruitment and selection processes.
- » Background and reference checks.
- » Induction requirements and procedures.
- » Training and education programs.
- » Attendance records and reviews.
- » Performance measurements.
- » Joint management-worker committees.



We review our suppliers' **occupational health and safety management** based on the compliance of the following aspects:

- » Documented occupational health and safety policy and manual published by the management and communicated to the workers.
- » Identification and prioritization of occupational risks and hazards.
- » Supply of personal protection equipment.
- » Documented, updated contingency plan.
- » Crew deployment plans and drills.
- » Internal workplace and industrial health and safety regulations.
- » Defined health and safety indicators, and review processes.

We intend to make this program extensive to all of our subsidiaries within three years. The program's platform includes an online information system that will allow us to monitor our suppliers' compliance and to generate performance reports in order to ensure the ongoing improvement of the aforementioned aspects.



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In Mexico, we purchase in excess of 90% of our supplies locally.

Additionally in 2016, we conducted performance reviews for 1,137 suppliers², which represent 5.6% of our total number of suppliers, in order to identify irregularities, best practices, and potential areas of opportunity.

For example, in Telmex we provided advice on anti-corruption practices to the 100% of our suppliers (1,487), as well as an aggregate of 1,032 hours of training on such practices to 156 suppliers.

We also reviewed 80 suppliers for environmental performance in Colombia and Ecuador, to identify their impacts for the generation of waste and pollution, and for water, energy, and fuel consumption.

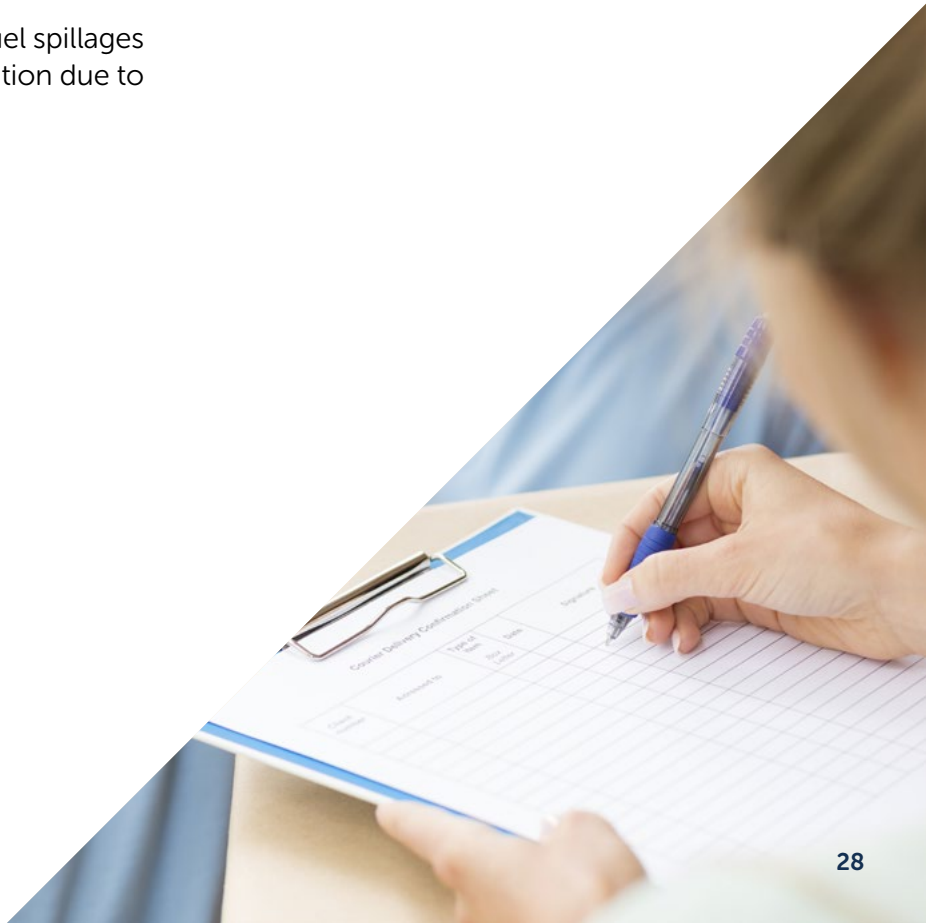
In both countries, we identified increases in the generation of regular and special waste, fuel spillages and leakages, excessive levels of water and oil consumption, instances of air and soil pollution due to fuel and coolant spillages, and inadequate hazardous waste management practices.

Highlights

1,137 suppliers assessed for performance

+90% of supplies for our Mexican operations purchased locally

² Suppliers evaluated in Argentina, Dominican Republic, El Salvador, Chile, Colombia, and Ecuador.





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Success stories



Chile

Sign language

for customer care

We provided training on the use of sign language to an aggregate of 36 CSC¹ staff and customer service supervisors for the Metropolitan Region. We implemented this initiative through an alliance with *Fundación Ronda Chile*, *Asociación de Sordos de Chile (ASOCH)*, *Servicio Nacional de Capacitación y Empleo (Sence)*, *Servicio Nacional de la Discapacidad (Senadis)*, and *Estudio e Investigación de la Lengua de Señas Chilena (Esilence)*, which provided our employees with the basic elements for communicating with individuals with hearing impairments, in order to foster a culture of inclusiveness.

We invested over 200 thousand pesos in the provision of 48 hours of training on the use of sign language.



Colombia

Sustainable management

of the supply chain

In order to foster the adoption of our sustainability strategy by its supply chain, Claro Colombia, through an alliance with the UN Global Compact Network, conducted a Sustainable Management of the Supply Chain workshop that focused on the 10 principles of the UN Global Compact, the SDGs, and Colombia's Anti-money Laundering and Counter Terrorism Financing Risk Management System (SAGRLAFT).

62 employees of our 56 engineering and customer support allies attended the workshop.



Mexico

Mi Telcel

We strengthened the *Mi Telcel* application as a channel of self-attention, which is available for iOS and Android devices.

In 2016, *Mi Telcel* was used more than 130 million times by 11 million customers to check their account balances and usage, purchase airtime and blocks of data, view their statements, and pay their bills.

We processed more than 520 million transactions through Mi Telcel, which can be accessed from any computer, tablet, or smartphone.

¹ CSC: Customer Service Centers.



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Employees

We seek to maintain a workplace environment where our employees' talent, dedication and knowledge can contribute to the transformation of our relations with our customers, suppliers, distributors and other stakeholders.

194,193

jobs created

28

average hours of training
per year per employee

81,663

employees receive
performance evaluations



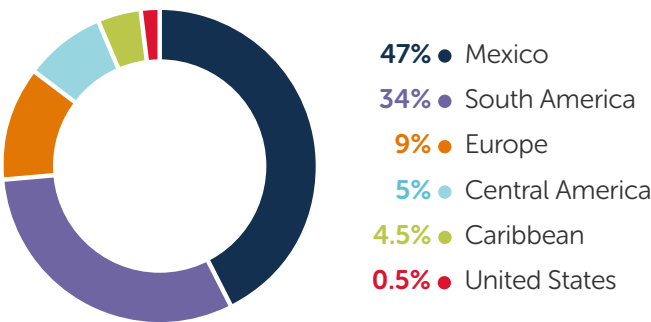
We employ
194,193 individuals
in 25 countries.

Employees

G4-9, G4-10, G4-11, G4-LA1, G4-LA2, G4-LA12

Our employees, with their spirit of service and collaboration, are the face of our organization and allow us to service million of customers. They are the primary drivers of our transformation given their talent, skill, professionalism, and commitment, which are all reflected in their daily duties.

Employees by region 2016

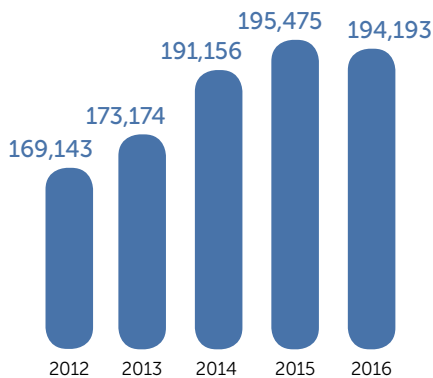


All of our employees —regardless of work shift— receive fair salaries and statutory benefits, including, among others, life insurance, private health insurance, temporary or permanent disability insurance, dental insurance, parental leave, support for the purchase of school supplies, price discounts on our devices, shuttle service to and from the workplace, financial aid for funeral expenses, and paid bereavement leave in the event of death of a family member. These benefits vary from one country to another.

Our employees are at liberty to engage in collective bargaining and to unionize in accordance with the laws of the relevant country, although unions do not exist in some of our operations. Our percentage of employees covered by collective bargaining agreements is 100% in Brazil, 91% in Mexico, 70% in Puerto Rico, and nearly 50% in each of Chile and Argentina.

Employees by region, country and gender 2016				
Region	Country	Women	Men	Total
South America	Mexico	32,510	57,796	90,306
	United States	366	482	848
	Argentina	1,577	2,076	3,653
	Brazil	17,360	23,907	41,267
	Chile	1,462	2,064	3,526
	Colombia	4,297	5,558	9,855
	Ecuador	1,234	1,635	2,869
	Paraguay	169	224	393
	Peru	1,733	2,274	4,007
	Uruguay	131	116	247
Central America	Costa Rica	256	385	641
	El Salvador	713	1,449	2,162
	Guatemala	837	2,804	3,641
	Honduras	309	574	883
	Nicaragua	796	1,145	1,941
	Panama	274	225	499
Caribbean	Puerto Rico	1,256	2,138	3,394
	Dominican Republic	2,287	3,807	6,094
Europe		-	-	17,967
Total full-time employees		194,193		
Total temporary employees		89,269		

Number of employees





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In addition to transforming our operations, we seek to foster the development of the communities of which are a member, through job creation. In 2016, we hired 19,623 new employees (in net terms), of which 8,601 were women and 11,022 were men.

Hires and employee turnover by age and gender 2016				
Age	Hires		Turnover	
	Women	Men	Women	Men
<30 years	5,726	6,352	4,258	4,173
30-50 years	2,822	4,521	4,542	5,596
>50 years	53	149	856	2,111
Total by gender	8,601	11,022	9,656	11,880
Total	19,623		21,536	

Does not include our operations in Europe, it comprises approximately 93% of our operations.

In each of the countries in which we operate, we provide to our employees statutory severance pay or other compensation and benefits for termination, resignation or retirement. For example, in 2016 we made Right Management's Career Transition Workshop available to 94 former employees in the United States, and the *Vida Plena* of Telmex workshop to 3,003 Telmex employees who were approaching retirement.

Training and development

G4-LA9, G4-LA10, G4-LA11

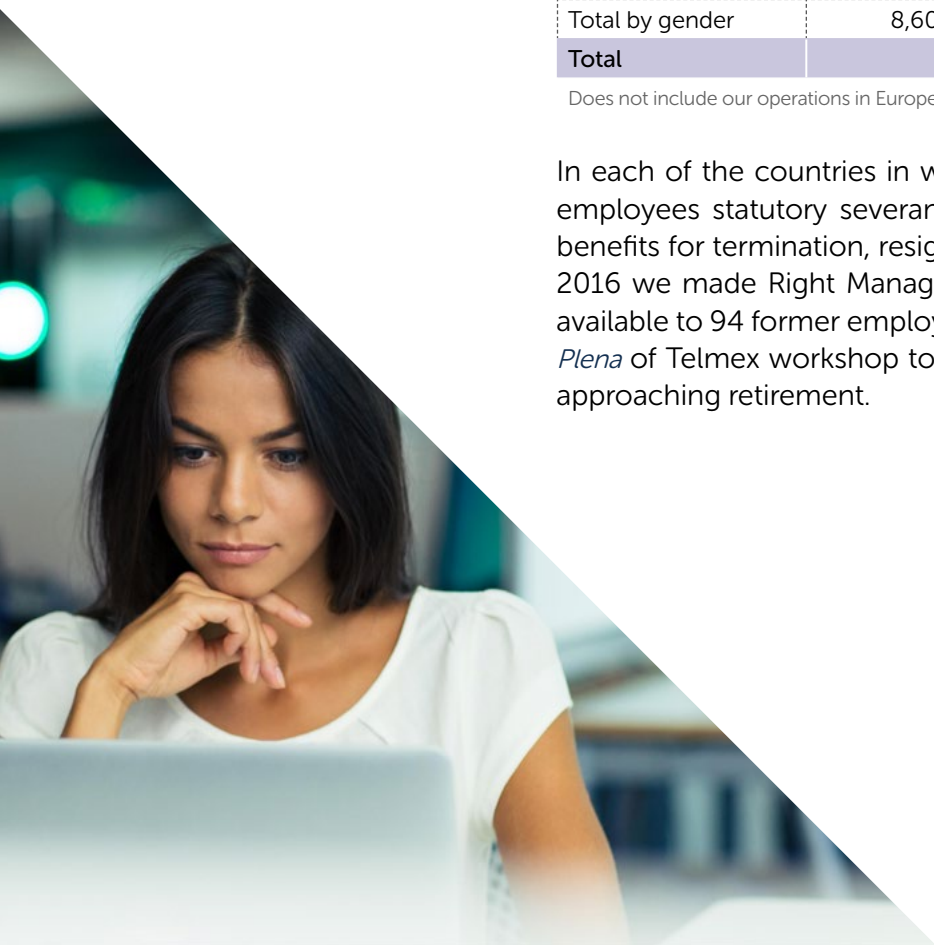
The reason for our success lies with the very essence of our organization: our employees. To reciprocate, we provide them with a number of tools for the development of the requisite knowledge and skills to succeed at both the professional and personal levels.

In 2016, we provided to our employees an aggregate of 4,966,587 hours of training on aspects such as customer service, customer satisfaction, leadership, communications, coaching, negotiation, persuasion, dispute resolution, project management, effective conversation, time management, personal organization, sales, ethics, foreign languages, telecommunications, team work, emotional intelligence, approach to change, flexibility, and cultural transformation.

Another example of our efforts to foster the development of our employees is the **Performance Survey** conducted by Telcel for its administrative and unionized personnel. For the fourth year in a row, through this survey Telcel reviewed 97% of its administrative staff and 100% of its unionized workers. The results of the survey are used by Telcel as a basis for the promotion of deserving employees. In addition, we applied more than of 1,000 **Potential Evaluations**, as a basis for their promotion to more senior positions.



In 2016, each of our employees received an average of 28 hours of training.





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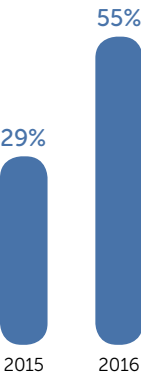
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Average hours of training per employee



Percentage of employees who received performance evaluations



Average hours of training per year by region and gender 2016							
Region	Women			Men			Average hours of training per employee
	Employees	Hours of training	Average hours of training	Employees	Hours of training	Average hours of training	
Mexico	32,510	638,991	20	57,796	1,859,706	32	28
United States	366	1,438	4	482	1,678	3	4
South America	27,963	769,241	28	37,854	667,547	18	22
Central America	3,185	106,486	33	6,582	267,155	41	38
Caribbean	3,543	338,398	96	5,945	315,947	53	69
Total	67,567	1,854,554	27	108,659	3,112,033	29	28

Does not include Europe and Uruguay, it comprises approximately 93% of our operations.

Moreover, in nearly all of the countries in which we operate, every year we review our employees' performance and identify opportunities for improvement at the subsidiary level. In 2016, 72,103 employees, 55% of our total number of employees, received Performance and Development Evaluations, 360° Evaluations, and participated in Organizational Environment surveys.

None of what we offer to our customers would be possible without the permanence and commitment of our employees, who have accumulated 10, 15, 20 and, for the first time, 25 years of seniority at our company, thereby strengthening our organization and business operations at the core in each of the countries in which we operate. In 2016, we recognized 1,983 employees across a number of business units and countries, for their efforts on our behalf.

Number and percentage of employees who received performance reviews by region and gender 2016				
Region	Women		Men	
	Number of employees	Percentage of employees	Number of employees	Percentage of employees
Mexico	13,796	42	20,614	36
United States	352	96	462	96
South America	7,891	89	10,679	91
Central America	3,037	95	6,356	97
Caribbean	3,543	100	5,373	90
Total	28,619	59	43,484	53

Does not include Europe, Brazil, and Uruguay, it comprises approximately 62% of our operations.





Occupational health and safety

G4-LA6, G4-LA7, G4-LA8

We endeavor to create, maintain and provide assurance of a safe and healthy workplace environment where our employees are able to perform to their fullest potential, our contractors can do their job in the knowledge that they are not in jeopardy, and our customers can feel at ease while visiting our facilities.

We strictly abide by the occupational health and safety laws of each of the countries in which we operate, and have implemented a number of awareness and other training programs across our entire organization in order to prevent the occurrence of injuries, diseases, and fatalities.

For example, in 2016 we provided training on aspects such as the use of fire extinguishers, risk identification and mapping, emergency

simulation, development of operational continuity plans, accident investigations, and statistics, among others.

In addition, our collective bargaining agreements in Brazil, Guatemala, Nicaragua, Mexico, and Puerto Rico, contain provisions that address occupational health and safety aspects such as accident prevention, hazardous labor, potable water, sanitation, first aid, emergency crews, personal protection equipment, ventilation, lighting, odor extraction, the environment, fire extinguishers, and vaccination campaigns.

Notwithstanding our occupational health and safety efforts, in 2016 we recorded several instances of work-related injuries, diseases, and fatalities.

Injuries, occupational diseases and fatalities 2016						
Region	Injuries		Occupational diseases		Fatalities	
	Women	Men	Women	Men	Women	Men
Mexico	581	1,207	14	18	3	3
United States	4	0	0	0	0	0
South America	249	328	1,417	1,896	0	1
Central America	98	167	2	1	0	3
Caribbean	103	203	63	89	0	0
Europe	50	127	0	0	0	1
Total	1,085	2,032	1,496	2,004	3	8

This information comprises 100% of our operation.



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Injuries, occupational diseases and fatalities (subcontractors) 2016						
Region	Injuries		Occupational diseases		Fatalities	
	Women	Men	Women	Men	Women	Men
Chile	16	28	0	0	0	0
Colombia	26	1,343	0	0	0	0
Honduras	3	6	20	12	0	1
Peru	1	1	0	0	0	0
Total	46	1,378	20	12	0	1

No occurrence involving subcontractors was reported in any of the other countries in which we operate.



Success stories



Colombia

Labor inclusion

of individuals with intellectual disabilities

For over three years now, we have partnered with the Best Buddies Foundation to foster the labor inclusion of individuals with intellectual disabilities and their recognition as productive members of society. In 2016, we hired additional individuals with intellectual disabilities as customer service and sales representatives at six locations in Bogota, allowing them to maximize the development of their potential and to serve as an example for all.

We integrated **six young adults** into the economically active population.



Colombia

Claro

University

In 2012, Claro University established its School of Experiences to further the education of Claro's employees in terms of values, service attitude, and teamwork through the reinforcement of the four main pillars of customer service: customer perspective, communication, elimination of frustrations, and delivery of a memorable experience.

More than **35 thousand employees** in **30 cities** have benefited from the **School of Experiences**.



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Environmental Performance

We are committed to improving our environmental performance by taking care of natural resources, reducing our energy and fuel consumption, and adopting renewable, more efficient sources of energy that have a reduced impact on our planet.

1,417,209

GJ of clean
energy consumed

178,533

tons of CO₂e not released
into the atmosphere
due to environmental
improvement initiatives

2,509

tons of copper
cable recycled



In this day and time, in which climate change poses a major challenge for all human beings, companies must pay regard to the demand for the resources required for their operations, and must find new ways for increasing their efficiency, primarily as it relates to those resources that are most in demand.

With this in mind, we have incorporated new technologies into our infrastructure, and have implemented external actions and initiatives to reduce our impacts on the environment and contribute to the wellbeing of our communities.

Energy and emissions

G4-EN3, G4-EN4, G4-EN6, G4-EN7, G4-EN15, G4-EN16, G4-EN19

As a telecommunications company, we consume significant amounts of energy and certain types of fuel to provide the highest possible degree of connectivity to all of our customers worldwide.

Energy consumption 2016		
Country	kWh	GJ
Argentina	223,024,007	802,886
Brazil	660,476,454	2,377,715
Chile	206,287,146	742,634
Colombia	439,196,868	1,581,109
Costa Rica	45,002,991	162,011
Ecuador	94,521,995	340,279
El Salvador	67,832,211	244,196
United States	9,173,600	33,025
Europe	646,350,000	2,326,860
Guatemala	100,761,033	362,740
Honduras	45,373,367	163,344
Mexico	2,144,293,168	7,719,455
Nicaragua	53,252,610	191,709
Panama	22,938,376	82,578
Paraguay	5,341,000	19,228
Peru	112,753,307	405,912
Puerto Rico	153,751,785	553,506
Dominican Republic	130,330,834	469,191
Uruguay	16,627,556	59,859
Total	5,177,288,308	18,638,237

This information comprises 100% of our operations.



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External energy consumption* 2016			
Country	kWh	GJ	Fuel (liters)
Argentina	52,702	190	20,580
Chile	-	-	589,107
Costa Rica	1,033,515	3,721	1,033,515
Ecuador	5,770,330	20,773	-
El Salvador	3,329,072	11,985	3,329,072
Guatemala	20,443,154	73,595	-
Honduras	2,810,785	10,119	2,810,785
Nicaragua	5,676,663	20,436	5,676,663
Panama	2,394,092	8,619	2,394,092
Peru	3,852,724	13,870	-
Dominican Republic	2,935,063	10,566	3,269,304
Total	48,298,100	173,873	19,123,118

Our Customer Service Centers and Logistics Facilities account for the largest portion of our energy consumption. No data available for Brazil, Colombia, United States, Europe, Mexico, Paraguay, Puerto Rico, and Uruguay. This information comprises approximately 20% of our operations.

* External energy consumption is that which occurs at locations outside our own facilities and those of our subsidiaries (e.g., CSCs located within shopping malls); and external fuel consumption is that which is associated with the use of personal vehicles and taxi and air transportation services by our employees.

In 2016, we consumed 18,638,237 gigajoules (GJ) of energy from non-renewable sources. One of the most significant projects that we have been working on is the implementation of the Single RAN technology, which will have a material positive direct impact on our energy consumption. For additional information on this project, see [infrastructure](#). We anticipate that, upon completion of the project, this technology will allow us to achieve a 40% reduction in our energy consumption.

Renewable energy consumption 2016		
Country	kWh	GJ
Brazil	685,989	2,470
Chile	83,141	299
Ecuador	154,688	557
Europe	390,386,000	1,405,390
Guatemala	760,000	2,736
Honduras	607,068	2,185
Mexico	38,983	140
Nicaragua	243,178	875
Peru	604,738	2,177
Dominican Republic	105,484	380
Total	393,669,269	1,417,209

Includes primarily solar and, to a lesser extent, wind and other resources. This information comprises approximately 73% of our operations.

In addition, as an expression of our commitment to sustainability, in some of the countries in which we operate we supplement our energy consumption with the use of wind and solar resources. In 2016, we consumed an aggregate of 1,417,209 GJ of renewable energies.

Our fuel consumption derives from the use of vehicle fleets in connection with the services that we offer to our customers, and of power generators to run our radio bases in isolated locations that are not connected to the power grid. In 2016, we consumed an aggregate of 105,092,597 liters of gasoline and diesel.

Each of our subsidiaries has implemented programs and initiatives that are aimed at reducing the consumption of energy and fuel and at achieving increased operating and cost efficiencies.





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Fuel consumption 2016		
Country	Gasoline (liters)	Diesel (liters)
Argentina	20,580	631,040
Brazil	3,929,030	581,442
Chile	-	196,492
Colombia	148,565	8,946,620
Costa Rica	45,157	76,957
Ecuador	206,129	570,986
El Salvador	260,961	923,827
Europe	501,722	6,210,779
Guatemala	447,476	3,819,206
Honduras	25,054	1,129,236
Mexico	37,175,574	20,101,191
Nicaragua	282,673	2,053,758
Panama	8,498	244,158
Paraguay	14,563	161,658
Peru	211,512	2,658,452
Puerto Rico	2,995,502	685,394
Dominican Republic	-	9,746,766
Uruguay	45,751	35,885
Total	46,318,748	58,773,849

At the end of this report, data was not available for the United States, which comprises approximately 93% of our operations.

Natural gas and LP gas consumption 2016	
Natural gas (m³)	LP gas (m³)
1,182,017	281,328

Represents the consumption of our subsidiaries in Argentina, Brazil, Colombia, Europe, Mexico (Telmex) and the Dominican Republic, the rest does not use these resources.

Emissions (Tons CO ₂ e) 2016		
Country	Direct emissions (scope 1)	Indirect emissions (scope 2)
Argentina	1,736	83,411
Brazil	10,482	42,356
Chile	526	81,896
Colombia	24,283	87,839
Costa Rica	309	2,385
Ecuador	1,997	62,649
El Salvador	3,065	47,174
United States	-	4,715
Europe	27,418	178,038
Guatemala	11,239	30,934
Honduras	3,079	15,881
Mexico	138,256	1,071,932
Nicaragua	6,139	10,777
Panama	673	7,340
Paraguay	466	1,081
Peru	7,596	31,571
Puerto Rico	8,640	31,116
Dominican Republic	26,087	82,982
Uruguay	200	5,304
Total	272,191	1,879,381

This information comprises 100% of our operations. The calculation of direct emissions (scope 1) does not consider all sources.

Emissions (2015 and 2016)		
Tons CO ₂ e	Direct emissions (scope 1)	Indirect emissions (scope 2)
2015	243,887	1,482,029
2016	272,191	1,879,381
Change	+10.30%	+21.14%

The increase in emissions with respect to the previous year was due to the expansion of our infrastructure, including a 13% increase in our number of base stations from 173 thousand in 2015 to more than 196 thousand in 2016.



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Initiatives to reduce energy and fuel consumption 2016

Brazil



Replacement of conventional luminaires with more efficient LED solutions.

Energy reduction: 2,579,018 kWh / 9,284 GJ

Emissions reduction: 634 Tons CO₂e

Chile



Replacement of EAA setpoint in 29 HUB nodes and 865 BTS sites.

Energy reduction: 560,805 kWh / 2,018 GJ

Emissions reduction: 2,226 Tons CO₂e

Costa Rica



Replacement of luminaires at 50 locations
More efficient LED

Energy reduction: 25,533 kWh / 92 GJ

Improvement of the HVAC system at our office through the installation of three stand-alone units, to avoid the need to power our larger, central HVAC unit.

Energy reduction: 597,058 kWh / 2,149 GJ

Emissions reduction: 26 Tons CO₂e

El Salvador



Space confinement; migration of equipment to new technologies; replacement of luminaries with more efficient LED solutions.

Energy reduction: 597,058 kWh / 2,149 GJ

Emissions reduction: 4,152 Tons CO₂e

Guatemala



Implementation of maintenance cost-saving measures and energy audits at our 20 largest facilities in terms of energy consumption.

Energy reduction: 641,553 kWh / 2,310 GJ

Implementation of line extensions at sites with continuous MG.

Fuel reduction: 11,680 liters

Emissions reduction: 1,999 Tons CO₂e

Mexico



Replacement of luminaires with more efficient LED solutions; turn-off of ATM ports; automation of HVAC units; implementation of no-cost savings measures, which were made extensive to the TRI-ARA data center.

Energy reduction: 32,754,290 kWh / 117,915 GJ

Retirement of emergency power generators; implementation of diesel theft-prevention measures by our operating and security areas; installation of solar heaters; replacement of more expensive, lower performance vehicles; permanent retirement of underused vehicles.

Fuel reduction: 1,834,874 liters

Emissions reduction: 154,602 Tons CO₂e

Puerto Rico



Replacement of cooling towers; operational changes.

Energy reduction: 71,679 kWh / 258 GJ

Emissions reduction: 145 Tons CO₂e

Peru



Deployment of a campaign to encourage our administrative staff to turn off their computers before leaving the office.

Energy reduction: 1,142,857 kWh / 4,114 GJ

Implementation of the 2016 Energy Savings Plan, which entailed the installation of shared power lines and the establishment of co-locations with other operators.

Fuel reduction: 215,291 liters

Emissions reduction: 3,738 Tons CO₂e

Dominican Republic



Improvements in our distribution networks and in the national energy system; reduction of the amount of unaccounted-for fuel.

Fuel reduction: 1,457,597 liters

Emissions reduction: 3,644 Tons CO₂e

Nicaragua



Space confinement; migration of equipment to new technologies; replacement of luminaries with more efficient LED solutions.

Energy reduction: 3,640,048 kWh / 13,104 GJ

Emissions reduction: 7,367 Tons CO₂e



Energy



Fuel



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We are working to improve our methods for measuring our energy and fuel consumption as a basis for the establishment of consumption reduction goals, and for reducing our greenhouse gas (GHG) emissions accordingly.

Waste

G4-EN1, G4-EN2, G4-EN23, G4-EN27

Given the nature of our business, a majority of the waste that we generate is attributable primarily to the operation of our infrastructure and, to a lesser extent, to our services.

We are working to improve our waste disposal methods in order to take advantage of internal and external reuse, and external recycling, confinement and/or reclaiming opportunities.

In **2016**, Telcel launched a project to redefine and improve its waste management practices using a preventive approach. Telcel's Sustainability Committee invested more than 300 man-hours in the analysis of the company's waste-generating processes as a basis for the design of prevention mechanisms. We believe that the above will allow for significant waste reductions over the next several years, consistent with the trend toward the maximization of reuse and recycling.



Telcel's Sustainability Committee invested 300 man-hours in the analysis of the company's waste-generating processes.

Non-hazardous waste by disposal method 2016					
Country or region	Landfill (Tons)	Reuse (Tons)	Recycling (Tons)	On-site storage (Tons)	Total
Mexico	15	3,480	3,836	1	7,332
South America	7,332	83	3,907	175	11,578
Central America	-	-	1,210	-	1,210
Caribbean	135	-	67	-	202
Total	7,563	3,564	9,020	176	20,323

Data not available for Brazil, Dominican Republic, Europe, Panama, and the United States. This information comprises 57% of our operations.

Hazardous waste by disposal method 2016					
Country or region	Landfill (Tons)	Reuse (Tons)	Recycling (Tons)	On-site storage (Tons)	Total
Mexico	0	0	2,260	0	2,260
South America	20,926	2,270	22,451	1	45,648
Central America	0	0	592	0	592
Caribbean	0	0	88	0	88
Total	20,926	2,270	25,392	1	48,588

Data not available for Brazil, Dominican Republic, Europe, Panama, and the United States. This information comprises 57% of our operations.



Profile

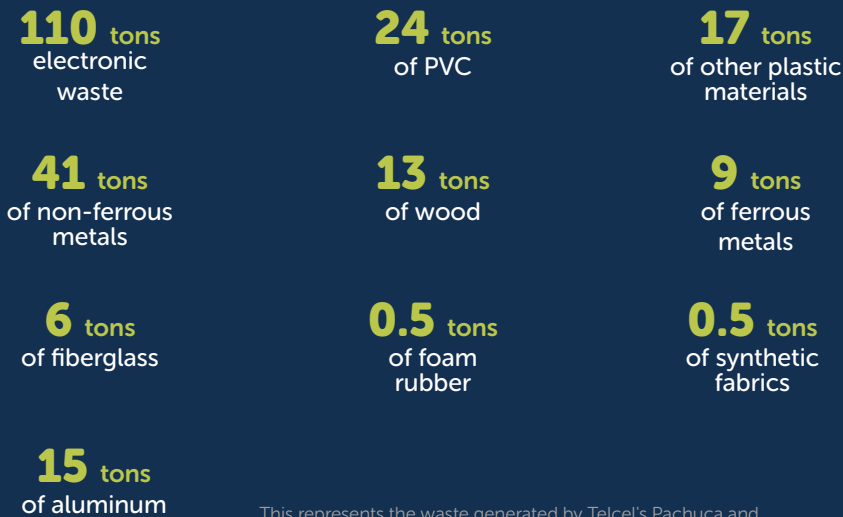
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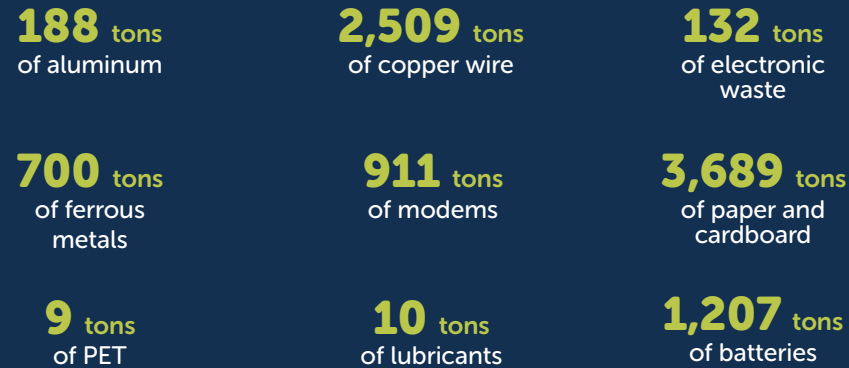
Corporate Governance

In 2016, Telcel classified its waste as follows:



This represents the waste generated by Telcel's Pachuca and Tlalnepantla warehouses, only.

In 2016, Telmex recycled and reused the following materials:



For additional information concerning our electronic waste recycling efforts, see [Transforming our Environment](#)

Water

G4-EN8

Although water is not one of the primary resources used in our operations, it is critical to life. Accordingly, we foster awareness about its protection, rationalization and efficient use among our employees, and have implemented various initiatives aimed at reducing its consumption.

Total water consumption 2016	
Country	m ³
Argentina	12,019
Chile	318,868
Colombia	103,386
Ecuador	64,974
United States	9,887
Honduras	10,620
Mexico	769,392
Nicaragua	144,000
Paraguay	1,350
Peru	79,849
Puerto Rico	218,879
Dominican Republic	3,206,407
Uruguay	2,463
Total	4,942,094

Data not available for Brazil, Colombia, El Salvador, Europe, Guatemala, and Panama. This information comprises approximately 53% of our operations.



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Success story



Telcel

Use of energy storage facilities that are not connected to the power grid

In order to improve our environmental performance, reduce our consumption of diesel, ensure the availability of mobile services in isolated communities, and reduce the potential for negative environmental impacts from our operations, in 2016 we began implementing a new energy storage technology at two pilot locations in Mexico that are not connected to the power grid. We anticipate that this technology will allow us to reduce our diesel consumption by more than 60%, and our GHG emissions by more than 66%.

This technology involves the use of large-capacity batteries and photovoltaic energy to achieve improvements in environmental performance.



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We believe that the successful transformation of our operations is contingent upon the soundness of our governance practices, this is why we are working on the implementation of internal policies and the incorporation of provisions in our contracts with our suppliers towards a more sustainable management.





See our
2016 Annual Report.

Corporate structure

G4-3, G4-7, G4-17

América Móvil, S.A.B. de C.V. is a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico. Our shares are currently listed for trading in Mexico, on the Mexican Stock Exchange (BMV:AMX); in the United States, on the New York Stock Exchange (NYSE: AMX); and in Spain, on the *Mercado de Valores Latinoamericanos* in Euros (LATIBEX:XAMXL).

According to beneficial ownership reports filed with the United States Securities and Exchange Commission (SEC), as of December 31, 2016, our ownership structure was as follows:

América Móvil ownership structure		
Shareholder	Number of shares (millions)	Percent of class ⁽¹⁾
AA Shares		
Family Trust ⁽²⁾	10,894	52.8%
Inversora Carso ⁽³⁾	4,381	21.2%
Carlos Slim Helú	1,879	9.1%
L Shares		
Inversora Carso ⁽³⁾	6,020	13.5%
Family Trust ⁽²⁾	5,998	13.5%
Carlos Slim Helú	3,072	6.9%

(1) Percentage figures are based on the number of shares outstanding as of December 31, 2016.

(2) The Family Trust holds AA Shares and L Shares for the benefit of members of the Slim family. In addition to shares held by the Family Trust, members of the Slim Family, including Carlos Slim Helú, directly own an aggregate of 3,558 million AA Shares and 9,570 million L Shares representing 17.2% and 21.5%, respectively, of each series. According to beneficial ownership reports filed with the SEC, none of these members of the Slim Family, other than Carlos Slim Helú, individually directly own more than 5.0% of any class of our shares.

(3) Formerly known as *Inmobiliaria Carso*. Includes shares owned by subsidiaries of *Inversora Carso*. Based on beneficial ownership reports filed with the SEC, *Inversora Carso* may be deemed to be controlled by the Slim Family.

For a detailed list of our subsidiaries, their jurisdictions, and our ownership interests, see our 2016 Annual Report on Form 20-F.

Corporate Governance

G4-34, G4-36, G4-38, G4-39, G4-40, G4-41, G4-42, G4-43, G4-44, G4-51, G4-52

We are transforming our operations by adhering to the best governance practices, which serve as a benchmark for our shareholders' and our Board of Directors' decision-making processes.

We conduct ourselves and our operations in an ethical, honest and transparent manner, consistent with our corporate mission, vision, values, and philosophy. In addition, we abide by the governance provisions contained in:

- » Our bylaws¹.
- » Mexican securities laws and regulations, including, without limitation, the *Ley de Mercado de Valores*, the *Circular Única de Emisoras*, the *Reglamento Interior de la Bolsa Mexicana de Valores*, and the *Código de Mejores Prácticas Corporativas* published by the *Consejo Coordinador Empresarial*.
- » The securities laws and regulations of each of the international securities markets in which our shares are listed for trading.
- » Our Corporate Governance Policies, and our Code of Ethics².
- » Our Policies Relating to Trading in the Shares of Stock of and Other Securities Issued by AMX³.

¹ Available at: <http://www.americamovil.com/sites/default/files/2016-08/bylaws.pdf>

² Available at: http://www.americamovil.com/sites/default/files/2016-09/Corporate_Governance_Policies_and_Code_of_Ethics_English.pdf

³ Available at: <http://www.americamovil.com/sites/default/files/2016-08/politicas.pdf>



Our shares are registered in Mexico, the United States, and Spain.



To ensure the maintenance of adequate decision-making processes, and of the course of our organization, we are required to call a **Shareholders' Meeting** —which is our highest governance body— within the first four months of each year, to elect or re-elect the members and/or alternate members of our Board of Directors for one-year terms, determine their compensations⁴ and the compensations of the members of the Board of Directors' ancillary committees for attending the meetings thereof, and address other matters.

Our Shareholders' Meeting provides follow-up in connection with the decisions of our Board of Directors, which is comprised of 14 directors nominated by the holders of our Series AA and Series A shares, voting together, and two directors nominated by the holders of our Series L shares. Carlos Slim Domit and Patrick Slim Domit, neither of whom is a member of our senior management, serve as the Chairman and Vice Chairman of our Board of Directors.

⁴ The aggregate compensation paid to our directors (including compensation paid to members of our Audit and Corporate Practices Committee) and senior management in 2016 was approximately \$4 million pesos and \$64 million pesos, respectively.

América Móvil Board of Directors			
Name	Age	Member since	Type
Board members elected by holders of Series AA and Series A shares			
Carlos Slim Domit ⁽¹⁾	49	2011	Stakeholder
Patrick Slim Domit ⁽²⁾⁽³⁾	47	2004	Stakeholder
Daniel Hajj Aboumrad ^{*(3)}	50	2000	Stakeholder
Carlos Slim Helú	76	2015	Stakeholder
Luis Alejandro Soberón Kuri	56	2000	Independent
Carlos Bremer Gutiérrez ⁽⁴⁾	56	2004	Independent
Juan Antonio Pérez Simón	75	2012	Related
Ernesto Vega Velasco ⁽⁵⁾	79	2007	Independent
Rafael Moisés Kalach Mizrahi ⁽⁴⁾	70	2012	Independent
Antonio Cosío Pando	49	2015	Independent
Arturo Elias Ayub	50	2011	Stakeholder
Oscar Von Hauske Solís	59	2011	Related
Louis C. Camilleri	61	2011	Independent
Board members elected by holders of Series L shares			
Pablo Roberto González Guajardo ⁽⁴⁾	49	2007	Independent
David Ibarra Muñoz	86	2000	Independent

María José Pérez Simón Carrera serves as alternate director for Juan Antonio Pérez Simón.

(1) Chairman of the Board, Chairman of the Executive Committee.

(2) Vice Chairman of the Board.

(3) Member of the Executive Committee.

(4) Member of the Audit and Corporate Practices Committee.

(5) Chairman of the Audit and Corporate Practices Committee.

* Chief Executive Officer of América Móvil.

Our bylaws provide that our Board of Directors must hold a meeting thereof at least once every three months.

For information regarding the number of meetings held by our Board of Directors in a given year, including the directors' attendance records, see the corporate practices questionnaires that we have filed with the Mexican Stock Exchange, which are accessible through the latter's website.

Our Annual Report under Form 20-F, as filed with the SEC, the Mexican Stock Exchange, and the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), contains certain biographical information about the members of our Board of Directors.

Fuente: 20-F: <http://www.americamovil.com/sites/default/files/2017-04/reporte-annual-2016.pdf>



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We have identified risks at 100% of our facilities.

In connection with its decision-making process, our Board of Directors receives support from our Internal Audit Department and from two committees:

- » **Executive Committee**, which provides opinions and makes recommendations to our Board of Directors on certain matters set forth in our bylaws. The current members of the Executive Committee are Messrs. Carlos Slim Domit, Patrick Slim Domit, and Daniel Hajj Aboumrad.
- » **Audit and Corporate Practices Committee**, which reports on our internal audit and control procedures and their adequacy, including those of our subsidiaries; determines which transactions may create the potential for conflicts of interest; and approves extraordinary compensation and/or bonuses to executives. The current members of this committee are Messrs. Ernesto Vega Velasco, Rafael Moisés Kalach Mizrahi, Pablo Roberto González Guajardo, and Carlos Bremer Gutiérrez, each of whom is an independent director.

Our **Internal Audit** Department is primarily responsible for performing three types of audits: **Risk Management Audits**, which focus on various operating processes, and on the integrity of our operations; **SOX Audits**, which seek to ascertain our compliance with the financial information accuracy and disclosure requirements set forth in the Sarbanes-Oxley Act; and **Special Audits**, which focus on specific processes or activities.

The actions taken by our Board of Directors and its committees, and the annual reports of activities of such governance bodies for any given year, are subject to ongoing review by our Shareholders' Meeting and must comply with the securities laws and regulations of Mexico, which is our jurisdiction of incorporation.

Given our aim to attain sustainability through the transformation of our operations, and the size of our organization, all material decisions concerning economic, social and environmental topics are taken by our senior management at Corporate Level. These topics are reviewed and validated by our General Counsel, who reports to our Chief Executive Officer. In 2016, we began establishing sustainability committees at each of our subsidiaries, which are responsible for addressing and providing follow-up in connection with sustainability-related matters under the direction of local management.

In addition, throughout the past year we continued to work on the development of our sustainability strategy and of the policies from which it stems, as a basis for changing the way in which we approach the subject internally and with our stakeholders.

Operational Risks

G4-2, G4-14, G4-45, G4-46, G4-47, G4-SO3

Any corporate sustainability strategy must seek to anticipate the potential risks to which the company is exposed. Accordingly, we have identified the risks relating to our activities and goals at 100% of our facilities, including those associated with macroeconomic, social or market conditions, changes in regulation, and corruption, and have taken mitigation actions through internal and external mechanisms such as the review of our senior management and risk management, ethics, and security committees for performance, internal audits at both the parent company and local levels, and external audits.



Our Internal Audit Department identifies the aspects of our subsidiaries' operations that carry the risk of fraud in order to incorporate their review and assessment into the relevant subsidiaries' annual auditing plan, monitor such risks, and ensure that they do not interfere with the achievement of our goals.

We classify fraud into three large categories:

- 1) Corruption⁵.
- 2) Improper use of our assets.
- 3) Inaccurate or false information.

We have also identified the risks that could have a direct impact on our sustainability. These include:

- » Failure of or physical damage to our access lines and fixed-line networks, power outages and surges, natural disasters, malicious acts, limitations concerning the use of radio bases, software defects, human error, and interferences beyond our control that may give rise to service delays or disruptions.
- » Non-performance by our manufacturers and suppliers.
- » Concerns about health risks relating to the use of mobile handsets and base stations.

⁵ Corruption: The abuse of one's influence or position to obtain a benefit for one's own self or for others to the detriment of our organization. It includes conflicts of interest, unlawful payments or other compensation, bribery, and extortion.

Ethics and Human Rights

G4-50, G4-56, G4-57, G4-58, G4-HR2, G4-HR3, G4-HR4, G4-HR5, G4-HR6, G4-HR7, G4-HR9, G4-HR12, G4-SO4, G4-SO5, G4-SO11

The manner in which we conduct ourselves and our operations, make our business decisions, and interact with our stakeholders in each of the countries in which we operate, is reflective of the values, principles and philosophy that have characterized our company over the years.

We understand that in seeking to evolve continuously in order to adapt to global conditions and to changes in our industry, we must stick to our core values and principles, and comply with stringent internal policies to ensure that all of our operations are conducted in an ethical manner, comply with the law, and protect human rights.

Given the materiality of these aspects, in 2016 we undertook a thorough revision of our Code of Ethics, which addresses topics such as the privacy of information, human rights, and the environment, among others. Currently, we conduct all of our internal and external activities in accordance with the guidelines contained in our **Corporate Governance Policies** and our **Code of Ethics**⁶.

⁶ Available at: http://www.americamovil.com/sites/default/files/2016-08/Políticas_de_Gobierno_Corporativo_Es.pdf



For detailed information concerning the risks that we have identified, see our Annual Report under Form 20-F, which is available at: <http://www.americamovil.com/sites/default/files/2017-04/reporte-annual-2016.pdf>



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We have established several channels through which our employees and stakeholders can contact us to report —on a confidential basis— conducts, attitudes, or acts which are unlawful, inappropriate, or contrary to our corporate values and philosophy:

- 1) Our stakeholders can report these occurrences via e-mail to lineadedenuncia@americamovil.com
- 2) Our employees can approach their respective supervisors.
- 3) All can call our subsidiaries' hotlines.



We undertook to revise and update our Code of Ethics.

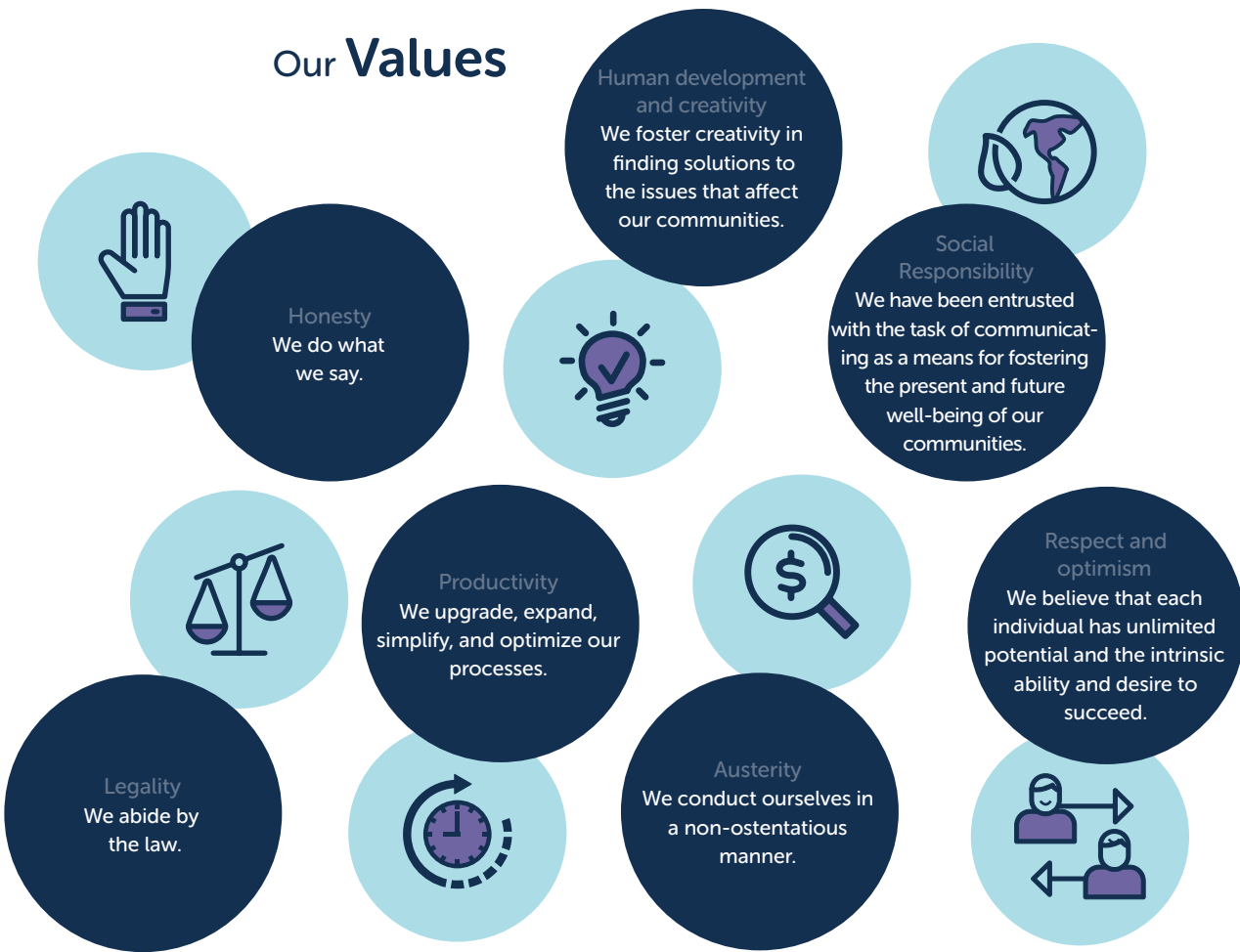
We are in the process of developing a centralized whistleblowing portal that we plan to launch in 2017, which will make it possible to report any instance of corruption not only confidentially but also anonymously, if desired.

All complaints of corruption at our subsidiaries' level are forwarded to our Internal Audit Department for review and consultation with our Legal Department and other relevant areas. Upon corroboration of the complaint, the case is turned over to the relevant subsidiary's ethics committee —that is comprised of the heads of our local legal, audit, fraud and human resources departments— for determination of the applicable internal, administrative, or legal penalties. In addition, we have established a mirror committee at Corporate level, to address complaints of misconduct by our senior management.

Substantiated complaints are investigated by the relevant subsidiary through the internal oversight body designated by us to such effect, which may convey the allegations to our Board of Directors' Audit and Corporate Practices Committee.

We seek to ensure that all of our suppliers comply with the provisions contained in our Code of Ethics, and with all of our policies. In 2016, we incorporated new provisions in the procurement contracts that were due for renewal, in order to strengthen our commitment to sustainability across our entire value chain. As of the end of 2016, 91% of our procurement contracts contained provisions designed to ensure the lawful provenance of all of our raw materials, as well as the protection of human rights and the environment.

Our Values





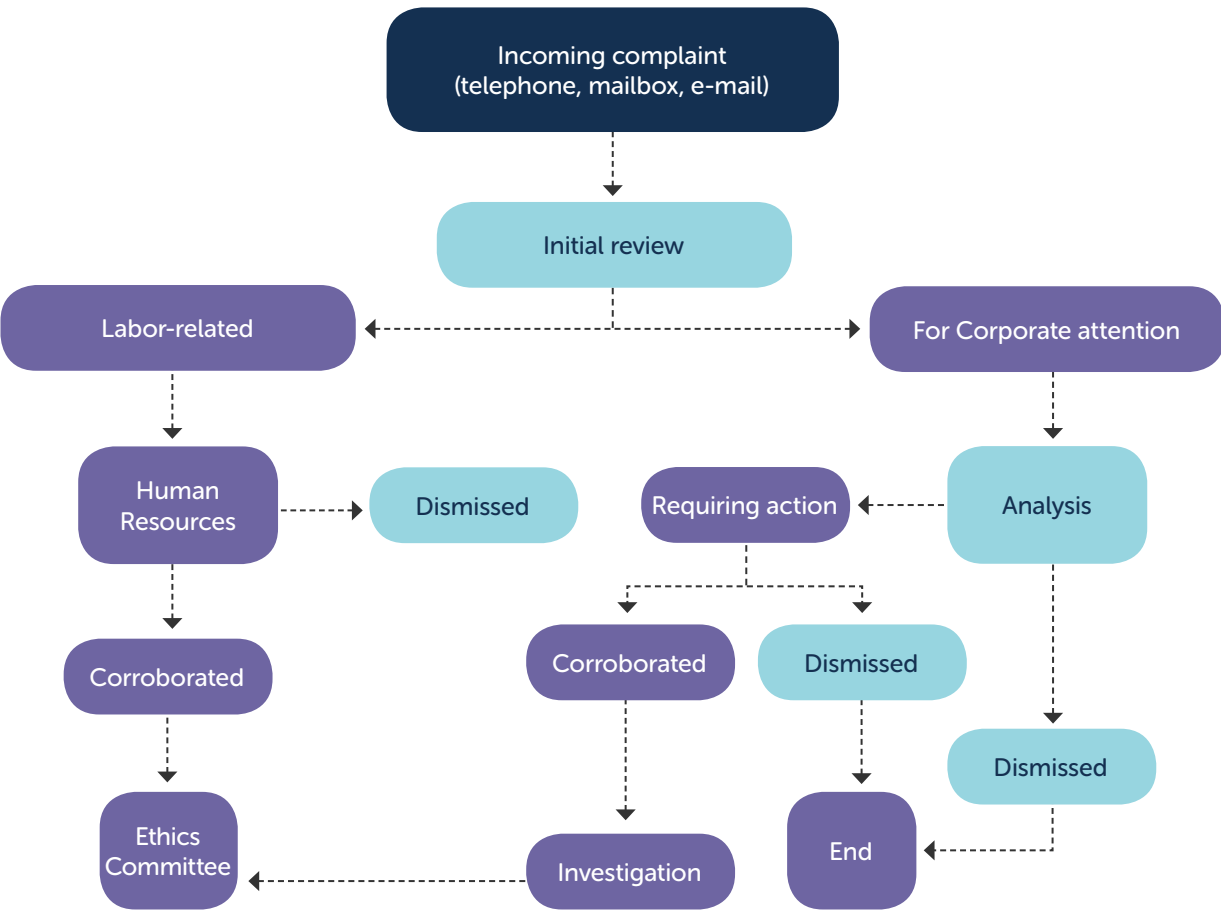
Any supplier who is found to have incurred in misconduct is blacklisted and precluded from rendering any future service to any of our subsidiaries.

As a measure for preventing the occurrence of instances of fraud or corruption, and/or the violation of our Code of Ethics, we retrain our employees annually on the enforcement of our policies and procedures. In 2016, we provided an aggregate of 1,780 hours of training to our employees, including refresher courses to 25 thousand employees in all of the countries in which we operate, and formal induction courses to an additional 2,852 employees.

Notwithstanding these efforts, in 2016 we received and addressed 575 complaints of fraud and 194 complaints of labor-related violations.

We and our subsidiaries respect the human rights of all the individuals with whom we come into contact, whether it be our employees, distributors, customers, investors, or shareholders, or others. For instance, all of our employees, regardless of their jurisdiction of employment, are at liberty to engage in collective bargaining.

Flow of complaints in the subsidiaries of América Móvil





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In addition, our recruitment practices, employment contracts, and human resources policies are designed to ensure that all of our operations are free from forced or compulsory labor, and child labor.

We are also engaged in material efforts to foster awareness and encourage the adoption and observance of the same practices by our suppliers. For example, in Colombia and Ecuador, we provided formal training on human rights issues to 95% and 65%, respectively, of our security companies' staff.

Internally, in Colombia and Puerto Rico, we provided an average of 4 hours and 2.5 hours of training on human rights issues per employee, respectively, to an aggregate of 802 employees. In addition, we conducted performance reviews at each of our Colombian facilities.

Allegations of fraud



- 1 ● Bribery
- 2 ● Improper payments
- 4 ● Extortion
- 5 ● Inaccurate information
- 17 ● Conflicts of interest
- 23 ● Theft
- 37 ● Disclosure of sensitive information
- 189 ● Improper use of our assets
- 297 ● Other

Labor-related complaints



- 5 ● Job abandonment
- 6 ● Sexual harassment
- 12 ● Unsafe conditions
- 19 ● Discrimination
- 22 ● Physical or verbal abuse
- 46 ● Other
- 84 ● Abuse of power

Labor-related reports do not include our operations in Europe or Mexico, for which no data was available as of the date hereof.





What we do for our customers and communities

Benefits from our services

Transforming our Environment

We are transforming the lives of many people, communities and wildlife species around the world through technology, with the same dedication and commitment with which we approach our internal operations. We are working to ensure that our infrastructure and services contribute to social, economic and environmental development, and to digital inclusion in each of the countries in which we operate.

what
we do for
our customers
and communities

Cybersecurity and
data privacy



Response to
natural disasters



Base stations
safety



Road safety



Environmental
protection



Bridging the
digital divide



Child
protection



Blacklisting

Volunteering



Health and sports



Environmental
awareness



Accessibility



benefits
from our services

Training and
education



Health



Contribution to
employment



Subscribers'
empowerment



Financial inclusion



Efficiency for
industry





What we do for our customers and communities

Benefits from our services



Our Mission

To ensure that population, in every country where we provide services, has access to products and services with the most advanced telecommunications technology, at accessible prices, in order to bring more people closer every day.

What we do for our customers and communities

G4-15, G4-56

Consistent with our mission, we seek to ensure that our customers and subscribers in each of the countries in which we operate are able to enjoy to the fullest extent—at any given time, and under any given circumstances—our networks, technology, and services.

We have taken a number of actions and have joined various global and local initiatives to protect those who use our networks, maximize our customers' experience, and eliminate any issue or condition that may hinder or disrupt our services.

Since 2015 we have been actively involved in **We Care**, an international initiative developed by Groupe Speciale Mobile Association (GSMA) to ensure that mobile users can enjoy the transformative benefits of technology in a safe and reliable environment through six key initiatives: digital inclusion, child protection, environmental care, response to natural disasters, contribution to public safety, and reduction of terminal theft.

So far, our subsidiaries have participated in the following We Care initiatives:

- » Blacklisting: Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Peru.
- » Child protection: Argentina, Brazil, Costa Rica, El Salvador, Mexico, and Nicaragua.
- » Digital inclusion: Honduras and Mexico.
- » GARI initiative: Costa Rica and Mexico.
- » Disaster response: Colombia and Honduras.
- » Protection of the environment: Colombia and Mexico.
- » Reduction of SMS Spam: Brazil.



In 2016, more than 23 thousand people in Mexico visited the We Care website to learn more about its initiatives.

We Care searches



- 92% ● We Care
- 4% ● Handset theft
- 2% ● Digital inclusion
- 1% ● Green program
- 1% ● Child protection

What we do for our customers and communities

Benefits from our services



Cybersecurity
and data privacy

G4-2, G4-14, G4- 45, G4-46, G4-PR8, PR3
(Telecommunications Sector Supplement)

As operators of one of the world's largest networks —which is used by millions of people of all ages— we aim to provide a safe and reliable space for communicating, browsing, exchanging information, and conducting all kinds of transactions without the risk of exposure to criminal activity, viruses, malware, or cyberattacks.

We endeavor to protect the information of our customers and employees, and all the information pertaining to web, LTE, Telco, and other technologies in order to preserve its confidentiality, availability, and integrity. We respect the rights to privacy and to the protection of personal data of those who use our networks, complying with the laws of the countries in which we operate.

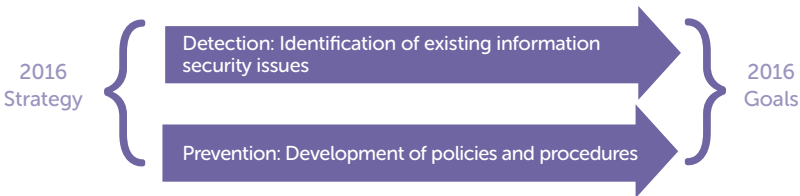
We have established a series of operating and maintenance processes intended to achieve full mobile and fixed-line network functionality —and, thus, **Operational Excellence**— at each of our subsidiaries, including time and resource optimization, information security systems homologation, and service disruption prevention processes.

The principal risks relating to our information security processes include fraudulent browsing, cyberattacks, leaks, unauthorized access, service configuration issues, attempts on the security of our networks and IT systems, and advanced threats.

In order to manage these risks, we have invested in the acquisition and development of several tools and initiatives, including the implementation of ISO 27002-2013 – Information Technology – Security Techniques in Mexico, Colombia and Chile, which we plan to make extensive to the rest of our operations in Latin America and Europe over the course of 2017 and 2018.

We have developed an **Information Security Strategy** using a holistic approach that includes the establishment of general guidelines for all of our projects, programs and actions, to ensure that all of our information assets and support systems are used in a reasonable, reliable and safe manner.

Information Security Strategy



Preserving the security of our customer's information is a critical aspect of our operations. Consistent with this belief, in 2014 we established a **Security Committee**¹ at each of our subsidiaries, which has allowed us to identify 917 critical and high, medium, and low-risk vulnerabilities, 90% of which have already been addressed.

In 2016, we consolidated our **Global Security Management Committee**, which held its first meeting on April 29 and is responsible for determining the information security strategies that will be implemented and overseen by our local security committee for each country. Moreover, we developed an **Information Security Policy** that serves as the basis for all of our security-related strategies and initiatives at both the parent company and the operating subsidiaries levels.



Our Information Security Strategy allowed us to repel 23.8 million cyberattacks in connection with the Rio 2016 Olympic Games.

¹ This committee is comprised of the members of the local management committee, and the mirror committee at Corporate level.



What we do for our customers and communities

Benefits from our services

We were also able to identify our critical information security vulnerabilities by country, and to develop an information security portal for sharing information on our security information-related policies, procedures and mitigation actions. In addition, we provided to our subsidiaries support and assistance in connection with the development of local policies and procedures.

We strengthened and automated our processes for the detection of fraudulent browsing, established guidelines for the development of information security awareness campaigns, provided follow-up in connection with security breaches and with our risk management processes and access controls, and defined our strategy for mitigating advanced persistent threats (APTs)². We conducted hacking tests, and identified and addressed through a preventive approach our vulnerabilities with respect to the confidentiality of information, inadequacies in our platform configurations, the lack of a methodology for the safe development of applications and software, and the absence of guidelines for the creation of strong access passwords for our critical platforms.

In addition to the guidelines contained in our Code of Ethics, and to our global procedures for addressing these issues, we have established individual policies and procedures for each of our subsidiaries based on their obligations concerning the privacy of customers' and employees' data under the laws of their respective jurisdictions.

² APT: Advanced Persistent Threat.

These policies relate to topics such as the handling, classification and encryption of information; the prevention of leaks via external units, the Internet, or e-mail; the protection of our networks; the establishment of access controls and physical security measures; risk and anti-virus management; and business continuity assurance, among others.

Notwithstanding our information security efforts, in 2016 we received several complaints for privacy breaches involving our customers' and employees' data.

Country	Number of grievances for privacy breaches	Number of incidents involving the theft or loss of personal data
Argentina	25	0
Colombia	1,175	3
Costa Rica	1	0
Dominican Republic	39	4
Mexico	3	0
Panama	0	1
Total	1,243	8

No grievance or loss of data was reported in Chile, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Puerto Rico, or Uruguay. Data not available for Brazil, Ecuador, Europe and Peru. Not applicable in the United States, where we only provide prepaid services. This information comprises approximately 60% of our operations.

The number of grievances reported in all cases are those substantiated, except in Colombia where the data corresponds to the total grievances received because disaggregated information is not available.



We reduced the amount of fraudulent browsing by monitoring our networks' data traffic, thus avoiding losses of US \$2.7 million.





What we do for our customers and communities

Benefits from our services



We updated our
Personal Data
Privacy Policy.

In 2016, we held two information security symposiums for members of our subsidiaries' senior management in order to align our response strategies for the risks identified, and to develop joint risk management and mitigation initiatives.

In addition, we updated our global **Personal Data Privacy Policy**, which addresses topics such as the respect of our customers', employees', suppliers', distributors', and other stakeholders' privacy, and the protection of their personal data.



Success stories

Latin America / Brazil

Rio 2016 Olympic Games

During the Rio 2016 Olympic Games, the strength of our networks and technology allowed us to deliver to our customers and viewers all of the relevant content, preserve its integrity both before and throughout the event, and repel over **350 cyberattacks per day while maintaining average and peak traffic volumes of 30 Gbps and 500 Gbps, respectively.**



Latin America / Mexico

Cybersecurity Center

Our Cybersecurity Center monitors and analyzes information constantly in order to prevent cyberattacks and the commission of cyber crimes against our subscribers. In the event of a contingency or potential threat, we coordinate with all of the relevant groups as with respect to alerting our customers and preventing the occurrence of cyberattacks.





What we do for our customers and communities

Benefits from our services



Response to
natural disasters

G4-2, G4-14, G4-45, G4-46, PA6
(Telecommunications Sector Supplement)

All of our subsidiaries have adopted preventive measures to minimize the impact of contingencies and disasters, and response procedures to ensure that our services are restored as promptly as practicable. In addition, we subscribe to GSMA's disaster response initiative, and are engaged in collaborative efforts with government authorities and other operators toward the definition of international contingency and disaster response protocols and best practices.

We have classified some of the risks associated with these events into foreseeable and unforeseeable, the latter of which relate primarily to natural disasters.

In collaboration with the Carlos Slim Foundation, we have established a **Disaster Relief Program in Mexico** to provide immediate support in the form of food supplies, roll-up mattresses, blankets, water purification plants, and electricity to communities affected by natural disasters. In 2016, Telmex, through its volunteer network delivered an aggregate of 28,986 tons of humanitarian aid supplies and 26,476,364 liters of potable water, and installed 136 water purification plants.

One example of our service continuity protocols for emergency or disaster situations is **Telmex's Plan C**. In 2016, we implemented this plan on 44 separate occasions in connection with several tropical storms, tower collapses, floods, sinkholes, winter storms, national coastal station verifications, and social conflicts.

Telcel has its own separate **protocol** for ensuring the continuity of our mobile services during disaster situations. For example, in response to hurricane forecasts we monitor on a 24-hour basis the conditions at the locations that are expected to be impacted, issue periodic reports thereon, secure our radio bases to provide for an expedited service restoration process, deploy crews to strategic locations in the area where the hurricane is expected to make landfall, and deliver food supplies, spare parts, and portable power generators with fuel for their operation. After the contingency subsides, we assign priority to the restoration of our services in the areas where they are most needed.

We encourage the use of SMS as a means of communication during disaster conditions — particularly where networks are overburdened and Internet service is not available— since the SMS technology arranges and processes messages in the order in which they are sent.

In April 2016, a 7.8 Richter-scale magnitude earthquake that struck the coast of **Ecuador** left behind hundreds of victims and collapsed structures. The communities that were most affected were those of Pedernales, Portoviejo, and Manta, in the Manabí province, and Muisne and Canoa, in the Esmeraldas province.

The earthquake damaged Claro's network infrastructure, including 167 base stations (or 4.7% of its total number of base stations). During the

repair process, we resorted to the use of temporary infrastructure to provide services to our customers and allow them to communicate with relatives, as well as to allow humanitarian aid and other organizations to connect to the telecommunications grid.

Foreseeable events



Weather
Hurricanes



Summits
Visiting world leaders

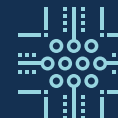


Social
Elections, mass-participation events, marches, demonstrations

Unforeseeable events



Geological
Volcanic eruptions, earthquakes



Technological
Fire, explosions, chemical releases



Weather
Storms, tornadoes



We encourage the use of SMS as a means of communication in the event of a disaster.



What we do for our customers and communities

Benefits from our services

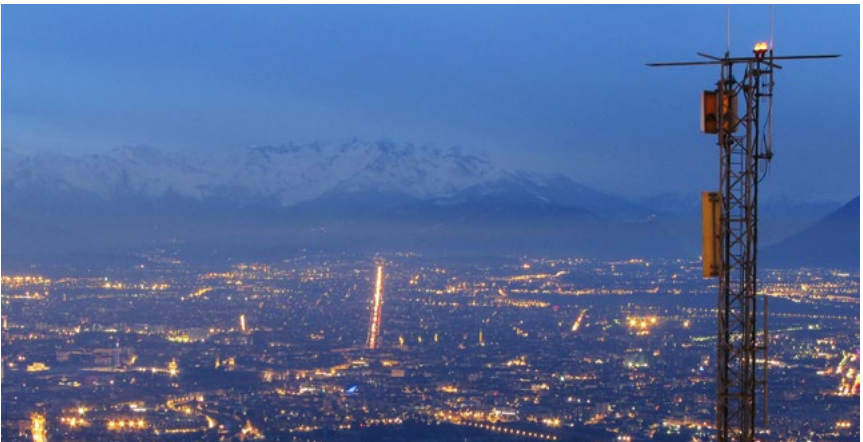


Base
stations safety

IO4, IO5
(Telecommunications Sector Supplement)

We comply with international standards and practices, and with the laws of each of the countries in which we operate as they relate to the minimum distance requirements for the installation of base stations, and to their radiated power.

We keep track of scientific research on this regard, which —according to the World Health Organization— demonstrates that is becoming increasingly less likely that the exposure to electromagnetic fields is hazardous to human health, but there is still a level of uncertainty.



Road safety

We have developed several programs for fostering awareness of the safety risks associated with the use of mobile devices while driving. Below is a description of some of the initiatives that we implemented in 2016 in connection with this regard.

Ecuador. Through an alliance with the *Agencia Nacional de Tránsito*, we implemented the *#PorUnBuenCamino* campaign developed by the **Hands On The Wheel** initiative to encourage the responsible use of mobile devices while driving as a means for reducing the number of traffic accidents.

Peru. In order to reinforce drivers' education and foster awareness of the risks associated with texting and driving, we launched the **No Texting and Driving** campaign sponsored by the *Touring y Auto-*

movil Club del Perú, an association dedicated to the promotion of tourism, automobilism, recreation, and other related activities. The campaign, which is scheduled to run through January 2018, was first implemented in Lima in January 2016, and by the end of the year had had a direct impact on more than 50 thousand youth and adults.

Mexico. We contributed to the development of a responsible driving culture through **Auto Racing Drivers in Pro of Road Safety**, an initiative sponsored by the Carlos Slim Foundation and various other private and public sector institutions. In 2016, a group of Mexican race car drivers embarked on a speaking tour around the country and delivered 489 lectures on driver, passenger and pedestrian awareness to an aggregate of 116,802 high school and college students.





What we do for our customers and communities

Benefits from our services



Environmental protection

We sell mobile and electronic devices, but do not manufacture any such item. Nevertheless, we have joined our suppliers' recycling efforts by encouraging our subscribers to surrender their devices at one of our customer service centers at the end of their useful lives, for their subsequent transfer to electronic waste processing companies or facilities for the recovery of certain components and the adequate disposal of those which are non-recyclable.

For example, in 2016 several of our subsidiaries that participated in GSMA's We Care **Green Program** collected an aggregate of 121,854 mobile handsets and 47 tons of accessories for recycling.

In **Colombia**, as part of the **I Love My World** campaign we recovered smartcards and customer premises equipment through 195 collection centers in 65 municipalities, for remanufacturing purposes, thereby reducing our new equipment procurement requirements and, accordingly, our carbon monoxide footprint. In 2016, we delivered 2,711,447 remanufactured items of equipment to our procurement department, or 35,216 items which exceeded our requirements, which represented a 32% increase with respect to 2015.

In **Ecuador**, pursuant to a policy enacted in 2013 by the Ministry for the Environment (*Ministerio del Ambiente*), we must recycle a number of old handsets equal to the number of new handsets we import each year, plus 3%. In order to meet this threshold, as part of our **Galapagos decides to Recycle** campaign we collect old handsets and accessories through the municipality of Isla Santa Cruz's school system.

In 2016, an aggregate of 2,034 students from 10 schools participated in this initiative and had the opportunity to win prizes based on the number of items collected by them. We designated one cam-

paign representative per school, who was responsible for reporting to us the number of items collected each week, and for distributing campaign t-shirts to participating students. At the end of the year, we rewarded each of our top-50 campaign representatives with a smartphone.

Through an alliance between **Claro Chile** and the Metropolitan Intendancy (*Intendencia de la Región Metropolitana*), we are engaged in efforts to retire and rearrange old telephone cables in order to improve the quality of life in the region. In 2016, we retired an aggregate of 19,981 meters, or 1,499 kilos of wire in 21 municipalities, and rearranged an additional 47,820 meters by securing them properly to the poles.

Highlights

2,711,447 items of equipment remanufactured in Colombia

121,854 handsets and 47 tons of accessories recycled through the Green Program

19,981 meters of cable retired in Chile

2,034 participants in the Galápagos decides to Recycle campaign





What we do for our customers and communities

Benefits from our services



Child
protection

We seek to ensure that children are able to take advantage of the benefits of mobile technology in a positive, safe and reliable environment. To achieve this end, we have subscribed to the global initiatives for the protection of children's rights in the digital age developed by the United Nations Children's Fund (UNICEF), and by GSMA.

In some of the countries in which we operate, we also collaborate with local child protection organizations. In Mexico, for example, we have joined efforts with the National Telecommunications Association (*Asociación Nacional de Telecomunicaciones*, or ANATEL) toward the identification of websites that contain child pornography, promote sex tourism, or foster bullying or harassment, which are reported to the Alliance for Internet Safety (*Alianza por la Seguridad en Internet*, or ASI).

In 2016, we adopted a Human Rights Policy that addresses the topic of the rights of children in the telecommunications sector, and we endeavor to ensure that our services and technology provide children with an enriching experience.



Blacklisting

GSMA is engaged in the fight against handset theft and the use of mobile devices in connection with criminal activity —primarily, extortion and kidnapping— in Latin America. In 2016, GSMA's stolen handset database grew by 1,758,281 devices or 1,148,734 more devices than in 2015, which is indicative of the development of a culture of reporting handset theft through the appropriate channels for the determent of related crime.

In Mexico, along with GSMA, the IFT and the ANATEL, we are members of the National Campaign to Report and Block the Use of Lost or Stolen Devices (*Campaña Nacional para el Reporte y Bloqueo de Teléfonos Celulares Robados o Extraviados*), which encourages mobile users to know their terminal's IMEI¹ in order to enable the relevant operator to block the device in the event of loss or theft. In addition, through GSMA's IMEI Device Check service, mobile users can access the global IMEI database to identify suspect or blacklisted devices.

¹ IMEI: International Mobile Equipment Identity.





What we do for our customers and communities

Benefits from our services



Through **Telmex's volunteer network**, which as of 2016 was comprised of more than 5,000 individuals, we performed 739,300 hours of community service to implement various assistance, promotional and informational initiatives that benefited 1,338,897 people in Mexico.

In addition, as part of the efforts of the WWF-Telmex Telcel Foundation Alliance, 800 volunteers, including Telcel employees and members of the community at large, planted 5,000 trees in Angangueo, Michoacán, to help reforest the Monarch butterfly's protected area.

In **Ecuador**, through our **Hands On** employee volunteering program, we have engaged efforts in several regions in collaboration with *Fundación La Iguana*, which focuses on the conservation of endemic and native tree species. In 2016, we deployed tree-planting expeditions to the municipalities of Playas and Guayaquil, in the Guayas province, and the municipality of Cuenca, in the Azuay province.

In **Colombia**, we shared the benefits of technology with children through the efforts of 12 members of our Executive Committee, who benefited 17 students from *Colegio Simón Rodríguez*, in Bogotá, and we donated 20 used laptop computers to the school. In Medellín, a group of 11 volunteers worked with 20 victims of sexual abuse and exploitation at *Institución Casa Vida*, reinforcing their values through games and group activities, and we donated 30 used laptop computers to aid the institution's efforts to provide for their education and inclusion.

Highlights

1,338,897 beneficiaries of Telmex Volunteering Network

50 laptop computers donated to children in Colombia





What we do for our customers and communities

Benefits from our services



Bridging the digital divide

PA2, PA7
(Telecommunications Sector Supplement)

We have implemented a number of initiatives to foster digital inclusion and make the benefits of technology known and available to more and more people.

In **Mexico**, through **Telcel 4GLTE-Infinitem Digital Village** we carry out our digital inclusion event —the largest such event worldwide— we provide ICT access and training to people of all ages, regardless of academic education or technology skill, through various workshops, courses and conferences.

In 2016, this event was attended by 420,848 people, breaking the Guinness World Record for largest digital inclusion event.

Our **Telmex Digital Libraries** provide free access to computers, Infinitem WiFi connection, tools designed to foster ICT inclusion, and various supplemental education opportunities to the Mexican population. In 2016, we provided ICT training to more than 7 million children, teenagers, and adults through 3,600 digital libraries.

We contribute to the development of productive projects that have a positive impact on Mexico and Latin America through **Telmex Hub** —a physical and virtual space for creating knowledge through collaborative work and the use of technological tools—. In 2016, this space, which is outfitted with computers, and Ethernet and WiFi connectivity, attracted 693,767 gamers, designers, programmers, students, publicists, editors, journalists, and representatives of social media seeking to learn from each other.

In addition, through **Mobile Classroom**, a digital literacy on wheels program, we provide training on the use of computers to young people and adults throughout Chile who are seeking employment,

plan to start a business, or wish to better themselves in the interest of their families. This program, which has been accredited by Chile's National Training and Employment Service (*Servicio Nacional de Capacitación y Empleo*, or SENCE), aims to benefit in excess of 1,000 people between November 2016 and October 2017.

Since first launched, it has reached 318 people between the ages of 18 and 65, including people looking to switch careers, job seekers, homemakers, entrepreneurs, and residents who have registered with the municipal labor inclusion board.

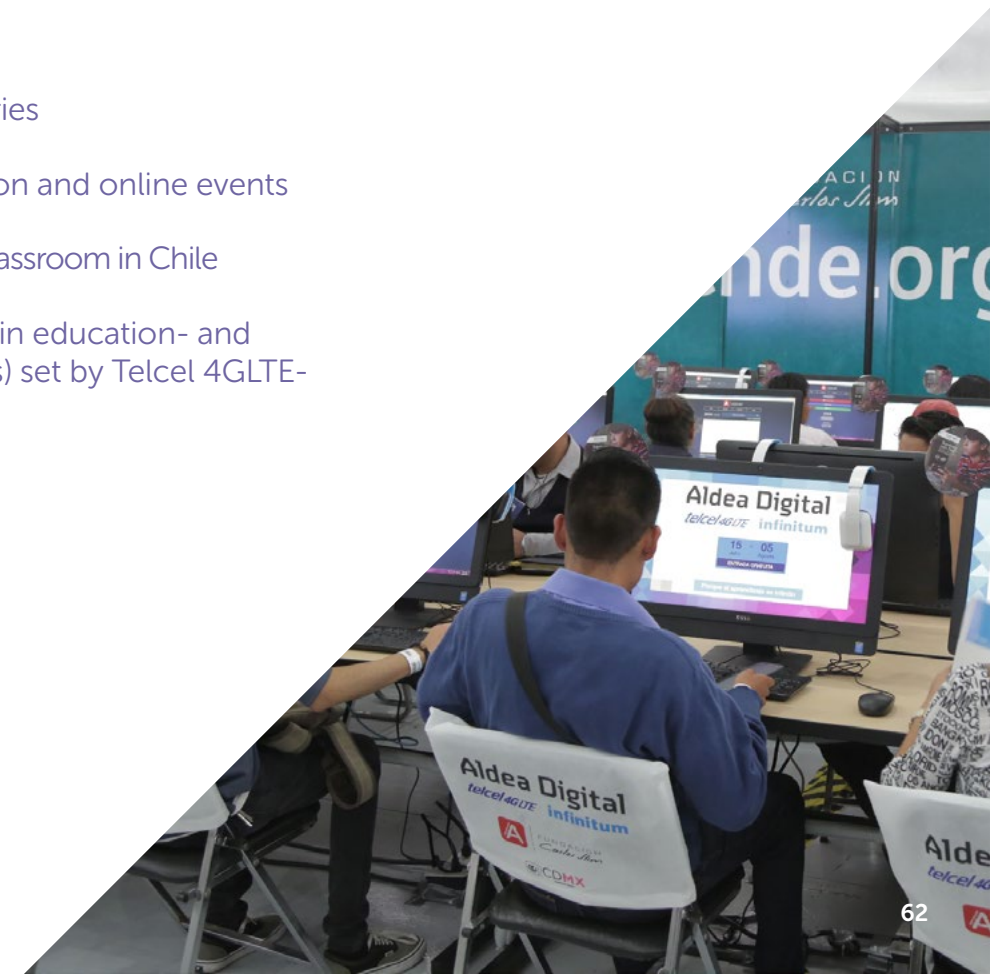
Highlights

3,600 Telmex Digital Libraries

2,464 Telmex Hub in-person and online events

318 beneficiaries of Mobile Classroom in Chile

11 Guinness World Records (in education- and technology-related categories) set by Telcel 4GLTE-Infinitem Digital Village





What we do for our customers and communities

Benefits from our services



Accessibility

PR1, IO2
(Telecommunications Sector Supplement)

Marginalized communities with access to telecommunications services

As one of the world's largest telecommunications operators, we have the responsibility of making our services increasingly accessible through the installation of infrastructure in remote regions and marginalized communities in each of the countries in which we operate.

We understand excellence in service to mean the provision of access to our services in remote regions where communications and telecommunications services are not otherwise available. We are constantly engaged in the installation of the infrastructure and equipment required to make technology available to marginalized communities located far away from urban population centers.

Facilities in marginalized regions that have access to our services

8,479
schools

3,136
libraries

39
community
centers

1,890
healthcare
facilities

359
other
facilities

We define marginalized community as that which has a population of less than 2,500 and is not easily reachable. As of the end of 2016, we had identified 383,565 marginalized communities with a combined population more than 75 million in 12 countries in Latin America.

Individuals with disabilities

We foster the digital inclusion of, and the provision of increased accessibility to individuals with disabilities. Through the **Global Accessibility Reporting Initiative (GARI)**, we help our customers identify mobile devices with accessibility features that may assist them with their particular needs.

In addition, we have implemented various accessibility-related measures at our customer service centers, including:

- » Incorporation of accessible elements (e.g., ramps, elevators).
- » Priority customer service.
- » Catalog of mobile devices with accessibility features.
- » Installation of lower display units at certain points of sale.
- » Installation of interior signage.
- » Availability of service contracts in audio format, through http://www.telcel.com/mundo_telcel/quienes-somos/corporativo/accesibilidad-telefonos





What we do for our customers and communities

Benefits from our services

Health and sports

We are engaged in various health and sports related initiatives that are aimed at contributing to the well-being of our communities in each of the countries in which we operate.

We distribute **Dulce Nutritivo** —a soft candy enriched with iron and zinc that comes in several flavors— to contribute to the adequate nutrition of children, pregnant women, and the elderly in rural areas. In 2016, we delivered 16,921,352 one-kg bags of *Dulce Nutritivo*.

In 2011, Telcel joined the efforts of The Global Fund (**RED**) to prevent the mother-to-child transmission of HIV/AIDS and get down the number of babies born each day with this disease —also one of the United Nations SDGs. In November, within the framework of the World AIDS Day and with Alcatel's support, we held the (Telcel)^{RED} Run in Mexico City, which attracted 4,000 runners.

In 2016, we sponsored the **Telcel Mexico's City Marathon**, in which 35 thousand people —including 25,550 men and 9,450 women— participated. We credit the success of this event to the efforts of 2,000 volunteers, over 3,000 public security personnel, more than 2,000 medical care providers, and 30 government agencies.

In February, the 23rd edition of the **Telcel Mexican Open** tennis tournament in Acapulco, Guerrero, in which 36 singles players and 16 doubles pairs participated, was attended by 58,700 spectators.

Our **Telmex-Telcel Auto Racing Team** has become one of the world's most successful by focusing on the development of Mexican racing driver talent from the earliest stages to competing in the most prestigious events worldwide. Since the team's inception in 2002, our drivers have been on the podium 793 times, won 358 races, secured 240 pole positions, earned 45 championship titles, and finished second 17 times.

Through our **Telmex-Telcel Ring** initiative, we provide financial assistance to boxers in the early stages of their careers, to help them focus on their sport without having to also hold a paying job. We also award pensions to former, retired champions in order to allow them to enjoy of a decent quality of life. Since 2008, we have awarded 47 scholarships to active boxers and pensions to retired pugilists.

Our **From the Street to the Court With Telmex-Telcel** program, which we launched in 2009, seeks to provide development opportunities through the practice of sports to vulnerable young people who have been living in unhealthy social environments, reintegrating them to productive society and restoring them to a life that is free of addictions, gang-related activity, and extreme poverty.

Through our **Telmex-Telcel Football Cup**, which was first held 16 years ago and has grown to become the largest event of its kind worldwide, we encourage young people to engage in physical activity through the practice of soccer, keeping them free from addictions, fostering family unity, and providing for their increased physical and mental wellness as a means for attaining a better quality of life. It has broken the Guinness World Record for largest football (soccer) tournament on nine consecutive occasions, last attracting 3,446,812 participants distributed in 199,985 teams.

In **Colombia**, through the **Claro Football Cup²** we recruit young people to the sport of soccer in an effort to keep them away from drugs, crime, and gangs by providing them with a space for achieving reconciliation, developing skills and values, putting their spare time to good use, and sharing experiences in an environment that fosters integration and healthy relationships to strengthen social fabric.

² This initiative is organized by our local subsidiary, without support from the Carlos Slim Foundation.





What we do for our customers and communities

Benefits from our services

The tournament is comprised of three separate phases: municipal, departmental, and national, with the latter involving the participation of 34 teams in a one-week final quest for the championship.

In addition to organizing and managing the event, Claro Colombia provides soccer balls, referees, and overall logistics during the municipal phase; soccer balls, uniforms and financial aid during the departmental phase; and transportation to and from the host city and various sporting venues and hotels, a league registration kit, insurance coverage, medical services, drinking fluids, housing, meals, and awards, during the national/final phase.

Since 2009, more than 300 thousand youth—including 63 thousand women—from all over the country have participated in the tournament, and a few have achieved their dream of being named to Colombia's national team and taking part in the Olympics. In addition, over 120 male players have been recruited by domestic professional soccer teams.

In 2016, we provided transportation to and from the Claro Cup finals in Cali-Valle del Cauca, to 1,200 of the more than 46,000 participants in the tournament. For many of these young people, this was the first time they had left their home municipalities and had had the opportunity to interact with people from other parts of the country.

Of the total number of participants in the 2016 Claro Cup, 16% are not enrolled in school because they either cannot afford it or need to work; 11% contribute to their

household income; 38% identify themselves as victims of the armed conflict in Colombia and say they have received threats or have been displaced or forced to relinquish or abandon their land; and 13% have been exposed to domestic violence.

The above indicators make it clear that the Claro Cup provides an inclusive environment that maximizes the potential and skills of the Colombian youth through sports, eradicating the social stigmas that hamper the development of the new generations.

The **Telmex-Telcel Taekwondo Cup** offers to young people the opportunity to improve their taekwondo skills at the green and blue belt ranks by participating for free in intermediate-level competitions at the national level. As of the date hereof, an aggregate of 6,236 people have participated in this event.

In 2014, we organized the **Telmex-Telcel Adrián González Baseball League** for 14- and 15-year olds. Since then, the league has housed 21,639 players across a number of teams. The league's championship title has gone to Mexico City in 2015, Sonora in 2015, and Coahuila in 2016.

We also hold **Beach Volleyball and Football Tournaments** for children and teenagers in Acapulco, Guerrero, in order to get them to engage in physical activity and keep them away from insecurity and violence. As of the date hereof, 6,197 people have participated in our volleyball tournaments, and 6,423 in our football (soccer) tournaments.



In addition to its sports awards, the Claro Football Cup recognizes those players, teams and delegations that best embody the values of leadership, teamwork and discipline.





What we do for our customers and communities

Benefits from our services

We sponsor the **Mexico Telmex-Telcel Tour** —Mexico's largest cycling event— which attracts high-performance athletes from all over the world. In 2016, 816 riders distributed in 102 teams from various Latin American and European countries, and from the United States, participated in this event.

In 2007, we launched the **Running to Change Stories** series, which is held 14 times per year across nine different cities, to benefit people in the low-income population segment who do not have access to healthcare services. Within the framework of this event, in 2016 we donated computers, wheelchairs, and hearing aid devices, and also provided support for the performance of organ and tissue transplants.

Highlights

16,921,352 one-kg bags of *Dulce Nutritivo* delivered

5,674,550 clikisalud.net visitors over the past three years

147,085 from the Street to the Court With Telmex-Telcel participants, distributed in 20,789 teams

816 riders from across Latin America, Europe, and the United States, participated in the Mexico Telmex-Telcel Tour





What we do for our customers and communities

Benefits from our services

Environmental Awareness

We contribute to the conservation of the environment through various initiatives in collaboration with the Carlos Slim Foundation and other organizations.

In 2016, the Museo Sumaya in Mexico City held the "Megatravelers" exhibit featuring 60 works of art created by middle and high school students from 14 states in Mexico to encourage the conservation of the gray whale.

These young artists entered 345 works of art created from recycled materials into a contest organized by the WWF-Telmex Telcel Foundation Alliance. under the title **La Naturaleza en tu Escuela**.

In addition, with the support of the Mexican Ministry of Public Education (*Secretaría de Educación Pública*), a group of scientists, communicators and biologists lectured 15 thousand students from 140 public and private schools from across the country on the importance of preserving Mexico's natural resources.

Since 2005, WWF-Telmex Telcel Foundation Alliance joined the collective effort of the Ecological Institute of the *Universidad Nacional Autónoma de México* (UNAM) and the National Commission for Protected Natural Areas (*Comisión Nacional de Áreas Naturales Protegidas*) to support Mexico's strategy for the **Conservation of the Jaguar**, and to reduce the impacts that affect that species, based on policies consistent with the sustainable development of the relevant region.

Colección Biodiversidad Mexicana is a series of books intended to disseminate information about Mexico's biological diversity, wealth of natural resources, and their importance, the impacts that threaten them, and their conservation potential in the long run. This collection is part of the programs sponsored by the Carlos Slim Foundation to foster the protection and conservation of biodiversity as well as Mexico's sustainable development.

² This initiative is organized by our local subsidiary, without support from the Carlos Slim Foundation.

So far, it is comprised of 10 volumes featuring pictures of wildlife and protected natural areas in Mexico and elsewhere. In 2016, we published the tenth volume under the title Mexico's Wealth of Natural Resources, Environmental Services, and Conservation.

Through the **Pé de Pincha²**, initiative, in 2016 the Embratel Claro Institute in **Brazil** provided training on the protection, preservation and release into their natural habitat of 1,373 newly hatched turtles, to 350 members of the community of Igapó-Açu. We also released an additional 200 turtles in **Mexico** through the WWF-Telmex Telcel Foundation Alliance.

Our **Salvá lo Bonito²** initiative, developed by **Claro Nicaragua** as part of its social responsibility strategy, fosters the development of a culture of responsibility toward the environment. In 2016, we provided an environmental bonus in the form of trees to the Office of the Mayor of Managua.

Highlights

15,000 students educated on the importance of preserving Mexico's natural resources

350 people provided with training on the protection, preservation, and release of turtles in Brazil

345 works of art created in connection with the *La Naturaleza en tu Escuela* program

9 local and one international symposiums for the development of proposals for the Conservation of the Jaguar in Mexico



The works of art entered into the *La Naturaleza en tu Escuela* program were published in lanaturalezanosllama.com, where more than 40,000 visitors voted to select the winners.





What we do for our customers and communities

Benefits from our services

Benefits from our services

G4-SO1

We aim to ensure that our customers are able to enjoy all of the benefits offered by technology and connectivity. Accordingly, in addition to addressing the issues and conditions that could have an impact on our services, we endeavor to provide to our customers a broad set of tools for improving their day-to-day lives.

We are joined in these efforts by the Carlos Slim Foundation, our subsidiaries, other corporations, and members of the society at large. Together, we are engaged in a quest for new technological horizons to further advance the causes of education, training, health, sports and environmental protection, as well the financial inclusion of our customers and employees, and that of the communities of which we are a member.

Proximity with the world

Today, technology allows us to get in touch with the rest of the world at any time, from anywhere, whether to engage in communication, work, make purchases, execute transactions, learn, advocate in favor of health, preserve the environment, and have fun. The next several pages contain a few examples of what technology can do for people and for our planet.





What we do for our customers and communities

Benefits from our services



Training and education

G4-LA10, G4-HR2, PA2

Technology fosters, facilitates, and supplements education. In view of this fact, we devote significant network and other resources to the provision of free access through our networks to our education and training initiatives to children, youth, and adults.

In 2016, our platform was accessed by 4,108,409 people, of which 194,699 became registered users. These included 96,234 visitors and 4,374 users from Panama, where we deployed the platform in July. From June to December 2016, the platform reported 5,215,160 hits.

Through our **Training for the Job** initiative, we provide free online training on various vocational and technical-operational skills to people of all ages, without the pressure of deadlines and regardless of prior academic education. The platform offers 105 different courses that have been taken nearly two million times by 868,620 people from 175 countries.

We also offer a free online tool called **Innovative Teacher**, which is designed to encourage elementary school teachers, students, and parents, to test their mathematical, reading, and science-related skills.

The **Khan Academy's** online platform provides free access to world-class specialized and personalized education —primarily on mathematics and science— to students, teachers, parents, and professionals. In 2016, this platform registered 13,563,199 accesses, and published 5,899 educational videos and more than 100 thousand exercises that benefited approximately three million people.



Soon, Aprende.org will undergo a material expansion into each of the Latin American countries in which we operate.



Aprende.org downloads: 2,397 through the iOS platform (launched in October 2016), and 69,999 through the Android platform (launched in July 2016).



In 2016, we deployed our App-prende digital platform through the Aprende.org portal. Each of these tools provide access and the usage of our networks at no cost to various types of educational, training, cultural, and health-related content and contains a compilation of the most important features of our Training for the Job, Innovative Teacher, Khan Academy in Spanish, *Académica*, MIT, Udacity, and CLICK-Isalud initiatives.



What we do for our customers and communities

Benefits from our services



Claro Colombia promotes the vallenata music—which has been declared an intangible cultural heritage of humanity by UNESCO—among the children of the Valledupar municipality.

Académica is a digital knowledge community that encourages interaction among university students, professors, and investigators as a means for developing, sharing, and exchanging free-access knowledge. As of 2016, it had entered into 498 formal arrangements with a number of local and international education institutions, had 208,846 registered users, provided access to more than 440 thousand items of digital content, and offered 163 courses.

Since 2000, Open Course Ware (OCW) initiative is developed in alliance with the **Massachusetts Institute of Technology (MIT)**. This program offers courses from the world's leading universities—including Harvard and Berkeley—and promotes the provision of free and open access to education and to the projects developed by the OCW initiative, to all Mexican students, professors, and investigators in coordination with the Edx platform. In 2016, the MIT's Media Lab awarded scholarships to 50 Mexican students pursuing Masters and Ph.D. degrees.

Udacity is an avant-garde education platform that provides access to education opportunities centered on the use of new technologies, from basic courses to post-graduate degrees on subjects such as artificial intelligence, nanotechnology, and virtual reality development. Through an alliance with Udacity, the Carlos Slim Foundation has translated some of these courses in order to make them available to the Spanish-speaking population.

In **Brazil**, in collaboration with the Embratel Claro Institute and the *Associação do Laboratório de Sistemas Integráveis Tecnológico*, we developed the **Mobile Campus** initiative, which provides incentives for the development of education, utilities, and gaming applications. In 2016, the fifth edition of this event attracted 99 students and resulted

in the selection of 51 winning projects. The winner in each category¹ received financial incentives and a trip to Silicon Valley to visit Stanford University and companies including Google and Facebook.

In **Ecuador**, through our **Goal to Educate**², initiative we contribute to the provision of access to education to more children with *Fe y Alegría*, a public integrated education movement that awards scholarships to a fund that covers the annual cost of school uniforms, supplies, and materials, as well as a portion of the administrative expenses associated with students between the ages of 5 and 14. In 2016, we awarded scholarships to 200 children in the cities of Quito, Guayaquil and Manabí, which were affected by an earthquake, occurred earlier that year.

Through an alliance with *Fundación Festival de la Leyenda Vallenata*, **Claro for Colombia**—Claro's social responsibility program in Colombia—sponsors the **Vallenato Music Education Program**², which awards music scholarships to vulnerable boys and girls from the Valledupar municipality, the birthplace of vallenato, to contribute to their music education and overall values. This includes accordion and guacharaca instruction, and vallenato and *piquería* voice lessons, supplemented with the reinforcement of values through the Rafael Escalona School for Vallenato Talent.

Since its inception in 2013, more than 600 children—of which 42% are girls, 9% are members of indigenous peoples, and 12% are of African descent—have participated in this program, allowing it to serve the dual purpose of fostering the music education of vulnerable children, and reinforcing their cultural roots and traditions.

¹ The categories are: Education: **Ducante**, a platform to foster education through technology; Utilities: **Reading Map**, an application that provides directions to community libraries; Gaming: **League of Kites**, an e-game involving kite battles.

² This initiative is organized by our local subsidiary, without support from the Carlos Slim Foundation.



The Goal to Educate scholarships are awarded for each goal scored by the Ecuadorean National Football Team, whose official sponsor is Claro.



What we do for our customers and communities

Benefits from our services



ASUME fosters overall personal improvement through the development of values for the formation of responsible, happy, peaceful individuals who are committed to themselves, their families, their work, and their country.

In addition, consistent with our corporate philosophy, we pay special attention to the personal development of our employees, their families, and the members of our communities through **ASUME** (*Asociación de Superación por México*), an initiative developed in Mexico in coordination with the Carlos Slim Foundation that has been made extensive to all of the Latin American countries in which we operate. In 2016, 20,321 volunteers provided training to 751,180 people distributed in 24,848 groups across 267 cities.

In **Mexico**, through the **Carso Digital Scholarship** we provide a computer and free access to our Infinitum service to elementary, middle, and high school-aged children of *Grupo Carso* employees, to boost their academic performance. In 2016, we awarded 109,051 digital scholarships.

In addition, the **Telmex-Telcel Foundation Scholarships** foster the development of undergraduate and post-graduate students with outstanding academic performance records nationwide by providing them with monthly stipends, computers, and access to Infinitum, and by involving them in educational and cultural activities.

Our **Technology and Innovation Center (CTIN)** provides a space for achieving professional growth, and nourishes the entrepreneurial spirit of its 579 scholars using a multi-discipline integration approach to all projects. In 2016, the center developed more than 70 creative technological solutions to positively impact society.

Highlights

4,108,409 visitors to and 143,059 registered users of Aprende.org in 2016

751,180 people trained by ASUME in over 267 cities

20,321 ASUME volunteer facilitators shared their knowledge

200 scholarships awarded to Ecuadorean children through Goal to Educate

99 students participated in the fifth edition of Mobile Campus

+70 projects developed at the CTIN



What we do for our customers and communities

Benefits from our services



Health

We promote self-health awareness and the adoption of healthy lifestyles through our **CLIKIsalud** portal, which contains reliable information and incorporates interactive features concerning topics such as lifeline, nutrition, diabetes, obesity, addiction, autism, and depression. The portal's content is designed to facilitate the work of parents, teachers and healthcare providers alike by providing them with tools such as health calculators and video series, including the One's Health capsules.



Financial
inclusion

In order to contribute to the financial inclusion of more and more people in Mexico, Telcel, through an alliance with Banamex, developed the **Transfer** app, which allows users to make payments and to send and receive money from their Telcel handset irrespective of whether they have a smartphone or not.

As a matter of convenience, users can perform transactions 24 hours a day via the app's SMS feature, or at participating locations. This is one additional example of the many ways in which technology contributes to economic development and to the improvement of people's quality of life.

The Transfer app offers, among others, the following benefits:

- » Simple activation process.
- » Eliminates the need to carry cash.
- » Users can make payments and transfers 24/7.
- » Transactions do not require but the user's handset and PIN.
- » Delivery of transaction alerts free of charge.
- » Funds in the user's account remain protected and cannot be withdrawn if the user loses his or her handset.
- » Any owner of a Telcel handset can receive transfers irrespective of whether he or she has activated the service.
- » The app is free and does not require Internet connection.



During the period
from 2012 to 2016,
Transfer acquired
250,000 users.



What we do for our customers and communities

Benefits from our services

Efficiency
for industry

To make our individual customers' lives easier, and allow our corporate customers to develop more efficient business processes and achieve cost reductions, we are migrating from the provision of traditional telecommunications services (i.e., integrated voice, data and Pay TV) to the provision of integrated digital solutions to both the mass and business markets.

The broad range of services we offer allows us to address the needs of individuals, small businesses, large companies, and government agencies alike.

For example, we offer mobile, fixed-line, Internet, and Pay TV services to the individual customer segment; and process automation solutions, M2M (machine-to-machine) solutions, high-performance platforms, and IT outsourced services to the corporate and government segments.



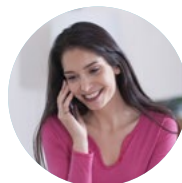
Mobile



Internet



Pay TV



Telephony

Business solutions



Process automation

- Online support
- Security video



Service channels and salesforce

- Contact center as a service
- Direct link
- Salesforce
- Internet hotspot
- MEC
- Dynamic marketing
- Web presence
- Customer service management software
- Machine-to-machine



Optimization and internal processes

- Claro Audio Conference
- Business Web Conference
- MDM
- Office 365
- Robust SIM card
- Telepresence



Logistics and procurement

- Task management
- Fleet management



High-performance platform

- Claro *Directo*
- Internet
- Domestic and international long distance
- Metro Ethernet
- Advanced MPLS
- Distributed PBX
- Transactional plans
- Mobile services



Outsourced IT

- LAN administration
- Computing and professional IT services
- Virtual Data Center
- Security
- Virtual servers



What we do for our customers and communities

Benefits from our services



Contribution to employment

As a result of our service coverage in remote locations, and of the technology we offer to our users and subscribers, an ever growing number of people are able to connect with others and to improve their living conditions. Below are a few examples of the ways in which **Mexican communities** have benefited from our connectivity to achieve economic growth since 2013.

The members of a Menonite community located in Chihuahua that is engaged in agriculture using irrigation systems and pluvial water supplies consider mobile handsets and the Internet as working tools that facilitate communication among workers.

Artisans and microbusiness owners from the village of San Martín Tilcajete, Oaxaca, rely on the availability of mobile services and access to social networks to promote their artwork and increase their domestic and international customer bases.

Women from the village of Santo Tomás, Oaxaca, who are engaged in weaving on a handloom tied to the waist, rely on their mobile handsets and on our service coverage to keep in touch with their customers via the Internet, and to take purchase orders via social networks, thereby increasing their sales volumes.

Small and midsize business owners in Vigas de Ramírez, Veracruz, received support from Telcel to enable an inter-plant communications system, which has allowed them to increase their production and, accordingly, their sales volumes. A purified ice company in Veracruz that subscribed to Telcel's automatic vehicle location (AVL) service is now able to monitor its fleet as it travels across cities and highways, and to communicate with vehicles located in areas where otherwise service is otherwise unreliable.

In La Lagunita Landa de Matamoros, Querétaro, the availability of mobile services allows veterinarians specialized in farm animal care to address both routine situations and emergencies requiring immediate response.

Our infrastructure, networks and capacity have allowed us to transform these and other stories into reality, and to become an **ally in the economic development of the communities** we serve in each of the countries in which we operate.



What we do for our customers and communities

Benefits from our services



Today, as a result of the connectivity that we offer, our subscribers have access to a broad range of content through numerous platforms, and have the power to decide what they want to watch —and through which type of device— at any given time.



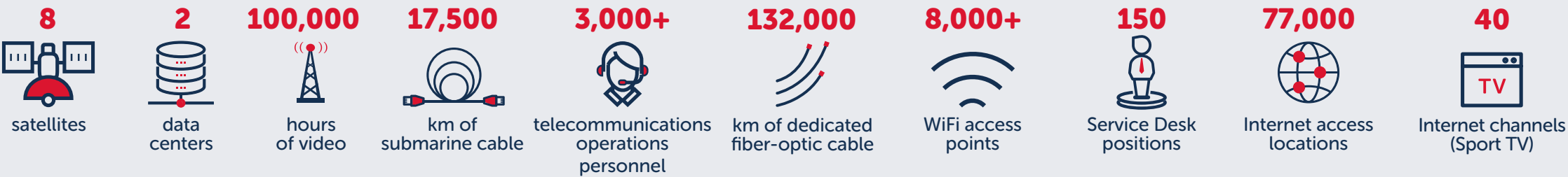
Success story

Rio 2016 Olympics - the most connected in history

The Rio 2016 Olympic Games were the first global event to be broadcast both in real time and on demand through the official **Claro sports** network, which allowed viewers to choose what sport to watch through the platform at any given time, from any location.

Viewers had the option of watching the games through the Claro Sports app, which could be downloaded using any iOS or Android device, or through www.clarosports.com, in each case free of charge.

We deployed the requisite infrastructure to ensure the safety, redundancy and strength of our systems, including:



As a result of the above, **5 billion viewers** from the 200 countries in which we distributed our signal through the International Broadcast Centre, including the **17 countries** where Claro sports is available, were able to watch in **real time** the accomplishments of more than **10 thousand athletes** from **206 countries**, over approximately **3,000 hours**.



What we do for our customers and communities

Benefits from our services

We built our infrastructure upon the Embratel Olympic Backbone —a modern network outfitted with more than 370 km of dedicated fiber-optic cable that allows users to browse the Internet at a speed of 40 GB per second— that we bequeathed to Rio de Janeiro and to Brazil.

The website and the application that we developed in connection with this event were both well received by our customers and by viewers from all over the world:



Countries by traffic volume



Mexico	62.3%
Colombia	11.3%
Argentina	9.4%
Peru	3.6%
Ecuador	3.5%

In Brazil, as the leading provider of fixed-line broadband, mobile Internet, and Pay TV services, we brought the excitement of the Rio 2016 Olympic and Paralympic Games to millions of Brazilians through 25 over-the-air and high-definition pay television channels. While we provided live coverage, our Claro HDTV and Net subscribers had the option of rewatching any event through our NOW on-demand video service.



Exhibits

Charters, principles and other initiatives subscribed

G4-15

- » UN Global Compact
- » *Nos Importa, GSMA*
- » *Teletón*
- » Earth Hour, World Wildlife Foundation (WWF)
- » Hackathon Telmex Hub, Microsoft Internet of Things
- » *Alianza por la Educación Telmex-SEDENA*
- » *Jornada de Salud 2016 PrevenIMSS*
- » *CDMX Digital CIAPE 40*
- » *Semana Nacional del Emprendedor*
- » *Amigos de las Ecobicis*
- » *Instituto de Hematología y Hemoterapia de la Universidad Nacional de Córdoba's Blood Drive*
- » *Internet Segura*, Undersecretariat of Telecommunications (*Subsecretaría de Telecomunicaciones*)
- » Humanitarian Connectivity Charter, GSMA
- » Klimaaktiv mobil project partner
- » Austrian Cyber Security Forum
- » Bulgarian Red Cross
- » Bulgarian Charity Aid Foundation
- » Saferinternet
- » Responsible Business Forum
- » *Bandera Azul Ecológica*
- » *Bandera Ecológica - Salvá Lo Bonito*
- » *Feria de Responsabilidad Social*, UNIRSE
- » *Feria Escolar*, AMCHAM
- » *Semana Nacional de la Ciencia*
- » *Telehablatón*

Memberships

G4-16

We are members of a number of industry and community-oriented associations and organizations.

América Móvil
<i>Groupe Speciale Mobile Association (GSMA)</i>
International Telecommunication Union (ITU)
5G Américas
<i>Asociación Interamericana de Empresas de Telecomunicaciones (ASIET)</i>
Argentina
<i>Cámara de Comercio Argentina Mexicana (CCAM)</i>
<i>Cámara de Informática y Comunicaciones de Argentina (CICOMRA)</i>
<i>Cámara Argentina de Internet (CABASE)</i>
<i>Cámara de Comercio de los Estados Unidos en Argentina (AMCHAM)</i>
Austria
Next Generation Mobile Networks Alliance
respACT
ETNO
GSM Memorandum of Understanding
Brazil
<i>Associação Brasileira de TV por Assinatura</i>
<i>Associação Brasileira de Recursos Telecom</i>
<i>Associação Nacional de Operadores de Celulares</i>
<i>Conselho de Desenvolvimento Econômico e Social</i>



Chile
Asociación de empresas de telefonía móvil (ATELMO)
ICARE
Cámara de Integración Chileno Mexicana (CICMEX)
Acción RSE
Asociación de Exportadores y Manufacturas (ASEXMA)
Colombia
Asociación de Exportadores y Manufacturas (ASEXMA)
Andesco
Reconciliación Colombia
Cámara Colombiana de Informática y Telecomunicaciones (CCIT)
Cámara de Comercio Colombo Mexicana
Asociación de Industriales de Colombia (ANDI)
Costa Rica
Cámara de Tecnologías de Información y Comunicación
Cámara de Infocomunicación y Tecnología
Ucaep
Cámara de Comercio de los Estados Unidos en Costa Rica (AMCHAM)
Cámara Empresarial México-Costa Rica
Ecuador
Asociación de Empresas de Telecomunicaciones (ASETEL)
Cámara de Comercio de Guayaquil
Cámara de Comercio de Quito
Cámara de Industrias de Guayaquil
Cámara Binacional Ecuador-México
Cámara de Comercio Ecuatoriano Americana de Guayaquil
Alianza Antipiratería en DTH
El Salvador
Asociación Nacional de la Empresa Privada (ANEP)
Cámara Americana de Comercio de El Salvador (AMCHAM)
Cámara de Comercio Salvadoreña (CAMARASAL)
Cámara Salvadoreña de Telecomunicaciones (CASATEL)
Cámara Salvadoreña Mexicana de Comercio (CASALMEX)
United States
The Wireless Association (CTIA)

Guatemala
Cámara de Comercio de Guatemala
Cámara de Industria de Guatemala
Cámara de Comercio e Industria Guatemalteco Mexicana
Honduras
Cámara Empresarial Honduras-México
Comité Ejecutivo del Punto de Intercambio de Tráfico de Internet en Honduras
Mexico
Consejo Coordinador Empresarial (CCE)
Asociación Nacional de Telecomunicaciones (ANATEL)
Telecom CIDE
Nicaragua
Consejo Superior de la Empresa Privada (COSEP)
Cámara de Comercio Americana de Nicaragua (AMCHAM)
Unión Nicaragüense de Responsabilidad Social Empresarial (UNIRSE)
Cámara Empresarial Mexicana Nicaragüense
Cámara Nicaragüense de Internet y Telecomunicaciones
Paraguay
Cámara de Operadores Móviles del Paraguay (COMPy)
Unión Industrial del Paraguay (UIP)
Centro de Regulación, Normas y Estudios de la Comunicación (CERNECO)
Cámara de Anunciantes del Paraguay
Peru
Asociación para el Fomento de la Infraestructura Nacional (AFIN)
United Way Perú
Puerto Rico
Asociación de Industriales
Asociación de Ejecutivos de Ventas y Mercadeo
Cámara de Comercio de Puerto Rico
Alianza de Proveedores de Telecomunicaciones
Centro Unido de Detallistas
Puerto Rico Hotel and Tourism Association

Dominican Republic
Acción Empresarial por la Educación (EDUCA)
Acción Pro Educación y Cultura (APEC)
Asociación de Comerciantes e Industriales de Santiago (ACIS)
Asociación de Empresas Industriales de Herrera (AEIH)
Asociación de Industrias de la Región Norte (AIREN)
Asociación de Industrias de la República Dominicana (AIRD)
Asociación Dominicana de Constructores y Promotores de la Vivienda (ACOPROVI)
Asociación Dominicana de Empresas de Exportación (ADOEXPO)
Asociación Dominicana de Empresas de Inversión Extranjera (ASIEX)
Asociación Dominicana de Empresas de Telecomunicaciones (ADOMTEL)
Asociación Hoteles y Turismo de la República Dominicana (ASONAHORES)
Asociación Nacional de Jóvenes Empresarios (ANJE)
Asociación Nacional de Usuarios No Regulados (ANUNR)
Cámara Americana de Comercio de la República Dominicana (AMCHAM)
Cámara de Comercio Dominicano Mexicana (CADOMEX)
Cámara de Comercio y Producción de la Vega, Inc.
Cámara de Comercio y Producción de Santiago (CCPS)
Cámara de Comercio y Producción de Santo Domingo (CCPSD)
Cámara Dominicana de las Tecnologías de la Información y la Comunicación (CAMARATIC)
Confederación Patronal de la República Dominicana (COPARDOM)
Consejo Nacional Empresa Privada (CONEP)
Fundación Institucionalidad y Justicia (FINJUS)
Red Nacional de Apoyo Empresarial a la Protección Ambiental (ECORED)
Uruguay
Cámara Uruguaya de Tecnologías de la Información
Cámara de Telecomunicaciones del Uruguay

We are not members of any association in Panama.

GRI Content Index

G4-32

G4	Page	Description	Response
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G4-1	7	Statement of the most senior decision-maker of the organization.	
G4-2	47, 54, 57	Key impacts, risks, and opportunities.	
Organizational profile			
G4-3	45	Name of the organization.	
G4-4	16	Brands, products and services.	
G4-5	-	Location of the organization's headquarters.	Mexico City, Mexico.
G4-6	16	Countries where the organization operates.	
G4-7	45	Nature of ownership and legal form.	
G4-8	16	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	
G4-9	19, 31	Scale of the organization.	
G4-10	31	Number of employees.	
G4-11	31	Percentage of total employees covered by collective bargaining agreements.	
G4-12	25	Description of the organization's supply chain.	
G4-13	13	Significant changes during the reporting period.	
Commitments to external initiatives			
G4-14	47, 54, 57	Report whether and how the precautionary approach or principle is addressed by the organization.	
G4-15	53, 77	Economic, environmental and social charters, principles or other external initiatives to which the organization subscribes or which it endorses.	
G4-16	77	Economic, environmental and social charters, principles or other external initiatives to which the organization subscribes or which it endorses.	
Material aspects and boundaries			
G4-17	45	Entities included in the organization's consolidated financial statements.	
G4-18	9	Process for defining the report content.	
G4-19	9	List of material aspects.	



G4	Page	Description	Response
G4-20	9	For each material Aspect, report the Aspect Boundary within the organization.	
G4-21	9	For each material Aspect, report the Aspect Boundary outside the organization.	
G4-22	13	Effect of any restatement of information provided in previous reports.	
G4-23	13	Significant changes from previous reporting periods in the scope and aspect boundaries.	
Stakeholder engagement			
G4-24	12	List of stakeholder groups engaged by the organization.	
G4-25	12	Basis for the selection of stakeholders with whom to engage.	
G4-26	12	Organization's approach to stakeholder engagement, including frequency of engagement.	
G4-27	12, 23	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those topics and concerns.	
Report profile			
G4-28	13	Reporting period.	
G4-29	13	Date of most recent previous report.	
G4-30	13	Reporting cycle (such as annual biennial).	
G4-31	89	Contact point for questions regarding the report or its contents.	
GRI Content Index			
G4-32	13, 79	In accordance option (Core or Comprehensive) the organization has chosen.	
G4-33	13	Organization's policy and current practice with regard to seeking external assurance for the report.	
Governance			
G4-34	45	Governance structure of the organization.	
G4-35	-	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Our shareholders, through our Board of Directors, define our strategies and convey them to our senior executives for implementation during the course of the performance of the latter's duties.
G4-36	45	Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report to the highest governance body.	
G4-37	-	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	Consultation takes place during board meetings, which are attended by members of our senior management.
G4-38	45	Composition of the highest governance body and its committees.	



G4	Page	Description	Response
G4-39	45	Report whether the Chair of the highest governance body is also an executive officer.	
G4-40	45	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting governance body members.	
G4-41	45	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.	
Highest governance body's role in setting purpose, values, and strategy			
G4-42	45	Highest governance body's and senior executives' roles in the development, approval, and updating of the organizations purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts.	
Highest governance body's competence and performance evaluation			
G4-43	45	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	
G4-44	45	Processes for evaluation of the highest governance body's performance.	
Highest governance body's role in risk management			
G4-45	47, 54, 57	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities.	
G4-46	47, 54, 57	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	
G4-47	47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	
Highest governance body's role in sustainability reporting			
G4-48	-	Highest committee or position that reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	América Móvil's Sustainability Committee, which is comprised of the heads of our Legal, Finance, Operations, Marketing, and Human Resources departments.
Highest governance body's role in evaluating economic, environmental and social performance			
G4-49	-	Process for communicating critical concerns to the highest governance body.	Senior executives are responsible for gathering information on critical concerns and for conveying such information to our Board of Directors.
G4-50	48	Nature and number of critical concerns that were communicated to the highest governance body.	
Remuneration and incentives			
G4-51	45	Remuneration policies for the highest governance body and senior executives.	
G4-52	45	Process for determining remuneration.	
G4-53	-	Report how stakeholders' views are sought and taken into account regarding remuneration.	We have established multiple contact points through which our stakeholders can convey to us their concerns.



G4	Page	Description	Response
G4-54	-	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Confidential information.
G4-55	-	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Confidential information.
Ethics and integrity			
G4-56	19, 48, 53	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	
G4-57	48	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	
G4-58	48	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as hotlines.	
Economic performance			
G4-EC1	19	Direct economic value generated and distributed.	
G4-EC2	-	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Not available.
G4-EC3	-	Coverage of the organization's defined benefit plan obligations.	Not available.
G4-EC4	-	Significant financial assistance received from government.	Not available.
Aspect: Market presence			
G4-EC5	-	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	All of our subsidiaries comply with the statutory minimum wage requirements; and wage levels at a majority of our subsidiaries exceed the local statutory minimum.
G4-EC6	-	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Not available.
Aspect: Indirect economic impacts			
G4-EC7	-	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not available.
G4-EC8	18	Significant indirect economic impacts.	
Aspect: Procurement practices			
G4-EC9	25	Percentage of the procurement budget used for significant locations of operations spent on suppliers local to that operation.	



G4	Page	Description	Response
Environmental performance			
Aspect: Materials			
G4-EN1	41	Materials used by weight or volume.	Partial data concerning this item is included herein under "Environmental performance".
G4-EN2	41	Percentage of materials used that are recycled input materials.	Partial data concerning this item is included herein under "Environmental performance".
Aspect: Energy			
G4-EN3	37	Internal energy consumption (direct and indirect).	
G4-EN4	37	External energy consumption.	
G4-EN5	-	Energy intensity.	Not available.
G4-EN6	37	Reduction of energy consumption.	
G4-EN7	37	Initiatives to reduce indirect energy consumption and reductions achieved.	
Aspect: Water			
G4-EN8	42	Total water withdrawal by source.	
G4-EN9	-	Water sources significantly affected by withdrawal of water.	Not material.
G4-EN10	-	Percentage and total volume of water recycled and reused.	Not material.
Aspect: Biodiversity			
G4-EN11	-	Operational sites located in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not material.
G4-EN12	-	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not material.
G4-EN13	-	Habitats protected or restored.	Not material.
G4-EN14	-	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not material.
Aspect: Emissions			
G4-EN15	37	Direct GHG emissions (scope 1).	
G4-EN16	37	Energy indirect GHG emissions (scope 2).	
G4-EN17	-	Other indirect GHG emissions (scope 3).	Not available.
G4-EN18	-	GHG emissions intensity.	Not available.



G4	Page	Description	Response
G4-EN19	37	Reduction of GHG emissions.	
G4-EN20	-	Emissions of ozone-depleting substances.	Not material.
G4-EN21	-	NOx, SOx, and other significant air emissions.	Not material.
Aspect: Effluents and waste			
G4-EN22	-	Total water discharge by type and destination.	Not material.
G4-EN23	41	Total weight of waste by type and disposal method.	
G4-EN24	-	Number and volume of significant spills.	Not material.
G4-EN25	-	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not material.
G4-EN26	-	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not material.
Aspect: Products and services			
G4-EN27	41	Mitigation of environmental impacts of products and services.	For additional information, see: http://www.americamovil.com/sites/default/files/2016-09/form-20-f-filing-version.pdf
G4-EN28	-	Percentage of products sold and their packaging materials that are reclaimed by category.	Not available.
Aspect: Compliance			
G4-EN29	-	Monetary value of fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations.	In 2016, we were imposed a total of 1,143 environmental-related fines whose monetary value is deemed immaterial. Data for Europe, Paraguay, Peru and Uruguay is not available.
Aspect: Transport			
G4-EN30	-	Environmental impacts of transporting products, materials and members of the workforce.	Not material.
Aspect: Overall			
G4-EN31	-	Environmental protection investments.	Not available.
Aspect: Supplier environmental assessment			
G4-EN32	25	Percentage of suppliers that were screened using environmental criteria.	All of our suppliers are screened through a process that in certain cases incorporates economic, social, environmental and anti-corruption aspects, before entering into and executing any agreement with them.



G4	Page	Description	Response
G4-EN33	25	Actual and potential negative environmental impacts in the supply chain and actions taken.	Not material.
Aspect: Environmental grievance mechanisms			
G4-EN34	-	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	In 2016 we received 711 grievances about environmental impacts, of which 128 were determined to be valid and 137 were resolved by our subsidiaries. Some of these grievances related to impacts occurred in previous years. Data for Europe, Paraguay, Peru and Uruguay is not available.
Labor practices and decent work			
Aspect: Employment			
G4-LA1	31	Total workforce by employment type, employment contract, and region, broken down by gender.	
G4-LA2	31	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	
G4-LA3	-	Return to work and retention rates after parental leave, by gender.	Not available.
Aspect: Labor/Management relations			
G4-LA4	-	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Minimum notice periods regarding consultation and changes in collective agreements range from 30 to 60 days, depending on the location of the operation.
Aspect: Occupational health and safety			
G4-LA5	-	Percentage of total workforce represented in health and safety committees that help monitor and advise on occupational health and safety programs.	Not available.
G4-LA6	34	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and by gender.	
G4-LA7	34	Workers with high incidence or risk of incidence of diseases related to their occupation.	We have identified certain potentially hazardous operations where 3% of our employees may be at risk of developing hypoacusis, osteo-muscular disorders, epicondylitis, and traumatism due to falls and blows. To manage these risks, we have established and continuously monitor a number of preventive measures and procedures.
G4-LA8	34	Health and safety topics covered in formal agreements with trade unions.	
Aspect: Training and education			
G4-LA9	32	Average hours of training per year per employee by gender, and by employee category.	
G4-LA10	32, 69	Programs for skills management and lifelong learning.	
G4-LA11	32	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	



G4	Page	Description	Response
Aspect: Diversity and equal opportunities			
G4-LA12	31	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	
Aspect: Equal remuneration for women and men			
G4-LA13	-	Ratio of basic salary of women to men by employee category.	Not available.
Aspect: Supplier assessment for labor practices			
G4-LA14	25	Percentage of new suppliers that were screened using labor practices criteria.	
G4-LA15	25	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	
G4-LA16	25	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms.	
Human rights			
Aspect: Investment			
G4-HR1	-	Investment agreements and contracts that include clauses incorporating human rights concerns.	Not available.
G4-HR2	48, 69	Employee training on aspects of human rights, including the percentage of employees trained.	
Aspect: Non-discrimination			
G4-HR3	48	Incidents of discrimination and corrective actions taken.	
Aspect: Freedom of association and collective bargaining			
G4-HR4	48	Operations identified in which the right to exercise freedom of association may be violated or at risk, and actions taken to support this right.	
Aspect: Child labor			
G4-HR5	48	Measures to contribute to the abolition of child labor.	
Aspect: Forced or compulsory labor			
G4-HR6	48	Measures to contribute to the elimination of forced labor.	
Aspect: Security practices			
G4-HR7	48	Security personnel trained in the organization's policies or procedures concerning human rights.	
Aspect: Indigenous rights			
G4-HR8	-	Number of incidents of violations involving rights of indigenous people and actions taken.	In 2016, we did not receive notice of any violation involving rights of indigenous people. As part of our business philosophy, we endeavor to support indigenous people and rural communities and to bring them closer together through our services and social initiatives, thereby fostering an increased social and economic development.



G4	Page	Description	Response
Aspect: Assessment			
G4-HR9	48	Percentage of operations that have been subject to human rights reviews.	
Aspect: Suppliers human rights assessment			
G4-HR10	-	New suppliers that were screened using human rights criteria.	Not available.
G4-HR11	-	Significant potential or actual negative impacts on human rights along the supply chain and actions taken.	Not available.
Aspect: Mechanisms for claiming human rights			
G4-HR12	48	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	
Society			
Aspect: Local communities			
G4-SO1	68	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	
G4-SO2	-	Operations with significant potential or actual negative impacts on local communities.	Not material.
Aspect: Anti-corruption			
G4-SO3	47	Number and percentage of operations assessed for risks related to corruption.	
G4-SO4	48	Communication and training on anti-corruption policies and procedures.	
G4-SO5	48	Confirmed incidents of corruption and actions taken.	
G4-SO6	-	Political contributions by country and recipient/beneficiary.	As a general rule, América Móvil does not make political contributions whether in cash or kind. Exceptions may apply where a contribution has been approved by the competent governing bodies and is made in accordance with the applicable laws of the relevant country.
Aspect: Anti-competitive behavior			
G4-SO7	-	Number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Some of our operations are being investigated for alleged monopolistic practices. For additional information concerning material anti-trust investigations, see: http://www.americamovil.com/sites/default/files/2016-09/form-20-f-filing-version.pdf
Aspect: Compliance			
G4-SO8	-	Monetary value of fines and number of sanctions for non-compliance with laws and regulations.	Not available.



G4	Page	Description	Response
Aspect: Supplier assessment for impacts on society			
G4-SO9	-	Percentage of new suppliers that were screened using criteria for impacts on society.	Not material.
G4-SO10	-	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Not material.
Aspect: Grievance mechanisms for impacts on society			
G4-SO11	48	Number of grievances about social impacts filed, addressed and resolved through formal grievance mechanisms.	
Product responsibility			
Aspect: Customer health and safety			
G4-PR1	-	Percentage of products and services categories subject to assessment of health and safety impacts for improvement.	Not material.
G4-PR2	-	Number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.	Not material.
Aspect: Product and service labeling			
G4-PR3	-	Type of product and service information required by the organization's procedures for product and service information and labeling.	Not material.
G4-PR4	-	Number of incidents of non-compliance with regulations and voluntary codes concerning labeling.	Not material.
G4-PR5	23	Results of surveys measuring customer satisfaction.	
Aspect: Marketing communications			
G4-PR6	-	Sale of banned or disputed products.	Not material.
G4-PR7	25	Number of cases of non-compliance with marketing communication regulations such as advertising, promotion and sponsorship.	
Aspect: Customer privacy			
G4-PR8	54	Complaints regarding breaches of customer privacy and losses of customer data.	
Aspect: Compliance			
G4-PR9	-	Monetary value of fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Not material.



G4	Page	Description	Response
Sector supplement			
IO2	63, 74	Extension of communications services to segregated geographic areas and communities.	
IO4,IO5	58	Compliance with standards related to radiofrequency emissions of handsets and base stations.	
PR1	63	Provision of communications solutions to individuals with disabilities or special needs.	
PR3	54	Protection of customer and employee personal data privacy and security.	
PA2	62, 69	Contributions to the population through education and digital inclusion.	
PA6	57	Programs to provide and maintain telecommunications services and products in emergency situations and for disaster relief.	
PA7	62	Provision of technological solutions and training at schools in furtherance of education.	

Contact

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Additional information regarding the contents of this report is available to our stakeholders upon request through:

E-mail: contacto_rse@americamovil.com

Telephone: +52 (55) 2581 3700 ext. 5162

Website: <http://www.americamovil.com>