# américa móvil

# 2018
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# Report Scope
*(102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54, 102-56)*

América Móvil has published a Sustainability Report annually since 2010; it describes our accomplishments regarding our employees, social development, and the environment in a clear and transparent manner in order to enhance our communication with our main stakeholders. This report includes América Móvil's results for the period between January 1st and December 31st, 2018. It was drafted based on the Global Reporting Initiative (GRI) Standards methodology, using the "in accordance" core option. Unless otherwise specified, we report information corresponding to the 25 countries where we operate, which we have grouped by region.

The content of this report is based on our materiality assessments, our commitment to the UN's 10 Principles of the Global Compact and Sustainable Development Goals, and the methodology suggested by the Sustainability Index of the Mexican Stock Exchange.

Adhering to our commitment to share true and transparent information, Valora Consultores verified several of the indicators included in this report. The scope of the indicators that were subject to verification and the report issued by Valora Consultores are referenced in the sections entitled GRI Content Index and Independent Assurance Report.

# Content

# Message from the CEO

*(102-14)*

**América Móvil is making considerable strides in reaching its goal of consolidating its position as a world leader in Information Technologies and in the development of connectivity-based solutions, both of which are essential for the comprehensive development of societies.**

Such leadership is based on making solid investments to address the growing communication needs of our subscribers, both personally and at the business level, using state-of-the-art technology. As a company committed to the Principles of the United Nations Global Compact, we are firmly committed to strengthening América Móvil as a catalyst for development and for improving the quality of life of people, on a solid sustainable basis.

With this in mind, our Sustainability Executive Committee established a new strategy known as **"Smart Sustainability"** that includes nine objectives for our work, in alignment with the UN Sustainable Development Goals.

Today, anyone connected to the internet can gain universal access to content, information, education, and entertainment using a mobile device. We are living in an era of good fortune in technology. With this great opportunity, comes a commitment to continue to be an agent of change, promoting inclusion, economic growth, and well-being in every country where we operate.

América Móvil is an ally of digital transformation: we offer the best communications options and, at the same time, we develop new state-of-the-art solutions. Our focus point is on providing a comprehensive experience to both consumers and companies, that meets with all their expectations.

We are able to do this because América Móvil has always been present, offering much more than just one communication channel. We recognize that telecommunications enable technology to play an increasingly more relevant role in improving the quality of life for people, offering our customers the possibility of being even closer and better connected through our networks, data centers, cloud, satellites, and submarine cables.

Year after year, we invest in the modernization of our infrastructure, expand our transmission network, renew our systems, and automate the operation of our networks. In 2018 we invested $15.1 billion Mexican pesos more than the previous year.

Additionally, as pioneers in the adoption of new technologies, this year we were able to introduce 4.5G services in our main markets. This technology supports speeds up to 10 times faster in compatible devices, which considerably reduces latency in the network. This innovation enables us to promote hyper-connectivity and the internet of things. With the NarrowBand-IoT and LTM technologies we are able to connect millions of telemetry sensors that consume low amounts of energy and allow us to monitor millions of devices. All of this will enable us to continue to facilitate and promote the "Digital Life".

We have also undergone an internal transformation – our culture, our processes, and our focus – to better serve the interests of our subscribers and the market. We have improved our training processes and, in particular, we have implemented a profound transformation across all our company divisions. We are currently participating in the development of projects with multi-functional equipment that facilitates the promotion of innovation and continuous improvement.

Furthermore, this year we strengthened our policies and our Code of Ethics ensuring that our employees at all levels of the organization are familiar with and committed to complying with them.

We wish to thank our investors for their continued trust, our customers for the opportunity they give us to serve them with the best comprehensive telecommunications solutions, our employees for their loyalty and dedication, as well as our suppliers, distributors and society as a whole for allowing us to be an agent of change by connecting them to the world.

It is with great pleasure that I present América Móvil's 2018 Sustainability Report, where you will find detailed information about our progress and achievements for the year. I reiterate our commitment to continue to make advancements that benefit our clients and to contribute to the development of well-being.

**Daniel Hajj Aboumrad**
CEO América Móvil

# Company Profile

**América Móvil is the leading company in integrated telecommunications services in Latin America and the largest telecommunications company world-wide in terms of total accesses, only behind China and India.**

We offer a portfolio of value-added services and our world-class communications platform allows us to provide innovative communication solutions.

América Móvil has presence in 25 countries in America and Central and Eastern Europe: Mexico, United States, Brazil, Peru, Colombia, Ecuador, Argentina, Paraguay, Uruguay, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Puerto Rico, Dominican Republic, Austria, Belarus, Bulgaria, Croatia, Slovenia, Macedonia, and Serbia.

# Company Presence
*(102-1, 102-3, 102-4)*

In Latin America, América Móvil operates under its brands Telcel, Telmex, and Claro. In Europe it operates under the A1 brand through Telekom Austria, and in the United States under Tracfone.

Belarus
Austria
Slovenia
Croatia
Serbia
Macedonia
Bulgaria

United States
Mexico
Guatemala
El Salvador
Costa Rica
Panama
Ecuador
Peru
Chile

Dominican Republic
Puerto Rico
Honduras
Nicaragua
Colombia
Brazil
Paraguay
Uruguay
Argentina

● Corporate Headquarters

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As of December 31st 2018, América Móvil had

# 360 million accesses

276 million wireless subscribers (voice and data), and 84 million revenue generating units (RGUs[1]).
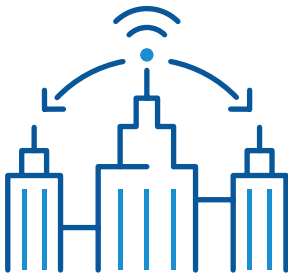
## Million accesses

| Mobile | | Fixed-Lines, Broadband and Pay TV | |
|---|---|---|---|
| 2013 | 270 | 2013 | 69 |
| 2014 | 289 | 2014 | 78 |
| 2015 | 286* | 2015 | 81 |
| 2016 | 281 | 2016 | 83 |
| 2017 | 279 | 2017 | 83 |
| **2018** | **276** | **2018** | **84** |

* Starting in 2015 we have a prepaid CHURN policy in place to automatically cancel lines that show no activity during a specific term (established for each operation); accordingly, starting on that same year, we registered a downturn in the number of mobile services accesses.

[1] The RGUs of the fixed services include the number of fixed voice and data services accounts and Pay TV (which include the number of users of both Pay TV services as well as other digital services).

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## Main Brands and Businesses in the Countries Where We Operate
*(102-2, 102-6)*

| Country / Region | Main Brands | Main Businesses | Equity Stake | Number of Accesses (thousands) | Percentage of Operation (millions of accesses) |
|---|---|---|---|---|---|
| Mexico | Telcel / Telmex Infinitum | ●● ●(4) | 100.00% / 98.80% | 97,785 | 27% |
| Brazil | Claro | ●●●● | 98.20% | 91,702 | 25% |
| Colombia | Claro / Telmex | ●●●● | 99.40% / 99.30% | 36,852 | 10% |
| **Southern Cone** | | | | | |
| Argentina | Claro | ●●●● | 100.00% | | |
| Chile | Claro | ●●●● | 100.00% | 33,170 | 9% |
| Paraguay | Claro | ●●●● | 100.00% | | |
| Uruguay | Claro | ●● | 100.00% | | |
| **Andean Region** | | | | | |
| Ecuador | Claro | ●●●● | 100.00% | 22,200 | 6% |
| Peru | Claro | ●●●● | 100.00% | | |
| **Central America** | | | | | |
| Costa Rica | Claro | ●●●● | 100.00% | | |
| El Salvador | Claro | ●●●● | 95.80% | | |
| Guatemala | Claro | ●●●● | 99.30% | 20,829 | 6% |
| Honduras | Claro | ●●●● | 100.00% | | |
| Nicaragua | Claro | ●●●● | 99.60% | | |
| Panama | Claro | ●●●● | 100.00% | | |
| **Caribbean** | | | | | |
| Dominican Republic | Claro | ●●●● | 100.00% | 8,433 | 2% |
| Puerto Rico | Claro | ●●● | 100.00% | | |
| United States | TracFone | ● | 100.00% | 21,688 | 6% |
| **Austria and Eastern Europe** | | | | | |
| Austria | A1 | ●●●● | | | |
| Belarus | A1 | ●●●● | | | |
| Bulgaria | A1 | ●●●● | | | |
| Croatia | A1 | ●●●● | 51.00% | 27,261 | 8% |
| Macedonia | A1 | ●●● | | | |
| Serbia | A1 | ● | | | |
| Slovenia | A1 | ●●●● | | | |
| **Total** | | | | 359,919 | 100% |

● Mobile voice and data and value-added services(1)
● Fixed-line voice, data, and broadband, and IT services(2)
● Pay TV
● Content sales(3)

*(1) Includes voice services, roaming, SMS, MMS, e-mail, browsing, entertainment, and game apps.*
*(2) Includes local services and national and international long distance.*
*(3) Includes Claro video and Claro música services.*
*(4) Services provided through subsidiaries that are not concessionaires of telecommunications services.*

# Infrastructure
*(203-1)*

At América Móvil we are firmly committed to make a continuous effort to expand and improve our infrastructure, incorporating state-of-the-art technology in order to be able to offer our customers the best connectivity solutions available today.

Accordingly, we have centered our efforts on building from the ground up the best fiber-optic network in Latin America to carry data and long-distance services all the way from Argentina to the Southern US border and back. At year-end 2018, there were more than 260,000 kilometers of fiber-optic cable in our network. In addition, we expanded construction of the AMX-1 submarine cable network that connects Brazil with Florida with 12 landing points, making it the largest of its kind in Latin America. Furthermore, we have tripled the size of our urban fiber-optic cable, which now spans almost 600,000 kilometers.

We renewed our satellite fleet — complementing our fiber optic network — by launching three new satellites; our plan is to launch a seventh satellite over the course of 2019. Our satellite network, which is operated by Star One, is currently the largest in Latin America, offering coverage over Mexico, the US, and Central and South America.

In addition, we continued working on virtualizing our servers, which has enabled us to improve our overall performance as well as our availability, flexibility, and scalability, while at the same time reducing costs. With this, we now have a redundant and resilient network with enough capacity to meet any unexpected increases in demand.

**In 2018, at América Móvil we invested**
# 151.8 billion
**Mexican pesos to expand, improve, and upgrade our infrastructure.**
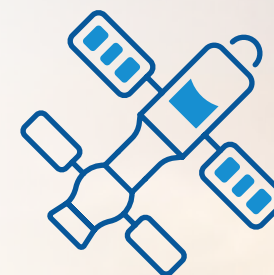
Our submarine cable, which has been operating since 2014, connects our subsidiaries located in the US[1] and in Central and South America. The cable is more than 189,000 kilometers long; it includes a 17,500-km AMX-1 system and 11 landing points. The transmission capacity of the submarine cable is 90Tbit/second. When operating at full capacity, the cable is able to process 1.125 billion calls simultaneously, broadcast 11 million HD channels at the same time, and download 2.8 million songs per second.

We also have 859,000 kilometers of land fiber-optic cable; 241,990 base stations[2], of which approximately 65% employ 3G, 4G, or 4.5G technologies.

The latest research carried out by the World Health Organization shows that the probability of exposure to electromagnetic fields from telecommunications base stations having a direct effect on the population's health is low. Nonetheless, at América Móvil we strictly abide by international practices and standards that specify the minimum distance at which base stations should be installed and the power they should radiate, as well as by the laws of every country where we operate.

We have 27 Data Centers in eleven countries — 15 are installed in Latin America and 12 in Europe — to manage the cloud-based solutions we offer.

[1] *América Móvil does not own any mobile telecommunications facilities nor does it hold any mobile spectrum concessions in the US. Instead, we purchase airtime through agreements with mobile service providers and resell airtime to our customers.*
[2] *In Latin America and Europe.*

# Economic Performance
*(201-1)*

| | 2017 | 2018 | |
| --- | --- | --- | --- |
| | Million Pesos (MXN) | Million Pesos (MXN) | Million Dollars (USD) |
| Economic Value Generated | 1,021,634 | **1,038,208** | **52,747** |
| Economic Value Distributed | 989,479 | **983,691** | **49,977** |
| Economic Value Retained* | 32,155 | **54,517** | **2,770** |

*\* Considering that the economic value retained is equal to the annual net profit.*

*(102-7,102-45)*
**Note:** For more information on our financial performance please click here.

## Data Centers:

### Data Centers

| | 2017 | 2018 |
| --- | --- | --- |
| Argentina | 1 | 1 |
| Brazil | 3 | 4 |
| Chile | 4 | 1 |
| Colombia | 2 | 2 |
| Ecuador | 1 | 1 |
| Mexico | 2 | 2 |
| Peru | 4 | 2 |
| Dominican Republic | 1 | 2 |
| Austria | 3 | 4 |
| Bulgaria | 0 | 6 |
| Belarus | 0 | 2 |
| **Total** | **21** | **27** |

## Percentage of Service Revenues[1]:
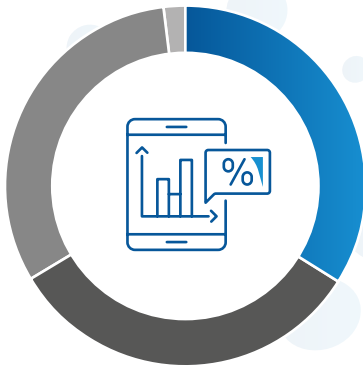
- Fixed bundles[2] **33.9%**
- Mobile prepaid **32.5%**
- Mobile postpaid **31.6%**
- Fixed voice **1.9%**

*[1] Does not include revenue from other telcos, which include interconnection and roaming.*
*[2] Includes Fixed Broadband Pay TV and Fixed Voice in double- and triple-play bundles.*

## Our Mission

Our mission is to ensure that people in every one of the countries where we operate have access to high quality products and services with the latest technologically advanced telecommunications, at affordable prices, in order to bring as many people as we can closer together.

## Our Vision

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

## Our Strategy

To achieve our Mission we implement new strategies to maintain our leadership position in each of the markets in which we operate.

We offer our customers innovative products and services of the highest quality and most advanced technology and invest in our networks to optimize their capacity and coverage. We also implement new technologies that allow us to be more efficient, care for the environment, and improve the daily experience of our subscribers.

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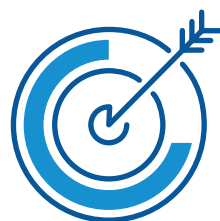
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# Our Values and Principles
*(102-16)*

**Our values and corporate ethics principles are the qualities that differentiate and guide us. We always keep them in mind and put them into practice on a daily basis as an essential foundation of our culture of excellence, productivity and leadership.**

## Honesty
We are committed to the highest ethical and corporate governance standards. We must act honestly and with integrity at all times. By conducting ourselves with integrity we foster confidence and trust among ourselves and in our relationships with our customers, suppliers, and other business partners. Such conduct also promotes respect towards our organization, which ultimately contributes to the success of our business.

## Human Development
We believe in the unlimited potential for the personal and professional growth of all people. This is why we respect and promote human rights in all of our activities.

## Respect
We value all our employees, customers, suppliers and commercial partners. We respect human rights and we treat everyone in the same way. We do not tolerate any form of discrimination, and we are open to different cultures, customs, and beliefs, all of which add value to our business community.

## Business Creativity
We believe in corporate creativity as a means to provide society with sufficient elements to address the social problems affecting the countries in which we operate, and we put this creativity in practice in our daily activities.

## Productivity
We are committed to improving quality and optimizing our productive processes by means of controlling costs and expenses and adhering to the highest standards for our industry worldwide.

## Optimism and a Positive Attitude
We believe that when faced with adversity, a positive attitude and an optimistic perspective are essential for solving problems.

## Compliance with the Law
Our activities are also governed by applicable laws and regulations in every country where we operate. We strictly abide by and comply with all of these laws, regulations, and other rules in effect in each of our markets. We aim to be regarded as a Company that operates in strict adherence to the law at all times. We also abide by our internal policies.

## Cost Management
We take care of our company's assets as if they were our own. They are the product of our work, and they are intended for the benefit of our customers and our society.

## Social Responsibility
We take on a leadership role to always work in favor of sustainable development in the communities we serve, regarding diverse issues including education, the environment, health, sports, the arts, and culture. We are committed to ensuring that our activities foster well-being in these communities.

## Sustainability
We use resources rationally in order to strike a balance between productivity, efficiency, and respect for the environment. In this effort, we comply with local and international best practices.

# Our Objectives

## Customer Satisfaction

- **Increase our Net Promoter Score (NPS)[1].** We monitor our customer satisfaction levels using the NPS.

- **Maintain CHURN rate[2].** We aim to retain our customers' loyalty; by monitoring our CHURN rate we are able to determine the percentage of customers who drop our service.

- **Improve the quality of our services.** We make investments in network infrastructure to improve our customers' mobile communications and browsing experience.
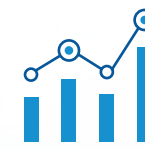
## Growth

- **Increase the number of subscribers.** We believe that the products and services we offer will allow us to attract a growing number of subscribers.

- **Meet our revenue budget.** We continue to innovate and work to identify new opportunities and improve customer service.

## Leadership

- **Retain market share.** Teamwork across all divisions is key to retain our long-standing market leadership.

## Profitability

- **Keep operations within budget.** We manage our resources efficiently in order to be able to reach our projected results every year.

[1] Index that measures the difference between the number of subscribers who recommend our services, and those who don't.
[2] CHURN rate. The number of mobile subscribers who drop our service during a specific period compared to the number of subscribers at the beginning of the period.

# Updating Sustainability

*(102-42)*

Sustainability has become a priority to America Movil's planning and operation, as we are certain this will allow us to maintain of market leadership. Over the past few years we have made significant efforts to strengthen our Sustainability Strategy as well as to set the objectives that can help us better contribute to economic, social and cultural development in the communities we have presence, leveraging the benefits that the digital era provides.

The process to update the sustainability strategy for América Móvil began in late 2017 and continued throughout 2018. The first step consisted in carrying out an in-depth materiality analysis which allowed us to identify those issues that constitute a priority for our stakeholders.

With this in mind, in February 2018 the Audit and Corporate Practices Committee constituted, with the Board recommendation, the América Movil Sustainability Steering Committee. This Committee resumed the themes selection that have been previously addressed and defined 9 Sustainability objectives for 2020.

Ultimately, these 9 goals became the basis for the new sustainability strategy for the company, which we named **"Smart Sustainability"**, whose purpose is to position América Móvil as a catalyst for development and for improving quality of life for people through connectivity.

**In order to develop the America Móvil's sustainability strategy,**
we followed several guidelines and methodologies including ISO 26000, SA8000, RobeccoSAM, GRI, and the ten principles of the UN Global Compact, among others.

The strategy has four pillars:

- **Development,** given that the products and services that América Móvil offers can be a relevant catalyst and promoter of economic activity in the communities and as part of personal growth.

- **Safety,** because the products and services that América Móvil offers, as well as the projects in which it participates, help improve safety for people and communities either directly or indirectly.

- **Quality of life,** considering that the products and services that América Móvil offers help people enjoy more free time, have better health, and stay more connected to their loved ones.

- **Principles,** values and ethics management in América Móvil ensures that the company has a significant reputation, which extends to its value chain.

# Smart Sustainability

## Uploading Quality of Life

América Móvil's services, products, and projects help people have more free time, enjoy better health, and be better connected to their loved ones.

Related indicators:
- Lower emissions.
- Recycling.
- Cloud-based and device-based health services.
- Connecting projects for vulnerable communities.
- Reduction in the need for mobility in order to get service.
- Conservation programs.

**I am proud of being part of the América Móvil family.**

## Connecting with Principles

América Móvil's values and ethics management make it possible for a company to have a great reputation. This includes working with our suppliers, distributors, contractors, and employees.

Related indicators:
- Ethics and corporate governance.
- Talent development.
- Attracting and retaining talent.
- Customer service and satisfaction.
- Promoting innovation.
- Managing the value chain and minimizing risks.
- Stakeholder engagement.
- Relationship with associations and organizations.
- Work environment.

**América Móvil helps me to be connected to the brand at all times.**

## Activating Safety

América Móvil's services, products, and projects contribute to freedom of expression and to improving safety for people and communities, directly or indirectly.

Related indicators:
- Safety devices and solutions for people and industries.
- Information Security.
- Privacy of information and communications.
- Response to emergencies and natural disasters.

**América Móvil helps me care for my safety and gets me closer to having a better quality of life.**

## Sharing Development

América Móvil's services and products can become a strong driver and/or catalyst of economic activity and personal growth.

Related indicators:
- Training through aprende.org.
- Narrowing the digital divide.
- Financial services.
- Promoting entrepreneurship.
- Developing small suppliers.
- Volunteering.
- Local jobs.

**I have access to a new future because I am part of América Móvil.**

## Sustainability Management

Updating the company's materiality assessment enabled us to focus our efforts on those issues on which we can truly have the positive impact we aim to have. By defining our relevant topics we were able to establish a solid basis on which to redesign the sustainability strategy for América Móvil, in alignment with the UN Sustainable Development Goals.

This year we created the Sustainability Executive Committee that reports directly to the Board of Directors. Its main objective was to develop the sustainability strategy known as **"Smart Sustainability"**. Once the strategy was established, the committee determined nine 2020 objectives and adopted the role of supervising and coordinating all company efforts to ensure that they follow the strategy.



Alignment to the UN SDGs

Materiality Assessment

Create a Sustainability Executive Committee
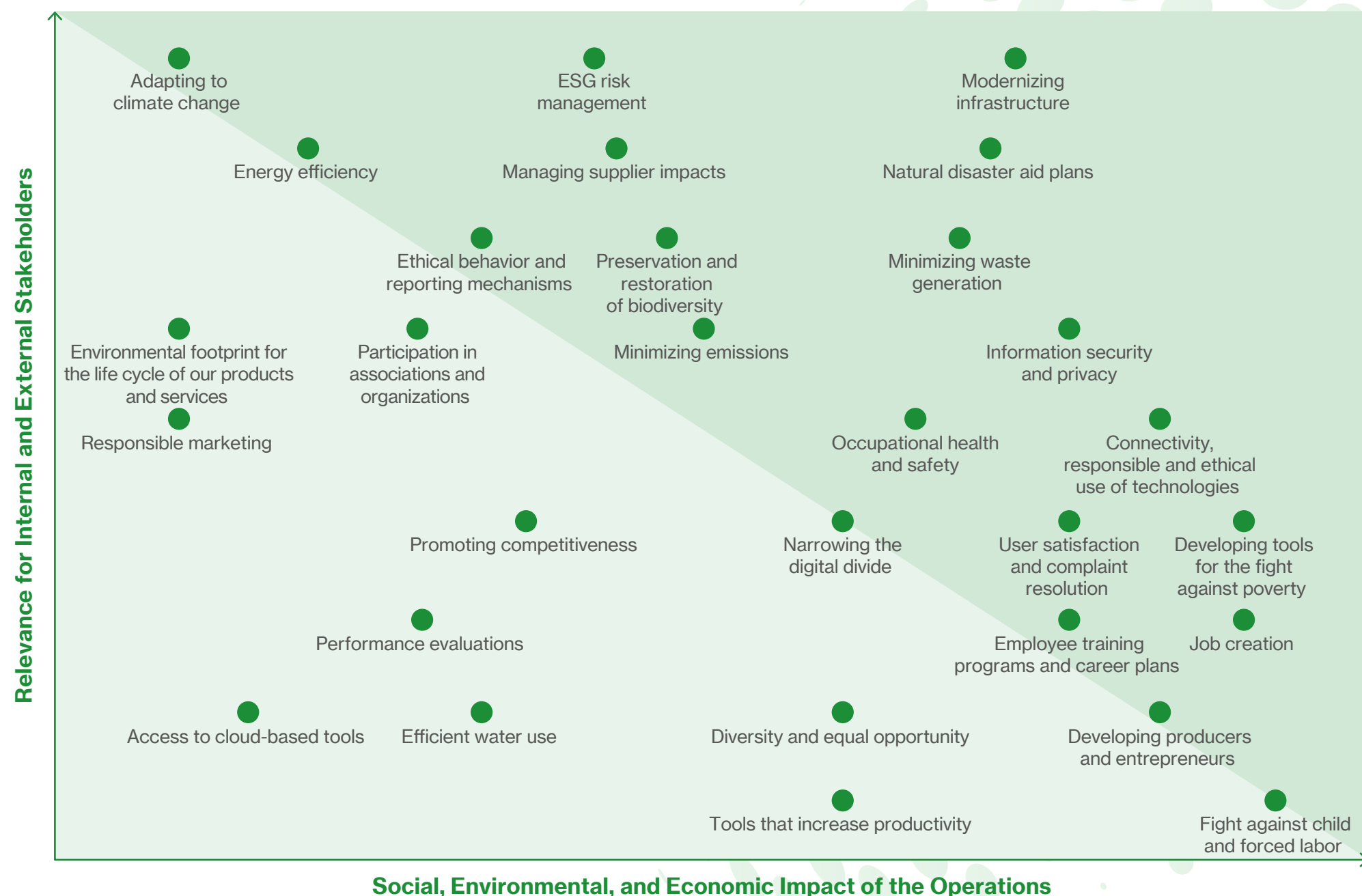
Update the Sustainability Strategy

## Materiality
*(102-21, 102-29, 102-31, 102-47)*

In 2017, we carried out an extensive materiality assessment involving our main stakeholders in the majority of the countries where we operate. We carried out the assessment following the methodology suggested by the GRI Reporting Standards, based on two criteria: the relevance of sustainability issues for all the stakeholders, and their potential impact on economic, social, and environmental issues.

The assessment was carried out in four stages: The first consisted of carefully designing the surveys to include relevant issues concerning social, environmental, economic, and operational issues in alignment with the UN Sustainable Development Goals. During the second stage, we surveyed more than 28,500 people in the majority of our operations1, including internal stakeholders (Board members, top management, and employees) and external stakeholders (academia, NGOs, associations, chambers, authorities, corporate customers, mass customers, communities, distributors, investors, press, and suppliers). The third stage consisted of analyzing the impact with América Móvil experts and members of the Sustainability Operating Committee during which we analyzed the most relevant indicators for our operations. The fourth and last stage consisted of determining the material issues for América Móvil.

The following chart shows the result of our materiality assessment:

[1] *Except Brazil. Peru and Austria incorporated materiality assessments that had been done previously by subsidiaries employing the same methodology.*



**Relevance for Internal and External Stakeholders**

- Adapting to climate change
- Energy efficiency
- ESG risk management
- Managing supplier impacts
- Modernizing infrastructure
- Natural disaster aid plans
- Ethical behavior and reporting mechanisms
- Preservation and restoration of biodiversity
- Minimizing waste generation
- Environmental footprint for the life cycle of our products and services
- Participation in associations and organizations
- Minimizing emissions
- Information security and privacy
- Responsible marketing
- Occupational health and safety
- Connectivity, responsible and ethical use of technologies
- Promoting competitiveness
- Narrowing the digital divide
- User satisfaction and complaint resolution
- Developing tools for the fight against poverty
- Performance evaluations
- Employee training programs and career plans
- Job creation
- Access to cloud-based tools
- Efficient water use
- Diversity and equal opportunity
- Developing producers and entrepreneurs
- Tools that increase productivity
- Fight against child and forced labor

**Social, Environmental, and Economic Impact of the Operations**

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# Sustainability Executive Committee
*(102-18, 102-19, 102-20, 102-26)*

In February 2018, the Audit and Corporate Practices Committee constituted the América Móvil Sustainability Executive Committee in response to a recommendation made by management. The goal of this committee is to define the strategy needed to bring the company's performance in sustainability to the next level and oversee its execution. The committee reports periodically to the company's CEO and Board of Directors. During 2018, the Committee held four ordinary sessions and two extraordinary sessions. Additionally, and in order to have the points of view of experts outside our operation, two independent directors participate in the Sustainability Executive Committee.
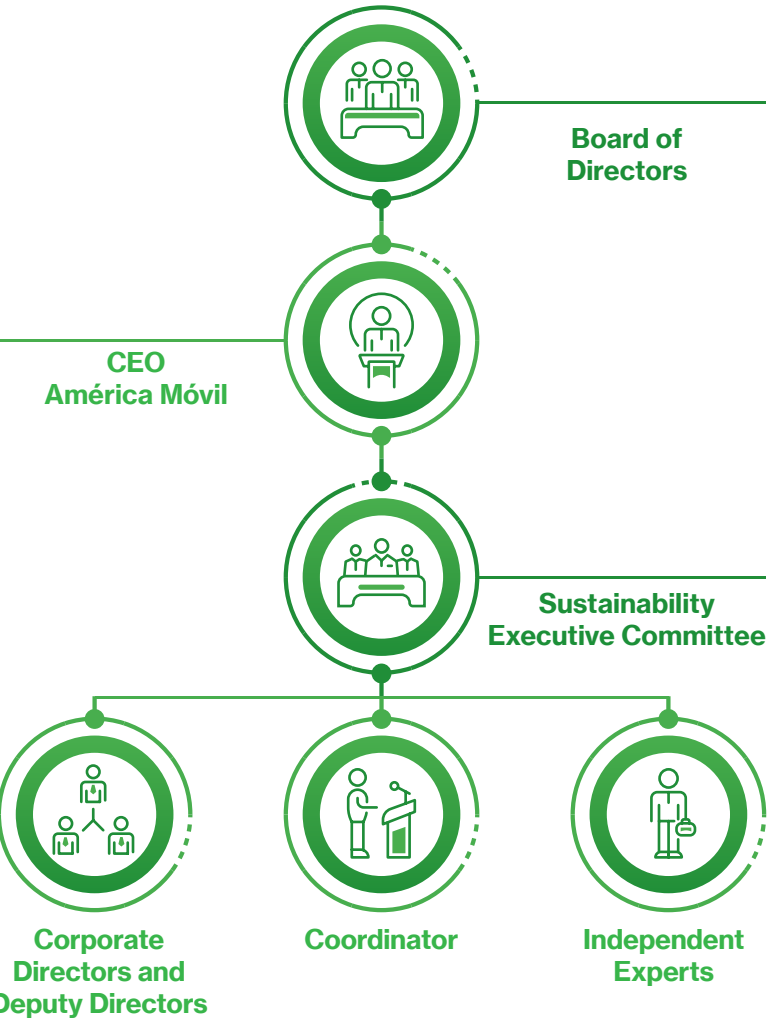
The following are among the main responsibilities of the committee:

- Identify material issues.
- Establish long-term goals to manage issues deemed a priority.
- Design mechanisms to translate the strategy and its objectives into actions within the operations.
- Assign responsible parties to achieve the objectives and oversee compliance.
- Facilitate compliance with the goals or objectives.

The following are the members of the América Móvil Sustainability Executive Committee:

- **Ángel Javier Alexander Flores** - International Human Resources
- **Alejandro Cantú Jiménez** - General Counsel and Chief Regulatory Office
- **Paula M. García Sabido** - Public Affairs Manager– (Chairman of the Sustainability Executive Committee)
- **Daniela Lecuona Torras** - Investor Relations Officer
- **Marcela Velasco Cámara** - Director of Corporate Marketing

- **Mauro Accurso** - ICT Expert for Latin America (external)
- **Gustavo Alanis Ortega** - CEO for the Centro Mexicano de Derecho Ambiental (external)

The Sustainability Executive Committee includes the following positions and their corresponding responsibilities:

| Position | Responsibilities |
|---|---|
| Committee Coordinator | • Observe the Committee and ensure that it complies with its responsibilities, in particular and in general.<br>• Assess the performance of all Committee members.<br>• Coordinate how responsibility for each of the sustainability objectives is assigned to the members of the Committee and demand recognition by their superiors for a job well done. |
| Committee Secretary | • Develop the agenda and minutes for the Committee's ordinary and extraordinary meetings.<br>• Convene directors to Committee sessions, including external and/or independent members.<br>• Work as a liaison between the Committee and external and/or independent guests. |
| Objectives Supervisor | • Responsible for complying with one or several goals.<br>• Coordinate the development of work plans to reach the goals under his or her responsibility.<br>• Present progress on the goals to the Committee and other audiences. |
| Business Representative: Director or Deputy Director for a business or division | • Responsible for establishing the strategic guidelines based on agreements reached for each country / operation. When needed, this person can convene a meeting of the Sustainability Executive Committee, including all parties responsible for the business, division, or country in order to discuss and address specific issues |

Board of Directors

CEO América Móvil

Sustainability Executive Committee

Corporate Directors and Deputy Directors

Coordinator

Independent Experts

## Sustainability Objectives

**As a first step in the process to ensure continuity of América Móvil's leadership, and to promote the adoption of international best practices within the company, the Sustainability Committee established nine 2020 objectives.**

| Issues | 2020 Sustainability Objectives with respect to 2018 |
|---|---|
| **Renewable Energy** | 1. Use 50% of clean energy sources and commit to streamlining operations in order to minimize energy consumption. |
| **Human Capital** | 2. Perform evaluations on more than 80% of our employees. <br> 3. Improve work environment satisfaction result from 78% to 80%, increasing participation from 87% to 89%. |
| **Education** | 4. Increase by 20% the number of subscribers in the Group's education platforms, maintaining an average of 2.5 courses per user. |
| **Customer Service** | 5. 5. Increase by 1% the average brand NPS for each country where we operate. |
| **Value Chain** | 6. Align 35% of our suppliers with our Supplier Code. <br> 7. Assess 100% of our Tier 1 suppliers in sustainability performance. <br> 8. Offer training to 30% of our local suppliers. |
| **Health & Safety** | 9. Achieve 0 fatalities. |

Each of the internal members of the Sustainability Executive Committee chose to lead the efforts of at least one of the priority topics and worked with their corresponding teams within the company to implement them.

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# Stakeholder Engagement

*(102-40, 102-43, 102-44)*

We have identified nine América Móvil stakeholder groups with whom we maintain a constant two-way communication. In order to ensure communication we have established several contact channels.

| Stakeholders | Communication Channels | Frequency | Main Expectations |
|---|---|---|---|
| **Customers** | • Social networks<br>• Market Research<br>• Telephone calls<br>• Website<br>• Chat<br>• Mobile phone apps<br>• Self-help modules<br>• Suggestion box<br>• Written letters<br>• Blogs<br>• Whistle-blower Website | Continuous | • Quality of the service<br>• Follow up on complaints and suggestions<br>• Coverage and connectivity<br>• Competitive costs |
| **Communications Media** | • Corporate Communications<br>• e-mail<br>• Press information on website<br>• Call center<br>• Events<br>• In-person meetings<br>• Whistle-blower Website | Continuous | • Transparency and accountability<br>• Timely information |
| **Investors** | • Events and presentations<br>• Quarterly conference calls<br>• Operating and financial reports<br>• Website<br>• e-mail<br>• Telephone calls<br>• In-person meetings<br>• Whistle-blower Website | Continuous / Quarterly / Annual | • Transparency and accountability<br>• Timely information<br>• Profitability |
| **Suppliers** | • Telephone calls<br>• Whistle-blower Website<br>• Events and in-person meetings<br>• Whistle-blower Website | Continuous / Annual | • Transparency and accountability<br>• Health and safety<br>• Supplier development |

| Stakeholders | Communication Channels | Frequency | Main Expectations |
|---|---|---|---|
| **Employees** | • e-mail<br>• Call center<br>• Trade magazines<br>• Manuals<br>• Advertising<br>• Satisfaction surveys<br>• Whistle-blower Website | Continuous / Daily / Monthly | • Training and development<br>• Salaries and benefits<br>• Respect for human rights<br>• Code of Ethics<br>• Health and safety |
| **Distributors** | • e-mail<br>• Call center<br>• Trade magazines<br>• Manuals<br>• Advertising<br>• Satisfaction surveys<br>• Whistle-blower Website | Continuous / Monthly / Annual | • Transparency and accountability<br>• Health and safety |
| **Associations and industry participation** | • In-person meetings<br>• Special events<br>• Information shared by the sector<br>• Whistle-blower Website | Monthly / Annual | • Research and Development<br>• Transparency and accountability<br>• Timely information<br>• Promoting best practices |
| **Authorities** | • Partnerships<br>• Agreements<br>• In-person meetings<br>• Information requests<br>• Audits<br>• Whistle-blower Website | Monthly / Annual | • Compliance with the law, regulations, and norms<br>• Managing taxes and contributions<br>• Investment and job creation |
| **Community** | • Programs and social events<br>• In-person meetings<br>• Whistle-blower website | Continuous | • Investment in development projects<br>• Good neighbor<br>• Environmental stewardship |

## Relationship with Associations and Organizations

**As part of our long-term sustainability strategy we established partnerships with several associations and organizations that conform to principles and are aligned to our sustainability objectives.**

### Global Compact

In 2018 we ratified our adhesion to the United Nations Global Compact. Since 2016, at América Móvil and our subsidiaries we have made a tangible effort to observe the Ten Principles of the Global Compact and to align our operation to them.

These Principles are: (i) support and respect Human Rights, (ii) eliminate complicity in the abuse of Human Rights, (iii) respect for freedom of association and recognize the right of collective bargaining, (iv) eliminate forced or compulsory labor, (v) effectively abolish child labor, (vi) eliminate job and occupational discrimination, (vii) support preventive methods for addressing environmental problems, (viii) promote environmental responsibility, (ix) promote the development and dissemination of environmentally friendly technologies, and (x) eliminating all forms of corruption, including extortion and bribery.

### UN Sustainable Development Goals (SDGs)

In order to align countries and companies with a common goal, the UN 2030 Agenda for Sustainable Development has 17 goals. Its purpose is to eradicate poverty, protect the planet, and ensure prosperity for all.

Aware of the importance of contributing to these goals, as one of the most important telecommunications companies in the world, América Móvil has taken concrete steps that have a positive impact on eleven of these goals.

| SDG | América Móvil projects and actions with a high impact on these goals |
|---|---|
| 1 NO POVERTY | • Aprende.org, page 62 |
| 4 QUALITY EDUCATION | • Aprende.org, page 62<br>• Train for a Job, page 63<br>• Internet for all project, page 67 |
| 5 GENDER EQUALITY | • Our employees, page 33<br>• Aprende.org, page 62 |
| 8 DECENT WORK AND ECONOMIC GROWTH | • Work benefits, page 36 |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | • Digital customer service channels, page 50<br>• Research and development, page 88<br>• Infrastructure, page 9<br>• Single RAN Project, page 79 |
| 10 REDUCED INEQUALITIES | • Accessibility, page 95<br>• Internet for all project, page 67<br>• Aprende.org, page 62 |

| SDG | América Móvil projects and actions with a high impact on these goals |
|---|---|
| 11 SUSTAINABLE CITIES AND COMMUNITIES | • Volunteering, page 68<br>• Social development projects, page 69<br>• Aid in natural disasters, page 59 |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | • Value chain, page 44<br>• Disposal of handsets and accessories, page 80 |
| 13 CLIMATE ACTION | • Renewable energy, page 77<br>• Initiatives to reduce emissions, energy consumption, and fuel consumption, page 78<br>• Refurbishing electric and electronic equipment, page 80<br>• Disposal of handsets and accessories, page 80 |
| 14 LIFE BELOW WATER | • Conservation of biodiversity with the WWF-Telmex Telcel Foundation Alliance, page 81 |
| 15 LIFE ON LAND | • Conservation of biodiversity with the WWF-Telmex Telcel Foundation Alliance, page 81 |

For more information on the United Nations Global Compact please visit: www.unglobalcompact.org

For more information on the UN Sustainable Development Goals, please click here.

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## GSMA and the We Care Program
*(102-12)*

América Móvil has been an active participant since 2012 of the We Care Program led by GSMA (Groupe Speciale Mobile Association), which represents the interests of mobile service operators all over the world, including more than 750 operators and more than 400 companies in 219 countries GSMA includes handset manufacturers, software companies, equipment suppliers, and internet companies, as well as financial services, health, media, transportation, and public utilities services.

The initiatives of the We Care program are aligned with the UN Sustainable Development Goals, allowing the mobile industry to become a catalyst for reaching those goals.

The initiatives in this program and the América Móvil subsidiaries that participate in each of them are the following:

| Initiative | Description | Participating subsidiaries |
|---|---|---|
| **Digital inclusion** | Helping connect people with no access to the internet or to mobile technology. | • Honduras<br>• Mexico |
| **Child protection** | Finding ways in which to protect children from content found online. | • Argentina<br>• Brazil<br>• Costa Rica<br>• El Salvador<br>• Guatemala<br>• Honduras<br>• Mexico<br>• Nicaragua |
| **Environmental stewardship** | Implementing campaigns on how to ecologically dispose of mobile devices and recycling them, as well as conducting reforestation and environmental stewardship activities. | • Colombia<br>• Mexico |

| Initiative | Description | Participating subsidiaries |
|---|---|---|
| **Response to natural disasters and humanitarian crises** | Enhance access to information and coordinate aid to people affected by natural disasters or humanitarian crises. | • Colombia<br>• Guatemala<br>• Mexico<br>• Peru<br>• Honduras |
| **Combating device theft** | Develop initiatives that help decrease the number of mobile devices that get stolen.<br><br>The GSMA Blacklist is an IMEIs centralized database of stolen terminals that is managed by GSMA, to which operators can connect in order to upload or download information that will later serve to deny access of stolen handsets to their networks. | • Argentina<br>• Brazil<br>• Colombia<br>• Costa Rica<br>• Dominican Republic<br>• El Salvador<br>• Guatemala<br>• Honduras<br>• Mexico<br>• Nicaragua<br>• Panama |
| **Connected Women** | Aims to reduce the gender gap in mobile internet and money services in low- and medium-income countries, and to unblock significant commercial and socioeconomic opportunities. We now know that when women prosper, so do societies, companies, and economies. | • Mexico |

## Risk Management
*(102-15, 201-2)*

Prompt detection and management of potential risks allows América Móvil to ensure sustainability at its operations. Accordingly, we identify potential risks for our operations, including macroeconomic, regulatory, environmental, market, physical, social, and corruption risks, among others.

The following are among the risks we have identified this year that could have a direct impact on the sustainability of our business:

a. Delivery delays from our manufacturers and suppliers.

b. Government or regulatory actions that could have a negative impact on our operations.

c. Changes in regulation that imply increasing our use of renewable sources of energy, with no transition period.

d. Changes in regulation concerning the allowed limits for greenhouse gas emissions.

e. Vulnerability of our infrastructure or power outages resulting from natural disasters or climate change.

f. Pressure from authorities, NGOs, or consumers in the telecommunications industry to share information that could enable a faster response in case of emergency.

g. Changes in consumer trends to purchase products and services that, in addition to their intrinsic benefits, create environmental and social value, depending on their personal preferences.

Once potential risks have been identified, we establish measures through internal and external mechanisms to manage and mitigate them. These mechanisms include: a self-assessment of our management; the risks, ethics, sustainability, and safety committees; internal and external audits. The Internal Audit division assesses risks related to fraud and corruption and identifies processes in the company that are susceptible to them.

For more information on the risks faced by América Móvil, please review our 2018 Annual Report in Form 20-F[1].

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[1] Form 20-F is available here.

# Connecting with Principles

*(102-5, 102-19, 102-22, 102-23, 102-24, 102-25, 102-35, 102-36)*

The principles behind our actions at América Móvil are the basis of the excellent reputation we have in society and with our stakeholders. The framework of the principles with which we operate have enabled us to be sustainable over time and will allow us to maintain our leadership position in the industry.
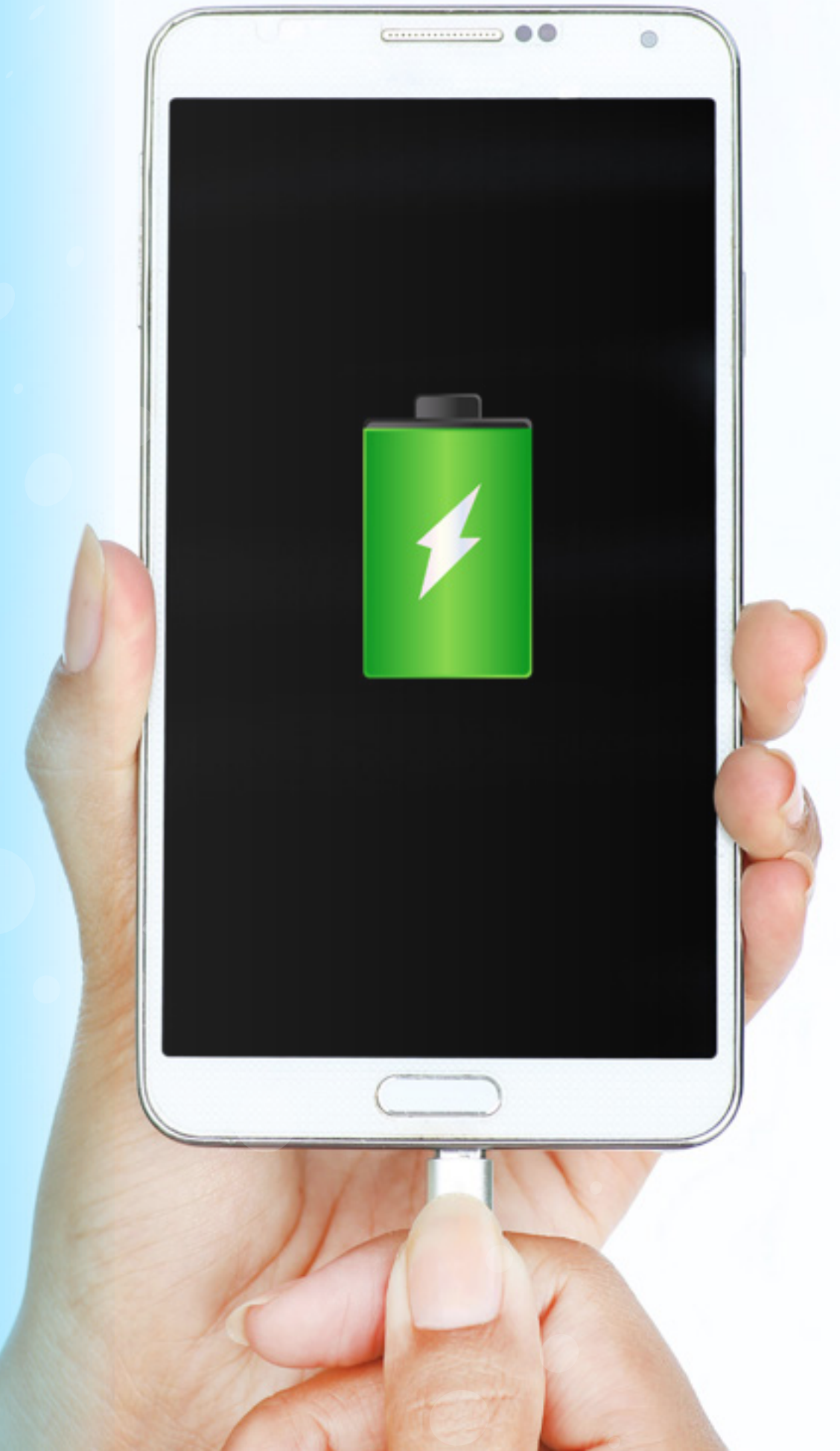
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# Corporate Governance and Ethics Management

**Our Corporate Governance and Ethics Management practices serve as our guide for the way we act. Throughout time, we have strengthened these practices that consolidate us as one of the most important telecommunications companies in the world.**

## Corporate Governance

At América Móvil we place particular attention and determination on ensuring that our Corporate Governance practices are sound because we are certain that they are the basis for sustainable development at our company. We make constant revisions and improvements to our policies and implement new tools that enable us to manage them successfully.

We adhere to international best practices in Corporate Governance, which serve as a benchmark for our investors and Board of Directors in their decision-making process.

América Móvil, S.A.B. de C.V. is a public variable stock corporation (sociedad anónima bursátil de capital variable) organized under the laws of Mexico and under some of the laws of the countries where our subsidiaries operate or where our shares are traded.

Our shares are currently listed for trading in Mexico, on the Mexican Stock Exchange (BMV:AMX) and in the United States, on the New York Stock Exchange (NYSE: AMX/AMOV).

Based on equity ownership reports filed with the US Securities and Exchange Commission (SEC), the following table shows the parties who owned more than 5.0% of the shares of any of the company's class of shares as of March 31st 2019:

| Shareholder | Number of Shares (millions) | Percentage of Series[1] |
|---|---|---|
| **AA Shares** | | |
| Family Trust[2] | 10,894 | 52.9% |
| Inversora Carso[3] | 4,381 | 21.3% |
| Carlos Slim Helú | 1,879 | 9.1% |
| **L Shares** | | |
| Inversora Carso[3] | 6,020 | 13.4% |
| Family Trust2 | 5,998 | 13.4% |
| Carlos Slim Helú | 3,072 | 6.8% |
| BlackRock, Inc.[4] | 2,918 | 6.5% |

[1] *Percentage figures are based on the number of shares outstanding as of March 31st 2019.*

[2] *The Family Trust is a Mexican trust that 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 17.3% and 21.3%, respectively, of each series. Based on equity 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] *Includes shares owned by subsidiaries of Inversora Carso. Based on equity ownership reports filed with the SEC, Inversora Carso may be deemed to be controlled by the Slim Family.*

[4] *Based on equity ownership reports filed with the SEC.*

For more information on the equity stake of América Móvil and its main subsidiaries, as well as the Corporate Governance structure and how it works, please review our 2018 Annual Report in Form 20-F, which is available at: https://s22.q4cdn.com/604986553/files/doc_financials/annual/2018/Informe-Anual-2018.pdf

**At América Móvil
our Corporate Governance policies ensure that the business is managed under ethics and transparency principles,**
while our decision-making process is based on our mission, vision, values and philosophy.

We adhere to all governance principles included in the following documents:

- The América Móvil, S.A.B. de C.V. Bylaws[1].

- Our Code of Ethics[2].

- Our Corporate Governance Policies.

- Our Control Policies Applicable to Transactions Involving América Móvil Shares and other Securities issued by AMX[3].

- Mexican securities laws and regulations in all the international markets where our shares are traded, including the Mexican Securities Law (Ley de Mercado de Valores), the Sole Document for Issuers (Circular Única de Emisoras), the internal bylaws of the Mexican Stock Exchange (Reglamento Interior de la Bolsa Mexicana de Valores), and the Best Corporate Practices Code (Código de Mejores Prácticas Corporativas) published by the Consejo Coordinador Empresarial.

- Applicable laws and regulations in every country where we operate.

At América Móvil, the Shareholders Meeting is our highest governance body. We hold ordinary and extraordinary Meetings. Extraordinary Meetings are held to address specific issues such as reforms to the company bylaws, company mergers or divestitures, transforming the legal structure of the company, and canceling trading of the company's shares on the Mexican Stock Exchange or on any other foreign Stock Exchange. All other matters need to be addressed during Ordinary Shareholders Meetings.

The Ordinary Meeting must be held at least once a year to discuss (i) approval of the financial statements for the previous year; (ii) name directors, determine their remuneration[4], and analyze their independence; (iii) determine which members of the Board of Directors will participate in the Audit and Corporate Practices Committee; (iv) approve the sum the company will assign to the share buyback program; and (v) determine the way in which income will be allocated. In addition, any operation that involves 20% of the company's consolidated assets or more in a single year, must be approved by the Shareholders Meeting.

The Shareholders Meeting monitors progress on decisions made by the Board of Directors, which includes 14 directors selected by the holders of Series AA and Series A shares, voting together, and by two Board members, who are in turn selected by holders of Series L shares.

Carlos Slim Domit is the Chairman of the Board of Directors and Patrick Slim Domit is the Vice-Chairman; neither holds a management position within the company.

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[1] Our bylaws are available at:
https://www.americamovil.com/Spanish/gobierno-corporativo/estatutos-sociales-vigentes/default.aspx
[2] Our Code of Ethics is available at:
https://www.americamovil.com/Spanish/gobierno-corporativo/codigo-de-etica/default.aspx
[3] Our control policies are available at:
https://www.americamovil.com/Spanish/gobierno-corporativo/polticas-de-control/default.aspx
[4] *The members of the Board of Directors and the Audit Committee and Corporate Practices Committee received approximately 5.3 million pesos, while the relevant executives received close to 70.1 million pesos during the reporting period.*

For more detailed information on the members of the Board of Directors, please view our 2018 Annual Report in Form 20-F available at:
https://s22.q4cdn.com/604986553/files/doc_financials/annual/2018/Informe-Anual-2018.pdf

The Board of Directors met 6 times in 2018, with an average attendance rate of 88%. Attendance for the last meeting of the year, during which the effectiveness of the Board was assessed, was 94%. To operate correctly, the Board is supported by two auxiliary committees: the Executive Committee and the Audit and Corporate Practices Committee It also periodically receives reports from the Sustainability Committee and the Ethics Committee.
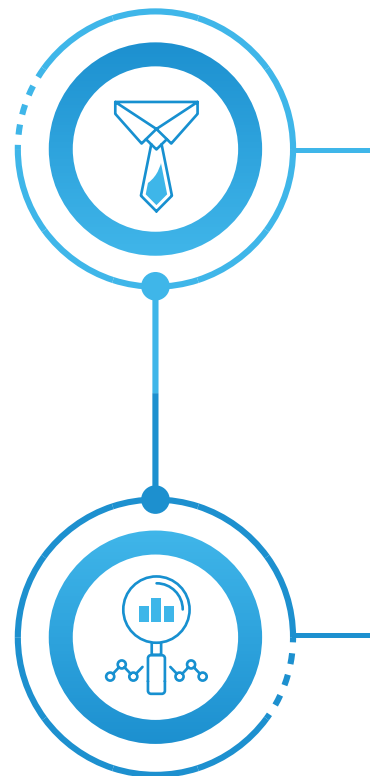
### Executive Committee

The current members are Carlos Slim Domit, Patrick Slim Domit, and Daniel Hajj Aboumrad.

This body of the Board of Directors has the faculty to approve and offer opinions and alternatives to the Board of Directors on certain issues specified in the company bylaws.

### Audit and Corporate Practices Committee

The current members are Ernesto Vega Velasco, Rafael Moisés Kalach Mizrahi, Pablo Roberto González Guajardo, and Carlos Bremer Gutiérrez, all of whom are independent directors.

Its responsibilities include overseeing the management, guidance, and execution of the company's businesses, for which it reports on the internal control and internal audit mechanisms applicable to the company and its subsidiaries. Likewise, the Committee analyzes operations with related parties in order to identify potential conflicts of interest.

Our shareholders constantly review the functions carried out by the Board of Directors and its Committees. The securities regulations currently in force and applicable to our company in Mexico establish the basis upon which the Board of Directors is obligated to report to the shareholders activities carried out during the fiscal year.

América Móvil is also obligated to present annual reports on the main activities of the Board of Directors and the Audit and Corporate Practices Committee to the Mexican Banking and Securities Commission (Comisión Nacional Bancaria y de Valores), which publishes the reports on its website.

Our Internal Audit division is responsible for performing three main audits: (i) a Risk Management Audit that reviews several operating processes, as well as the integrity of our operations and how they are performing; (ii) a SOX Audit, which ensures that we are meeting with the requirements of the Sarbanes-Oxley Act and that our public financial information is accurate; and (iii) Special Audits, whose goal is to offer support to different divisions within the company to review a specific process or activity.

## Diversity Policy for our Top Management and Board of Directors

**Objective and Scope**
In accordance to best corporate practices, América Móvil promotes diversity and recognizes the value of having people with diverse backgrounds occupy positions at different divisions and levels within the company and in the administrative bodies.

**General Principles**
Our organizational chart and administrative bodies include professionals in different fields and of varying academic track records, age, and gender who share a strong social commitment and reflect plurality in the views of our stakeholders in relation to the services the company offers.

The selection process for América Móvil's top management and Board members is based on the merits of each candidate, taking into account the experience, independence, and knowledge base that will contribute to managing the company in an optimal and efficient manner.

## Ethics and Human Rights Management

*(102-17, 205-2, 412-2)*

**At América Móvil we are convinced that acting based on our values is essential to ensuring the continuity of our operations and is part of our culture of integrity. Our Code of Ethics serves as the ethical guideline for the decision-making process and establishes the obligations of every América Móvil employee, which include: to read and understand the Code of Ethics, comply with is principles, behave in an ethical manner, and report any deviations from the Code.**

In February 2018, the América Móvil Ethics Committee implemented a strong communications program for the new Code of Ethics and started operating the América Móvil Whistle-blower Website to concentrate all reports coming from every operation. With this we reaffirmed our commitment to our corporate values and with international best practices in this area.

### Ethics Committee

The members of the Ethics Committee are:

- Ángel Alexander Flores, International Human Resources.
- Alejandro Cantú Jiménez, General Counsel and Chief Regulatory Office.
- Fernando Ocampo Carapia, Chief Financial Officer.
- Carlota Peón Guerrero, Legal Counsel and Chairman of the Ethics Committee.
- Gabriel Juárez Lozano, Deputy Director Comptroller and Accounting for América Móvil.

The Committee, which was created in February 2018, holds monthly ordinary sessions, and makes quarterly reports to the Audit and Corporate Practices Committee.

The following are among the main functions of the Ethics Committee:

- Review and modify the Code of Ethics.
- Create and review all the company's policies, bylaws and other internal procedures.
- Review reports presented by all operations.
- Discuss relevant recurring issues identified in reports and implement actions to address them.
- Follow-up on the investigations of reports and apply the corresponding sanctions.
- Consult with external experts for certain investigations.
- Oversee compliance with internal policies.
- Coordinate training programs to familiarize employees with internal policies and other bylaws.

- Create a comprehensive compliance program for América Móvil and follow-up on such program.
- Address questions and concerns related to ethical issues, organizational behavior and culture, and offer recommendations on topics included in the Code of Ethics and compliance with internal policies and bylaws.
- Evaluate potential risks, alert the corresponding division in case of imminent risk, and follow-up on preventive measures.
- Make periodical reviews of changes in the law that could have an effect on compliance.

The Code of Ethics is available for all employees to review on the corporate website. New employees are introduced to it as part of their induction process. In order to reinforce and ensure that all employees are familiar with it, during 2018 we designed a course on the Code of Ethics that will be offered online at every América Móvil operation worldwide. The training course will be launched in May 2019.

During 2018, only Claro Brazil paid a significant fine[1] for complying with the legal fee related to hiring people with disabilities by the company.

## Whistle-blower Website

During 2018 we launched our single Whistle-blower Website for the whole company[2], in order to improve our reporting channels. Reports that can be made on the Whistle-blower Website include instances of fraud, false or inadequate information, use or disclosure of restricted or limited information, theft, use or inadequate disposal of resources, bribery, corruption, conflicts of interest, illegal payments, extortion, money laundering as well as other kinds of reports such as damage to the integrity, health and safety of the people, injury to a person's dignity, biased or discriminatory treatment, attacks on freedom of speech, personal data or any other human rights, environmental damage, work-related harassment, or sexual harassment.

All reports need to be made through the América Móvil Whistle-blower Website. Whistle-blowers can opt to remain anonymous. A report number and password are generated for each report, and the whistle-blower can view the status of the report at any time. Once the report is received, the Corporate Manager standardizes the information and sends it to the country manager if he believes the information is subject to being assessed to determine its validity. Reports on issues not covered by the Whistle-blower Website will be rejected. Upon receiving the report, the country manager will share it with the Local Ethics Committee and will support the Committee in managing and monitoring the report until it is determined whether it is valid or not.

Reports on a member of the Local Committee or any of our top executives, will be assigned to the América Móvil Corporate Committee who will be in charge of responding to it. Reports on any of the members of the Corporate Committee, the Committee itself, or the Corporate Manager, will be redirected to the rest of the team, who will be in charge of responding to it. The Ethics Committee will decide the validity of a report, assigning a deadline and person responsible for carrying out the investigation and, if the report is valid, determine any corrective measures.

Throughout 2018 we carried out local campaigns to announce the single Whistle-blower website. At some of our operations, employees have received online training on the procedure and benefits of the Whistle-blower Website.

In addition, this year hundreds of hours were allocated to investigating potential deviations from the Code of Ethics reported through the website. The corresponding administrative sanctions were applied in those cases deemed valid.

[2] The América Móvil Whistle-blower website is available at: https://denuncias.americamovil.com

[1] A significant fine is defined as a fine of USD$100,000 or more.

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Between January and December 2018 we received 1,087[(1)] reports through the website from all our operations; 274 were under review, 331 were deemed valid, and 482 were deemed invalid. Across América Móvil we have allocated 52,802 hours to investigating reports made on the website. Of the total reports received, only 4% referred to privacy of information issues.

The Whistle-blower Website has been very well received by employees and our main stakeholders because it offers whistle-blowers the certainty that reports will be adequately addressed, and that they can opt to remain anonymous in making a report, if they wish.

Corrective measures for employees involved in reports of violations to the América Móvil Code of Ethics, include programs aimed at improving behaviors and monitoring by the local Human Resources division, in addition to chats on ethics. Furthermore, administrative and verbal disciplinary sanctions were imposed, and controls were implemented seeking to prevent further violations to the company's Code of Ethics.

Corrective measures implemented in Europe are worth mentioning, as they include orientation discussions, consulting with a psychologist specializing in work-related issues, and discussing the topic with all parties involved. In addition, the employees involved in the report are supervised in order to certify that improvements have been made and that the person involved has implemented a behavioral change. Measures include anything from offering greater support and advice, to a job transfer or dissolution.

*(1) Does not include Telmex and Europe. These operations have a similar process in place and are currently undergoing the standardization process.*

**At our operations in Europe,** in 2018 we implemented several measures to ensure familiarity with the company's Guiding Principles. As a result,

# 92%

**of employees are now familiar with these principles.**



**America Móvil Whistle-blower Website**

- Report generated
- Report received
- Review by the Corporate Ethics Committee
- Review by the Local Ethics Committee
- Detailed investigation
- Closing

Whistle-blower

# of the report and password

Corporate Manager and Supervisors

Corporate Committee — Valid — Allocation and implementation of corrective measures and system update with closing of valid report

Accepted by top management

Invalid — System update with closing of invalid report

Accepted — Local Manager and Supervisors — Accepted — Invalid* — Valid*

Local Committee

Rejected

Rejected — System update with closing of invalid report

*\* Prior to updating the report in the system, the Corporate Manager oversees the investigation process carried out by the Local Committee. Once the Corporate Manager grants its approval to the Local Committee's decision and process, the update is processed into the system.*

For more detailed statistics on the América Móvil Whistle-blower Website, click here.

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## América Móvil Policies

### Human Rights Policy

The respect for Human Rights is particularly important for América Móvil, since we are convinced that we can play a key role in promoting compliance with human rights at all our operations and across our supply chain. All our operations are obligated to know and apply our Human Rights Policy[1], which is based on the UN's Universal Declaration of Human Rights, the Declaration Related to the Fundamental Labor Rights adopted by the International Labour Organisation (ILO), and the Guiding Principles on Business and Human Rights adopted by the UN. This policy is also aligned with the company's Code of Ethics and with the ten principles of the United Nations Global Compact.

### Inclusion and Diversity Policy

At América Móvil we promote diversity and inclusion The goal of our Inclusion and Diversity Policy[2] is to establish the principles, criteria, and guidelines that will ensure a culture of inclusion and diversity in the workplace, offering equal opportunities for all not only in terms of income but also for their permanence and growth within the company.

Testament to the growing role that women are playing across our organization is that both recently created committees, the Ethics Executive Committee and the Sustainability Executive Committee, are chaired by women.

### Anti-Corruption Policy

América Móvil is firmly committed to contributing to the fight against corruption. Our Anti-Corruption Policy[3] is based on legislation that is applicable to our operations and international best practices. The goal of the policy is to ensure that all activities performed by our company or in its name are founded on the ethics and values we are known for, condemning corruption, bribery, fraud, or any other illegal act across our production chain.

**At the majority of the countries we have implemented an anti-corruption clause in every contract we sign with suppliers.**

Our Anti-Corruption Policy clearly states that América Móvil strictly prohibits giving or receiving bribes, be it directly or indirectly, in cash or in the form of gifts, entertainment, trips, loans, fees, vacation time, job offers, personal services, or any other valuable offering. Furthermore, we are committed to:

- Adhere to anti-corruption laws in the countries where we operate;
- Comply will all applicable financial information laws and regulations;
- Perform all negotiations, purchases, and financial transactions in adherence to our internal procedures and keep records that can be reviewed by an audit;
- Ensure that all payments we make are exclusively for goods and services offered to our company;
- Adopt internal controls and report any cases in which an employee commits an act of corruption; and
- Promote practices to help in the fight against corruption across our value chain.

**In 2018 we offered a course on anti-corruption to América Móvil top management in Mexico and Latin America at the facilities of CIDE (Centro de Investigación y Docencia Económicas) to sensitize them on the policy and the relevance of ensuring that it permeated to all levels in the company.**

[1] Our Human Rights Policy is available here.
[2] Our Inclusion and Diversity Policy is available here.
[3] Our Anti-corruption Policy is available here.

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## Talent Development

*(102-7, 102-8, 102-41, 401-1, 405-1)*

At América Móvil we are convinced that the growth of our employees constitutes one of the strategic pillars driving our growth. We attract and retain great talent and have grown into a professional and committed team.

### Attracting and retaining talent
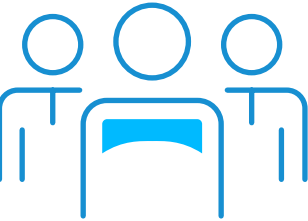
**As of December 31st 2018 the América Móvil family includes**

# 189,448 employees.

**39% are women and 61% are men,**

**98% are full-time employees, and only 2% are part-time.**

In addition, we have 19,174 employees in our other businesses.

**Presence of women in our workforce**

| Level | Percentage of women |
|---|---|
| 2nd level manager | 25.27% |
| 1st level manager | 23.32% |
| Executive | 18.49% |
| **Total women in management positions** | **23.97%** |
| Women in management positions with a commercial role | 35.33% |

Of the total part-time employees with a permanent position within the company (less than 40-hour work week), 49% are women. This reflects that offering flexibility in the work allows women to adapt work to the rest of their activities.

## Employees by country or region and gender by type of contract

| Country / Region | Full-Time Contract | | Part-Time Contract | |
|---|---|---|---|---|
| | Women | Men | Women | Men |
| Mexico | 35.79% | 63.23% | 0.37% | 0.61% |
| Brazil | 41.57% | 58.43% | 0.00% | 0.00% |
| Colombia | 37.57% | 50.86% | 6.49% | 5.07% |
| Southern Cone | 41.98% | 57.28% | 0.24% | 0.50% |
| Andean Region | 43.89% | 55.85% | 0.11% | 0.14% |
| Central America | 32.50% | 67.46% | 0.03% | 0.02% |
| US | 45.88% | 50.49% | 0.61% | 3.02% |
| Caribbean | 34.89% | 44.43% | 12.72% | 7.95% |
| Europe | 38.16% | 58.45% | 1.42% | 1.97% |
| **Total** | **38.00%** | **60.35%** | **0.74%** | **0.91%** |

Our employees are at liberty to belong to a Union or engage in collective bargaining agreements in accordance with the applicable labor laws in every country where we operate. **65% of our employees are unionized.**

## Employees by category and gender

| Position | Women | Men |
|---|---|---|
| **Entry level** | 11.44% | 11.81% |
| **Employees with no staff** | 24.24% | 41.81% |
| **Employees with staff** | 2.25% | 5.09% |
| **2nd level manager** | 0.49% | 1.44% |
| **1st level manager** | 0.26% | 0.85% |
| **Executive** | 0.06% | 0.27% |
| **Total** | **38.74%** | **61.26%** |

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## Our employees as of 2018:

191,156 employees

194,431 employees

189,448 employees

2013
2014
2015
2016
2017
2018

173,174 employees

195,475 employees

191,851 employees

For América Móvil it is important to maintain a low employee turnover, in 2018 our turnover rate was 12.90%.

## Percentage of new positions filled by internal candidates

| Country / Region | Number of new positions | Percentage filled by internal candidates |
|---|---|---|
| Mexico | 549 | 47% |
| Colombia | 87 | 57% |
| Southern Cone | 1,191 | 26% |
| Andean Region | 63 | 71% |
| Central America | 72 | 10% |
| Caribbean | 10 | 90% |
| **Total** | **1,972** | |

This year we created 1,972 new positions across the organization, of which 35% were filled with internal candidates.

## Percentage of employees by Region

9.87% Europe

0.45% US

4.85% Caribbean

46.77% Mexico

5.61% Colombia

5.06% Central America

18.09% Brazil

4.28% Andean Region
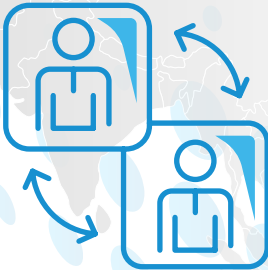
5.01% Southern Cone

**The work done by our subsidiaries in Guatemala and the US is particularly relevant. In 2018 their turnover rate for people younger than 25 years old was 0%. Likewise, the total turnover rate for our operation in the Southern Cone subsidiary was 1%.**
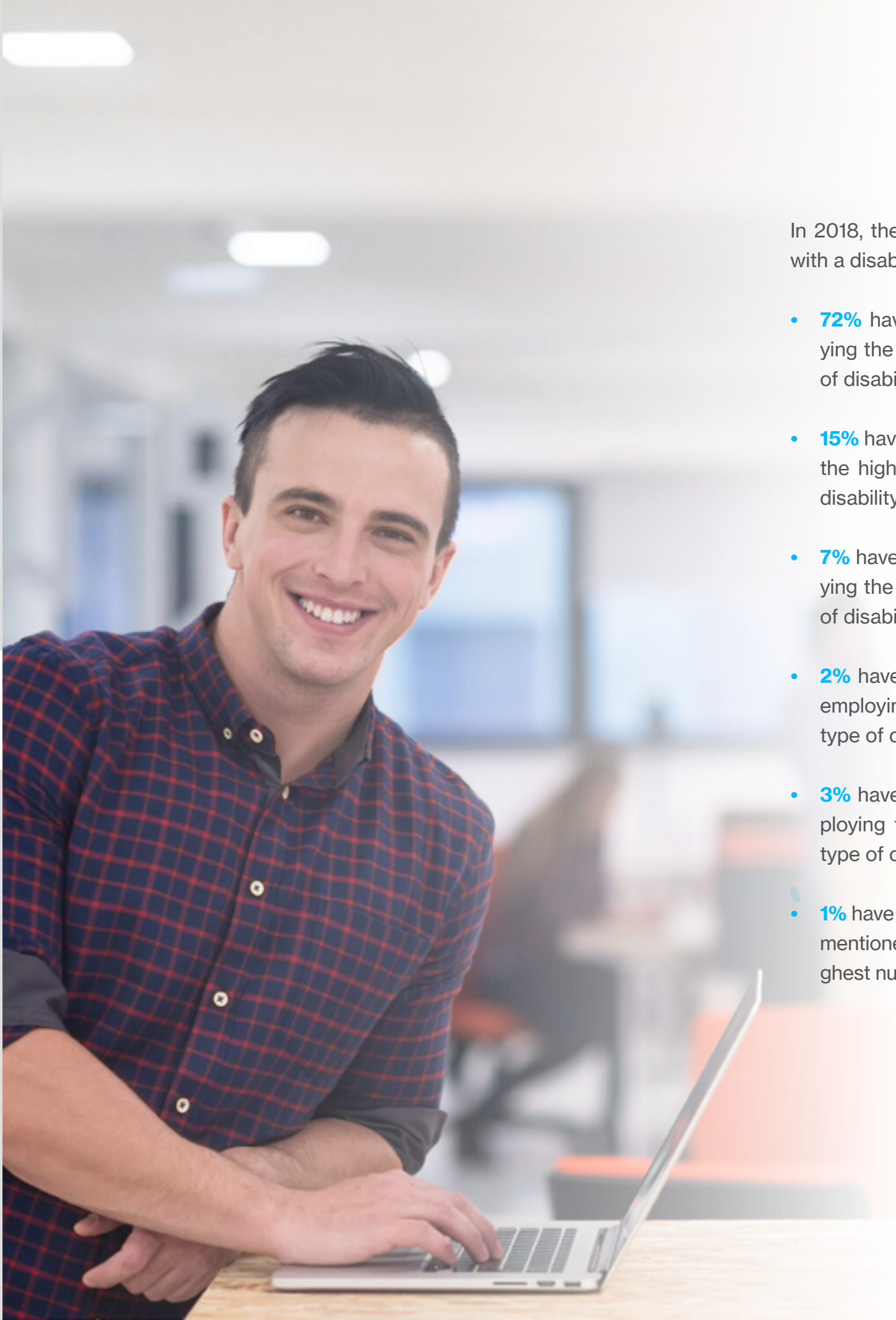
In 2018, there were 1,517 América Móvil employees with a disability, distributed as follows:

- **72%** have a motor disability, with Brazil employing the highest number of people with this type of disability.

- **15%** have a visual disability, with Brazil employing the highest number of people with this type of disability.

- **7%** have an auditory disability, with Brazil employing the highest number of people with this type of disability.

- **2%** have an intellectual disability, with Colombia employing the highest number of people with this type of disability.

- **3%** have a visceral disability, with Colombia employing the highest number of people with this type of disability.

- **1%** have multiple disabilities (two or more of those mentioned above, with Colombia employing the highest number of people with this type of disability.

## Work Benefits
*(401-2)*

All our employees, with no exception, receive a fair salary and the benefits stipulated by laws in the countries where they work. Furthermore, we offer additional benefits including the following: life insurance, private health insurance, temporary or permanent disability insurance, dental insurance, parental leave, financial aid for purchasing school supplies, preferential prices for purchasing our devices, shuttle service to and from our work centers, financial aid to cover funeral expenses, and paid bereavement leave in the event of a death in the family.

We adhere to what is stipulated by law in every country where we operate when our employees leave our company whether their reason for leaving is termination, retirement, or because they resign voluntarily.

It is important to point out that in many of the countries and regions where we operate, the entry level compensation we offer for both men and women (whether they are unionized or not) is equal, reflecting our culture of gender equality. On the other hand, many of our subsidiaries offer performance bonuses to their full-time employees with permanent positions. Likewise, they offer additional benefits to employees, including scholarships, financial aid to cover funeral costs, and food stamps.

The majority of our subsidiaries have an internal maternity and paternity policy in place. For example, in 2018 Brazil offered 819 female employees maternity leave, and Telmex México benefited 1,031 employees with paternity leave. Likewise, the average retention rate after paternal leave in Mexico, Brazil, Colombia, Central America, Andean Region, Southern Cone, Caribbean, and the US is more than 85%.

## Performance Evaluations
*(404-3)*

Every year we carry out performance evaluations across the organization to identify areas in which our employees can improve their skills and to detect specific talents. Evaluation processes are carried at all levels within the company and analyze performance in competencies such as establishing productive relationships at the workplace, focus on customer service, leading work teams, a vocation for service, leadership, innovation in sustainability, talent development, and communication skills, among others.

We also assess goal achievement and establish performance and professional and personal growth plans for every employee. This allows us to measure the individual contribution to reaching the company's strategic goals.

Many of our subsidiaries carry out the performance evaluation process by employing the Success Factors platforms, other countries do so with internally-developed tools.

The 2020 objective of our sustainability strategy known as **"Smart Sustainability"** establishes that we need to evaluate more than 80% of our employees. Given that we are currently very close to reaching that objective, we will strengthen our evaluation processes so that we can exceed our expectations.

In 2018 we carried out close to

# 100,000

**360º performance evaluations, covering 65% of our employees.**

## Employees who received performance evaluations by region and gender 2018

| Country / Region | Women | Men | Percentage of total workforce evaluated |
|---|---|---|---|
| Mexico | 29,485 | 52,010 | 92% |
| Southern Cone | 4,014 | 5,478 | 100% |
| Andean Region | 2,902 | 3,799 | 83% |
| Central America | 2,574 | 5,674 | 86% |
| US | 346 | 428 | 91% |
| Caribbean | 3,900 | 3,670 | 82% |
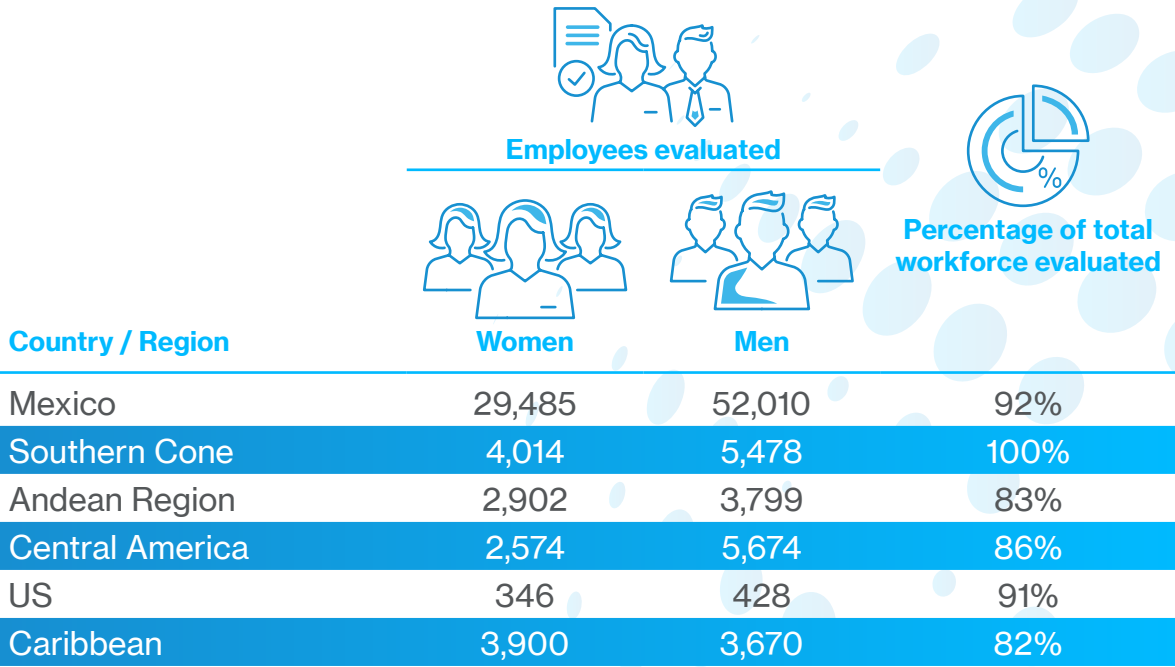
## Work Environment

At América Móvil we carry out annual work environment satisfaction surveys in order to understand our employees' perception of the company, and to identify how each of the divisions in our subsidiaries is performing in terms of several work-related topics such as respect within work teams or satisfaction with employee benefits, among others. Likewise, the survey allows us to have a very specific idea of what our improvement goals should be and, based on this, design specific actions plans for each division that include those items where opportunities for improvement were detected or identify best practices, when needed.

Since 2011, we have been applying the working environment survey every year at all our subsidiaries, except for those in European countries. In 2018, more than 85% of our employees across the Group participated, for a score of 78.5%.

One of the 2020 objectives of our sustainability strategy is to improve result of our working environment survey from the current 78% to 80% satisfaction, and to increase the level of participation from 87% to 89%. To achieve this, we will strengthen our efforts to communicate and engage our employees in the process to assess our work environment.

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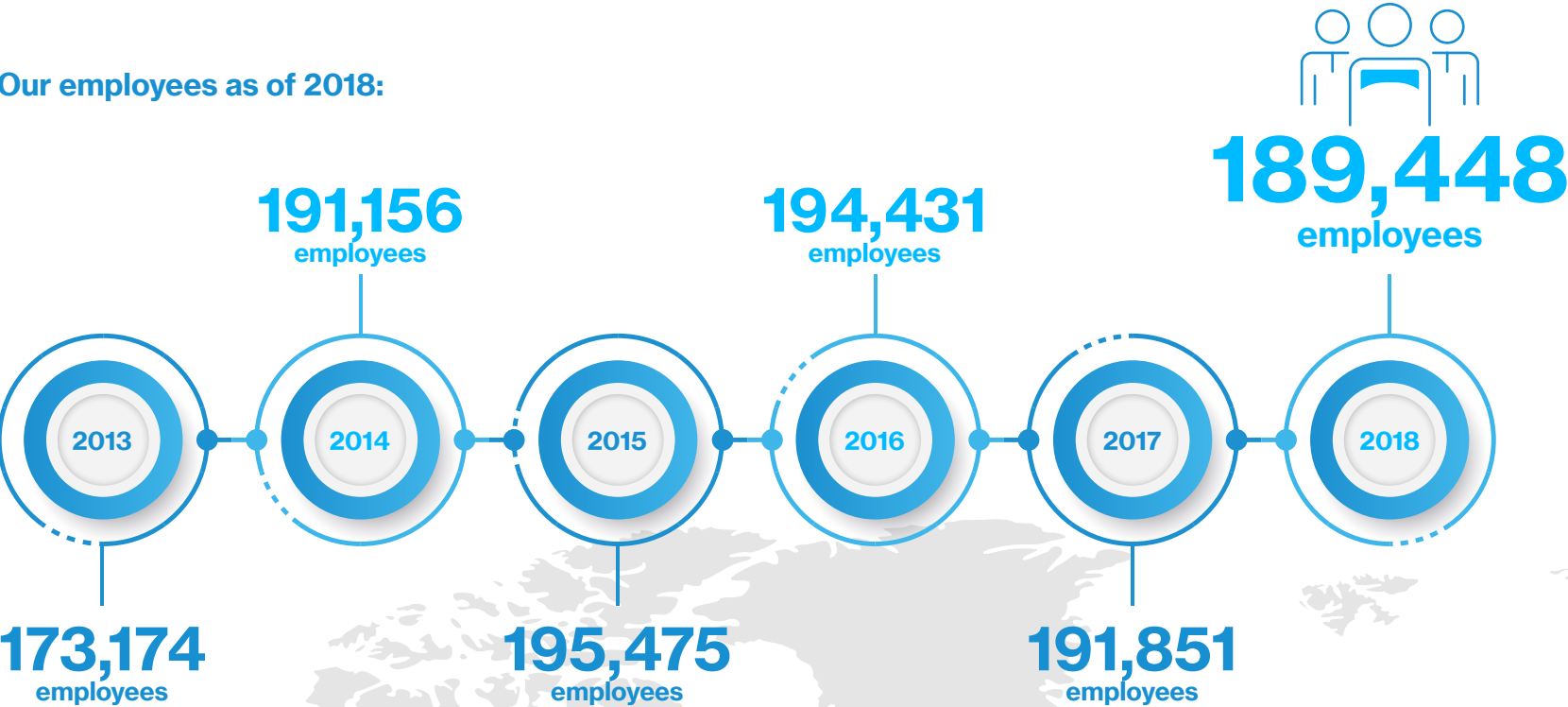Activating Safety

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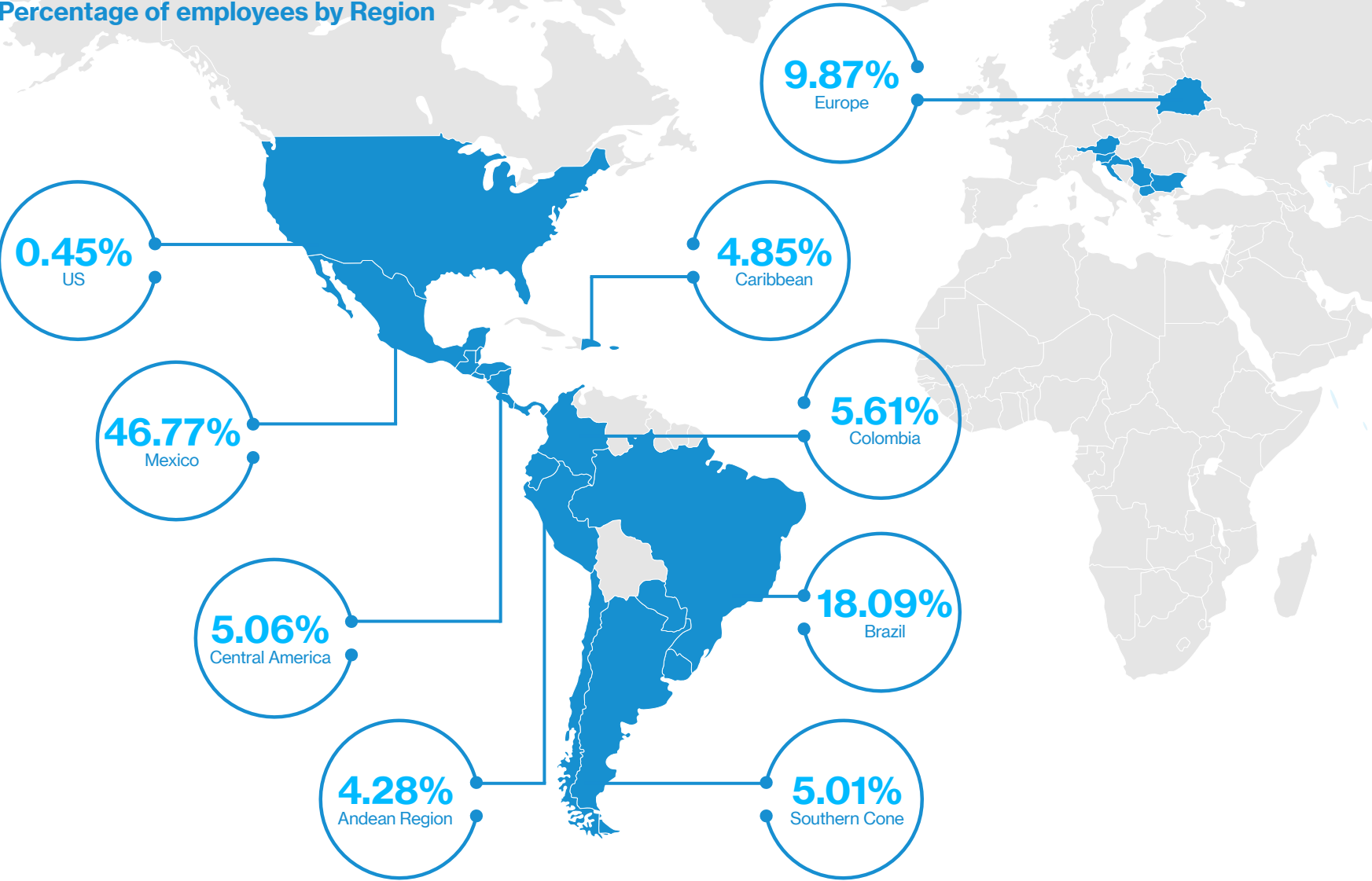
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## Training

*(404-1, 404-2)*

**At América Móvil we make a constant effort to promote the growth of our employees. A key component of this effort is to offer constant training, both online and in person, to our employees in every division and at every level.**

The cornerstone of these training courses is to update our employees on the new telecommunications solutions we offer our customers, in response to the new ecosystem of the digital world we are living in today. This includes the growth and connectivity of the Internet of Things (IoT).

**This year we offered an average of**
**three training courses**
**per employee at Telmex México.**

**In 2018, we trained**
**169,120**
**employees[1] at América Móvil, for**
**5,624,093**
**training hours**
on topics such as customer service and satisfaction, leadership, communication, coaching, negotiations, conflict resolution, project management, effective conversations, time management, sales, personal and professional growth, ethics, languages, telecommunications, teamwork, emotional intelligence, adapting to change, flexibility, and cultural transformation, among others.
**Accordingly, 90% of our employees participated in at least one training course.**

*[1] Permanent full-time and part-time employees.*

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## Hours of training by region and gender 2018

| Country / Region | Hours per full-time and part-time permanent employees | | Average hours / employee |
|---|---|---|---|
| | Women Hours | Men Hours | |
| Mexico | 824,944 [1] | 2,264,958 [2] | 35 |
| Brazil | 179,092 | 404,576 | 17 |
| Colombia | 324,411 | 361,710 | 65 |
| Southern Cone | 87,422 | 127,735 | 23 |
| Andean Region | 116,380 | 153,132 | 33 |
| Central America | 100,120 | 206,532 | 32 |
| Caribbean | 208,785 | 250,166 | 50 |
| US | 6,222 | 7,907 | 17 |
| **Total** | **1,847,377** | **3,776,716** | **30** |

*(1) Telcel and Telmex operations account for 656,825 women hours.*
*(2) Telcel and Telmex operations account for 2,054,942 men hours.*

So that the training and development programs in which our employees participate address specific needs in each operation, our subsidiaries perform their own process to detect training needs (DNC for its acronym in Spanish). The following are among the training programs implemented in the company:

• Programs for developing managerial skills, including training high-performance teams, project management, and coaching programs.

• Technological training.

• Developing managerial abilities.

• Human development programs, such as communications, negotiations, and interpersonal competencies workshops.

• Developing competencies such as creativity and innovation, as well as agile methodologies.

The following are among the best practices in talent development:

- In **Argentina** we implement a permanent and constant program to develop leader teams as the main drivers behind the company´s desired culture and objectives. This year there were two key programs: a manager-oriented course and a practical leadership workshop for supervisors.

- In **Colombia**, as part of the Comprehensive Leadership School, we implemented the comprehensive mapping and communication programs, and the change management program. We also consolidated the unique offering that puts the *Capacítate Carso* website at anyone's reach.

- In **Puerto Rico** we designed four laboratories to provide courses to contractor companies, offering them a training experience that is completely in tune with the reality of working on the ground, allowing for a more effective construction process, minimizing mistakes and improving the use of materials and assets. This year we also offered training on the voice network, base stations, user experience, and company orientation.

- In **Nicaragua** we restructured the orientation program, promoting the integration and sense of belonging for employees. To date, 54% of our employees have already taken this course, and the other 46% are in the training process now.

**In Chile this year we continued implementing the Accountability program,** aimed at strengthening integration among the strategic leadership top management team in order to create awareness of their responsibilities in driving and consolidating the PRO culture as the basis for continuous improvement within every work team.
**This year we expanded its execution to**
# five divisions.

**In Honduras we carried out the ETA Direct course,** with the goal to train the totality of the Claro TV personnel in multimedia uses, so that we can offer our customers a better service.
**We also offered courses in supervisor training and teambuilding.**

## Continuous Improvement

At América Móvil we are particularly concerned with implementing continuous improvement processes and mechanisms and we offer regular training to our employees on this.
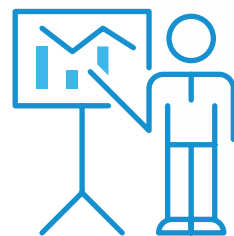
In 2018,

# 64,276 employees[1] globally

received formal training on different continuous-improvement-related issues, with an investment of $84.4 million pesos.

## Train Yourself Carso

The goal of the Train Yourself Carso (*Capacítate Carso*) platform is to permanently train and develop our employees. By employing this platform, employees are able to view the courses that have been assigned to them based on their job profile, the allotted timeframe to complete them, as well as the courses they have already taken, including those they've done off their own accord.

On the other hand, the platform enables the team in charge of the training programs to obtain statistical information, including everything from the particular information on a given employee to general statistics on a specific subsidiary or group. The team will also be able to share courses offered in one operation to the rest of the Group, thus encouraging the exchange of best practices across the whole company.

In Ecuador, the number of courses offered online increased 32%, and ten courses were designed and enabled in the Train Yourself Carso platform. With this, employees were able to complete

# 10,410 courses

on the platform.

Claro Guatemala offers two university degrees: Both are Bachelor's Degrees in Business Administration, one with a specialty in Sales and Services, and the other with specialty in Telecommunications.
200 employees are currently enrolled in these study programs.
In addition, we offer and MBA with a specialty in Marketing Management, in which 35 employees are currently enrolled.

In 2018 we implemented the 9Box methodology of the Boston Consulting Group for designing a managerial training program and to update Management capabilities (360 performance evaluation and individual feedback).

[1] *Does not include Argentina, Uruguay, Paraguay, Panama, Honduras, or Telcel.*

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## Certifications[1]

**TELMEX**

1. ISO 14001:2015
2. Environmental Gold (UNAM)
3. ISO 9001:2015
4. NMX-CC-9001-IMNC-2015
5. ISO/IEC 38500:2015 Ruling
6. SSL
7. UNE-ISO/IEC 27001:2013
8. PCI DSS
9. ISO / IEC 27001:2013
10. ISO/IEC 20000-1:2011
11. CISCO MASTER SEGURITY SPECIALIZED PARTNER
12. UNE-ISO/IEC 20000-1:2011
13. ISO 22301:2012
14. Gold Partner-CISCO
15. 5 Stars-HUAWEI Enterprise Cloud communication
16. 5 Stars-HUAWEI IP Network
17. Esmeralda-AVAYA
18. Authorized Reseller-JUNIPER
19. Report Type II ISAE 3402 /SOC-1
20. SAP IN CLOUD AND INFRASCTRUCTURE OPERATIONS
21. EMC GOLD PARTNER
22. MICROSOFT PARTNER GOLD DATACENTER
23. MICROSOFT PARTNER GOLD CLOUD PRODUCTIVITY
24. MICROSOFT PARTNER GOLD CLOUD PLATFORM
25. MICROSOFT GOLD PARTNER SMALL AND MIDMARKET SOLUTIONS
26. MICROSOFT PARTNER SILVER CLOUD PRODUCTIVITY
27. MICROSOFT PARTNER SILVER CLOUD PLATFORM
28. MICROSOFT SILVER PARTNER SMALL AND MIDMARKET SOLUTIONS
29. Cisco Master Cloud and Manage Service Master
30. ATP Cisco Application Centric Infrastructure
31. MICROSOFT GOLD PARTNER
32. SAP Certified in HANA Operations Services
33. SAP IN HOSTING SERVICES
34. ORACLE GOLD PARTNER
35. ICREA N5
36. NFPA75 Ruling

**TELCEL**

1. ISO 90001
2. ISO 27001
3. IEC 27001
4. ISO 27002

**BRAZIL**

1. ISO140001: EMBRATEL, CLARO
2. ISO 27001: CLARO
3. IEC 27001: CLARO
4. ISO 27002: CLARO

**COLOMBIA**

1. ISO 9001: TELMEX / COMCEL
2. RUC: TELMEX
3. IEC 27001: TELMEX
4. ISO 27002: TELMEX
5. ISAE 3402: TELMEX
6. ISO 20000: TELMEX
7. OEA
8. ISO 27001

**URUGUAY**

1. ISO 90001: Claro

**CHILE**

1. ISO/IEC20000-1:2011
2. PCI - DSS 3.2
3. AT-C 320 (SSAE16), through the SOC1 Type II Report
4. SAP Hosting
5. Cisco gold
6. ISO 270001:2013 Collocation Service

**ECUADOR**

1. ISO 90001
2. OHSAS 18001
3. TIER-3

**PERU**

1. ISO 90001

**COSTA RICA**

1. Escencial Costa Rica

**DOMINICAN REPUBLIC**

1. OEA

**EUROPE**

1. ISO 9001: Austria, Bulgaria, Croatia, Macedonia
2. EMAS: Austria, Slovenia
3. ISO 14001: Austria, Croatia, Slovenia, Servia, Macedonia
4. ISO 50001: Austria
5. ISO 45000: Bulgaria, Croatia
6. ISO 270001: Austria, Bulgaria, Croatia, Slovenia, Macedonia
7. IEC 270001: Austria, Bulgaria, Croatia, Slovenia, Macedonia
8. ISO 27002: Austria, Bulgaria, Croatia, Slovenia, Macedonia
9. ISO 20000: Austria, Bulgaria, Macedonia
10. 1OHSAS 18001: Bulgaria

[1] Certifications outlined here, do not necessarily cover all of the country's operations. The scope of the certifications many cases cover in only country-specific processes / operation and not necessarily the entire operation.
If you require specific coverage and scope information on certifications by country or operation, please contact contacto-rse@americamovil.com

# Health & Safety

*(403-2)*

Caring for the health and safety of our employees and contractors, as well as that of our customers who visit our Customer Service Centers is one of our main strategic goals in our effort to prevent accidents and injuries. This is why we constantly review the physical conditions of our facilities so that employees, contractors, and visitors are never in any danger. Likewise, we strictly adhere to all health and safety regulations in every country where we are present.

To achieve our prevention goals, we provide annual training to our employees on several topics related to health and safety. In 2018 we offered courses on how to have a healthy workplace, handle stress, and on health and nutrition. Furthermore, each of our subsidiaries has specific programs in place and takes the necessary measures to comply with our prevention and health and safety goals.

## Work-related injuries and illnesses in 2018

| Country / Region | Number of injuries | | Cases of work-related illnesses | |
|---|---|---|---|---|
| | Women | Men | Women | Men |
| Mexico | 602 | 1,240 | 10 | 17 |
| Brazil | 74 | 238 | 1 | 1 |
| Colombia | 104 | 87 | 20 | 3 |
| Southern Cone | 53 | 31 | 4 | 0 |
| Andean Region | 24 | 16 | 0 | 0 |
| Central America | 22 | 57 | 0 | 0 |
| Caribbean | 67 | 104 | 66 | 116 |
| US | 1 | 0 | 0 | 0 |
| **Total** | **947** | **1,773** | **101** | **137** |

*Consideraciones:*
*(1) The total number of injuries and work-related illnesses does not include data from Europe.*
*(2) The table does not include the 1,070 contractor cases.*
*(3) The table includes 534 injuries and 4 illnesses that occurred in transit.*

Besides the corporate programs and guidelines of our subsidiaries, we implement measures at our operations aimed at improving the health and safety of our employees and customers who visit our facilities. The following are among the most relevant measures and results obtained that are worth mentioning:

- In **Chile** the *Superintendencia de Seguridad Social* (Social Security Superintendence) applies the SUSESO/ISTAS 21 survey at several companies in the country to measure psychological demands at the workplace, active work, and the development of abilities, the company's social contribution and leadership quality, compensations, and double presence. This year, 598 of our employees took the survey, with the following results: The company's result in the psychosocial risk protocol was deemed as "Low Risk", which catalogues us as a "Healthy Company".

- In **Colombia**, we implemented the *Claro Te Cuida* (Claro Takes Care of You) smartphone app, aligned with our strategic digital transformation goal. The app contributes to managing work-related risks since it can be used to report potential dangers and emergency situations, to ask for an inspection of administrative or service locations, or on means of transportation.

- This year in **Ecuador** we carried out occupational medical exams on more than 85% of employees, each of whom received a personalized medical record.

- In **El Salvador** this year, in collaboration with the *Instituto Salvadoreño del Seguro Social*, (Social Security Institute of El Salvador) we carried out a dental health event for personnel in the four administrative buildings. Likewise, we offered chats on Electric Risks for technical personnel who work with electricity, aimed at preventing work-related accidents.

- In **Peru**, every employee got an average of 5.3 hours of training on health and safety.

- In **Puerto Rico** we updated all our departmental Emergency Response Plans, taking into consideration the experience gained from Hurricane María.

# Managing the Value Chain
*(102-9, 204-1, 308-1, 408-1, 409-1, 414-1, 414-2)*

**Each of the links in América Móvil's value chain is of vital importance and the result of the final conjunction of all its elements is what helps us offer a high-quality customer experience. This is why we maintain close commercial relationships with all leading industry and telecommunications suppliers to offer the best service with the best products, technologies and devices, to all mobile-service units for residential and commercial markets. We have contracts with more than 100,000 suppliers globally.**

Our supplier relationship is based on a strategic centralized model that allows us to achieve economies of scale and synergies for our subsidiaries. Likewise, we have strategic suppliers in every country to address local issues, particularly in terms of network maintenance works, customer service platforms, and call centers.

## Procurement Support and Labor Relations

### Comprehensive solution

Ensuring employee compliance and alignment with our Code of Ethics

| Registration, pre-screening, and selection | Contractor management | Performance evaluations |
|---|---|---|
| Based on risk level | Labor    HSE | • Quality    • Planning<br>• Security   • Compliance<br>• Delivery    • Other |

Market search and supplier selection → Contract and allocation processes → Contract execution and management → Operating and commercial closing

Continuous cycle
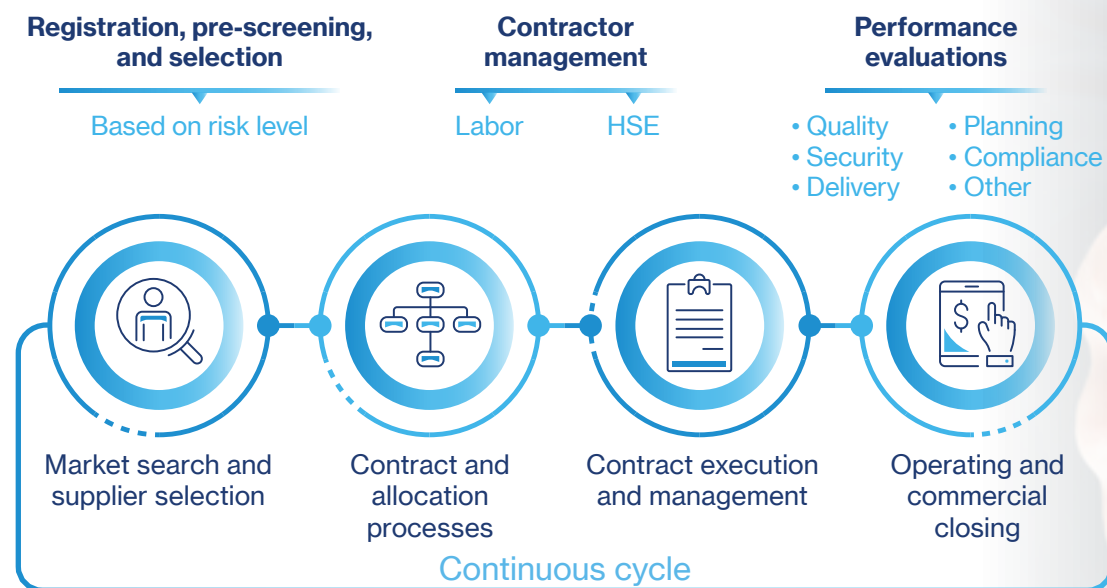
Interaction of several divisions at different moments in the process

As part of our commitment to contribute to the economies of the countries where we operate, **on average more than**

# 75%

**of our suppliers are local,**
**that number can be higher than 90%.**
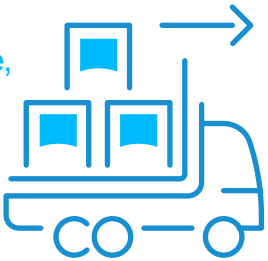
## Percentage of local suppliers[1]

| Country | Percentage of local suppliers |
|---|---|
| Telcel | 90 |
| Telmex | 92 |
| Colombia | 68 |
| Guatemala | 71 |
| Costa Rica | 67 |
| El Salvador | 85 |
| Honduras | 60 |
| Nicaragua | 90 |
| Panama | 71 |
| Southern Cone | 10 |
| Peru | 92 |
| Ecuador | 94 |
| Puerto Rico | 57 |
| Dominican Republic | 76 |
| US | 92 |
| Europe | 77 |

[1] At América Móvil, a supplier is deemed local when it operates in the same country where its products and services are acquired by us.

This year we continued developing the global program to identify our key direct and indirect suppliers. The objective of this program is to develop plans that will enable us to minimize risks across our value chain. Supplier assessments were based on the following criteria:

- Large-volume suppliers
- Suppliers of key components
- Suppliers for whom there are no substitutes
- Suppliers near areas of high biodiversity
- Suppliers based in areas with human rights risks

Of the total number of suppliers assessed in 2018, 1,209 were identified as critical. Resulting from our effective management of the procurement process and our suppliers, we only found issues that need to be addressed in 5% of our direct and 4% of our indirect suppliers.

In terms of our value chain, we have established three 2020 sustainability objectives to be included in our **"Smart Sustainability"** strategy, defined as follows:

1. Align 25% of our suppliers with our Supplier Code.
2. Assess 100% of our Tier 1 suppliers in sustainability performance.
3. Offer training to 30% of our local suppliers.

To achieve this, we will align the efforts of all our subsidiaries and will carry out joint measures based on general guidelines.

## Sustainability Clause in Supplier Contracts

For several years now we have included a sustainability clause in our supplier contracts addressing topics such as environmental stewardship, protection of their employees' human and labor rights, as well as the legality of the inputs they use for making their products, ensuring that they are not sourced from conflict areas. Currently, more than 85% of our handset suppliers globally have signed contracts including our sustainability clause.

The clause states the following

Suppliers ensure that the materials and/or products that have been used directly or indirectly by any sub-contractors across the value chain are of legal and sustainable origin. Suppliers ensure that the materials used in making their products are not sourced in conflict areas, or areas adjacent to them, and that, correspondingly, buying them can't be used to finance armed conflicts or human rights violations. América Móvil can at any time demand proof of this and suppliers must be able to show that their products are "conflict-free".

Suppliers ensure that no human rights are being violated and that they have legitimate policies and mechanisms in place to ensure that human rights are being respected in their own business and in those of their suppliers. Suppliers commit to preventing and mitigating any negative impact on human rights resulting from their activities, products, or services.

Suppliers ensure that they adhere to all applicable environmental laws and regulations in their operations. Additionally, suppliers ensure that they have a plan to prevent and treat the waste they generate.

**In Ecuador,** every year more suppliers process and obtain **the environmental license granted by the Ministry of the Environment,** as well as the Occupational Health and Safety norms issued by the Ministry of Labor.

**Telmex assesses its suppliers during the purchasing process by weighing in the Labor and Governance Responsibilities** mentioned in our Code of Ethics and Supplier Manual.

We also established environmental requirements for office supplies to be recyclable and for cleaning products to be biodegradable.

**In Colombia we established the Online Registration service** in order for suppliers to manage their own information creation and modification process, and to be approved by our consultants in supplier assessment.
We also included in the assessment metrics components for Human Resources management and Occupational Health and Safety, which account for 40% of the total supplier score.
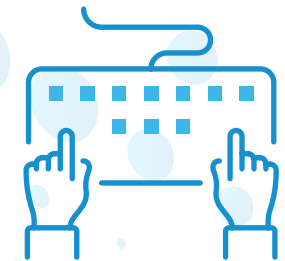
## Supplier Assessment

At América Móvil we have a Supplier Assessment program in place in order to evaluate different aspects in our local suppliers, such as how they manage their environmental impact and their performance in terms of social and labor responsibility, among others.

We started implementing this program in Colombia in 2016 and we are currently applying it in several Latin American countries. This assessment provides results through a project-specific platform, enabling us to monitor and make pertinent decisions for managing and continually improving our value chain.

Areas and issues we evaluate include the following:

- **Environmental Impact.** Including environmental stewardship policies and procedures; environmental impact metrics; implementation of waste, water, and energy management programs.

- **Human Resources Management.** Including the defined and documented organizational structure; a manual of job descriptions and personnel; training and development programs; performance metrics.

- **Health and Safety at the Workplace.** Including occupational health and safety policies and manuals; the manner in which occupational risks and dangers are identified and prioritized; documented and upgraded emergency response plan; health and safety indicators, defined and periodically assessed.
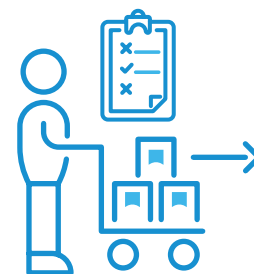
**This year in Colombia we started implementing supplier performance evaluations based on demand,** a tool that helps us identify user satisfaction with the hired suppliers. **The goal is to transfer this best practice to other operations.**

## User Experience

**In line with the technological transformation we are witnessing, América Móvil is evolving to ensure the preference of our consumers by offering a user experience that is increasingly more satisfactory and based on their particular needs. This is why this year we began a transformation process from a company that offers a service to a customer into one that connects with user experiences, placing our customer at the center of our strategy.**

We have open communication and continuous improvement processes in place in order to meet their communication and technology needs.

We offer them products and services that are reliable, flexible, innovative, attractive, and with a greater scope, and put our customers at the center of our decision-making. During 2018 we started adapting our internal processes to create an interconnected system at the operation level in order to offer a unique customer experience. We are constantly making technological adaptations that will enable us to face the exponential growth in data traffic, video downloads, smartphone use, and cloud-based services, as well as the Internet of Things.

More and improved services

Multi-device services

Integrated services

Customer support

**Convergence**

Customer-oriented services

Service continuity and ubiquity

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**We are located wherever customers are looking for us and we offer them service through their preferred channel:**



| **Traditional Channels** | **Self-Service Channels** |
|---|---|
| • Customer Service Centers (CSCs) <br> • Agent IVR | • Virtual IVR <br> • Visual IVR <br> • Agent chat <br> • Virtual Chatbot <br> • USSDs <br> • Social Networks <br> • App <br> • Web |

**Percentage of service by channel[1]:**



| Country / Region | Traditional Channels Millions of transactions | % | Self-Service Channels Millions of transactions | % |
|---|---|---|---|---|
| Mexico | 116.12 | 10% | 1,073.40 | 90% |
| Brazil | 167.31 | 18% | 761.74 | 82% |
| Colombia | 99.82 | 7% | 1,388.72 | 93% |
| Southern Cone | 36.91 | 5% | 776.55 | 95% |
| Andean Region | 55.72 | 7% | 759.89 | 93% |
| Central America | 19.82 | 14% | 117.25 | 86% |
| Caribbean | 26.35 | 25% | 79.52 | 75% |
| US | 21.50 | 10% | 202.67 | 90% |
| Austria and Eastern Europe | 73.22 | 22% | 265.05 | 78% |
| **Total** | **616.78** | **10%** | **5,424.81** | **90%** |

[1] Total transactions per channel by country or region in 2018.

**Today**
# 90% of transactions
**are done on self-service channels,**
**thus addressing the trend in consumer behavior toward self-service, while 10% are carried out in channels that offer personal service, including our Customer Service Centers and our Call Center.**



At America Movil, we work to improve the experience of our customers. Among the initiatives we carried out this year, it stands out the agreement upon all operations to change our approach from Customer Service to Customer Experience. In 2018, we organized a workshop where we had the presence of all our operations, in order to align customer strategy and we defined two approaches: (1) evaluate customer satisfaction integrating components of Big Data Analytics and artificial intelligence, so that with this information, every Country/Operation could develop strategies to enhance customer experience. (2) Since all markets are different and many of the strategies to better address the customer will be local, we decided to establish an align metric to measure customer loyalty among countries/operations that could help us identify if the strategies that every operation puts in place, works. This metric is the Net Promoter Score (NPS) indicator. By focusing on the customer and analyzing its behavior it allows us to understand the root cause of what is not working, preventing bad experiences to happen or solving problems in advance. To evaluate NPS, during 2018 we conducted more than 340 thousand surveys in our Latin American operations, giving us the possibility understand if the experience of our in the use of our services in their different devices and applications and how their interaction with our channels were impacting positively on customer loyalty.

To measure NPS, we ask our customers how likely they would be to recommend our service, based on their own experience. The following are a few examples of the positive responses we obtained in some of our operations:

| Net Promoter Score | | Argentina | Colombia | Chile | Ecuador | Dominican Republic |
|---|---|---|---|---|---|---|
| | **Mobile NPS:** | 41 | 36 | 1 | 24 | 43 |
| | **NPS 1st mobile competitor's brand** | 34 | 32 | -7 | 24 | 24 |
| | | Honduras | El Salvador | Chile | Peru | Dominican Republic |
| **Customer experience** | **Fixed-line NPS:** | 39 | 30 | 4 | 9 | 32 |
| | **NPS 1st mobile competitor's brand** | 36 | 25 | -20 | -29 | 9 |

Our 2020 sustainability objective established as part of our **"Smart Sustainability"** strategy is to increase by an average of 1% the brand NPS for each country where we operate. To achieve this, we will continue to work tirelessly to increasingly offer a customer experience that is more comprehensive and more responsive to their needs and expectations.

## Digital Channels

América Móvil has a division whose goal is to ensure that our customers have a complete and satisfactory experience in a digital environment. This division is constantly monitoring our commercial websites and creating solutions to manage them, while at the same time implementing innovative digital customer service processes that help us improve and simplify the life of our subscribers.

Their main goals include implementing functional web architectures, the digitalization and automation of processes centered on consumer needs, generating savings for the whole company, and innovation in digital solutions.

With our digital channels, today our customers can: view our whole catalogue of products and services, compare plans and prices, monitor their consumption levels, express their satisfaction level, pay invoices, increase credit in their pre-paid phone lines, get answers to their questions in our FAQs section, and chat with our advisors.

In response to the digital era, all of América Móvil's service tools are aimed at creating a simpler and more efficient experience for our customers. Accordingly, close to 100% of our regions have a Claro/Telcel website, Mi Claro Web, Facebook, Twitter; more than 80% of the operations have a Store, Mi Claro app, Instagram; and a third of the countries and regions have Whatsapp. Macedonia uses VIBER, an app that is similar to Whatsapp.

We also have a centralized Web Content Manager, that is handled locally by each operation. Currently, more than 300 of our employees work remotely on this platform, thus standardizing the way in which these websites look, behave, and evolve.

**The number of transactions done through our digital channels has been increasing steadily over the past few years.**

Today more than

# 980 million

**management and support transactions are done through digital channels.**
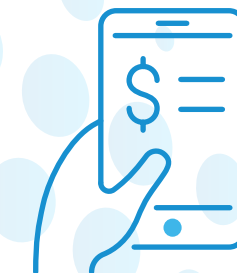
Digital sales of products and services grew twice as much in January-December 2018 than the same period of the previous year. At year-end 2018, more than 50 million customers had registered in the América Móvil self-help websites. We receive 5.406 billion monthly visits through all our channels. 70% of customers prefer to browse our sites using their mobile devices.

USSDs represent

# 55.48%

**of self-service transactions,**
apps are in second place with 14.64%, and IVR (virtual) is in third place, with 13.16%. Other self-service channels employed by our customers include: IVR visual, Chat (with an agent), Chatbot (virtual), Networks, Web, among others.

**In Ecuador, Argentina, Brazil, Chile, Colombia, Mexico, and Peru we implemented the Digital Signature project.**
This project is part of the redesign of the service experience at our stores that **strives to offer a unique experience focused on creating a higher level of trust, efficiency, functionality, and satisfaction.** In addition, the initiative is aligned with our sustainability strategy in that it limits the use of paper. For example: Before, in order to hire a service, a customer had to sign 12 papers; today, thanks to our Paperless process, the number of signatures is reduced to 2, and for renewing a service only one signature is required.

- **Change of plan / product**
- **Sales**
- **Ownership transfer**
- **Financing of postpaid and financed a kit**
- **Renouncing to mobile postpaid service**
- **Liberating equipment**

# Activating Safety

Safety is one of the top priorities for people, governments, and community as a whole. New technological trends and the way in which we are interacting as a society, have made us focus on safety issues. At América Móvil we work constantly so that the solutions and services we offer not only allow people to feel safer when using them, but also to move one step forward and contribute to the safety of the societies where we are present.

# Information Security

**Given that information security at our operations is crucial, every year we review and improve our Information Security Strategy, whose goal is to protect América Móvil's infrastructure and the confidentiality, integrity, and availability of its information from the standpoint of prevention, continuous improvement, and sharing best practices among all the companies in the Group.**

We have a General Information Security Policy in place which describes the general guidelines required for each operation to establish its local regulatory framework and to communicate the policies that all. In addition, in order to be able to send alerts out in a timely manner, we have established an inter-country communication mechanism.

## Information Security Strategy
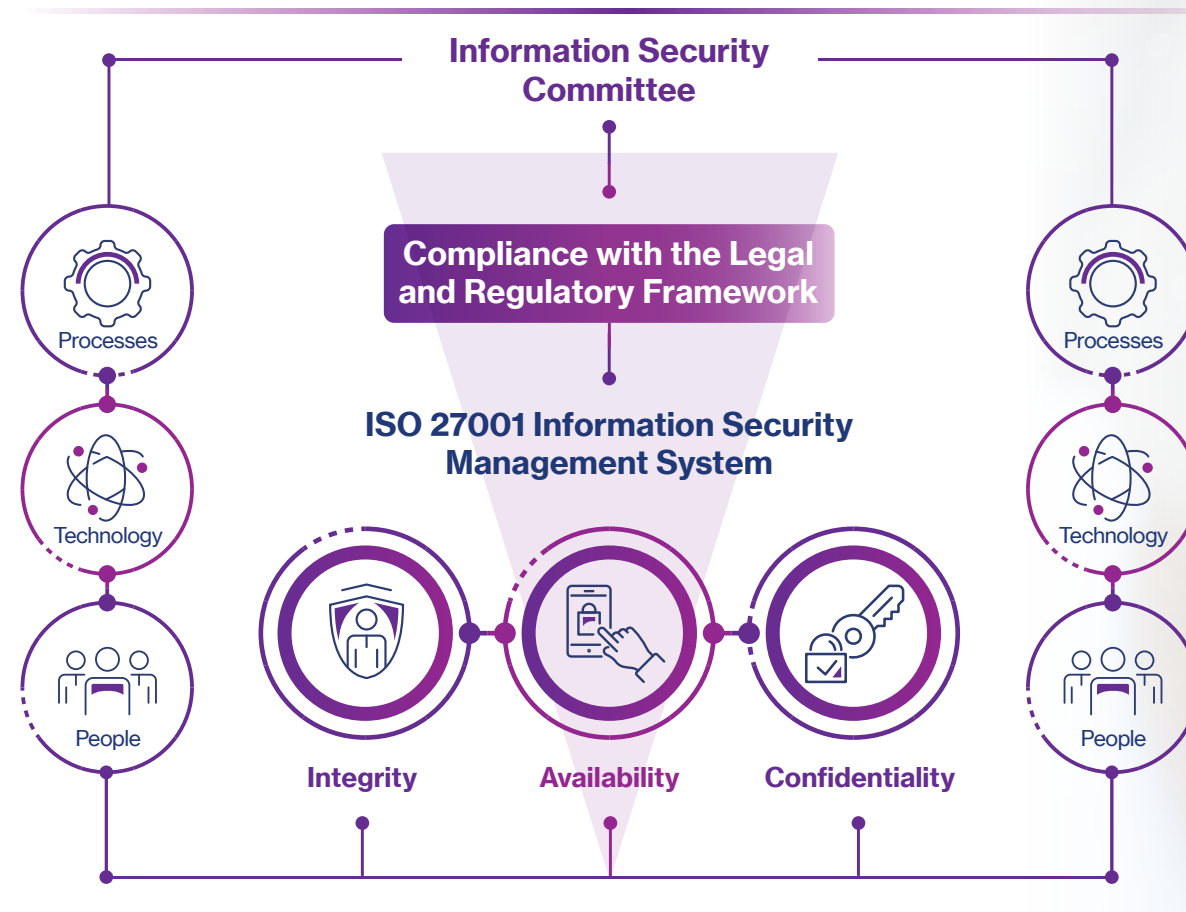


Information Security Committee

Compliance with the Legal and Regulatory Framework

ISO 27001 Information Security Management System

Processes

Technology

People

Integrity     Availability     Confidentiality

Processes

Technology

People

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Each country determines a Strategic Information Security Plan, which is updated either annually or bi-annually. We have an Information Security Executive Committee, which meets annually, and an Information Security Managing Committee that meets once a month. These Committees are in charge of managing América Móvil's Information Security Strategy globally. The members of the Executive Committee are:

- Ángel Alija Guerrero, Director for Mobile Operations
- Jorge Arteaga Castillo, Deputy Director for Audit AMX
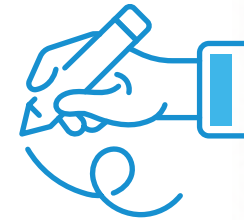- José Gilberto Fragoso Gómez, Information Security Manager
- Carlos García Moreno, Chief Financial Officer
- Paula M. García Sabido, Government Relations Manager
- Macario Lopez Albarrán, Director for Operations and Maintenance
- Daniel Tapia Mejía, General Counsel
- Oscar Von Hauske, Director for Fixed-Line Operations

Each subsidiary has its own local Information Security Committee. These inter-disciplinary committees include employees from different divisions (computer systems, engineering, finances, operations, and maintenance services, among others), and are chaired by the local heads of information security.

The functions of the Information Security Committees include the following:

- Adopt information security policies and procedures at the corporate level.
- Establish strategies to comply with the guidelines that contribute to increase confidentiality, integrity, and availability of information assets.
- Implement mechanisms that contribute to complying with best practices to protect information assets.
- Coordinate the assessment and implementation of projects supporting infor-mation-security-related activities.
- Oversee plans for communicating security guidelines.
- Analyze security-related incidents to determine solutions and preventive actions.
- Evaluate new and existing infrastructure that supports critical business pro-cesses.

**This year we offered training on information security issues to more than**

**122,572 internal employees and**

**46,862 external parties** across the whole América Móvil Group.

- Coordinate the committees of each of the companies in the Group.
- Supervise improvement measures in incidents reported by the companies.
- Support other divisions in the process of complying with information security guidelines.
- Coordinate and ensure that all efforts and resources invested in tools, controls, and monito-ring are consistent with ensuring availability, integrity, and confidentiality.
- Report to the CEO any incidents that could compromise critical information, as well as the potential impact and remediation plan.

Each of our operations has an annual awareness plan and strategies to ensure that information is made available to all employees. In 2018 we offered online and in person courses and we maintained constant communication via email, the Intranet, and screen savers information on corporate computers on issues such as phishing, Internet of Things, malware, cyber-attacks, ransomware, and protection of personal data, among others.

## Training sessions on information security and privacy carried out in 2018 by country or regionn

| Issue | Mexico | Brazil | Colombia | Argentina, Paraguay, Uruguay | Chile | Ecuador | Peru | Central America | Dominican Republic | Puerto Rico |
|---|---|---|---|---|---|---|---|---|---|---|
| Cybersecurity | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| IoT | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Risk Management | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Accesses Control Case | ● | ● | ● | ● | ● | ● | ● | ● | ● | ● |
| Secure Password | ● | ● | | | ● | ● | | ● | | ● |
| Protection of Personal Data | ● | ● | | ● | | | | | | |
| Identifying and Managing Sensitive Information | ● | ● | | | | ● | | ● | | |
| Safe Desktop/ Virtual Space/ Computer Equipment | ● | ● | | | ● | ● | | ● | | |
| Phishing Identity Theft Social Engineering Social Networks | ● | ● | | ● | ● | ● | ● | | | |
| Identifying and Managing Security-Related Incidents | ● | ● | | | | | | | | |
| Handset Security | | | | ● | | ● | | | ● | ● |
| Malware Ransomware | ● | | | ● | ● | ● | | | | |
| Visible Credentials | | ● | | | | | | | | |
| Use of Original Software | | ● | | | | | | | | |
| Safety Policies | | | | ● | ● | | | ● | | |
| Physical Safety | | | | | ● | | | ● | | |
| e-mail | | | | | ● | ● | | ● | | |
| Fraud Prevention / Free Browsing | | | | | ● | ● | | | | |
| Safety Decalogue | | | | | ● | | | | | |
| Good Online Habits | | | | | ● | | | | | |
| Safe Remote Work | | | | | ● | | | | | |
| Wireless Networks | | | | | ● | | | | | |
| Confidentiality of Information | | | | | | | | ● | | |
| Adequate Use of Computers Outside the Corporation | | | | | | | | ● | | |
| Unsafe Apps | | | | | | | | | | ● |
| APIS and Micro-services | | | | | | | | | | ● |
| Security Check List in Developing Web Apps | | | | | | | | | | ● |

To stay updated on the most recent trend, at least once a year we organize the América Móvil Security Symposium In 2018 we held two symposiums, one in Mexico City on May 21-25, with the participation of 29 heads of Information Security in our subsidiaries in Argentina, Brazil, Central America, Colombia, Ecuador, Puerto Rico, Dominican Republic, Chile, Peru, and Mexico. In addition, six specialists from the Instituto Politécnico Nacional participated with presentations on the most recent information security trends. The second 2018 symposium was held in Buenos Aires, Argentina, on December 3-7. Issues addressed during both symposiums included information security trends, the internet of things, standards, challenges, opportunities, digital transformation, and accesses controls.

Currently, our operations that are certified under the ISO 27001 Safety Management Systems are:

• **In Mexico:** the Telcel Personal Data Protection Process, the Network Operation Centers (NOC) at Scitum and Telmex, and Datacenter Triara's Co-location Service.

• **In Brazil:** the Security Operation Center.

• **In Colombia:** the Security Operations Center (SOC), Managed Security, Collocation, e-mail Security for corporate customers, Datacenter Triara, and Telmex Colombia.

• **In Chile:** Claro Chile's Collocation Service.

• **In Europe:** we have the Certificate in Austria, A1 Digital, Bulgaria, Macedonia, Croatia, and Slovenia.

This is a system that manages information security within a company to efficiently safeguard important data, both financial and confidential, minimizing the risk of illegal or non-permitted access by third parties. Our goal is to increase the number of ISO 27001 certified companies every year.

**As part of our 2018 continuous improvement processes, Telcel was ISO 27000 certified** in its effort to remain at the cutting-edge in security issues and offer the greatest benefits to our customers. We perform constant revisions to our security system, updating it whenever necessary and applying the most advanced technologies to protect important and/or confidential information of the companies.

The main benefits obtained from the ISO 27001 certification include the following:

- **Within the company:** It has generated a considerable commitment in addition to records and control measures that enables us to ensure information security within the company in a tangible manner.

- **In terms of compliance with the law:** It certifies that the company complies with all legal information security requirements.

- **In terms of compliances with public bidding requirements:** It shows the company's commitment and alignment with safekeeping information security and proves that it is ingrained in the DNA of our corporate strategy.

- **In the commercial aspect:** In a market that is increasingly more competitive, this is a strong point in our favor as it generates credibility and trust among our customers.

- **In the financial aspect:** It reduces costs linked to incidents in order to minimize the cost of our insurance policies.

- **In the human aspect:** It produces a sensitization of our staff in relation to the importance of handling information correctly, as well as adequately applying security measures that need to be adopted and the personal and organizational responsibility in relation to the information to which they have access or that is available to them because of the position they hold within the company.

During 2018, thanks to our prevention efforts and the continued work done by the Information Security division, we had no incidents deriving in sanctions at any of our subsidiaries.

# Privacy Management

**Protecting personal data and privacy in communications constitutes one of the top challenges for telecommunications companies. At America Móvil we place particular attention on safeguarding these issues.**

The goal of our Personal Data Privacy Policy[1] is to establish the necessary guidelines for the adequate use of personal information and the physical, technical, and administrative security measures that all our operations, employees, subcontractors, and authorized third parties need to comply with.

The policy includes three main guidelines:

**Integrity:** Personal information must remain complete and exact, for which we will establish the corresponding measures.

**Availability:** Information must be available to its owners or authorized users at the exact moment they need it.

**Confidentiality:** Personal data will be used exclusively by authorized personnel who have the necessary justification to use it.

Our operations have several information security and personal data protection guidelines in place. In face of continuous innovation in the industry, we are working on enriching and standardizing them in order to maintain the trust of our customers in terms of how we handle their personal information.

Furthermore, our Privacy Policy establishes the guidelines for privacy in communications, which is a key principle for the way in which we operate our company not only because of legal stipulations but also because of the trust that each of customers has for our company.

With the goal of having all of América Móvil's employees strictly comply with the guidelines of this policy, we carry out frequent communication, training, and awareness campaigns striving for a global and updated understanding of our policy.

[1] Our Personal Data Privacy Policy is available here.

## Emergency Response

**We prepare for contingencies and natural disasters constantly by developing emergency response protocols and establishing plans to reestablish affected services as soon as possible.**

We participate in GSMA's initiative and collaborate with the authorities and other companies in our industry to share best practices and strengthen our response protocols for these types of events. A good practice in case of a natural disaster is to use SMS as a way to communicate with others, particularly when networks are saturated and there is no connection to the internet. This is so because the technology used for SMS registers texts one after the other in the order in which they are sent by the user and the system delivers them in that same order.

To be prepared and ready to face them, we classify events as predictable or unpredictable.

### Predictable events

**Meteorological**
Hurricanes

**Summits**
Presidential visits

**Social**
Elections, traffic jams, marches, and demonstrations.

### Unpredictable events

**Geological**
Volcano eruptions, earthquakes

**Technological**
Fires, explosions, chemical risks

**Meteorological**
Storms, tornadoes

## Telmex Plan C and Telcel Natural Disaster Protocol

Both Telmex and Telcel have protocols in place to respond to contingencies caused by natural phenomena that will help minimize damages caused by climate events of great magnitude to our infrastructure, while at the same time ensuring that we have the human and material resources needed to reestablish service as soon as possible.

We apply these protocols in all areas that are susceptible to facing natural phenomena. The plans include both preventive and corrective measures

## Eruption of the *Volcán de Fuego* in Guatemala

The *Volcán de Fuego* in Guatemala erupted on June 3, 2018, affecting thousands of people. On the same day of the eruption, Claro Guatemala offered aid to the victims by crediting 25 minutes of available airtime for calls to other operators and to the United States. Additionally, during the night we installed a mobile antenna with 2G, 3G, and 4G technology in the town of San Juan Alontenango, in order to ensure communication in the affected area.

The following day we installed three mobile phone recharging modules, each with 28 connectors, as well as 21 telephone plants with available airtime in the shelters set up in Escuintla and the Operations Center of the *Coordinadora Nacional para la Reducción de Desastres* (CONRED) in San Juan Alotenango, Sacatepéquez.

Thanks to these measures, we were able to ensure communication for both the victims and rescue personnel since the moment the eruption occurred. From Sunday June 3rd to Tuesday June 5th we recharged 61,000 phones at the stations we installed.

## Humanitarian Aid for Victims of Hurricane Willa and Tropical Depression 19 in Mexico

In 2018, the Mexican states of Sinaloa and Nayarit were strongly affected by intense rain downpours and floods provoked by hurricane Willa. Through the Carlos Slim and Telmex Telcel foundations we enacted the Aid Plan by delivering 12 tons of supplies. The Telmex volunteers directly delivered food packages, sleeping mats, blankets, and water jugs to the victims, in collaboration with the authorities and the Mexican army, benefiting 11,784 people. With these actions we reiterated our social commitment to help victims of natural disasters.

In addition, the cities of Culiacán and Los Mochis, in the state of Sinaloa were also affected by tropical depression 19. The Telmex volunteers offered aid to the affected communities by collaborating with humanitarian efforts and delivering in-kind donations.

# Sharing Development

In America Móvil, one of our main objectives is to promote social development as a whole and within the communities where we have a presence. We are convinced that social development, as well as the preservation of the environment, are fundamental to maintain our leadership, while at the same time, it allows us to positively contribute building a better world, aligned with the United Nations Sustainability Goals.

At América Móvil we believe that finding a solution to world poverty is required for economic growth, progress, and social development. Our duty in the countries where we operate is to continue being a catalyst of development and inclusion by inviting people to participate in a more active manner.

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## Aprende Program
*(203-2)*

**At América Móvil we are committed to employ our technology and resources to narrow the digital divide and help improve people's quality of life. We are certain that, with education, we can promote development in the communities where we are present.**

Through the Aprende.org project we have partnered with the Carlos Slim Foundation to make a contribution to eliminating access barriers to education and training worldwide by putting educational content and tools at the reach of our customers, that before were inaccessible to them, contributing to their growth.

Aprende.org is a free-of-charge digital platform that favors inclusion by making available to its 8,840 subscribers job-training courses as well as cultural and educational content that can be offered to the population as a whole, from preschool to Master's educations, with no distinctions for gender, origin, socioeconomic standing, or previous education. Furthermore, Aprende.org makes available to its customers several courses in Spanish from prestigious universities such as MIT, Harvard, Berkeley, and the Sorbonne, among others, thanks to the partnerships we have established with Coursera, Udacity, and EDX.

América Móvil also contributes to bringing this platform closer to a greater number of users by delivering smartphones to people with no previous access to one in several communities neighboring certain of the company's operations. We also offer them free browsing on the platform through our networks in Mexico, Panama, and Dominican Republic.

**Aprende offers new opportunities and the possibility for improving quality of life.**
**Access to this platform can be gained through the Aprende mobile app and the**

**www.aprende.org website.**

We are committed to employing technology and our resources to narrow the digital divide and help transform the quality of life of our people. Accordingly, our 2020 goal established in our **"Smart Sustainability"** strategy is to increase by 20% the number of users of the Group's different learning platforms, maintaining an average of 2.5 courses per user. This includes, among others, the Aprende, Capacítate para el empleo (Train for a Job), PruébaT, and Khan Academy platforms. To achieve this goal, we will continue with our important effort to communicate with and offer training to the most vulnerable populations in the use and exploitation of these tools.

With this effort we support the first and fourth Sustainable Development Goals of the United Nations. On the one hand, by granting access to free education we supply tools that facilitate social mobility; on the other, we contribute to ensuring inclusive, equitable, and quality education and promoting learning opportunities for all.

## 2018 Aprende National Tour

This year we carried out the second Aprende national tour, visiting the Mexican cities of Chihuahua, Guadalajara, Mexicali, Monterrey, Acuña, Veracruz, León, Culiacán, Oaxaca, Mexico City, and Cancún. During the tour we trained more than 6,000 low-income people on how to use the platform. Additionally, we gave participants a smartphone, free-of-charge.

Two years after the first tour took place, the Carlos Slim Foundation and the Telmex Telcel Foundation continue to bring technology closer to people, enabling them to have access to world-class educational content through the Aprende. org platform. The platform offers them the possibility of getting training on one or several trades and to obtain official certifications for their studies, which in turn grants them better opportunities in life.

The Aprende Tour reiterates our commitment to employ technology and resources to narrow the digital divide and help transform quality of life for people in the communities where we are present.

## Capacítate para el Empleo (Train for a Job)

The Aprende platform includes a section entitled Capacítate para el Empleo (Train for a Job) that offers online tools for all people who wish to obtain free training on several trades and technical-operational activities in different production sectors, regardless of their previous experience.

For example, at Claro Guatemala 1,043 employees have taken several of the courses offered by the Train for a Job program. In addition, more than 29,000 people in the country are currently enrolled in a program offered by the platform.

### Train for a Job Guatemala 2018

| | Graduates | Enrolled |
|---|---|---|
| Internal | 171 | 1,043 |
| External | 4,607 | 29,285 |
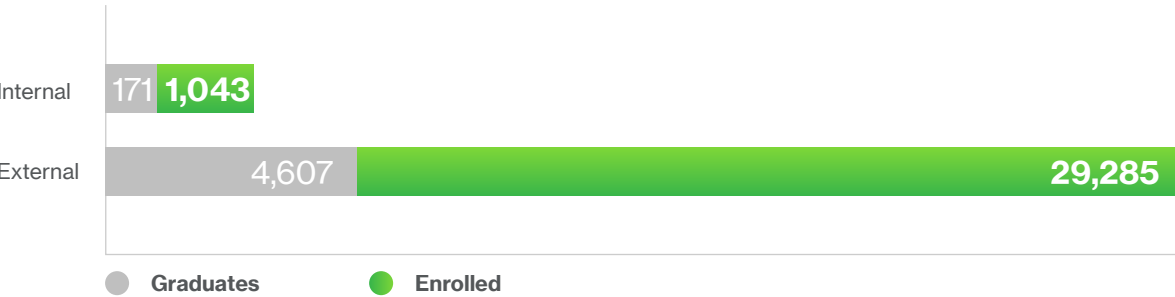
During the course of the second national tour, we visited
**11 cities in Mexico and trained more than**

# 6,000
**low-income people**
**in how to use the Aprende platform, thus promoting education and digital training to improve quality of life.**

**Training for a Job strives to contribute to develop productive competencies with no borders for all sectors in the economy.**

**Train for a Job Program:**
**This Carlos Slim Foundation initiative has allowed Claro employees and members of society to increase their knowledge base in several areas. At Claro Guatemala,**

# 1,043 employees
**are enrolled in the program, and 171 have satisfactorily completed a course.**
**In addition, the effect that the program has had on members of society is significant, with**

# 29,000 **participants enrolled.**

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**Colombia:** The Carlos Slim Foundation, the Ministry of Labor, the *Servicio Público de Empleo* (Public Employment Service), and the *Departamento Administrativo de la Función Pública* (Administrative Department of Public Function) used the platform as a training tool for, among others, young people who have a relationship with government entities across the country through the Estado Joven (Young State) program. As of December 2019, there were 190,000 Colombian users registered on the platform and more than 3,000 young people received training as Public Servants, later being employed by different Colombian state entities.

**Nicaragua:** Claro, which is a socially responsible company, joined forces with schools and social organizations to offer young people training on the advantages of the Aprende.org digital platform that includes the Train for a Job and PruébaT programs, in addition to other educational tools and programs that contribute to personal and professional growth, benefiting more than 400 people in 2018.

**Ecuador:** The Capacítate con Claro (Train with Claro) program was launched in February 2016 as part of the platform of programs and efforts aimed at offering Ecuadorian people more development and well-being opportunities based on learning. At year-end 2018, 55,630 courses had been concluded.

## PruébaT

The PruébaT (Test Yourself) program is included on the Aprende platform. Its objective is to offer learning experiences for teachers, students, and parents, free-of-charge. The program strives to strengthen knowledge and capabilities that are indispensable in life.

This section includes tools that enable the educational community to get familiarized with the PISA test, an internationally-recognized test developed by the Organization for Economic Cooperation and Development (OECD). The goal is to evaluate the knowledge base of young people all over the world and to enable them the acquire abilities which are essential for them to participate in society, with particular emphasis on mathematics, language, and science. The test is applied every three years, rotating the emphasis on each of these areas.

## Khan Academy

By means of a joint venture between the Carlos Slim Foundation and Khan Academy, the contents of this platform are translated into Spanish in an effort to provide access to Spanish speaking users.

Khan Academy is an educational platform that offers several educational resources via videos that subscribers can use to strengthen their learning skills, regardless of their prior education. The platform grants access to information on different topics at the basic, intermediate, and higher education levels through videos.

## Results of Aprende.org

| Programs | Total Users | Female Users | Male Users | Undefined Users | Courses | Hits | Registered Schools / Academies | Countries | Territories | Video lessons (adapted by the FSC) | Variety of courses |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Aprende | 1.094.602 | 45,45% | 54.55% | - | - | 67.105.087 | - | 168 | 41 | - | - |
| Capacítate para el empleo | 2.679.015 | 44,89% | 55,11% | - | 7.241.021 | 268.076.714 | - | - | - | - | 228 |
| PruébaT | 3.968.464 | 45,37% | 41,71% | 12,92% | 19.905.023 | 96,972,885 | 30.983 | 173 | - | - | 8.612 |
| Khan Academy | 13.819.862 | | | | 24.253.465 | 147,532,381 | - | 188 | - | 6.896 | - |
| **Aprende.org Total** | **21.561.943** | | | | **51.399.509** | **335.181.801** | **30.983** | **168** | **41** | **6.896** | **8.84** |
| **Courses / Users** | **2.4** | | | | | | | | | | |

## Narrowing the Digital Divide

**At América Móvil we are constantly working on initiatives and projects that contribute to narrowing the digital divide in the countries and communities where we operate. The Latin America and Caribbean region faces considerable challenges in terms of the adoption, use, affordability, and access to information technologies.**

Based on data from the International Telecommunications Union, fixed-line broadband penetration in the region is 10%, compared to 28% in other OECD countries, while mobile broadband reaches 30% of the population, compared to 72% in the OECD countries. Based on a study carried out by the Inter-American Development Bank[1], a 10% increase in broadband services in the region would result in an average increase of 3.2% in the Gross Domestic Product (GDP) and a 2.6% increase in productivity.

The current digital transformation era has repercussions on the way in which we live and perform our activities, both personal and professional. This includes our daily actions, such as banking transactions done on an app and complying with important government requirements, such as paying taxes. Accordingly, people with no access to the internet or a smartphone are left behind. As technological advances continue to penetrate our lives, the digital divide will continue to grow.

As telecommunications companies we can, in addition to other actors, play a role to help narrow the digital divide. That is why at América Móvil we allocate resources to contribute to this cause.

[1] *Prats Cabrera, Joan Oriol y Puig Gabarró, Pau. "Telecommunications Governance: Toward the Digital Economy". Inter-American Development Bank 2017.* https://publications.iadb.org/en/telecommunications-governance-toward-digital-economy

## NOS IMPORTA
MÉXICO
Unidos para brindar una experiencia
móvil más segura y confiable

In 2018,
**Telcel joined the "Nos Importa México" (We Care for Mexico) campaign.**
**In collaboration with other Mexican operators, and with the support of GSMA and the Asociación Nacional de Telecomunicaciones de México (ANATEL);** this campaign is aimed at promoting gender equality and empowering Mexican girls and women, thus contributing to the 5th Sustainable Development Goal. **The following are among the actions that will be included in this campaign:**

- **Promote that more young women and girls study and work in the fields of science, technology, engineering, and mathematics.**

- **Incorporate the Gender Perspective at the highest leadership levels across the telecommunications industry.**

- **Share the Mexican mobile industry experience with the Women 20 (W20) dialogue in order to make progress in the global efforts to eliminate the gender digital divide.**

### Reconectados (Reconnected) Project

In collaboration with the Carlos Slim Foundation and the Telmex Telcel Foundation we developed the Reconectados (Reconnected) program, in order to help senior citizens, who are not connected to the digital world, to participate in it by learning how to use technology to have access to better living conditions.

In 2018 we trained
**6,000 seniors**

in the use of digital tools in two events:
**The Senior Citizen Festival: 5,300**
**Iztapalapa Digital Village: 700**

## Promoting internet access at our communities

**Globally we have developed the Internet for All (Internet para Todos) initiative whose goal is to include in the digital era the elderly, children from low-income families, people in remote locations, and people with disabilities, among other groups. Activities in this project include workshops on education and awareness on the safety of the internet, environmental stewardship, and the use of social networks, among others.**

The following are the most relevant activities we carry out in each of our countries:

- **Pérez Zeledón Villages in Costa Rica.** This project consists of offering specialized chats, workshops, and experience zones that allow participants to learn basic internet concepts, corrective and productive uses, and training on how to face the considerable impact of social networks and technology. Furthermore, participants get the opportunity to experiment with virtual and augmented reality. Thanks to this project, we benefited 7,000 people this year.

- **In Europe**, the **"A1 Internet for All"** program is helping children, young people, adults, and seniors to actively participate in and personally benefit from the digital transformation that is increasingly expanding into new areas of the economy and society. In February 2018, in Macedonia we launched a media literacy for children aimed at teaching them how to use the internet safely and to educate them on potential risk of social networks. The workshops were carried out in two languages, Macedonian and Albanian. More than 30,000 people participated in these courses.

- **In Chile**, we have the **Aula Móvil** (Mobile Classroom) program, which supports the most vulnerable sectors across the country by offering digital literacy to low-income youngsters and women.

- **In Brazil** we offer the **Naves del Conocimiento** (Knowledge Vessels), which provides internet access to highly vulnerable communities in the municipality of Rio de Janeiro, promoting inclusion, education, and civic responsibility through technology, benefiting close to 124,000 people.

- **In Honduras** we offer the **Internet es Todos-Conexión al mundo** (Internet is Everyone-Connection to the World) program, providing broadband access to the internet at education and government centers (schools, academies, and libraries), community centers, and public sector remote-access centers. Thanks to this project, we benefited 3,600 people this year.

- The goal of our **Regional program in Lima, Peru** is to offer comprehensive connectivity of the region with nine provinces in Lima, promoting local, regional, and national integration as well as making a strong contribution to the development of the benefited population. Thanks to this project, several public institutions including police departments, schools, and health establishments, now have free access to the internet, benefiting more than 181,000 people. This project, in which we collaborate with the Fondo de Inversión en Telecomunicaciones, FITEL, will be developed over the course of 18 months to build and operate the Access Network for a period of 10 years.

- **In Dominican Republic** we are collaborating with the National Network of Points of Access to the Internet, which will provide free access to the network to low-income people, students, and government employees, thus contributing to narrowing the digital divide.

- **In Mexico** we offer the **Casa TELMEX** (Telmex Home), an initiative to promote digital literacy and acquire knowledge for using essential digital tools. It is aimed at a segment of the population that doesn't have the resources (equipment and connectivity) to approach technology.

- **Also in Mexico** we have our permanent **Iztapalapa Digital Village**, a project aimed at narrowing the digital divide by offering the population digital know-how free-of-charge year-round.

## Volunteering and Development Projects

**At América Móvil we carry out a continuous effort to contribute to the growth of society and the communities where we are present. We achieve this by means of our own internal initiatives or by joining efforts with several organizations, government institutions, and associations.**

We very carefully select those initiatives that we will handle or contribute to, taking into account their potential impact, the number of people who will participate, and the benefits they will bring.

### Volunteering

We have several volunteer programs at some of our subsidiaries through which, in collaboration with different associations and foundations, we sponsor projects that promote the development of the communities where we are present.

**In 2018, we had**
**8,470**
**volunteers,**
**of whom 56% participated in different efforts during their workday.**
**We invested a total of**
**48,509 hours**
**in volunteer efforts,**
**of which almost 23% were carried out during the normal workday.**

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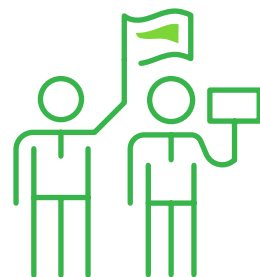
## Social Development Projects
*(413-1)*

**One of the goals of América Móvil consists in having a positive impact on the communities where we operate. This is the reason why we carry out several internal social development programs, or we support organizations and institutions that implement projects whose goals are aligned with ours.**

The following are among the most relevant programs and projects we carried out over the course of the year:

### Mexico:

- The **Biblioteca Digital Telmex** (Telmex Digital Library) is a free comprehensive education initiative equipped with state-of-the-art technology, that establishes a bridge in the teaching-learning process through creative world-class activities for the development of children, youngsters, and adults, enabling them to excel in their academic and professional performance. The Telmex Digital Library furnishes spaces with equipment and internet access at schools and education-oriented public spaces, offering service through which we loan computer equipment to be used at home and digital literacy activities, educational accompaniment, job training, human development, and entrepreneurship with the use of technologies. Thanks to this program, more than 5 million users have benefited.

- In the framework of the commemoration of the National Organ and Tissue Donation Day, Telmex carried out several activities nationwide to create awareness and inform the Mexican population about the importance of organ donation. We visited 37 locations; handed out 5,360 green ribbons to employees; 15,112 people received information on organ donation; and 95 volunteers contributed to this initiative.

- At Telmex we carry out several programs to sponsor and contribute to the development of children and seniors living in vulnerable situations, such as **the Sonrisas Telmex (Telmex Smiles), Book Narration and Reading Sessions, Visits to Foster Homes, Accompaniment Activities at Migrant Homes, *Campaña Por un México sin Hambre* (Campaign for a Mexico with no Hunger), Collecting Food Supplies, Reforestation, the permanent Red Cross Fund Raising Efforts, and Collecting Gifts** to be distributed at foster homes and children's hospitals, among others. All these programs benefit more than 110,000 people.

- Telmex supports the **Teletón** every year, contributing to the inclusion of girls, boys, and adolescents who have a disability, cancer, or autism, and promoting and safeguarding human values. With this program we benefit more than 35,000 people.

## Colombia:

- **Amigos del Alma** (Soul Mate Friends). In partnership with the Best Buddies Foundation, we developed a program to design strategies aimed at creating social and labor inclusion spaces for people with cognitive disabilities. Currently, six such young people are performing the job of Customer Service Auxiliaries at some of our Customer and Sales Centers (CAV for its acronym in Spanish) in Bogotá. Every customer who has been served by a Soul Mate Friend has been satisfied with the service and recognizes that at Claro we believe in the potential of people with cognitive disabilities and give them the opportunity to prove themselves.

- The **Familia es donde me siento protegido** (Family is where I feel protected) Christmas Campaign of the Instituto Colombiano de Bienestar Familiar asks for donations of gifts for girls and boys, youngsters, and adolescents living in vulnerable conditions. We have developed a communications strategy inviting our employees to donate gifts. In exchange, they received a sticker with the "Regalé una sonrisa" (I gave a smile) message. With this campaign we donated 2,600 gifts.

## Slovenia:

- In Slovenia we have a program whose goal is to offer children a safer internet. To achieve this, we have developed our own **A1 Guard** (Parental Control) app, which helps parents control which websites their children can visit.

## Brazil:

- The **Doble Escuela** (Double School) program contributes to forming young telecommunications technicians at technical schools in socially vulnerable areas in the municipality of Rio de Janeiro, who are later employed by Claro Brazil. Currently there are 119 young people enrolled in this program.

- **Educonexão** is a program that connects schools with the Subscriber TV and Broadband service and offers training courses for teachers on the use of digital technologies in the classroom. The objective is to transform Brazilian education by employing technology and improving the teaching-learning relationship by updating the infrastructure of municipal public schools. Thanks to this program we have benefited more than 9,000 teachers and students.

- **Campus Mobile** is a project aimed at promoting education, innovation, and the entrepreneurial spirit in young university students wishing to create, develop, and start projects with a social impact. Thanks to this program we have benefited more than 600 youngsters.

- The goal of the **Distorsión Edad-Serie** (Age-Series Distortion) program, we carry out in collaboration with UNICEF, is to reduce the considerable schooling lag of children and adolescents in the country, particularly in the Northern and Northeastern regions, in order to reduce or eliminate the school evasion rate. Thanks to this program we have benefited more than 2,200 youngsters.

## Puerto Rico:

- In this country we carry out several programs for the development of vulnerable communities, including the donation of toys at Christmas and Three Kings Day at pediatric hospitals and foster homes, and clinics specializing in blood pressure, mammography, influenza, and diabetes programs, among others. Thanks to this project, we benefited more than 1,700 people this year.

## Dominican Republic:

- The **Copa Intercolegial Claro** (Claro Inter-collegiate Cup) is a sports platform that includes soccer (male and female), basketball (male), bowling (mixed), and volleyball (female). Its goal is to promote sports and healthy competition, in addition to leadership, teamwork, and discipline. This year more than 3,200 from 286 schools participated in this program.

- We collaborated with the 2018 International Education Congress entitled **Aprendo** (I Learn). This is the most important annual activity in terms of contributing to education policies and updating the public agenda in terms of education. It has been held uninterruptedly for 21 years, making it the most influential event in its specialty in the Dominican Republic and the Latin America and Caribbean region. 1,300 teachers participated in this year's edition.

## The We Care Program
*(102-12)*

The goal of the We Care Program is to help subscribers of mobile services enjoy the transforming benefits brought about by mobile technologies in a safe and reliable environment. This program goes hand in hand with the Sustainable Development Goals of the United Nations and has become an efficient way for the mobile industry in Latin America to make their local contributions a reality.

The five initiatives in this program and the América Móvil subsidiaries that participate in each of them are the following:

1. Digital inclusion

2. Child protection

3. Environmental stewardship

4. Natural disaster response

5. Combating device theft

In addition,
**this year we launched**

# the Women Connected program
**as part of a G20 comprehensive agenda.**
**The goal of this program is to accelerate digital and financial inclusion for women, reducing the gender gap in low-income countries, thus offering better commercial and socioeconomic opportunities.**

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For women worldwide, a mobile phone is a tool that makes their life richer. Studies show that:

- **89%** of women state a mobile phone allows them to be in contact with friends and family.

- **74%** of women state that a mobile phone saves them time.

- **68%** of women state that they feel safer when they are carrying a mobile phone.

- **58%** of women state that they feel more autonomous and independent.

- **60%** of women in 10 out of 11 countries state that having a mobile phone saves them money.

Access to connectivity presents an opportunity to contribute to gender equality and to empower women and girls. A recent study shows that in low- and mid-income countries::

- Women are 10% less likely than men to own a mobile phone. This means that there are 184 million women who don't own a mobile phone.

- More than 1.2 billion women don't use the mobile web, as it is 26% less likely for women to use it than men.

- A significant gender gap exists in the use of mobile phones, particularly for transformational services.

- Women know less about the mobile web and understand it less than men.

Because of the latter, we are implementing this initiative aimed at narrowing the gender gap by promoting connectivity for women, particularly those living in developing communities, which contributes to the UN Sustainable Development Goal of "achieving gender equality and empowering all women and girls".

**Puerto Rico:**
**Claro Puerto Rico and Girls in Tech established a partnership to promote the Capacítate con Claro (Train with Claro) platform as part of the programs aimed at girls and women.** The program offers the training courses taught by Girls in Tech volunteers in schools, digital buses, and at entrepreneurship, arts, trades, and multimedia centers.

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## Driving Awareness Program

**One of the main concerns for América Móvil is the high incidence of traffic accidents related to the use of distractors such as mobile phones. In response to this, every year we implement initiatives that contribute to creating awareness about this problem.**

In **Mexic**o we have participated since 2012 in the **Pilotos por la Seguridad Vial** (Drivers in Favor of Road Safety) in collaboration with the Carlos Slim Foundation and other public and private institutions. Since the program first began and as of 2018, 545 conferences on road culture for drivers, passengers, and pedestrians have been offered. 60 professional Mexican drivers participate in these conferences. Close to 143,000 High School and University students nationwide, from 155 public and 108 private schools and 40 organizations have participated in this program.

In **Costa Rica** we carry out the **"¡Ring, ring, pum!"** program aimed at children between the ages of 4 and 10, with no distinctions made for social standing or education. With this project, Claro was invited to participate in the road safety week organized by the Consejo de Seguridad Vial (Road Safety Council) of Costa Rica during which information on the project was shared with participants as well as recommendations to decrease the number of road accidents. More than 500 people benefited from this program this year.

In **Peru** we participated in the **"Manejar y Chatear NO VA"** (Driving and Chatting is a NO GO) and the **"Run, Trin, Pum"**, programs which seek to create awareness about the risk of using messaging apps while driving. This year the campaign impacted more than 18,000 young people.

**In 2018, Telmex Colombia was granted the Bogotá Galardón de Oro de la Secretaría de Movilidad (Gold Award of the Ministry of Mobility)** in recognition for the contribution the company has made to the road safety of motorcycle drivers, pedestrians, and other road users.

**Summary of the conferences held in Mexico**

| Scope by state | | |
|---|---|---|
| | Conferences | Participants |
| Aguascalientes | 6 | 990 |
| Baja California | 1 | 80 |
| Baja California Sur | 5 | 1,430 |
| Campeche | 9 | 2,972 |
| Chiapas | 25 | 7,178 |
| Chihuahua | 5 | 712 |
| Coahuila | 7 | 1,183 |
| Colima | 2 | 770 |
| Mexico City | 91 | 34,382 |
| Durango | 10 | 5,600 |
| Guanauato | 42 | 6,288 |
| Guerrero | 4 | 863 |
| Hidalgo | 27 | 9,188 |
| Jalisco | 47 | 13,313 |
| Michoacán | 2 | 800 |
| Morelos | 10 | 3,991 |
| Nayarit | 2 | 183 |
| Nuevo León | 17 | 4,399 |
| Oaxaca | 36 | 8,167 |
| Puebla | 9 | 1,455 |
| Querétaro | 10 | 7,186 |
| Quintana Roo | 15 | 2,470 |
| San Luis Potosí | 2 | 740 |
| Sinaloa | 12 | 2,380 |
| Sonora | 6 | 860 |
| Tabasco | 3 | 485 |
| Tamaulipas | 6 | 7,084 |
| Tlaxcala | 1 | 240 |
| Veracruz | 16 | 3,054 |
| Yucatán | 12 | 1,933 |
| Zacatecas | 1 | 160 |
| Estado de México | 104 | 12,306 |
| **Total** | **545** | **142,842** |

**545**
**conferences**
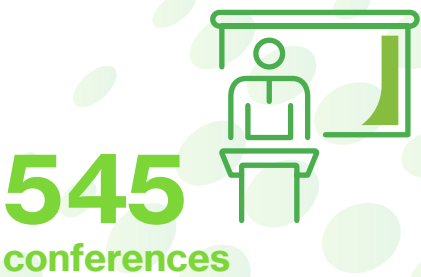
| Universities | High Schools | Public Events |
|---|---|---|
| **346** | **139** | **60** |

**303**
**institutions served**

| Public | Private | Organizations |
|---|---|---|
| **155** | **108** | **40** |

**Results**

| Students | States visited |
|---|---|
| **142,842** | **32** |
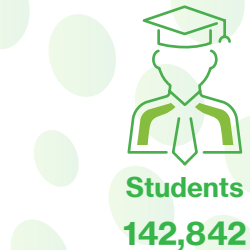
*35.4% of the conferences were held in Mexico City and the Estado de México.*

**Agreements signed**
**Jalisco**
**Hidalgo**
**Federal Police**

**60 pilots in the campaign**

## Promoting Entrepreneurship and Innovation in the Community

**One of the approaches of América Móvil to make a contribution to the development of the communities where we are present is to support institutions and organisms aimed at promoting entrepreneurship and innovation projects. In this way we not only contribute to the development of vulnerable sectors of the population but also to the evolution of the most cutting-edge projects in telecommunications, services, and the use of mobile technologies.**

In **Brazil** we carry out the **Rinobot** project in collaboration with the Universidad Federal de Juiz de Fora. The goal of this project is to foster the development of robotics project at the University level, generating innovation and new technologies. During 2018, 40 students participated in this project.

In **Mexico** we collaborate with the **Comunidades de Conocimiento** (Knowledge Communities) project which brings together public and private entities as well as civil associations with expertise in an issue that is of interest for the community. With this project, TELMEXHub establishes a relationship with these communities and shares and communicates information with them. The main topics broached by the program include innovation, entrepreneurship, technological development, and digital tools.

**In Europe** we developed the

# A1 Co-Creation

**program whose goal is to invite startups and co-create new technological solutions in Big Data, security services, cognitive automation, and online marketing automation to foster digital transformation** and for participants to benefit from business cooperation.

Likewise, **Telmex México** has made available to education institutes its **ACADÉMICA** website, which has established more than 500 agreements with High Schools, Universities, and International Research Centers to offer a space which fosters creation, training, and development. The website offers more than 160 online courses through which to date more than 424,900 teachers and students have received training. Furthermore, in this program we collaborate with a digital library that enables us to host free-of-charge content such as dissertation theses, magazines, and research, offering more than 400,000 educational materials to the more than 400,000 subscribers on the website.

In **Chile** we collaborate with the entrepreneurship and innovation center of the **Adolfo Ibáñez University**, to establish synergies and include different views and experiences pertaining to these issues.

# Environmental Stewardship

**Protecting the environment and biodiversity, as well as achieving efficiencies in the use of resources and managing waste correctly are all a priority for América Móvil. Our focus is placed on constantly reviewing our processes and operations in order to implement actions that contribute to reaching these goals.**

## Energy
*(302-1)*

Given the nature of our operations, we consume energy constantly. This is why we center our efforts on making our consumption of this resource more efficient.

One of the 2020 sustainability goals that we have included in our **"Smart Sustainability"** strategy is to use 50% clean energy and commit to streamlining operations in order to minimize energy consumption. To achieve this, we will continue to implement projects that are showing good results, while at the same time introducing new projects that have a high impact in terms of energy.

During 2018, across all our operations our energy consumption was 5.9 million Megawatts/hour (MWh).

**Energy consumption by country or region:**

| Country / Region | MWH Consumed |
|---|---|
| Mexico | 2,319,849 |
| Brazil | 1,264,838 |
| Colombia | 443,720 |
| Southern Cone | 457,718 |
| Andean Region | 238,548 |
| Central America | 326,230 |
| Caribbean | 254,501 |
| US | 8,961 |
| Austria and Eastern Europe | 679,275 |
| **Total** | **5,993,640** |

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In addition, we use different fuels to supply our car fleet and power plants in order to enable our base stations to offer connectivity to consumers in remote areas with no access to electricity. During 2018, we consumed 53 million liters of gasoline, 49 million liters of diesel, and 50,000 liters of biodiesel. In addition, since some of our operations require LP gas, ethanol, and natural gas, in 2018 we consumed 554,000 liters of LP gas, 4 million liters of ethanol, and 26 thousand cubic meters of natural gas.

## Renewable Energy

One of the most important initiatives we have implemented to reduce our impact on the environment is to employ renewable sources of energy, mainly wind and solar. During 2018, 31% of our MWh consumption came from renewable sources[1].

Currently, close to 68% of the countries where we operate employ energy from renewable sources.

### Fuel consumption by region or country

| Country / Region | Gasoline (lts) | Diesel (lts) | Biodiesel (lts) | LP Gas (lts) | Ethane (lts) | Natural Gas (m³) |
|---|---|---|---|---|---|---|
| Mexico | 43,723,450 | 7,900,713 | 0 | 335,570 | 0 | 0 |
| Brazil | 5,575,185 | 903,462 | 0 | 0 | 4,494,491 | 26 |
| Colombia | 105,152 | 9,336,835 | 0 | 0 | 0 | 0 |
| Southern Cone | 125,719 | 2,283,627 | 0 | 0 | 0 | 0 |
| Andean Region | 325,510 | 1,525,508 | 49,652 | 11,534 | 0 | 0 |
| Central America | 0 | 3,684,579 | 0 | 0 | 0 | 0 |
| Caribbean | 3,373,720 | 15,242,120 | 0 | 111,898 | 0 | 0 |
| US | 5,603 | 0 | 0 | 0 | 0 | 21,144 |
| Austria and Eastern Europe | 546,539 | 8,246,692 | 0 | 195,164 | 0 | 5,283 |
| **Total** | **53,780,878** | **49,123,535** | **49,652** | **654,166** | **4,494,491** | **26,453** |

## Emissions
### (305-1, 305-2)

At América Móvil we constantly monitor the direct and indirect greenhouse gas emissions of our operations. This allows us to take measurements and develop projects aimed at decreasing them. During 2018, our total greenhouse gas emissions added up to 2,335,726 tons of $CO_2e$, almost reaching our 2018 objective of 400,000 tons of $CO_2e$ of direct greenhouse emissions scope 1 and 1,900,000 tons of $CO_2e$ of indirect greenhouse emissions scope 2.

### Greenhouse gas emissions by country or region during 2018

| Country / Region | Scope 1 Direct Emissions (Ton $CO_2e$) | Scope 2 Direct Emissions (Ton $CO_2e$) | Refrigerants (Ton $CO_2e$) | Total Emissions (Ton $CO_2e$) |
|---|---|---|---|---|
| Mexico | 113,579 | 1,172,920 | 557 | 1,287,056 |
| Brazil | 19,086 | 58,064 | - | 77,150 |
| Colombia | 24,912 | 88,744 | - | 113,656 |
| Southern Cone | 5,643 | 169,151 | - | 174,794 |
| Andean Region | 5,626 | 110,075 | - | 115,702 |
| Central America | 9,735 | 114,975 | - | 124,710 |
| Caribbean | 194,613 | 100,350 | - | 294,963 |
| US | 60 | 4,606 | - | 4,666 |
| Austria and Eastern Europe | 25,142 | 117,888 | - | 143,030 |
| **Total** | **398,396** | **1,936,773** | **557** | **2,335,726** |

[1] This number includes renewable energy supplied by local operators, the energy obtained by market operators, and self-generated energy.

## Initiatives to Reduce Emissions, Energy Consumption, and Fuel Consumption

*(302-4)*

**We have corporate initiatives in place whose goal is to reduce our emissions and our energy and fuel consumption, which are implemented across all our operations.**

In addition, each of our operations carries out several initiatives tailored to the particular needs of every country. The following are among our most successful initiatives:

During 2018, **Telcel** implemented the **"Nuevo estándar de enfriamiento en RBS tipo Shelter"**. (New RBS Shelter cooling system). Based on this standard we were able to uninstall 982 HVAC units at 491 base stations, replacing them with sustainable technologies that don't employ R-22 refrigerant gas, thus eliminating 2.9 tons of R-22 gas from our network. The new technologies employ R-407 gas and even use fresh air to ventilate the interior of shelter-type base stations. This reduces the use of traditional cooling compressors that consume large amounts of energy.

In **Brazil** we are currently purchasing energy from the Energy Free Market, which is completely generated by sources certified as renewable, such as water, wind, solar, and biomass. In addition, we are employing renewable energy parks across the country, specifically solar energy, wind, biogas, water, and certified cogeneration.

**A1 Telekom Austria Group improved its energy efficiency by**

## 24%

**between 2017 and 2018. Total energy consumption in 2018 was approximately 810,900 MWh, from an electricity consumption of close to 300,600 MWh, of which 62% was generated using renewable sources.**

The goal of this project is to supply energy to our low-pressure units. We currently have 10 such power stations in operation, and we hope to have 62 by 2019. Likewise, operations in Brazil installed LED lighting in order to reduce energy consumption by 52%.

In 2018, the **Austrian subsidiary** expanded its photovoltaic systems at the **Arsenal A1 Technology Center** in Vienna. In addition, they installed 312 solar panels on approximately 516 m². Among other things, the electricity produced is used to operate the data center and the exchange for fixed-line and mobile networks. Power is estimated to be close to 94 KWp at maximum operation and it is expected that it can produce 90,000 KWh a year, equivalent to the electricity needs of 25 single-family homes. Expansion of the photovoltaic system was partially financed with the revenue from the mobile phone recycling initiative. We also implemented a program making our 240 vehicles available for our employees to share. The goal of A1 Group is to reduce $CO_2$ emissions by 25% by 2030.

At **Telmex México** our goal was to consume a maximum of 1.90 KWh daily per person by 2018, which represents a reduction of 5% with respect to the 2017 goal. Not only did we achieve this goal, but we saved an additional 232,000 KWh.

In **Ecuador**, this year we carried out the initiative to eliminate generators that were no longer needed given that the public network is now supplying electricity uninterruptedly. This resulted in savings of 153,000 liters in our diesel consumption that were formerly used by the network of emergency generators to produce energy.

In **Europe**, employing the latest RAN at the A1 Telekom Austria Group subsidiaries ensures energy efficiency within the company. Accordingly, we are replacing old components as part of the LTE rollout and employing innovative cooling techniques such as aspiration at the point of access, containment of cold hallways, and heat recovery. These systems contribute to reducing electricity requirements by up to 75% compared to conventional refrigeration systems.

In 2018, our operations in **Peru** were granted an environmental management certificate for laying 800 kilometers of fiber-optic cable in protected areas and environmental buffer zones, in the Peruvian jungle. This constitutes the first time a telecommunications company has been granted this certificate. It is a testament to the fact that the investment project did not have a negative impact on the Peruvian Environmental Management System.

Resulting from a **Telmex México** initiative, this year we carried out the **Expo Ambiente 2018** (2018 Environmental Expo), whose goal is to promote environmental awareness among children and young people in the state of Baja California. The central issue of the expo this year was contamination from plastic. Interactive workshops were offered to build products with recyclable materials and the expo also included talks promoting the reuse of plastic waste.

**For the fifth consecutive year, our network in Austria was certified as carbon neutral. It was evaluated and validated by TÜV SÜD based on the international PAS 2060 standard.**

## SingleRAN Project
*(302-5)*

Based on the constant effort of all our operations, we are about to embark on the last stage of the SingleRAN Project. In 2018 we completed the rollout in the majority of our base stations.

The SingleRAN Project has the following results:

- Greater network flexibility and efficiency.
- Better network capacity and coverage.
- A 50% reduction in the space required for the site, a 60% reduction in the weight of the tower, and a 40% reduction in energy consumption.
- Achieving service synergies that will contribute to accelerating the 3G, 4G, and 4.5G expansions.
- Facilitating traffic migration between 2G, 3G, 4G, and 4.5G.

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## Waste

*(306-2, 301-3)*

**Another important goal for América Móvil is to reduce our impact on the environment and to improve the way in which we dispose of the waste we generate, with our preferred methods being repurposing, recycling, and controlled confinement for waste that can later be reclaimed.**

In 2018, we repurposed 3,934 tons of discarded technological waste through different suppliers. Likewise, we generated 4,526 tons of hazardous waste, which we disposed of in accordance to the regulations of the countries where the waste was generated.

### Non-hazardous waste by disposal method by country or region

| Country / Region | Recycled (Tons) | Repurposed (Tons) | Landfill (Tons) | Incinerated (Tons) | Total 2018 |
|---|---|---|---|---|---|
| Mexico | 5,348 | 0 | 50 | 0 | 5,399 |
| Brazil* | 2,114 | 0 | 32 | 0 | 2,147 |
| Colombia | 1,546 | 0 | 117 | 6 | 1,668 |
| Southern Cone | 967 | 0 | 311 | 0 | 1,279 |
| Andean Region | 712 | 250 | 9 | 0 | 972 |
| Central America | 1,021 | 0 | 32 | 0 | 1,053 |
| Caribbean | 1,569 | 0 | 672 | 0 | 2,241 |
| Austria and Eastern Europe | 3,528 | 0 | 797 | 1,244 | 5,569 |
| **Total** | **16,807** | **250** | **2,022** | **1,250** | **20,330** |

*\* A deviation was identified in the sum of non-hazardous recycled waste for Brazil in 2017, the correct figure is 3,074 tons.*

### Disposal of Mobile Phones and Accessories

América Móvil occupies a privileged position; this implies that we have a great responsibility as we are the link between the companies that make mobile devices and the end consumer. In order to collaborate in the adequate disposal of devices, we actively participate in the collection of recyclable equipment.

We offer our consumers ways in which they can adequately dispose of discarded equipment, which we then send to specialized companies or organizations that reuse as many of the components as possible and adequately dispose of anything that can't be recycled or repurposed.

**+99%**
**of the waste generated in Mexico and the Andean Region was recycled,**
**98% in Brazil, 97% in Central America and 93% in Colombia.**

The following are some of the initiatives carried out by our subsidiaries:

In **Peru** we collected and recycled 392.7 tons of Waste Electrical and Electronic Equipment (WEEE) by implementing an awareness plan and partnerships with our stakeholders, including the community, customers, and government entities. This number is three times the annual WEEE's waste management goal established by the Ministry of the Environment.

**Colombia:** By refurbishing 1,042,696 devices (CPEs, corporate, external network and platforms) in 2018 we were able to reduce by 745.4 tons the amount of electric and electronic equipment waste. Because this waste is reintroduced into the useful life cycle, we have prevented international traffic of the 58 40-ft containers that would have been required by the import process, thus generating a reduction in the greenhouse gas emissions (carbon footprint) that would have resulted from transporting them.

At our operations in **Europe**,
**this year we recycled**
**80,386**
**handsets,**
**for a 9% increase with respect to 2017.**
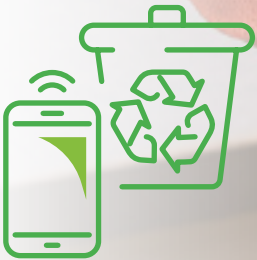
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## Water

At América Móvil we use water mainly for human consumption. There are some cases in which we use water for our operations, such as the Data Center refrigeration systems. In those cases, we use high-efficiency closed cycle systems. Even though water is not a material issue for us, we are attentive to using it responsibly. América Móvil consumes 4,576,650 cubic meters of water.

## Biodiversity
*(304-2, 304-3)*

**One of América Móvil's environmental goals is to contribute to the conservation of biodiversity. To achieve this, we have established partnerships with local governments and associations whose goals are aligned to ours. As a company, we are able to have a positive impact on the environment by integrating mobile technologies into the protection of species.**

Alianza

WWF | FUNDACIÓN TELMEX *telcel*

### Conservation Program for the Monarch Butterflies

Since 2003 the WWF-Telmex Telcel Foundation Alliance has been implementing a Conservation Program for the Monarch Butterflies whose goal is to preserve biodiversity in Mexico, including their migration and hibernation. The program has been successful in, among other things, eradicating clandestine logging, creating sustainable community businesses, protecting and restoring forests, developing an economic strategy as an incentive for conservation, and publishing six scientific articles deemed as the technical basis for managing the Reserve.

Every year we systematically monitor the hibernation of the Monarch butterflies. This year we registered a 144% increase in the area (2.48 hectares) as compared to December 2017.

Since the program's inception, we have reforested more than 13,501 hectares by planting almost 15 million trees produced in 13 community forest nurseries. These were established by the WWF-Telmex Telcel Foundation Alliance and our national and international partners, which continue to maintain them.

**The following are the most relevant achievements of the program:**

- Held the sixth Regional Monarch Butterfly Forum, which is an inter-institutional coordination strategy to address thematic and geographic priorities in the region.

- Sponsored the creation of 8 sustainable forest management programs and 3 community ecological territorial ordinances.

- Established 3 modules for the sustainable transformation of wood based on an infrastructure that can saw down 3,000 cubic meters of wood, generating revenue for 6 million pesos for the agricultural communities that own the land.

- Established a network of 31 mushroom production modules and a module to process and deliver 25,185 bags of inoculated substrate, generating revenue for 2.6 million pesos for the families that produce them.

### Alianza
**WWF** | FUNDACIÓN **TELMEX** *telcel*

- Reinforced tourism-related activities on three farms by furnishing architectural infrastructure, offering training, and supplying equipment to the people who receive visits from 100,000 tourists a month during the hibernation months.

- Put together community brigades to which we donated equipment and offered training and support in the process to certify them in the environmental collaborative oversight of 39 farms that protect more than 43,600 hectares of forests in the Monarch region.

- Offered environmental awareness training to 40,604 people by means of workshops, puppet shows, radio messages, and a museum exhibit.

Managed the "Concurrent Funds" strategy with the economic incentives of the Monarch Fund and paid for CONAFOR's Hydrological Environmental Services, benefiting 35 out of the 38 properties located on the nucleus of the Reserve, with an additional investment of 58 million pesos over a 10-year period. The Monarch Fund has invested 37.6 million pesos since 2003.

## Program to Protect Jaguars

We have been implementing the Program to Protect Jaguars for 13 years, in partnership with the National Alliance for the Conservation of Jaguars and the WWF-Telmex Telcel Foundation Alliance. The goal of the program is to promote and spearhead projects that contribute to the environmental policy and establish a link between different sectors in society to ensure the preservation of jaguars, their prey, and their habitats in Mexico.

**The following are the most relevant achievements of the program:**

- Held the forum entitled *El Jaguar Mexicano en el Siglo XXI* (The Mexican Jaguar in the 21st Century), with the participation of experts from all over Latin America to assess the living conditions of jaguars across the Continent. We have held this forum uninterruptedly for 12 years.

- Created the Jaguar protection centers known as *Centros de Resguardo de Jaguar* (RESJAGUAR) and built the first site in Oaxaca. These are spaces allocated exclusively to rehabilitating and temporarily safeguarding jaguars who could potentially be liberated at a later date or, if not, kept in captivity at other places.

- Identified 57 biological corridors across Mexico to ensure connectivity between jaguar populations.

- In 2018, we held the "International Symposium on the Ecology and Conservation of Jaguars and other Neo-tropical Felines" in Cancun. Experts from 22 countries participated in the event that showcased the work done by researchers, students, and members of civil society about the jaguar and other neo-tropical felines.

- Formed the *Alianza Latinoamericana para la Conservación del Jaguar* (Latin American Alliance for the Conservation of Jaguars), with the participation of at least 60 academics and conservation experts, to address issues by means of a Continental Alliance. The goal is to connect study strategies that ensure the conservation of jaguars, their prey, and their habitat for the long-term.

- In order to create greater awareness of the importance of protecting jaguars and to establish a closer relationship with indigenous communities, we produced posters in eight indigenous tongues about the condition of the jaguars, their prey and habitat.

Alianza

WWF | FUNDACIÓN TELMEX telcel

## Conservation of Marine Species in the Sea of Cortez

2018 marks the tenth anniversary of the Conservation of Priority Marine Species in the Sea of Cortez Program. This program, in which we collaborate with the WWF-Telmex Telcel Foundation Alliance, is the only one in the Gulf of California that focuses on 15 marine species that are either threatened or in danger of extinction, divided into three large groups: whales, marine turtles, and sharks.

The work done in the framework of this program includes putting together groups of leaders and experts in research and conservation, fostering science in the region, and promoting adequate handling and protection of the different species and their habitats. Work is being done on three strategic fronts: (1) science and research, (2) conservation and management, and (3) environmental communication and education.

The program also offers training programs to related stakeholders and implements an awareness program for Middle and High School students across the country.

- The number of gray whales at the San Ignacio lagoon has been deemed stable since 2011. By continually monitoring gray whales, the program is able to use the species as an indicator of the effects of climate change.

- Satellite tracking of gray whales proves there is a connection between the three reproduction and rearing zones in the Baja California peninsula.

Alianza

WWF | FUNDACIÓN TELMEX telcel

- Updated the gray whale, hunchback whale, and orca population catalogues to identify individuals, understand their site loyalty, and estimate their populations. The program has identified 7,500 gray whales, 6,000 hunchback whales (40% of the population in the Eastern Pacific), and 300 orcas.

- Sponsored 21 students who are getting their Bachelor's, Master's, and Doctorate degrees in studies related to marine mammals in the Gulf of California and the Mexican Pacific Ocean.

- Collaborated as well in organizing meetings of the *Sociedad Mexicana de Mastozoología Marina* (Mexican Marine Mammalogy Association) during which, every two years, researchers and students nationwide meet to present their studies and exchange ideas.

- Published the first marine mammal guide for the Gulf of California, in Spanish.

- Created photo identifications of 233 individuals in the area of Los Cabos during the 2018 census. Constantly monitored hunchback whales at Los Cabos enables authorities to generate the zoning criteria for the shelter.

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- Carried out the first study on contamination from micro plastics in fin whales in the Gulf of California. The study indicated that phthalate levels are low compared to those in fin whales in the Mediterranean. However, it found high concentrations of chemical compounds used by the construction and electric equipment industries.

- Designed a protocol to monitor cetaceans in the Gulf of California and expanded the reach of the *Comisión Nacional de Áreas Naturales Protegidas*, CONANP, (National Protected Areas Commission) in relation to marine mammals.

- Signed an agreement to coordinate efforts and promote research in Protected Natural Areas (PNA) in the Gulf of California and the Mexican Pacific ocean.

- Produced informational materials on species of whale (gray and hunchback) and a poster describing monitoring rules based on Mexican norm NOM-131-SEMARNAT.

**The following are the most relevant achievements of the program with respect to sharks:**

- Established the first Mexican research group for tagging sharks, with the participation of 20 researchers from five national institutes. To date, 158 sharks from 12 species have been tagged, and 36 stations have been installed in Northwestern Mexico.
- Created photo identifications for 147 white sharks and 512 whale sharks and placed acoustic tags on 58 individuals.
- Placed more than 20 acoustic receptors, 63 acoustic transmitters, and 110 satellite tags on sharks, turtles, and whales to determine their migratory routes and destinations as well as behavioral patterns, loyalty to specific sites, and connectivity between areas.
- Trained 500 fishermen and expert scientists on the conservation and management of whale sharks and white sharks.
- Offered training to 70 tourism service providers on how to apply rules to view the species and transit in the area.
- Created a shelter for whale sharks in the La Paz bay. Participated in the creation of Official Mexican Standard 171 for swimming with whale sharks.
- Published the first book on the white shark in Latin America, in Spanish.
- Obtained the first results of the GPS device placed on 85 vessels that are authorized to take tourists to view whale sharks and swim with them. A total of 45,041 passengers in 6,928 trips have participated in this activity.
- Collaborated with CONANP in developing a Risk Management Manifest (MER for its acronym in Spanish) for the hammerhead shark enabling the authority to include this species in the new version of official norm NOM-059-SEMARNAT (Mexican red list) to contribute to its protection.
- Placed acoustic tags on 17 bull sharks in the Cabo Pulmo National Park (PNCP for its acronym in Spanish), in addition to other tags.
- Placed satellite and acoustic tags on six giant manta rays at PNR.
- Created photo identifications for 15 giant manta rays. These are the first manta rays to be tagged and identified after 15 years of absence from the site.

**The following are the most relevant achievements of the program with respect to turtles:**

- Designed and developed a collaborative strategic plan to reduce the incidental capture of yellow turtles in the Gulf of Ulloa, in collaboration with 16 government entities and civil society organizations.
- Placed satellite tags on eight hawksbill sea turtles.
- Sponsored the protection of a 200-kilometer stretch of nesting beaches for three species of turtle in Los Cabos, liberating approximately 100,000 offspring every year, particularly olive ridley sea turtles.
- More than 10,000 people participated in the marine turtle and shark conservation festivals in six communities in the state of Baja California Sur and one in Sinaloa.
- Held awareness campaigns on the whale shark and white shark in the Pacific Aquarium at Long Beach, California, with the participation of more than 5,000 people.
- Performed the first climate change study in nesting areas by placing 156 thermal-sensors in 12 nesting beaches.

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## Nature at Your School (La Naturaleza en tu Escuela) Program

This very successful program of the WWF-Telmex Telcel Foundation Alliance has been operating since 2014. Its goal is to create awareness among Mexican students of the need to protect vulnerable species and their habitats. Through presentations made by scientists and the Alliance's spokespersons, students are asked to create a collaborative work of art. The most representative works are put on exhibit at the Soumaya Museum and the most outstanding students are invited to visit the field research programs.

Each edition of the Nature at Your School program has focused on a different species. The 2018 edition was entitled **"Escúchame"** (Listen to me) and was centered on hunchback whales. The program visited 16 states; 16,000 students from 147 schools participated. This year, the program's website received more than 25 million visits in one week, making it the week with the highest number of votes ever.

Every edition of the program, in collaboration with personnel specialized in teaching, technology, communication, and environmental education, has designed and published the following digital and printed informational materials:

- Micro-site to exhibit the works and vote, hosted on the lanaturalezanosllama.com website.
- The "Para saber más" (To know more) document.
- Pamphlet with information on the species.
- Art catalogue of the exhibit in the Soumaya Museum, with photographs and curator information on the works.
- A teacher's guide with academic competencies, didactic sequences, and teaching methodology.

- A student's guide, including the same elements as the teacher's guide and a self-evaluation format and collaboration model.
- Insert on the specifications of each work.
- Presentation for the exhibit session.
- Illustrative videos for the presentation.
- Invitational videos, documentaries, and a video memoir of each stage.
- A traveler's guide for expeditions.
- Press releases, key messages, and Q&As for press conferences.

Winners of the 2018 edition of the Nature at Your School Program were:

- **Winners:**
  - María Fernanda Moreno Moreno
  - Ana Karen Hernández Jacinto
  - Carmen Montserrat Granados Gómez
  - Jessica Michelle Mesa Arias

- **Title of the work:** Mushu y Akira al rescate de su especie (Mushu and Akira to the rescue of their species)

- **School:** Preparatoria Oficial 126 de Cuautitlán Izcalli

# Uploading Quality of Life

At América Móvil the products, services, and solutions we offer our customers help them enjoy benefits that can produce a better quality of life such as the reduction in the need to move around resulting from the services offered by mobile devices, or the health services we host on the cloud. Accordingly, we are constantly working to be able to offer state-of-the-art products and services that directly impact the quality of life of our clients and society as a whole.

# Innovation

**The world is currently undergoing a digital transformation which allows for better connectivity, both between people and between devices. This transformation is known for offering increasingly more benefits in our private and professional lives.**

At América Móvil we are working constantly so that our infrastructure, products and services are able to incorporate such a transformation. Likewise, we are making preparations for future requirements of communication technologies, such as the 5G network, the Internet of Things (IoT), or new cloud-based services.

**A quick look at mobile communications technologies**
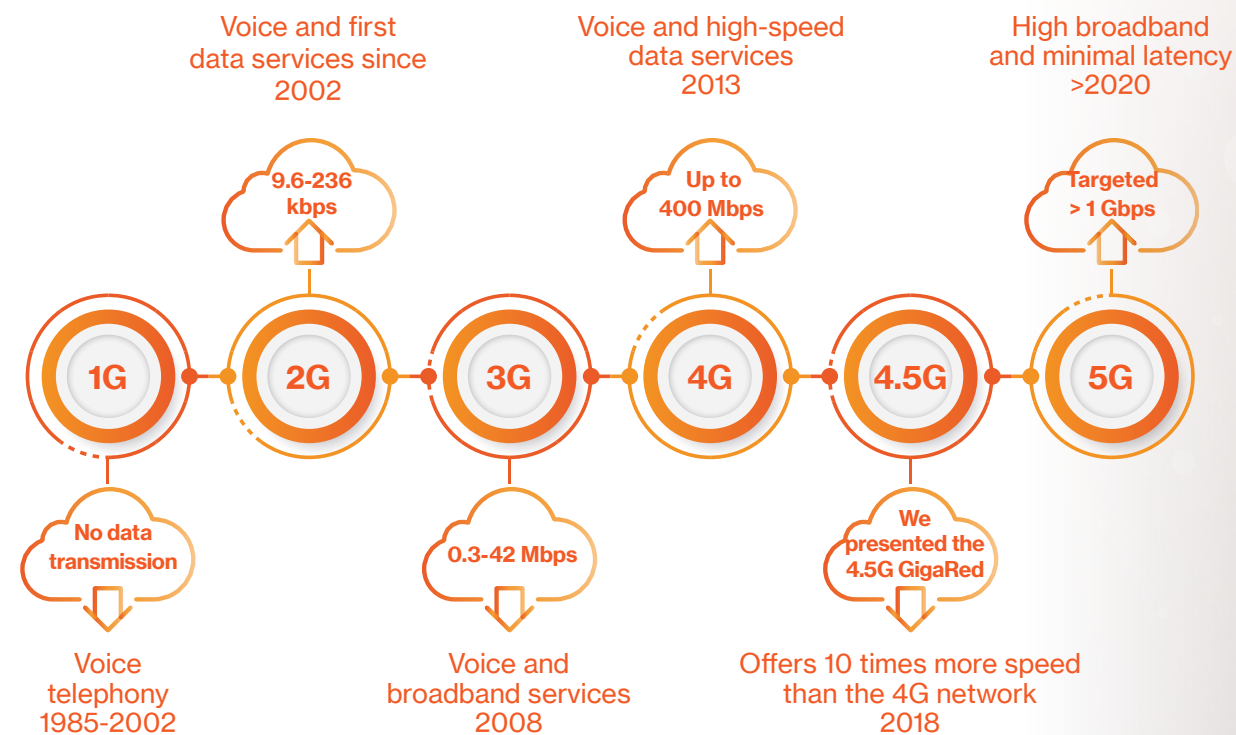
Voice and first data services since 2002

Voice and high-speed data services 2013

High broadband and minimal latency >2020

9.6-236 kbps

Up to 400 Mbps

Targeted > 1 Gbps

1G   2G   3G   4G   4.5G   5G

No data transmission

0.3-42 Mbps

We presented the 4.5G GigaRed

Voice telephony 1985-2002

Voice and broadband services 2008

Offers 10 times more speed than the 4G network 2018

**In order to be prepared internally for new market requirements, we constantly allocate resources to research and develop new procedures, products, and services.**

To achieve this, we are incorporating the Agile methodology in some of our work processes and teams. This methodology is based on the principle that interaction between people within an organization, particularly as part of a work team, is crucial because it promotes constant collaboration with customers and end users of the product or service by identifying needs, streamlining response times, and making the planning process more flexible and adaptive as the project progresses. Accordingly, we are forming multi-functional teams to remain at the cutting-edge of our industry and meet changing market needs.

All our subsidiaries are working tirelessly on innovation and continuous improvement topics and have made great strides and accomplished important goals, among which the following are worth noting:

At **Telmex México** we are carrying out an innovation process based on business cases about how to project customer needs. This has resulted in improvements in key divisions such as design, sales, market research, and finances. Likewise, this year we introduced 19 innovative services, basically related to wireless business connections, managing bases, optimizing sites, Customer Relations Management (CRM), cyber-intelligence, and cloud security, among others.

**Also at Telmex México**, this year we started to generate automatic reports on the progress accomplished in different projects that can be communicated online. This allows all parties involved to have a clear understanding of the status of any project under development in real time.

**In Colombia and Europe** we created a channel in which all employees can participate in processes having to do with innovation, cost reductions, areas of improvement, new products or services, and business models, among others.

**In Chile** this year we implemented innovations in the development of apps, devices, and services. One such example is the Alkueli Watch, which started out as a smart watch to read the state of mind of children on the Autism spectrum. It has since been complemented with an app that helps doctors follow the patient's progress. The information is also relayed to parents and tutors on their smartphones. Furthermore, the watch sends the child rewards and stimuli in the form of images and pictures developed by specialists. The system integrates other toys that interact with the watch and the app.

**In Ecuador**, innovation projects for the year included improvements in the collect-call service and in the process to sell devices on the digital store, among others. Innovations were also made in direct-to-customer sales, such as MB packages, new plans for Soccer TV, and sales of accessories.

In order to constantly improve our customer service, and to move on from simply being a store that sells handsets to a convergent business center, **in Ecuador** we are implementing several innovations at our Customer Service Centers, which include offering technological, the Internet of Things (IoT), mobile, and fixed-line solutions, among others. This has enabled us to increase sales of mobile services by 25% and by 300% in IoT services at the Dorado Customer Service Center known as *Casa Conectada* (Connected Home).

**In Europe**, during the year we marketed the movement analytics, smart houses, TV advertising analytics, cash records, and ad orientation projects.

Likewise, we are implementing the "Empowering Ideas" program, that promotes entrepreneurship among our employees by offering them the opportunity to explore their ideas without incurring in a financial risk. The winning project for 2018 was called "Offensity". It consists of a protection package for small- and medium-sized companies against cyber-attacks.

**In order to share with others information on América Móvil's innovation processes, we collaborate with internationally renowned education institutes.**

**In addition, we sponsor entrepreneurship to promote project management capabilities for newly formed companies.**

## Internet of Things (IoT)

**Our lives have changed in ways we never could have imagined, because of technological advances. We now communicate in different ways, and the way in which we buy things, use transportations, and even how we work have also changed. To address these changes, cities have had to modernize themselves and upgrade their telecommunications networks.**

This new digital era has transformed us into a transactional society in which all processes and economic and social activities have gradually become more automated. Every day it appears as if those technologies that make our activities easier are more readily available for everyone.

By employing a mobile device we are now able to carry out a series of tasks that a while ago were unimaginable, such as having food delivered to our homes or making our supermarket purchases from home, asking for transportation by means of an app, monitoring our health, and sharing data with our doctor without having to visit his office. These are just a few examples of the many things we can do from our smartphones.

Just five years ago we would have been unable to do any of these things. We couldn't even imagine then how much we would be able to do. Today, these are all indispensable things and we can't imagine living without them. In the same way in which we witnessed these technological advances over the past five years, we will see even more progress over the next five years in technologies aimed at making our daily lives easier and improving our cities.

**Responding to this vision and commitment, in 2018 we were the first to launch the 4.5G Network in the majority of our operations, offering higher speeds and better connectivity to millions of users.**

The evolution in technology has generated a growth in connectivity and data traffic worldwide. According to Cisco's data, in 2020 there will be 4.5 billion internet users and 50 billion connections. Additionally, each time a new device is connected, such as a car or a television, potential connections will grow by another 50 billion, since each object has the ability to interact with the others. Likewise, in 2022 there will be 29 million devices all over the world connected to the internet, of which 18 million will be devices associated with the Internet of Things (IoT).

At América Móvil we are aware that the challenge of constant reality changes in our industry, is centered on a continuous modernization of our physical infrastructure. Furthermore, in order to accompany our industry, cities, and people in the digital transformation, we must be able to develop new digital services and solutions.

We will continue to allocate our efforts and resources to this commitment. In 2019 we will invest

# 169 billion pesos

in reinforcing our fiber-optic cable and our regional infrastructure.

It is at this new digital ecosystem that, among others, the IoT, cloud-based services, Big Data services, information analytics, e-commerce, Over the Top (OTT) services, and Artificial Intelligence, all converge. For them to work well, they have to be connected at all times and latency needs to equal zero. This is why it is crucial that we have enough capacity and the necessary infrastructure for our network to serve the transaction volume and data traffic that this demands.

Beyond that, we are working on expanding our offering of proprietary services and solutions in order to continue the transformation process from a traditional telecommunications company to one that offers its own unique products and services for the new digital era.

All the challenges, opportunities, trends, changes, and advances being faced by our industry because of the technological evolution and the demand for a digital transformation in every city in the world, will be part of the debate and discussion of the next edition of Mobile360 Latin America which will be held in Mexico on June 4-6, for which América Móvil is once again the Host Sponsor.

At América Móvil we strive to contribute to the path that digital transformation in Latin America will take. The goal is to achieve development in our nations, to narrow the digital divide, and to have an impact on achieving a better quality of life for the inhabitants of the region by offering them smart solutions that will provide them with greater safety, comfort, and productivity.

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## Health Services

**Health Services is among the areas in which technology and telecommunications can have a major impact on the quality of life for people. Fully aware of this, at América Móvil we allocate resources to projects that will enable people in the communities where we operate to enjoy these benefits.**

In **Colombia** we are implementing the **MiDoctor** (MyDoctor) program through which more than 2,000 doctors with different specialties are available to offer virtual medical consultations, without the need for our mobile service subscribers to have a credit card.

In **Chile** we developed the **Kommandant app**, which allows users to create a fast and efficient record of the firefighters responding to an emergency by placing fire-resistant IoT tags on their uniforms. These tags transmit information such as how long firefighters have been handling the emergency, how much oxygen they have left, what tasks they have handled, and other such data. The information is reviewed in real time by the event supervisor, allowing him or her to make decisions in a timely manner.

In **Austria**, we developed the **Medical Data Network** which connects doctors, hospitals, labs, and other medical institutions in order to share updated and timely information.

In **Mexico** we implement the **Sistema Integral de Información en Vacunas SIIVAC** (Comprehensive Vaccine Information System). This is a digital vaccine system to help people who are applying vaccines in the field. The system identifies and monitors children in Mexico who have been vaccinated and offers timely and reliable information that aids in the decision-making process. The goal of the information system, which was developed in collaborations with the Carlos Slim Foundation, is to provide timely and real information on the coverage of the Mexican vaccination system in order to focus efforts better and to complement the vaccination program for the population as a whole. This will enable people to receive the highest number of vaccines possible, depending on their own personal needs.

The system includes a symptom surveillance capability, which consists of a continual and systematic collection, analysis, and interpretation of disease-related data in order to assess the current health of the population and opportunely identify an outbreak or epidemic in order to intervene and control it.

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The SIIVAC includes:

- An Electronic Vaccination Record (CEV for its acronym in Spanish) which compiles, manages, and monitors every child's adherence to the National Vaccination Program and includes the information in the National Record. It also manages the Protégelos (Protect Them) app, whose goal is to integrate into the CEV all vaccines offered by the private health sector in Mexico. The CEV has been implemented in 17 Mexican states.

- The free VacunAccion app, whose goal is to offer adequate and sufficient information on vaccines, allowing people to make educated decisions in this regard. The app enables parents to monitor their children's vaccine schedule from their handsets.

To date, SIIVAC has records for more than

# 1,207,000 children

**five years of age or younger and operates in 3,599 health units with 7,039 people in charge of applying vaccines.**
**It also has detailed information on more than**
**17.4 billion doses of vaccines that have been applied.**

The goal of the **CASALUD Strategy**, created by the Carlos Slim Foundation, is to address one of Mexico's main public health problems, particularly among low-income populations, by opportunely identifying chronic illnesses including diabetes, high blood pressure, and obesity. It achieves this by re-engineering prevention and first-contact health services processes.

The CASALUD Strategy operates in partnership with the Mexican Health Ministry and state governments, as part of the National Strategy Against Diabetes, Overweight, and Obesity. Its main measures include: proactive prevention, continued and quality medical attention for chronic diseases, monitoring supplies, ensuring the availability of medications and lab exams, training the health team, and managing the operations.

The strategy is centered on the person and is supported by a series of Digital Health tools. The MIDO Proactive Prevention Strategy focuses on taking metrics for opportune detection and evaluates, in a systematic and comprehensive manner, risks such as obesity, high blood pressure, diabetes, dyslipidemia, and kidney disease. It also helps identify patients before they get sick, as it bases its proactive evaluation on a preventive approach. It includes:

- **The MIDO Module and the MIDOv4.0 online system**, aimed at proactively preventing disease through modules installed in health units and public places that help detect chronic diseases in a timely manner. It does so by making a personalized classification based on intelligent algorithms through which up to 21 different profiles can be identified by risk factors, offering immediate feedback, whether in person or by digital means.

- **MIDO v4.0 Information System.** This innovative digital platform has been enriched with Big Data elements which make it easier to identify in a specific and immediate manner up to 21 different risk profiles based on responding to a questionnaire and taking basic measurements. The system can also include people who are already undergoing treatment.

- **MIDO at School** is a specific algorithm used to detect risk factors and nutritional disorders in children 5 years of age and older, which has been implemented in collaboration with the Mexican Ministry of Health and Ministry of Education in the framework of the Health at Your Schools strategy.

- **MIDO Pregnancy** offers the required evaluation of pregnant women who are at risk of developing high blood pressure, gain excessive weight, or develop diabetes, by employing a series of tools and sophisticated algorithms.

For more information on this program please visit the following website:
https://www.salud.carlosslim.org/innovacion/vacunologia/

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In addition to all this, we have developed mobile apps and solutions aimed at assuming responsibility for one's own health and for self-care, such as: My Health Coach, Triumph over Diabetes, Children Growing Up Healthy and Smart, and the *Observatorio Mexicano de Enfermedades No Transmisibles*, OMENT (Mexican Observatory of Non-Transmissible Diseases).

There are several technological tools that support the CASALUD Strategy:

- **La Cédula de Estructura de Unidades de Salud y UNEMES** (Structure Record of the Health Units) is an online platform that enables the user to see the state of a Health Unit's infrastructure to handle chronic diseases. It has 6 components: 1. General information on the Unit, 2. Medications, 3. Lab, 4. Equipment, 5. Connectivity and 6. Health Personnel operating the unit.

- **PIEENSO Plataforma Interactiva de Educación En Salud Online** (Interactive Online Health Education Platform) offers training for the team operating the strategy with content adapted to five different profiles: 1) doctors, 2) nurses, 3) nutritionists, psychologists, health promoters, 4) technicians, auxiliaries, and 5) administrative staff. They offer this through the Course on Preventing and Caring for Chronic Diseases and the Certification on Diabetes Competencies, both backed by renowned national and international universities and institutions.

- **AbastoNET** online platform to monitor the availability of medications and lab inputs. This is achieved by sending daily notifications on prescriptions that have not been filled and lab tests that have not been performed, as well as by issuing automatic scarcity reports.

**The CASALUD Strategy has been recognized by Deloitte as one of the top ten most innovative models used to detect chronic illnesses worldwide.**

- The **Portafolio Digital de Salud** (Digital Health Portfolio) is an interactive compilation of support tools that reinforce the work done by health professionals and improve the quality of care that includes a selection of practical clinical guidelines, a portable electronic medical record and a Vademécum. It is available on: the internet, an Android app, and download.

- **REVISO (Reunión Virtual de Seguimiento de la Operación)** (Virtual Meeting to Follow-up on Operations) whose goal is to strengthen the way in which the Ministry of Health manages the health system. Measures include promoting coordination and communication with and within the state health systems; standardize and automate the operation of the program and its processes; exchange best practices both in operation and in management; and inform and communicate.

**The CASALUD Strategy has been implemented in 27 Mexican states. Currently, CASALUD operates at 12,489 first-contact Health Units nationally and monitors 1,806,739 patients diagnosed with a chronic disease.**

## Accessibility

**Given that inclusion is a priority for América Móvil, every year we make an effort to make our communications channels more accessible to all.**

According to data of the *Instituto Nacional de Estadística y Geografía*, INEGI (National Institute of Statistics and Geography), in an estimated 6.1 million homes, out of the total 31.5 million homes in Mexico, there is a person with a disability (19 out of 100). Of these, almost half (49.4%) are living in poverty. The web and information and communications technologies have consolidated as an effective tool to help people with disabilities enjoy their human rights and basic freedoms. Support and assistance technologies operate as a means to balance opportunities for disabled people.

Because we are convinced that connectivity generates empowerment and helps narrow the inequality gap, at América Móvil we have worked on having websites that are accessible to all.

To achieve this goal, we participate in the Web Accessibility Initiative whose goal is to develop strategies, guidelines, and resources that will help implement accessible websites for people with hearing, cognitive, neurological, physical, visual, or language disabilities, through assistance technologies. The initiative was launched by the World Wide Web Consortium (W3C), an international community that develops open standards to ensure the long-term growth of the internet.

**Accessible technology is a Human Right established in the 2008 Convention for the Rights of Persons with Disabilities signed by**

# 173 countries.

The initiative also benefits people who are browsing the internet with other devices designed for seniors, people with temporarily-reduced capacities, or people with slow internet access or who live in remote areas.

We make sure that everyone can have access to content published on our americamovil.com, telcel.com, and telmex.com websites. Web accessibility implies that people with disabilities, the elderly and/or people who are not familiar with the internet are able to use and browse these websites with the same effectiveness than the rest of the population.

These websites comply with or surpass the requirements established by the Web Content Accessibility Guidelines 2.0 Level A. We have also been Level A certified by an external verifier, and we will work on permeating these efforts to the rest of the websites of our subsidiaries.

Our websites include the following features:
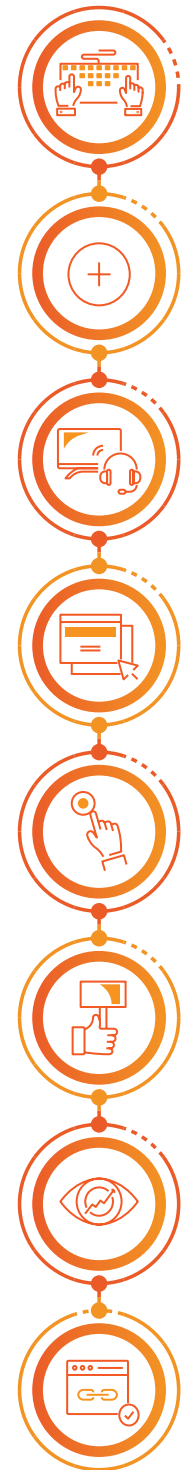
- Keyboard access to links to the main content of each site.

- Option to change text size in every page.

- Every image used can be replaced by an explanatory text.

- Use of headings that represent the structure of the website.

- All hyperlinks are explicit and self-explanatory.

- We have implemented an alternative mechanism in case a device is not able to run Java Script or any other script in our website.

- We have made sure that text color and the backdrop have the necessary contrast for easy reading.

- We have used the Cascading Style Sheet to control how the pages are shown.

In December 2018 we offered a **workshop on accessibility of digital content in which**

**65**

**América Móvil employees participated.**

The goal of the workshop was to create awareness on disability issues, highlight the importance of digital accessibility, and for the trainees to understand what disability-assistance technologies are available and how to create accessible files.

Employees were selected based on the role they play in generating documents for our website, thus ensuring that all content is accessible from the moment it's created. Accordingly, at the end of the course we provided a series of guidelines to reinforce the lessons learned, which are available for consultation when the need to create accessible files in different formats arises.

**In Croatia we provide mobile phones to people with sight disabilities which have a larger screen and a simplified navigation menu.**
In addition, SMS and chat messaging capabilities benefit deaf people.
**Responding to this fact, our subsidiary in Belarus offers a reduced special fee for people with auditory disabilities.**

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## Information and contact

If you wish to share with us your opinion on the contents of this report, please contact us via any of the following channels:

**E-mail:**
contacto-rse@americamovil.com
Phone number: +52 (55) 2581 3700 ext. 1097
Website: http://www.americamovil.com

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## Associations in which we participate
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**We are members or national and foreign associations and organisms that support our industry or in some way benefit society.**

| América Móvil |
| --- |
| Groupe Speciale Mobile Association (GSMA) |
| United Nations Global Compact |
| International Telecommunication Union (ITU) |
| 5G Américas |
| Asociación Inteamericana de Empresas de Telecomunicaciones (ASIET) |

| Argentina |
| --- |
| Cámara de Comercio Argentina Mexicana (CCAM) |
| Cámara de Informática y Comunicaciones de Argentina (CICOMRA) |
| Cámara Argentina de Internet (CABASE) |
| Cámara de Comercio de los Estados Unidos en Argentina (AMCHAM) |

| Austria |
| --- |
| Next Generation Mobile Networks Alliance |
| respACT |
| ETNO |
| GSM Memorandum of Understanding |

| Brazil |
| --- |
| Associação Brasileira de TV por Assinatura |
| Associação Brasileira de Recursos Telecom |
| Associação Nacional de Operadores de Celulares |
| Conselho de Desenvolvimento Econômico e Social |

| 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) |

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| 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 Dominico 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 |

*\* Panama does not belong to any Association.*

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# GRI Content Index

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|---|---|---|---|
| | **GRI 102: GENERAL STANDARD DISCLOSURES 2016** | | |
| 102-1 | Name of the organization | 6 | |
| 102-2 | Activities, brands, products, and services | 8 | |
| 102-3 | Location of headquarters | 6 | |
| 102-4 | Location of operations | 6 | |
| 102-5 | Ownership and legal form | 25 | |
| 102-6 | Markets served | 8 | |
| 102-7 | Scale of the organization | 10, 33 | |
| 102-8 | Information on employees and other workers | 33 | |
| 102-9 | Supply chain | 44 | |
| 102-10 | Significant changes to the organization and its supply chain | | There were no significant changes in the supply chain |
| 102-12 | External initiatives | 23, 72 | |
| 102-13 | Membership of associations | 98 | |
| 102-14 | Statement from senior decision maker | 3 | |
| 102-15 | Key impacts, risks, and opportunities | 24 | |
| 102-16 | Values, principles, standards, and norms of behavior | 12 | |
| 102-17 | Mechanisms for advice and concerns about ethics | 29 | |
| 102-18 | Governance structure | 19 | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| 102-19 | Delegating authority | 19, 25 | |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | 19 | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | 18 | |
| 102-22 | Composition of the highest governance body and its committees | 25 | |
| 102-23 | Head of the highest governance body in setting purpose, values, and strategy | 25 | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| 102-24 | Nominating and selecting the highest governance body | 25 | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| 102-25 | Conflicts of interest | 25 | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| 102-26 | Role of the highest governance body in setting purpose, values, and strategy | 19 | |

| Standard Number | Disclosure | Page | Reference |
|---|---|---|---|
| 102-29 | Identifying and managing economic, environmental, and social impacts | 18 | |
| 102-31 | Review of economic, environmental, and social topics | 18 | |
| 102-32 | Highest governance body's role in sustainability reporting | | Is reviewed by the Sustainability Committee |
| 102-35 | Remuneration policies | 25 | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| 102-36 | Process for determining remuneration | 25 | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| 102-40 | List of stakeholder groups | 21 | |
| 102-41 | Collective bargaining agreements | 33 | |
| 102-42 | Identifying and selecting stakeholders | 14 | |
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| 102-44 | Key topics and concerns raised | 21 | |
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| 102-52 | Reporting cycle | 2 | |
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| 102-54 | Claims of reporting in accordance with the GRI Standards | 2 | |
| 102-55 | GRI content index | 100 | |
| 102-56 | External Verification | 104 | |
| **GRI 201: ECONOMIC PERFORMANCE, 2016** | | | |
| 201-1 | Direct economic value generated and distributed | 10 | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 24 | |
| **GRI 203: INDIRECT ECONOMIC IMPACTS, 2016** | | | |
| 203-1 | Infrastructure investments and services supported | 9 | |
| 203-2 | Significant indirect economic impacts | 62 | |

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| Standard Number | Disclosure | Page | Reference |
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| **GRI 204: PROCUREMENT PRACTICES, 2016** | | | |
| 204-1 | Proportion of spending on local suppliers | 44 | |
| **GRI 205: ANTI-CORRUPTION** | | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 29 | |
| **GRI 206: ANTI-COMPETITIVE BEHAVIOR, 2016** | | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices. | | Additionally, the 20F Form is available at: https://www.americamovil.com/Spanish/relacion-con-inversionistas/informes-financieros/reportes-anuales/default.aspx |
| **GRI 301: MATERIALS, 2016** | | | |
| 301-3 | Reclaimed products and their packaging materials | 80 | |
| **GRI 302: ENERGY, 2016** | | | |
| 302-1 | Energy consumption within the organization | 76 | Additionally, view the independent assurance appendix |
| 302-4 | Reduction of energy consumption | 78 | |
| 302-5 | Reductions in energy requirements of products and services | 79 | |
| **GRI 304: BIODIVERSITY, 2016** | | | |
| 304-2 | Significant impacts of activities, products, and services on biodiversity | 81 | |
| 304-3 | Habitats protected or restored | 81 | |
| **GRI 305: EMISSIONS, 2016** | | | |
| 305-1 | Direct (Scope 1) GHG emissions | 77 | Additionally, view the independent assurance appendix |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 77 | Additionally, view the independent assurance appendix |
| **GRI 306: EFFLUENTS AND WASTE, 2016** | | | |
| 306-2 | Waste by type and disposal method | 80 | Additionally, view the independent assurance appendix |
| **GRI 307: ENVIRONMENTAL COMPLIANCE, 2016** | | | |
| 307-1 | Non-compliance with environmental laws and regulations | | No significant fines were reported in environmental issues |
| **GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT, 2016** | | | |
| 308-1 | New suppliers who have passed certain assessment and selection filters based on environmental engagement criteria. | 44 | |
| **GRI 401: EMPLOYMENT, 2016** | | | |
| 401-1 | New employee hires and employee turnover | 33 | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 36 | |
| **GRI 403: OCCUPATIONAL HEALTH AND SAFETY, 2016** | | | |
| 403-2 | Work-related injuries | 43 | Additionally, view the independent assurance appendix |

| Standard Number | Disclosure | Page | Reference |
|---|---|---|---|
| **GRI 404: TRAINING AND EDUCATION, 2016** | | | |
| 404-1 | Average hours of training per year per employee | 38 | Additionally, view the independent assurance appendix |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | 38 | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 37 | |
| **GRI 405: DIVERSITY AND EQUAL OPPORTUNITY, 2016** | | | |
| 405-1 | Diversity of governance bodies and employees | 33 | |
| **GRI 408: CHILD LABOR, 2016** | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | 44 | |
| **GRI 409: FORCED OR COMPULSORY LABOR** | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 44 | |
| **GRI 412: HUMAN RIGHTS ASSESSMENT, 2016** | | | |
| 412-2 | Employee training on human rights policies and procedures | 29 | |
| **GRI 413: LOCAL COMMUNITIES, 2016** | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | 69 | |
| **GRI 414: SUPPLIER SOCIAL ASSESSMENT** | | | |
| 414-1 | New suppliers who have passed certain selection filters based on social engagement criteria | 44 | |
| 414-2 | Negative environmental impacts in the supply chain and actions taken | 44 | |
| **GRI 419: SOCIOECONOMIC COMPLIANCE, 2016** | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic arena | | Claro Brazil paid a significant fine (more than USD$100,000) for complying with the legal fee related to hiring people with disabilities by the company. |
| **INFORMATION SECURITY** | | | |
| | Countries with a Certified Safety Management Systems | 56 | |

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# Verification Letter

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**VALORA**

**Independent Review Report to the Management of América Móvil S.A.B. de C.V.**

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails)

We were required by the Management of América Móvil S.A.B. de C.V. (hereinafter América Móvil) to provide a limited level of assurance about the content of the 2018 Sustainability Report (hereinafter "Report"), prepared according to the contents proposed in the Global Reporting Initiative Standards (hereinafter "GRI Standards").

**Management responsibilities**

The Management of América Móvil was responsible of the preparation and presentation of the Report, according to the "core" option of the GRI Standards.

These responsibilities include establishing such controls as management determines are necessary to enable the preparation of limited assurance contents that are free from material misstatement whether due to fraud or error.

**Our responsibility**

Our responsibility consisted in providing a limited assurance level of the content of the Report with regard to contents included in the GRI Standards.

To ensure that the verification process accomplishes with the ethical requirements necessary to ensure the independence of our work as auditors of non-financial information, the review has been performed according to the Standard ISAE3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). This standard requires that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement.

The scope of evidence gathering procedures performed in an engagement with a limited assurance level is less than the one performed in an engagement with a reasonable assurance level and therefore also the level of security provided. This report must not be understood as an audit report.

The actions carried out to perform the review are based on our professional judgement and included interviews, documentation review, analytical procedure and sampling review tests that, in general terms, are described below:

- Interviews with América Móvil's management and staff responsible for providing the information contained in the "Report".
- Analysis of gathering processes and internal controls performed over quantitative data reflected in the Report regarding the reliability of information, using analytical procedures and sampling review testing.
- Review of the implementation of the requirements set forth in the GRI Standards.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of América Móvil.

We detail the revised contents; the scope included TELCEL and TELMEX (Mexico), Claro Brasil and Claro Colombia.

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| GRI Content/s[1] | Review scope according with GRI requirements[2]: |
|---|---|
| Energy: GRI 302-1 | Energy consumption: fuel and electricity. |
| Emissions: GRI 305-1 GRI 305-2 | GHG Emissions (Scope 1 and 2) |
| Waste: GRI 306-2 | Non-hazardous waste by type and disposal method |
| Occupational Health & Safety: GRI 403-2 | Number of injuries and occupational diseases, by gender |
| Training & Education : GRI 404-1 | Hours of training by employee category (employment contract) and gender |

[1]Revised contents are conform to GRI Standards: GRI 302: Energy 2016, GRI 305: Emissions 2016, GRI 306: Effluents and waste 2016, GRI 403: Occupational health and safety 2016, and GRI 404: Training and education 2016.

[2]For a more detailed information, consult the GRI Content Index of the Sustainability Report.

In addition to these GRI contents, we reviewed the content of the Information Security section in the Sustainability Report, except the number of trained employees and the breakdown of the training issues for Brazil and Colombia.

**Conclusions**

Based on the procedures performed, as described above, on 2018 Sustainability Report from América Móvil S.A.B. de C.V., we conclude that:

- Nothing has come to our attention that causes us to believe that the information contained in the Report was not obtained with reliability, the information is not presented properly, or that there are significant discrepancies or omissions.

This independent review report has been prepared to attend the request of América Móvil S.A.B. de C.V.

Valora Sostenibilidad e Innovación S.A. de C.V

Jose Luis Madrid
Mexico City, 31st May 2019

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*Energy (GRI 302-1)*

## Mexico

| Source | Operation | Operation consumption | Country consumption |
|---|---|---|---|
| Electricity (MWh) | Telcel | 910,500.62 | 2,319,849.11 |
| | Telmex | 1,409,348.48 | |
| Gasoline (L) | Telcel | 676,026.16 | 43,723,450.02 |
| | Telmex | 43,047,423.86 | |
| Diesel (L) | Telcel | 3,723,894.35 | 7,900,712.55 |
| | Telmex | 4,176,818.20 | |
| LP Gas (L) | Telcel | 0 | 335,570.00 |
| | Telmex | 335,570.00 | |

## Brazil

| Source | Country consumption |
|---|---|
| Electricity (MWh) | 1,264,838.47 |
| Gasoline (L) | 5,575,185.00 |
| Diesel (L) | 903,462.00 |
| Ethanol (L) | 4,494,491 |
| Natural gas (m³) | 26 |

## Colombia

| Source | Country consumption |
|---|---|
| Electricity (MWh) | 443,719.59 |
| Gasoline (L) | 105,151.52 |
| Diesel (L) | 9,336,834.89 |

*Emissions (GRI 305-1, 305-2)*

| Country | Direct emissions (Scope 1) - fuel consumption (ton CO2e) | Direct emissions (Scope 1) - refrigerant leakages (ton $CO_2$e) | Indirect emissions (Scope 2) – consumed electricity (ton $CO_2$e) |
|---|---|---|---|
| Telcel | 11,409.14 | 0 | 467,119.29 |
| Telmex | 102,169.43 | 556.50 | 705,800.50 |
| Mexico (total) | 113,578.57 | 556.50 | 1,172.919.79 |
| Brazil | 19,086.14 | 0 | 58,063.81 |
| Colombia | 24,911.86 | 0 | 88,743.92 |

*Electricity (various)*
*EF Mexico electricity: 0.527 ton $CO_2$e/MWh*
*EF Brazil electricity: 0.641 ton $CO_2$e/MWh*
*EF Colombia electricity: 0.2 ton $CO_2$e/MWh*
*EF INFRA (Mexico): 0.438 ton $CO_2$e/MWh*
*EF Iberdrola (Mexico): 0.420 ton $CO_2$e/MWh*

*Fuels (GHG Protocol, v4.1)*
*EF Diesel (fixed source): 0.00264 ton $CO_2$e/L*
*EF Gasoline (fixed source): 0.0022 ton $CO_2$e/L*
*EF LP gas (fixed source): 0.0016 ton $CO_2$e/L*
*EF Diesel (fixed source): 0.00267 ton $CO_2$e/L*
*EF Gasoline (fixed source): 0.0023 ton $CO_2$e/L*
*EF Ethanol (Mobile source): 0.0008 ton $CO_2$e/L*
*EF Natural gas (Mobile source): 0.022 ton/m³*

*EF Refrigerants: IPCC Fourth Assessment Report (200/)*
*FE R22: 1.81 ton $CO_2$e/kg*
*FE R404A: 3.94 ton $CO_2$e/kg*
*FE R134A: 1.43 ton $CO_2$e/kg*

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## Waste (GRI 306-2)

Only includes non-hazardous waste.

### Mexico

| Destination | Operation | Quantity (tons) |
| --- | --- | --- |
| | Telcel | 509.76 |
| Recycle | Telmex | 4,838.66 |
| | Total Mexico | 5,348.42 |
| Reuse | Total Mexico: | 0 |
| | Telcel | 0 |
| Landfill | Telmex | 50.4 |
| | Total Mexico | 50.4 |
| Incineration | Total Mexico | 0 |
| **Total waste generation Mexico** | | **5,398.82** |

**Brazil:** stays out of reach from the verification.

### Colombia

| Destination | Quantity (tons) |
| --- | --- |
| Recycle | 1545.81 |
| Reuse | 0 |
| Landfill | 116.70 |
| Incineration: | 6.28 |
| **Total waste generation Colombia** | **1668.78** |

## Health and Safety (GRI 403-2)

Verification of the total accidents for each country (also operation only for Mexico) and gender.

### Mexico

| Topic | Gender | Operation | Number |
| --- | --- | --- | --- |
| | | Telcel | 103 |
| | Women | Telmex | 499 |
| Accidents | | Total Mexico | 602 |
| | | Telcel | 66 |
| | Men | Telmex | 1174 |
| | | Total Mexico | 1,240 |
| | | Telcel | 2 |
| | Women | Telmex | 8 |
| Illness | | Total Mexico | 10 |
| | | Telcel | 1 |
| | Men | Telmex | 16 |
| | | Total Mexico | 17 |

### Brazil

| Topic | Gender | Number |
| --- | --- | --- |
| Accidents | Women | 74 |
| | Men | 238 |
| Illness | Women | 1 |
| | Men | 1 |

### Colombia

| Topic | Gender | Number |
| --- | --- | --- |
| Accidents | Women | 104 |
| | Men | 87 |
| Illness | Women | 20 |
| | Men | 3 |

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*Training (GRI 404-1)*
Verification of the total amount of training hours per category, not of the average of hours/employees.

## Mexico

| Type of contract | Gender | Operation | Training hours |
|---|---|---|---|
| | | Telcel | 118,145.60 |
| | Women | Telmex | 538,679.23 |
| | | **Total Mexico** | **656,824.83** |
| **Undefined** | | Telcel | 146,575.70 |
| | Men | Telmex | 1,908,367.21 |
| | | **Total Mexico** | **2,054,942.91** |

*The data from the employees with eventual contracts from Telmex was not included because there was not information available.*

## Brazil

| Type of contract | Gender | Training hours |
|---|---|---|
| **Undefined** | Women | 170,100 |
| | Men | 370,944 |

## Colombia

| Type of contract | Gender | Training hours |
|---|---|---|
| **Undefined** | Women | 324,411.0 |
| | Men | 361,710.0 |