



# Living a commitment

with **economic, social** and **enviromental** value

2015 SUSTAINABILITY REPORT



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# Organizational Profile

TV Azteca, S.A.B. de C.V., is one of the two main producers of content for Spanish language television worldwide. It has its corporate headquarters in Mexico City. The Company is quoted on the Mexican Stock Exchange with the ticker code Azteca CPO and on the Spanish Latibex market with ticker code XTZA.

At the end of 2015, controlling shareholders held 64.7% of shares while 35.3% were held by public investors.

UNITED STATES

Mexico

Channels



<http://www.aztecatrece.com>



<http://www.azteca7.com>



PROYECTO 40  
<http://www.proyecto40.com>

MEXICO

GUATEMALA

HONDURAS

COLOMBIA

PERU

Infrastructure:



Operation of channel concessions from  
**346**  
television transmission in Mexico  
with 24-hour programming, seven days a week.



35 stations  
producing more than  
**27,000**  
hours of content



Export of original content to more than  
**100 countries**



**111**  
information spaces  
which cover **morning, midday and evening news** with regional information.

## Alliances:

### Buena Vista

Since 1989 TV Azteca has entered into exclusive licensing contracts with Buena Vista International, Inc., a subsidiary of The Walt Disney Company. This alliance allows the Company to broadcast Buena Vista content on the channels it operates.

In 2013 Red Azteca Internacional renewed its contract with Buena Vista International, Inc. for a further five-year period.

### Fox

Via its content distributor, in December 2009 TV Azteca signed an exclusive five-year license contract with Twentieth Century Fox International Television, Inc. (Fox). This agreement makes it possible for the Company to broadcast a variety of Fox content including movies and TV series as part of the channel programming it operates.

The Fox contract was renewed for a new five-year period in 2015.

### Sony

Via one of its subsidiaries, in December 2009, TV Azteca signed an exclusive four-year license agreement CPT Holdings, Inc. (Sony). This agreement makes it possible for the Company to broadcast a variety of Sony content including movies and TV series as part of the channel programming it operates.

The contract with Sony was renewed for a new five-year period in 2014.



## Azteca America\*

Cadena: in the United States with coverage of 67 markets focusing on 88% of the Spanish-speaking population in the Americas.

## Azteca Comunicaciones Colombia

In November 2011 the Ministry of Information Technology in Colombia awarded the National Fiber Optic Project to TV Azteca with the objective of deploying fiber optics to connect more than 700 municipalities in this country.

The amount of award of the project was \$415 billion Colombian pesos. The Company now develops, operates, maintains and manages fiber optic network services.

## Azteca Comunicaciones Peru

The guidelines for the design, functioning, operation and maintenance of approximately 8,300 miles of fiber optic network were established in June 2014. The network will connect close to 339 urban outlets.

The first two phases of the National Fiber Optic Backbone Network were completed at the end of 2015. The projected end-date for the implementation of the works is June 2016.

## Azteca Guatemala and Azteca Honduras

TV Azteca operates open television channels in these countries where it offers successful high quality programming including broadcasts produced in Mexico, acquired content, and locally produced news and sports.

\*Azteca International Corporation (AIC)



<http://www.aztecaamerica.com>



<http://aztecomunicaciones.com>



<http://aztecomunicaciones.com>



<http://www.azteca.com.gt>



<http://www.azteca.com.hn>





# Letter from the Chief Executive Officer

TV Azteca is currently in the process of renewing its strategy to generate greater economic, social and environmental value through its production and distribution of content and the marketing of advertising spots.

From the economic point of view, there is a renewed emphasis on the generation of competitive content that captures both audiences and advertisers that compete with growing success and result in an advantageous positioning for the Company in the media market in Mexico. TV Azteca is one of the two major producers of program content for Spanish language television worldwide. In 2015, we produced more than 20,000 hours of the highest quality content and we began developing innovative formats aimed at the extensive market that is broadcast television. In conjunction with the highly efficient production alternatives, this effort will translate into a greater generation of cash and a gradual improvement in TV Azteca's capital structure.

In terms of the Company's social value, in 2015, we generated almost 6,000 direct jobs within a model that fosters the well-being of employees' families. Health, nutrition, education and environmental initiatives were also implemented through the *Fundación Azteca* and other alliances.

The social initiatives include:

- **Let's clean our Mexico (*Limpiemos Nuestro México*).** The largest cleaning movement in the country that has the task of raising awareness in the community of the problems caused by waste. In 2015, this program brought 8.8 million volunteers together to collect and separate 50 million tons of garbage.
- **Esperanza Azteca Symphony Orchestra.** An initiative that promotes values such as discipline, excellence and team work through music. In 2015, Esperanza Azteca included a network of 82 symphony orchestras in Mexico, El Salvador and the United States and benefits more than 16,000 children and youngsters of limited resources.
- **"Jugueton".** The largest toy collection campaign in the world. In 2015, more than 16 million toys were received and given as gifts to needy children on Three Kings' Day.
- **Plantel Azteca.** This program provides quality secondary and high school education with values and technical excellence to 2,500 students of limited resources with outstanding academic performance. All the students in the program have been granted scholarships.
- **Kybernus.** This initiative seeks to form political and social leaders for a better future through a culture based on values. Kybernus currently has 1,230 participants.
- **The City of Ideas (*La Ciudad de las Ideas*).** This event, held in the city of Puebla, brought together dozens of international brilliant minds to discuss state-of-the-art concepts and themes with thousands of attendees.
- **Roads to Freedom (*Caminos de la Libertad*).** An initiative that invites reflection on the value of freedom through competitions, essays and other activities.
- **Grupo Salinas Cultural Development (*Fomento Cultural Grupo Salinas*).** A set of activities that seek to promote the conservation of Mexico's cultural heritage and spread artistic creation, history, identity and national values.

On the environmental front, TV Azteca seeks to improve the care of the environment and encourage the rational use of natural resources in its value chain. In conjunction with the other Grupo Salinas' companies, TV Azteca has a firm commitment to the environment and seeks that its economic performance advances on a par with environmental protection, thus ensuring the highest levels of prosperity and quality of life.

From 2009 to date, the sustainable initiatives implemented in the operations of Grupo Salinas companies have achieved savings of 367 GWh of energy, which represent a reduction of 195,721 tons of carbon dioxide emissions. This saving is equivalent to the energy consumed by 213,994 homes throughout the year or the effect of planting 978,606 trees.

TV Azteca contributes firmly to the well-being of the communities in which it operates and enjoys a solid position to continue its activities with an outstanding performance in the generation of economic, social and environmental values. In this way, we will generate progress and improve the quality of the lives of millions of families in 2016.

**Benjamín Salinas Sada**  
Chief Executive Officer of TV Azteca

# Important Events 2015

## Economic

|                      | 2014     | 2015     |
|----------------------|----------|----------|
| Net sales            | \$12,921 | \$12,859 |
| Operating income     | \$2,671  | \$595    |
| Total assets         | \$36,874 | \$35,983 |
| Total liabilities    | \$24,723 | \$27,468 |
| Stockholders' equity | \$12,150 | \$8,515  |
| Advertising advances | \$5,344  | \$6,859  |
| Capital investment   | \$932    | \$1,128  |

| Economic value generated* |          | Economic value distributed* |          | Economic value withheld* |         |
|---------------------------|----------|-----------------------------|----------|--------------------------|---------|
| 2014                      | 2015     | 2014                        | 2015     | 2014                     | 2015    |
| \$12,921                  | \$12,859 | \$9,150                     | \$10,325 | \$3,771                  | \$2,534 |
| Change: 0%                |          | Change: 13%                 |          | Change: -33%             |         |

\* Figures expressed in millions of Mexican pesos



Benjamín Salinas Sada was appointed

Chief Executive Officer  
of TV Azteca.



TV Azteca

transformed itself and put in place  
new quality and up-to-date content

In 2015 TV Azteca's  
revenue reached:

**\$12,859**  
million pesos.

The distributed value of the Company, which  
represents delivered economic resources such as  
costs and expenses totaled **\$10,325 million pesos**;  
13% more than in 2014.

## Social



**5,931**

employees in 6 American countries



**\$522**

Million pesos obtained and  
distributed by **Foundation Azteca** to  
build social value

## Environmental

In 2015 it succeeded in reducing:



**16%**  
CO<sub>2</sub> emissions  
(7,175 Tons of CO<sub>2e</sub>)



**1.5%**  
Water consumption  
(1,210 m<sup>3</sup>)



**24%**  
of the energy consumed by  
TV Azteca in 2015 came from  
renewable sources



TV Azteca's  
environmental  
investment amounted  
to  
**\$2**  
million pesos in 2015





# Corporate Sustainability

2015 was a year of change and consolidation of efforts in which TV Azteca renewed its stakeholder value generation strategy and its tools for creating economic, social and environmental value. In this manner it boosted its corporate sustainability model, which is a policy and management framework for the Company.

## Sustainability Model

The TV Azteca corporate sustainability model is a valuable communication tool for all employees to know and understand their role as part of the sustainable management of the business. In this sense an internal sustainability coordination mechanism was consolidated, under the investor relations department of Grupo Salinas. This department is responsible for managing information relating to sustainability in the group's companies and for aligning TV Azteca projects with the common objective of creating value and prosperity for our stakeholders.



## Dialogue with our Stakeholders

In compliance with version 4.0 of the Global Reporting Initiative (GRI), TV Azteca has refreshed the list of its stakeholders, and, thanks to the information collected for the preparation of the 2015 Sustainability Report, it has updated the expectations of each of its audiences and the mechanisms available to respond to them.

The table below highlights the most relevant methods for TV Azteca to communicate with its stakeholders and the frequency of contact, thus providing evidence for the importance of maintaining an open stream of communication on the continuous improvement of Company processes and sustainability.

| Stakeholders                | Means of contact  | Frequency  | Expectations   | 2015 Responses   |
|-----------------------------|---|--|--|--|
| Audiences                   | <ul style="list-style-type: none"> <li>Television channels</li> <li>Web sites</li> <li>Social networks</li> <li>E-mail: contacto@tvazteca.com</li> <li>Audience advocate of the National Chamber of the Radio and Television Industry (CIRT).</li> </ul>  | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Having content that is innovative for the characteristics of the different audience segments, paying heed to industry regulation, institutional values and the rights of those who follow the broadcaster.</li> </ul> | <ul style="list-style-type: none"> <li>Self-regulation code</li> <li>Ethics Committee</li> <li>Programs of a social nature such as <i>A quien corresponda</i> (To whom it may concern) and <i>Lo que callamos las mujeres</i> (What we women keep silent)</li> </ul> |
| Authorities                 | <ul style="list-style-type: none"> <li>Meetings</li> <li>E-mail</li> <li>Web sites relating to investors</li> </ul>   | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Compliance with the applicable legislation.</li> <li>Cooperation with authorities.</li> </ul>   | <ul style="list-style-type: none"> <li>Information distribution and meetings with authorities</li> <li>No significant fines or penalties from the authorities were reported.</li> </ul>  |
| Clients                     | <ul style="list-style-type: none"> <li>Meetings</li> <li>Visits to forums and studios</li> <li>Client surveys</li> <li>Client service via the web site</li> </ul>   | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Programming of interest to audiences making up the target market of the advertisers, in line with the values of the Company.</li> </ul>   | <ul style="list-style-type: none"> <li>The satisfaction with services and customer care were surveyed for 74% of the advertisers and 100% of the agencies which have a relationship with TV Azteca</li> </ul>  |
| Employees                   | <ul style="list-style-type: none"> <li>Internal portals</li> <li>Honestel</li> <li>Identify, Recommend and Improve (IRI)</li> <li>Tell us Mailbox (Cuéntanos)-Internal magazines</li> <li>Social networks</li> <li>Internal screens</li> <li>Printed communication</li> <li>Wallpaper and screen savers</li> <li>Family Partners e-mail</li> <li>Cell phone messages</li> </ul> | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Offer employees a favorable work environment, giving recognition for their work and providing them with comprehensive development initiatives allowing them to develop personally and professionally.</li> </ul>      | <ul style="list-style-type: none"> <li>Consolidation of the Well-being Department whose role is to take care of improved working conditions for employees.</li> </ul>  |
| Competitors                 | <ul style="list-style-type: none"> <li>Television channels</li> <li>Web sites</li> <li>Social networks</li> </ul>   | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Competition under the applicable regulations</li> </ul>   | <ul style="list-style-type: none"> <li>Collaboration with members of the profession</li> </ul>   |
| Community                   | <ul style="list-style-type: none"> <li>Social initiatives</li> <li>Social networks</li> <li>Web sites</li> <li>E-mail: contacto@tvazteca.com</li> </ul>   | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Generate economic, social and environmental value in the communities where the Company operates.</li> </ul>   | <ul style="list-style-type: none"> <li>Employment generation</li> <li>Respect and care for the environment</li> <li>Development of social programs encouraging freedom, equality of opportunity and leadership for the creation of a better future.</li> </ul>       |
| Investors                   | <ul style="list-style-type: none"> <li>Shareholders' meetings</li> <li>Reports to authorities and BMV</li> <li>Financial reports</li> <li>Meetings with investors</li> <li>Investors' web site</li> <li>Press release</li> <li>Corporate brochure<sup>1</sup></li> </ul>  | <ul style="list-style-type: none"> <li>Quarterly and annually</li> <li>Continuous</li> <li>Periodically</li> </ul> | <ul style="list-style-type: none"> <li>Receive timely and clear information on the financial situation and the expectations of the Company.</li> </ul>   | <ul style="list-style-type: none"> <li>Produce information on time and in a format to communicate the risks and perspectives of the Company.</li> </ul>  |
| Opinion Leaders             | <ul style="list-style-type: none"> <li>Press releases</li> <li>Press conferences</li> <li>Blogs</li> </ul>  | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Dissemination of information on the operating, social and environmental performance of the organization and its majority shareholders</li> </ul>  | <ul style="list-style-type: none"> <li>Constant management of events and communiqués</li> </ul>  |
| Civil Organizations (OSC's) | <p><i>Fundación Azteca:</i></p> <ul style="list-style-type: none"> <li>Telephone number: +52 (55)1720-4900</li> <li>E-mail: fundacionazteca@gruposalinas.com.mx</li> <li>Web page <a href="http://www.fundacionazteca.org/">http://www.fundacionazteca.org/</a></li> </ul>  | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Support and promote causes which the organizations lead for the social development of the community</li> </ul>  | <ul style="list-style-type: none"> <li>Fundraising and channeling more than \$500 million pesos to social programs in 2015.</li> </ul>   |
| Suppliers                   | <ul style="list-style-type: none"> <li>Meetings</li> <li>Internet Portal: <a href="https://proveedores.gruposalinas.com">https://proveedores.gruposalinas.com</a></li> </ul>  | <ul style="list-style-type: none"> <li>Continuous</li> </ul>   | <ul style="list-style-type: none"> <li>Consolidation of long-term and mutually beneficial commercial relationships</li> </ul>  | <ul style="list-style-type: none"> <li>Bids</li> <li>Technical and financial evaluation</li> <li>"Supplier's Circle" certification</li> <li>Random audits of suppliers</li> <li>Departmental feedback</li> </ul>   |

<sup>1</sup> <http://www.gruposalinas.com.mx/documents/es/Grupo-Salinas-es.pdf>





# Economic Value

TV Azteca's economic value creation strategy is aligned with the production of innovative and cutting-edge content which captures television viewers and responds positively to the needs of advertisers, providing society with entertainment and world-class information. In the first instance, this strategy is defined by the shareholders and the Company's Corporate Governance.

## Important Events



Renewal of the Code of Ethics for Board members and for all personnel related to TV Azteca



# 36%

of the Board members are independent



## Appointment of

Benjamín Salinas Sada as Company's Chief Executive Officer  
Esteban Galindez Aguirre as Chief Financial Officer

## 2016 Challenge

- Strengthen the Company's cash flow and profitability.

## General Shareholders' Meeting

Shareholders' Meetings can be General or Special. General Meetings may be Ordinary or Extraordinary. Extraordinary General Meetings are those convened to hear matters such as:

- Amendment of the Corporate Bylaws.
- Liquidation, merger or conversion from one type of Company to another.
- To consider the cancellation of the registered shares of TV Azteca.
- To resolve the write-off of shares with distributable profits.



### Relevant Documents

#### Code of Ethics

<http://www.tvazteca.com/es/codigo-de-etica>

#### Annual Financial Report

<http://www.irvazteca.com/Documents/es/Downloads/TV-Azteca-Informe-Anual-2015.pdf>

#### Golden rules for suppliers

<https://proveedores.gruposalinas.com/apps/inicio/modulos/Bienvenida/Decalogo.html>

All other Shareholders' Meetings shall be Ordinary. Ordinary General Shareholders' Meetings shall be held at least once a year, in the four months following the close of each financial year.

Special Meetings are those which meet to handle matters which could affect the rights of a particular class of shares and are subject to the provisions applicable to Extraordinary General Meetings.

Calls for Shareholders' Meetings shall be published in the official newspaper for the Company domicile, or in one of the most widely circulated newspapers for said domicile at least 15 days prior to the date of the Shareholders' Meeting\*:

## Rights of Shareholders

Series "A" Shares are the only shares which have full voting rights, while Series "D-A" and "D-L" Shares have a limited vote in the following matters:

- Extension of the duration of TV Azteca after June 2092.
- Early dissolution of TV Azteca.
- Change of corporate purpose of the Company.
- Change of the nationality of TV Azteca.
- Conversion of TV Azteca to another type of Company.
- Merger with another Company.
- Cancellation of the record of the "D-A" and "D-L" Shares in the National Securities Registry (RNV) and in the stock markets where they are listed.

"D-A" and "D-L" shares will be converted into "A" and "L" Shares respectively in August 2017.

\* For more information see: <http://www.irtvazteca.com/es/asamblea-de-accionistas>

**Series "A"** are the only shares which have **full voting rights**.

## Dividends

Company dividends are declared in the second quarter of each financial year on the basis of the audited financial results of TV Azteca for the previous financial year, which take into consideration, among other variables: operating results, the financial situation, capital requirements and the general operational environment of TV Azteca.

In accordance with the Corporate Bylaws of TV Azteca and the Mexican General Corporation and Partnership Law (LGSM), the gross profits of TV Azteca are applied in the following manner\* :

Approval, value and payment of dividends are determined by a majority of the votes of Series "A" shareholders, and in general, but not necessarily, on the recommendation of the Board.

| Financial year | Pesos/Share D-A | Pesos/Share D-L | Payment Day |
|----------------|-----------------|-----------------|-------------|
| 2015           | 0.00399         | 0.00399         | 29/05/2016  |

\* For more information see: <http://www.irtvazteca.com/es/dividendos>

**Approval, value and payment of dividends are determined by a majority of the votes of Series "A" shareholders.**

# Corporate Governance

The **corporate governance** of TV Azteca consists of a **committed management team** and an **experienced Board of Directors** which work as a team in **support** of the Company **vision**.

## Board of Directors

The communications media sector in which TV Azteca operates is changing fast. In order to ensure the sustainability of the organization it is therefore fundamental to have a Board of Directors which combines knowledge, experience, a sense of reality and vision.

### Board Membership

The Board of Directors has eleven members, of which four are independent members (36%)\*:

#### TV Azteca Board of Directors 2015

| Positions             | Name                                 | Member Type | Member since | Age |
|-----------------------|--------------------------------------|-------------|--------------|-----|
| Chairman of the Board | Ricardo B. Salinas Pliego (R)        | Related     | 1993         | 60  |
| Member                | Pedro Padilla Longoria               | Related     | 1993         | 50  |
| Member                | Guillermo Salinas Pliego             | Related     | 1993         | 56  |
| Member                | Mario San Roman Flores               | Related     | 2004         | 57  |
| Member                | Luis Jorge Echarte Fernández         | Related     | 2003         | 71  |
| Member                | Joaquin Arrangoiz Orvañanos          | Related     | 2008         | 59  |
| Member                | Francisco X. Borrego Hinojosa Linage | Related     | 2004         | 51  |
| Member                | Francisco Javier Murguía Díaz        | Independent | 2004         | 76  |
| Member                | Sergio Manuel Gutierrez Mugerza      | Independent | 2000         | 64  |
| Member                | Ignacio Cobian Villegas              | Independent | 2006         | 61  |
| Member                | Jose Ignacio Sanchez Conde           | Independent | 2010         | 64  |

\* For further details see the Stock Report at: <http://www.irtvazteca.com/es/informes-anauales> and <http://www.irtvazteca.com/es/consejo-de-administracion>

## Role of the Board

The Board of Directors of TV Azteca has the following functions and powers:

- To establish general strategies for the running of the Company and the entities this controls.
- To oversee the management of the Company and of the entities this controls, taking into consideration the importance that these latter have for the financial, administrative and legal situation of the Company, as well as for the performance of the relevant directives.
- To appoint, select and dismiss the Company Chief Executive Officer.
- Based on the opinion of the Audit Committee to approve relevant transactions and the removal or appointment of key personnel.
- To present the reports required by the Mexican Securities Law (LMV) and the General Corporation and Partnership Law (LGSM) to the General Shareholders' Meeting.
- To monitor the principal risks to which the Company and the corporate entities which it controls are exposed as well as to monitor their accounting systems, internal controls and internal audit, records, archives or information, which may be undertaken through the offices of the Audit Committee. These risks are identified on the basis of information provided by the Audit Committee, the chief executive and by the Company which provides the external audit services.
- Other functions established by the Mexican Securities Law, or which are required by the Corporate Bylaws of the Company.

The **Board of Directors** monitors the main **risks** to which TV Azteca and the **entities** are exposed.

## Selection of Board members

The Corporate Bylaws of TV Azteca state that the Board of Directors shall be elected by the shareholders of the Company in accordance with the following scheme:

- Holders of Series "A" Shares shall have the right to elect at least 60% of the Board of Directors membership.
- Each holder of at least 10% of the share capital of TV Azteca with limited voting rights ("D-A" Shares, "D-L" Shares, and after the conversion, "L" Series Shares), will have the right to elect one of the members of the Board of Directors.

All members of the Board of Directors serve for a one-year and each period is renewed at each meeting. The appointments of the members of the Board were ratified during the Annual General Shareholders.

## Audit Committee

The Audit Committee is headed by three independent board members. The Audit Committee held three meetings in 2015, handling the following topics:

- Recommendations to the Board of Directors with regard to related party transactions.
- Review and strengthening of processes to ensure that the financial and accounting information remains useful, timely and reliable.

The following are among the Audit Committee's most important responsibilities:

- To give opinions on the transactions that should be approved by the Board of Directors, on condition that these have a value equal or greater than 5% of the consolidated assets of TV Azteca, based on the figures corresponding to the immediately preceding quarter.
- To propose the appointment of independent experts in cases where they consider it convenient, in order that these may express their views on the transactions which need to be approved by the Board of Directors, on condition that these have a value equal or greater than 5% of the consolidated assets of TV Azteca.
- To remit to the TV Azteca Legal Director any legal proceeding which has been begun against the employees of TV Azteca, of which they are aware.
- To recommend to the Board of Directors the appointment, remuneration and retention of an accounting firm, to supervise activities and establish procedures to resolve any possible dispute between the Board of Directors and the external auditors of TV Azteca over the preparation over the Company's financial statements.
- To inform the Board of Directors of significant irregularities detected as a result of its functions and, if applicable, of the corrective measures adopted.
- To ensure that the Company's Chief Executive Officer complies with the agreements of the Shareholder's Meetings in accordance with the instructions, which if applicable, are adopted by said Meetings or by the aforementioned Board.
- To prepare an annual report on its functions, which must be delivered to the Board of Directors and distributed among the shareholders of TV Azteca during the Annual Ordinary General Meeting of Shareholders.

The TV Azteca Audit Committee, which according to its corporate bylaws, also develops corporate practices, has a financial expert who is Mr. Sergio Gutiérrez Muguerza who serves as an independent member of the Board of Directors and as President of the Audit Committee.

The members of the Audit Committee are:

| Name                             | Member Type | Member since | Age |
|----------------------------------|-------------|--------------|-----|
| Francisco Javier Murguía Díaz    | Independent | 2004         | 76  |
| Sergio Manuel Gutiérrez Muguerza | Independent | 2000         | 64  |
| Ignacio Cobián Villegas          | Independent | 2006         | 61  |

The TV Azteca Audit Committee also develops corporate practices

Mr. Sergio Gutiérrez Muguerza independent member of the Board of Directors and is also the President of the Audit Committee.

Regular meetings to **monitor** the **most important actions** of the areas, and **monitoring the goals** set by the Council.

## Stakeholder consultation and feedback

The Board of Directors and General Management hold periodical meetings to compile the needs and expectations of the Company's diverse stakeholder. The purpose of these meetings is to discuss and contribute ideas on the vision, mission, purpose and values of the business, as well as creating and updating of policies and strategies governing the activities of all areas of the Company.

Consultation meetings cover the monitoring and evaluation of the most important activities of all departments, as well as the follow-up of targets and objectives drawn up by the Board of Directors. The results of meeting timescales and completing specific projects are recorded in the minutes of these meetings.

## Management team

TV Azteca's Management Team combines youth and experience for the benefit of the sustainability of the business. In 2015 Benjamín Salinas Sada took over from Mario San Román as the Company CEO. To date our management team consists of\*:

### Management Team 2015

| <b>Ricardo B. Salinas Pliego</b> | <b>Chairman of the Board</b>              |
|----------------------------------|---|
| Benjamín Salinas Sada            | Chief Executive Officer                   |
| Manuel Abud                      | Chief Executive Officer of Azteca America |
| Esteban Galíndez Aguirre         | Chief Financial Officer                   |
| Carlos Díaz Alonso               | General Sales Director                    |
| Joaquín Arrangoiz Orvañanos      | Sales Co-Director                         |
| Rafael Rodríguez Sánchez         | Legal Director                            |

\* For more information see: <http://www.irtvazteca.com/es/equipo-directivo>

TV Azteca has an **experienced** and **committed** management team.

## Conflicts of Interest

At TV Azteca a conflict of interest exists if:

- An effect, occurrence or situation of a personal nature arises which in any sense interferes with the pursuit of the Company's best interest.
- If there is an interest which objectively hinders the performance at work.
- The relevant directors or executives receive undue personal benefits as a result of their position in the Company.
- A personal interest takes preference over that of the Company for any reason.

In the event that any of the directors or executives have a conflict of interest, they must withdraw from decision making in the conflict situation, and immediately notify their superior in the hierarchy in order for the latter to take the decision most beneficial to the Company's interest.

The members of the Board of Directors are especially responsible to the Company and its shareholders. To avoid conflicts of interest, each Board member should inform the rest of the Board of any personal interest involved in the transactions considered by the Board. In this case, the Board member in question must excuse himself from any decision making on the topic. Any discovery of a potential conflict of interest must be notified to the Board of Directors in a timely fashion.





There are 3 types of risk:

- **Financial**
- **Legal**
- **Operative**

## Risk and Contingency Management

For TV Azteca, risk management is a key factor in order to guarantee the permanence and success of the business. For this reason, it maintains a comprehensive risk management scheme which includes wide coverage of the eventualities and contingencies which could impact on the continuity of its operations. The scheme covers human, technological, material and financial resources, paying attention to the responsibility arising from care and security of the broadcast signal, an important asset of the organization.

Risk management includes matters of a financial, legal and operational nature, whose details may be consulted in the Company's Annual report. The prevention of risks materializing is backed up by the Corporate Governance of TV Azteca, its Internal Control Department and a strict security and information backup system. In addition to these mechanisms, the Company maintains an open dialogue with all interest groups in order to offer proactive responses to any internal occurrence linked to the operation of the Company, or external occurrence linked to the economic, natural or socio-political environment in the countries where it operates.

## Ethics and Transparency



Since its foundation, TV Azteca has **maintained** an ongoing **communications project** based on **universal ethics** and on our **values and traditions**. The **production** of the **best content of the Spanish speaking world** was set as the **fundamental objective**, not just to entertain and inform but also to **educate society**.



**Ricardo B. Salinas**  
*Self-regulation Code of Ethics*

## Ethics Committee

The TV Azteca Ethics Committee was created in 1997 hand-in-hand with the *Self-regulation Code of Ethics*. Both instruments make up an extensive, uniform and agile control system by which TV Azteca and its employees can respond to the regulation of its content and safeguard the rights of all Mexicans' rights to free expression and information.

Based on the *Self-regulation Code of Ethics\**, the Ethics Committee evaluates program content continuously and issues recommendations to keep it in line with the ethics of the Company and the guidelines of the authorities. On the other hand, the Committee performs an internal role in terms of training in self-regulation and ethical values.

As part of its ethical alignment processes, TV Azteca offers training on the Code of Ethics to 100% of all Company personnel. In conjunction with induction processes on ethical values in the media, the training ensures that employees have the necessary conditions and skills to guide programming content and professional activities with an ethical conviction.



# 100%

**of the personnel** receive training on the Code of Ethics

\* The Self-regulation Code of Ethics is based on the guidelines for the classification of content of the General Directorate of Radio, Television and Film (RTC).



The Ethical Committee works on the premise that TV Azteca is a guest in the homes of the TV viewers and as such it must respect the values, language, culture, diversity and ideologies of the people, without preference for their location or social status. Therefore it pays special care to ensure that programming corresponds to the schedules established for its audiences, depending on the content.

Jorge Garralda currently presides over the Ethics Committee which consists of members drawn from civil society whose experience extends from sports, news and programming to external and religious consultancy, generating value through support for plural perspectives while feeding into judgments on the programming.

Programs produced by TV Azteca are monitored 24 hours a day by means of the Screen Audit Department. In addition to this evaluation, each Committee member has an allotted time slot for verifying that the broadcast content remains aligned with the *Self-regulation Code of Ethics*.

The Committee meets once weekly to analyze and evaluate the reports delivered by the managers for each time slot, in order to issue recommendations aimed at improving the quality of programming and to establish the criteria for their follow-up. It is important to explain that the Ethics Committee only issues an opinion, and it does not have the authority to authorize or de-authorize the content evaluated.

.....

The **Self-Regulation Board** of the **Mexican Chamber of Television and Radio Broadcasters** and the non-profit organization **A Favor de lo Mejor**, recognized the creation of the **first self-regulation system** in Mexican television by **TV Azteca Ethics Committee**

.....

There are four types of reports:

- The report of each Committee member. Evaluates the on-air programs allocated to them.
- Script reading report for soap operas and single programs. Carried out before recording.
- Ethics Committee Report. Better known as a "traffic light", it flags up breaches of the *Self-regulation Code of Ethics*, as well as the producers' successes in the area.
- Special reports. These are sent to the Chief Executive Officer of TV Azteca when a program has accumulated three "red lights."

The main achievement of the Committee in 2015 was to have evaluated the screen programming 24-hours a day. One hundred and twenty weekly reports on soap operas and single programs were prepared, which led to the issue of 45 "traffic lights." The principal challenge the Ethics Committee faces is to accompany the creative process while demonstrating that ethics is not an impediment to creativity.

## Content Management and Development

TV Azteca's capacity to provide a diverse mix of quality programming for all socio-economic levels has been, and continues to be, an important factor in its sustainability. This capacity is nourished by knowledge and understanding of the TV watching public, and this in turn is the principal added value which the Company offers to its advertising clients.

Due to the importance of nourishing the management and development of content, TV Azteca gathers and analyzes the opinions and perceptions of the audiences, using social media, email, perception studies, surveys, discussion forums and web pages. These channels make it possible for the Company to compile information on public perceptions of its programming.

With the objective of becoming the broadcaster with the most interaction with its followers in social media, in 2015 TV Azteca designed and managed digital content exclusively focused on the audience for each of its programs. The highest impact channels were: Twitter, Facebook and Instagram, with a joint total of 44,806,950 followers at year end.

On the other hand viewers may express opinions favoring or rejecting programs via the audience advocate of the Mexican Chamber of Television and Radio Broadcasters (CIRT). In order to avoid any disputes, TV Azteca content is aligned with the classification criteria of the Mexican General Directorate of Radio, Television and Film (RTC), which are stated at the start of each program by a program and target audience classification notice bumper. To supplement this practice, news and program announcers warn viewers if strong images are going to appear on screen.

In 2015, TV Azteca adhered to the **pact** proposed by **UN Women**, whose objective is to increase **female representation** in both the **preparation and content of news**.



Total of

**44,806,950**

**Followers** on Twitter, Facebook and Instagram in 2015.

@Azteca

<https://www.facebook.com/azteca>

<https://www.instagram.com/azteca>





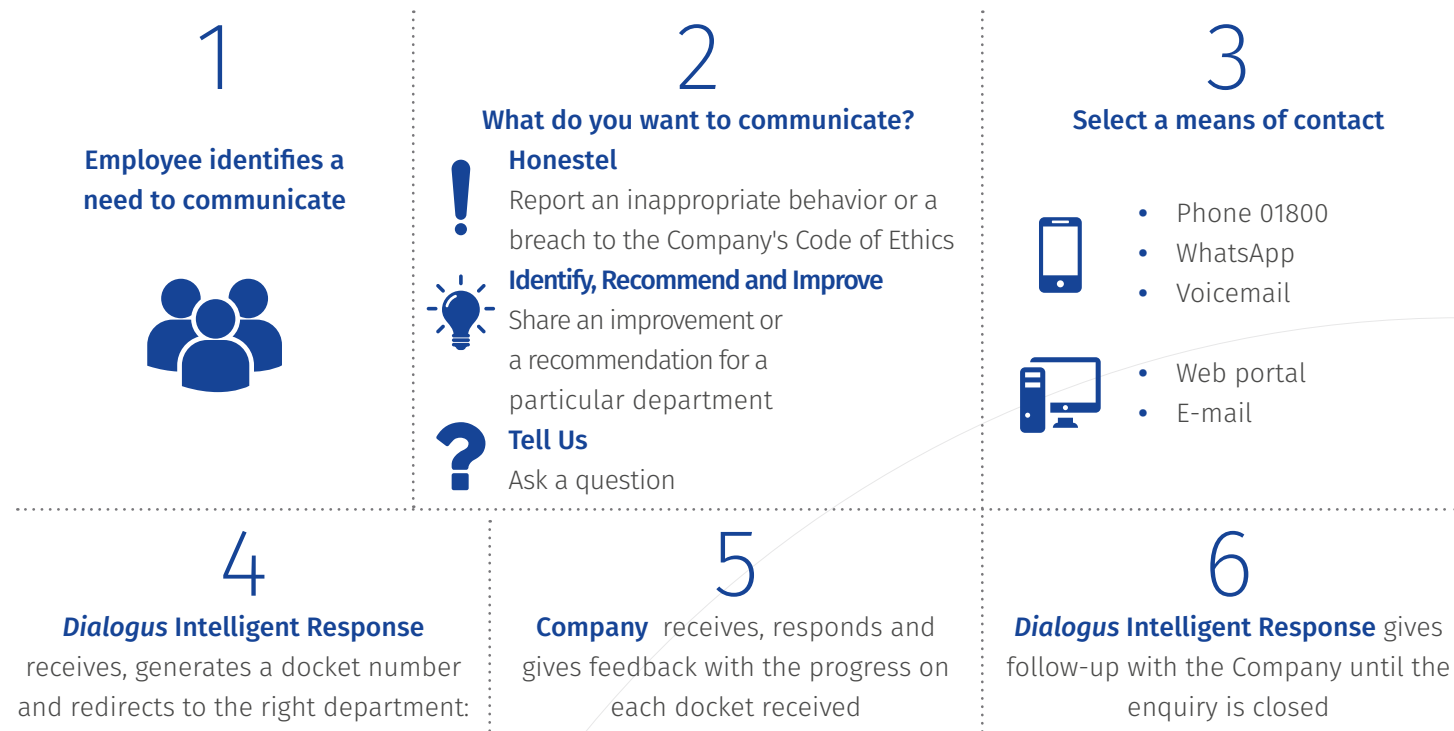
## Honesty

TV Azteca firmly believes that honesty is the basis of relationships of trust and respect, and that it is an indispensable factor in teamwork and credibility.

As part of the effort to promote honesty within the Company, TV Azteca has placed communication tools for listening and dialogue, ethical advice and complaints at the disposal of board members, managers and employees making it possible to preserve the ethical and honesty criteria, which govern the institution, among employees. The channels available are:

- **Honestel.** Complaint hot line. Making it possible to lodge complaints and grievances of any nature with confidentiality.
- **Identify, Recommend and Improve (IRM).** Technological consultation media. Set up with the purpose of contributing positively to ethical behavior among employees and the improvement of the work environment.
- **Tell Us (Cuéntanos).** Tool for listening and dialogue. An internal channel by which employees are at liberty to share anything they want.

All the tools have various points of contact and are available 24 hours a day, 365 days a week. The following graphic shows the client care process and the feedback/ response cycle to a request:



As a complaint hot line, Honestel analyzes and submits reports to the parties involved prior to commencing the investigation process, and reports its findings through documents to sanction the fault committed and close the case report. In turn, Identify, Recommend and Tell Us (Cuentanos) Mailbox refer. In turn Identify, Recommend and Improve and the Tell Us Mailbox remit cases to the Project Evaluation and Human Resources Departments respectively.

In 2015, Honestel received 140 complaints and 122 investigations were conducted. The Cuentanos Mailbox received 277 comments and IRM received eight.

| Honestel TV Azteca |        |                   |                         |  |
|--------------------|--------|-------------------|-------------------------|--|
| Business           | E-mail | Electronic format | Telephone and voicemail |  |
| Azteca             | 84     | 40                | 16                      |  |
| Total              |        |                   | 140                     |  |
| Investigations     |        |                   | 112                     |  |
| Confirmed cases    |        |                   | 55%                     |  |

| IRM TV Azteca |        | Cuentanos |        |                   |
|---------------|--------|-----------|--------|-------------------|
| Business      | E-mail | Business  | E-mail | Electronic format |
| Azteca        | 8      | Azteca    | 39     | 238               |

In order that all TV Azteca and Grupo Salinas personnel are aware of and understand these tools, we provide 15-minutes of on-line training on their use. At the same time as the training on handling these tools, employees also receive training on Grupo Salinas' values and vision.

In the year, 59,415 of the Group's employees received the training, amounting to 14,853 hours of training.

Being **honest** is to be **loyal** and to **have integrity**.

### Institutional Values

- Honesty
- Execution
- Intelligence
- Excellency
- Generosity
- Focus on the client
- Team Work
- Learning
- Fast and simple

<http://www.gruposalinas.com.mx/es/valores>



# Corporate Citizenship

TV Azteca is committed to the ethical and sustainable development of the entertainment industry in each of the countries where it operates, with membership of a variety of institutions that promote integrity and healthy competition for the benefit of individuals, businesses and the community at national and international levels. These associations include:

## United States

- North American Broadcasters Association (NABA)
- Advanced Television Systems Committee (ATSC)
- Media Rating Council (MRC)

## Mexico

- Mexican Chamber of Television and Radio Broadcasters (CIRT), an organization which forms part of the Mexican Business Information System (SIEM)
- *A favor de lo mejor*
- Mexican Internet Association (AMIPCI)
- *Sociedad de Autores y Compositores de México, S.G.C. de I.P. (SACM) and Editores Mexicanos de Música, A.C. (EMMAC). Both form part of Coalición por el Acceso Legal a la Cultura, A.C.*
- The Mexican Stock Exchange Issuers' Committee.

## Peru

- Peruvian Human Resources Association (APERHU)

TV Azteca is part of **nine associations** in **three different countries**.

# Clients

The first step to providing clients (advertisers) with a better service is to understand their levels of satisfaction. Hence, with the support of an internal office of Grupo Salinas, a Net Promoters Index was implemented in 2015, as a tool for measuring the satisfaction and loyalty of the Company's clients. 600 surveys were conducted of the main advertisers and areas of opportunity in the client facing processes were identified, as well as in the supply, content and make-up of products for the clients of national and international sales.

## Significant national sales results

In 2015, a process of interviewing the 50 best clients of TV Azteca was carried out in order to get their views of the services provided. The process covered 275 contacts, with 57 interviews with advertisers and 218 presentations to the representatives of advertising agencies. These numbers represent a significant portion of the advertisers and 100% of the agencies with whom the Company has a relationship.

## Significant local sales results

In 2015, talks were held with the owners, agencies and the representatives of 302 companies of 20 of TV Azteca's local broadcasting companies.

The research produced good results in terms of closer client care by TV Azteca executives, the availability and openness of proposals, and during negotiations, the variety of media and promotion options, as well as competitive rates. Even so, there are still various areas of opportunity for client service and the products that TV Azteca offers.

In response to these results, the managers and executives in each area have become closer to the advertisers by virtue of looking at the particular needs identified during the interviews.

In 2015, a process of **interviewing TV Azteca's 50 best clients** was carried out.





## Suppliers

Through internal program **“Circulo de Proveedores”**, among other issues, **social and environmental commitment of the supply chain is evaluated.**

The TV Azteca supply chain is a key element in generating stakeholder value. Due to its importance, the Company has a Purchasing Center whose role is to optimize and develop a trusting and mutually beneficial relationship with suppliers by means of institutional policies and procedures manuals which guarantee transparency in the procurement process.

The supplier contracting process covers selection by means of tendering products or services. The ensuing rating is the result of technical and financial evaluations. Each aspect is weighted and their scope documented in the "Request for Proposal / Quotation," which is handed to the interested parties at the start of the process.

All TV Azteca suppliers undergo a certification process by means of the internal "Supplier's Circuit" program. This process entails the analysis and validation of various aspects of the products and services being procured. The most important aspects include:

- Legal Situation
- Fiscal Situation
- Credit Standing
- Economic Activity
- Operation
- Finances
- Location
- Commercial image
- Quality
- Social and environmental commitment

In 2015, no TV Azteca supplier reported significant risks or impacts concerning human rights violations, forced child labor, environmental damage or corruption in the Company's supply chain.

TV Azteca prioritizes local purchasing as a means of boosting the national economy. The Company has 1,233 suppliers of whom only three (0.2%) are of foreign origin.

TV Azteca has a partnership agreement with the Electrical Sector's Standards and Certification Association (ANCE) to ensure that its energy equipment is the most efficient in the market. Thanks to this mechanism ANCE certifies and endorses the Company's electricity consumption.

**Energy Seal:** This is an internal policy which ensures that equipment acquired by TV Azteca complies not only with the technical-economic criteria of the Company, but also with **high standards of energy efficiency in the value chain.**



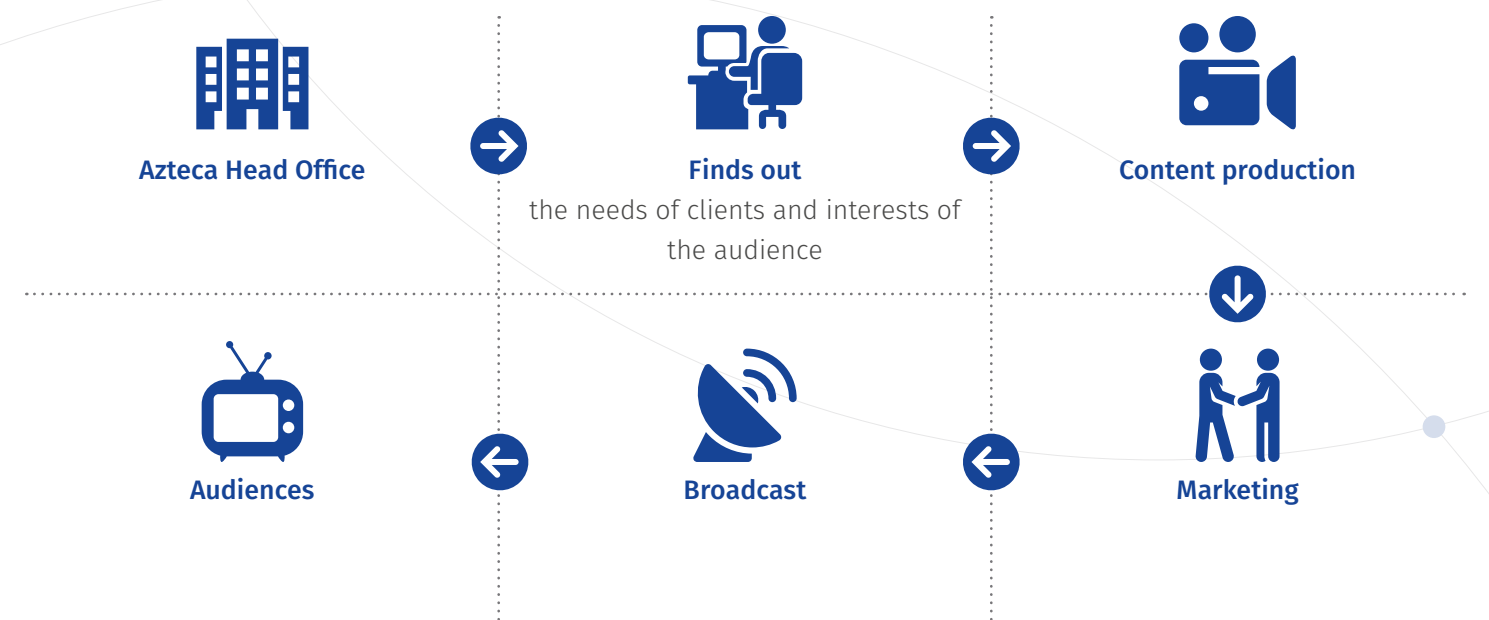
**Grupo Salinas favors local trade as a tool to boost the country's economy.**

The Company has:

**1,233**

**suppliers, of which only three (0.2%) are foreign\*.**

### Supply Chain



\* foreign supplier is considered who billed outside the country of origin of the request.

# Social Value

TV Azteca's guiding principle in the creation of social value is the strengthening of people's and society's skills. That is why the Company identifies, recognizes and retain the talent of its employees, as well driving initiatives to improve health, nutrition, education and the environment through *Fundación Azteca*. In the same manner, it fosters progress, knowledge, freedom and leadership with programs such as: *The Roads to Freedom (Camino de la Libertad)*, *Kybernus* and *City of Ideas (La Ciudad de las Ideas)*.



## Important Events



Consolidation of the Corporate of Well-being Office Department.



5,931 employees, 33% women.



15,642 hours of technical training for 351 individuals.

87%

13%

## Employees

At the end of 2015, TV Azteca had the talent and work of **5,931 individuals**, 4% less than in 2014. The **67% were men and 33% women**.



### Relevant Documents

- [www.fundacionazteca.org](http://www.fundacionazteca.org)
- [www.kybernus.org](http://www.kybernus.org)
- [www.caminosdelalibertad.com](http://www.caminosdelalibertad.com)
- [www.ciudaddelasideas.com](http://www.ciudaddelasideas.com)



67% men



33% women



779

employees hired in 2015.



56%

of the positions were filled by men.



41%

of the new positions were assigned to production roles.

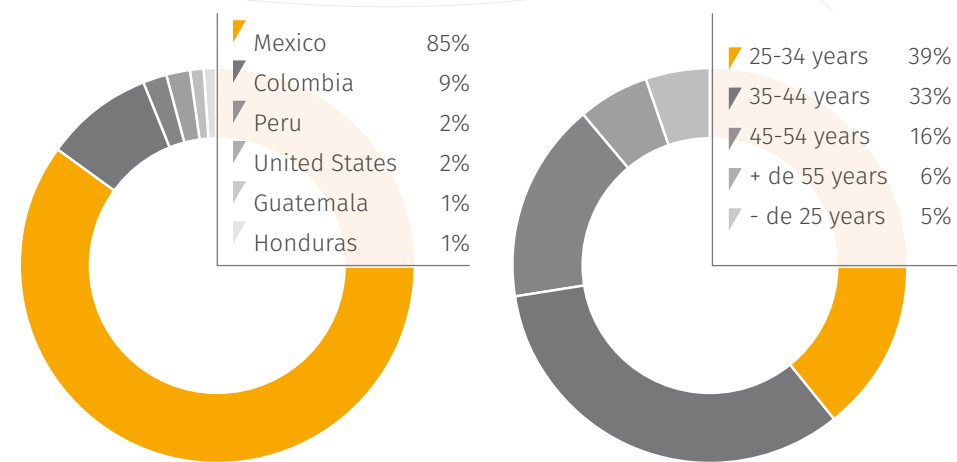


27%

of new contracts were independent (temporary).

Mexico represents 85% of the TV Azteca workforce. Employees in the age range of 25 to 34 years account for 39% of the staff, followed the 35 to 44 year age group that accounts for 33%.

Employee distribution by country and age range



73% of TV Azteca work contracts are fixed term and the remaining 27% are temporary. 12% of staff permanently providing services are represented by the broadcasting trade union, and a smaller number of employees are represented by the Actors' Union or the Musicians' Union. Under Mexican law the remuneration terms in contracts signed by TV Azteca and its unionized employees are subject to annual negotiation.

49% of TV Azteca personnel perform operational and administrative roles (2,931 individuals), 6% are managerial or executive, while 508 employees work in sales.

## Training

Training of TV Azteca employees is an important part of the development of the Company because it makes it possible to achieve business objectives in harmony with the personal and collective development of the workers.

In Mexico, Honduras and Guatemala, TV Azteca offers a technical training services for all employees who need it. They receive training on the use of equipment and on technical processes to improve performance.

Via the Centro de Diseño Instruccional (Instructional Design Center) Grupo Salinas has made an online training platform, competitions and teaching materials for employees available to TV Azteca so they could find out about the regulations and techniques applicable to their roles, as well as tools for their personal and professional development.



A 15-minute e-learning course on information security is an example of regulatory training offered by CDI in 2015. The course explained the roles of the Information Security Office and

59,415

people from across Grupo Salinas participated.



In 2015, the TV Azteca technical scheme amounted

  
15,642  
training hours for

from which

  
351  
people

  
87%  
were men

  
13%  
were women

the average training hours were

  
67  
hours for female employees

  
41  
hours for male employees

In Colombia y Peru, TV Azteca averaged

  
6.4  
training hours

  
6.2  
training hours

While in the United States were offered weekly English courses in groups of

  
5 to 7  
people



An example of personal and professional development training is the 15-minute e-learning courses on coaching, high-performance teams and leadership.

24,000

Grupo Salinas employees took part.



### Welfare and Benefits

By consolidating the Corporate Well-being Department, Grupo Salinas companies aim to align the comprehensive employee development policies and practices. The aim is not just to comply with the legally required social benefits, but to provide tools which boost the work/life balance, sports, healthy living habits and stress management, which would allow Grupo Salinas employees to perform as well as they can.

TV Azteca recognizes that its performance depends on the quality of life of its employees both inside and outside of Company facilities. For this reason the following programs and activities are given a boost:



**Work/Life Balance**

|                          |   |
|--------------------------|---|
| <b>Support for women</b> | <p>Monthly pregnancy tips are sent to pregnant women workers and at the end of pregnancy they are given a useful gift.</p> <p>Breastfeeding Room: We provide mothers with a place with all the comforts for them to continue breastfeeding in harmony with their work activities.</p> <p><b>Children's Day:</b> 3,000 free tickets for the Six Flags amusement park and gift boxes for employees and their children</p> <p><b>Mother's Day:</b> 600 gifts</p> <p><b>Father's Day:</b> 1,200 fathers took part in an appreciation campaign</p> |
| <b>Celebrations</b>      | <p><b>Women's Day:</b> Activities and talks on the importance of women were held, with the participation of 50% of TV Azteca employees</p> <p><b>Azteca Pilgrimage:</b> Following Mexican tradition, TV Azteca employees go on an annual pilgrimage to the Basilica of Guadalupe</p>  |

|                            |   |
|----------------------------|---|
| <b>Support for parents</b> | <p>A Summer School and Story Telling is held at the facilities of TV Azteca Ajusco, with around 240 children of employees taking part in the latter activity in 2015.</p> |
|----------------------------|---|



**Health and Healthy Living**

|                         |   |
|-------------------------|---|
| <b>Health Week</b>      | <p>Free check-ups and treatment for 200 employees who followed up their personal health program</p> |
| <b>Health Challenge</b> | <p>More than 200 employees in the weight loss program</p>   |



**Sports**

|                               |  |
|-------------------------------|--|
| <b>Internal Tournaments:</b>  | <p>bowling, basketball, flag football, ping-pong and chess</p> <p>1,300 employees took part</p>    |
| <b>Soccer 7 Partners' Cup</b> | <p>125 teams were formed with the participation of 1,700 employees at 22 offices across Mexico</p> |



**Stress**

|                             |   |
|-----------------------------|---|
| <b>Be Active (Activate)</b> | <p>Free kick-boxing, zumba and yoga classes</p> |
| <b>Movie shows</b>          | <p>Fridays</p>                                  |



TV Azteca celebrated its first

**22 years**

in 2015 with all its employees, **underscoring togetherness, pride and identification** with the Company.

In terms of salaries, TV Azteca provides competitive remuneration within the profession, and in each of the countries in which it operates, which together with the benefits plan enables it to maintain levels of employee motivation and commitment.

### Talent Tracking and Development

100% of TV Azteca employees receive a formal Performance Evaluation to enable the Human Resources and their immediate superiors to identify Key Talent and to make improvements in their departments and career plans.

The Center for Organizational Transformation continues its **process of review and renewal** of the **structures and operation of all the Grupo Salinas companies** in search of synergies which pave the way **for optimal employee performance.**





## Orquesta Sinfónica Esperanza Azteca (Esperanza Azteca Symphony Orchestras)

The Esperanza Azteca Symphony Orchestras are a musical project for girls and boys aged 5 to 17 from low income backgrounds. Its goal is to make better human beings through music.



82

choirs and orchestras were established with **79** in Mexico, **two** in El Salvador and **one** in the United States.



More than  
**16,000**

children and 1,300 teachers along with their families and communities were supported.



4 hours

of quality musical education a day for each student from Monday to Friday.



379

concerts in a variety of locations in Mexico.

## Plantel Azteca

Plantel Azteca is the only mixed private school in Mexico that grants scholarship funding to all pupils at secondary and high school levels. This program offers young people from low income families a quality education with values and academic excellence. The results in 2015 were:



2,500  
students

benefited in 2015.



Ecological  
orchard  
management.



Healthy  
living session:  
Health, nutrition and sexuality



Participation of the Plantel Azteca teams in robotic and enterprise competitions.



AMUN  
educational event that includes students in similar dynamics to those of the UN (negotiation, globalization, public speaking and diplomacy)



fundación azteca

## Fundacion Azteca

Fundacion Azteca Promotes transparency and concrete actions for the transformation of Mexico and all countries where TV Azteca and the companies of Grupo Salinas operate.

Over the years, Fundación Azteca has touched and improved the lives of thousands of people through programs addressing the most pressing social problems in the community, including: health, nutrition, education, production projects and environmental protection.

The most significant outcomes and initiatives of the year were:



In 2015 the social investment applied by Fundación Azteca increased to

\$522

million pesos.

- <http://www.fundacionazteca.org>
- <http://esperanzaazteca.com>
- <http://www.azteca7.com/jugueton>
- <http://www.fundacionazteca.org/selvalacandona>
- <http://www.limpiemosnuestromexico.com>
- <http://movimientoazteca.org>
- <http://www.aztecatrece.com/vive>



plantel azteca



## Limpiemos Nuestro México (Let's Clean our Mexico)

Let's Clean our Mexico is an activity, education and awareness-based campaign whose aim was summarized as (3R's+1):



### Reduce, Reuse, Recycle and... Clean it up

In 2015, **8,871,481 people** organized into **190,000 brigades** cleaned up more than

**50,000**  
tons of garbage.

## Que Viva la Selva Lacandona! (Long Live the Lacandon Jungle):

As a result of the Long Live the Lacandon Jungle! drawing competition and a variety of other projects, more than 500 children became ambassadors of the Lacandon jungle, helping to prevent this natural area from being cut down, burnt and generally devastated. The results in 2015 were:

- 40,000 children throughout the country sent in drawings.
- 32 winners (one for each Mexican state) traveled to the Lacandon Jungle.
- Photographic exhibition on the railings of the Chapultepec Forest raised awareness of the importance of conserving the Lacandon Jungle.

## Modelo de Aprendizaje Colaborativo (Collaborative Learning Model)

This initiative aims to adapt the methods of progressive education to the educational context of Puebla and to demonstrate that its application generates substantial improvements in the quality of basic education. In 2015, the program embraced more than:

**20,000**  
students

**900**  
teachers

**200**  
multi grade, elementary, indigenous, distance learning and regular schools.

## "Juguetón"

Since 1996, each year-end TV Azteca invites civil society, businesses and institutions to donate toys to give to children in vulnerable conditions. The Juguetón is the biggest campaign about collection and distribution of toys in the world.



In 2015,

**16,372,842**

boys and girls benefited from "Juguetón," with support for 623 charitable organizations.

Throughout its history, Movimiento Azteca has supported more than 330 organizations and more than 1.5 million people.

## Movimiento Azteca (Azteca Movement)

Movimiento Azteca is a campaign for joint social and environmental responsibility which channels public contributions to support a variety of non-governmental organizations.

The main achievements in 2015 were:

**44,100**  
low-income women received free mammograms.

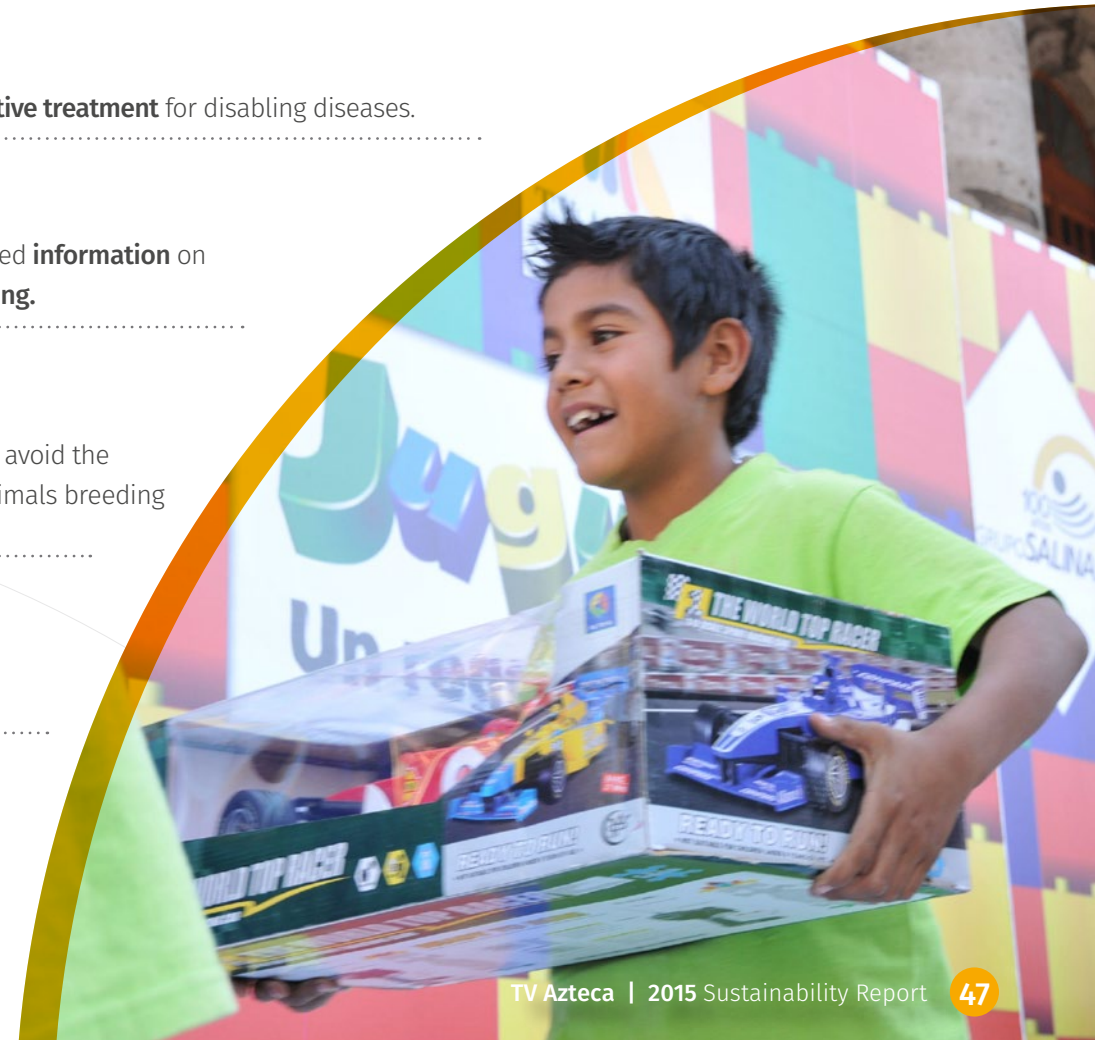
**6,300**  
newborns received preventive treatment for disabling diseases.

**227,600**  
mothers and babies received information on the benefits of breastfeeding.

**32,160**  
cats and dogs sterilized to avoid the suffering of abandoned animals breeding in the streets.

**80**  
new ambulances for the Mexican Red Cross.

**37**  
causes supported across Mexico





## Donativo Hormiga (Ant Donations)

This Azteca Social Network program gives support in kind to various non-governmental organizations to equip their facilities and to facilitate their work in society.



In 2015 there were

# 22 tours

in México, Guatemala and Salvador, giving support to

# 45,700

individuals in communities, schools and by telephone with information on the program topics.

## VIVE (LIVING)

The VIVE project offers society timely information on making conscious choices for healthy living, free of addictions and without anti-social behavior. Through TV campaigns and talks VIVE has interacted with more than 560,000 people and vulnerable groups in Mexico, United States and Central America.

## Robotics

TV Azteca encourages an interest in science and technology through many local and international robotics competitions and championships where children and young people learn in a playful environment under the guidance of experts.

In 2015 there were **2,500 participants** in this program.



In 2015 **Ant Donations** delivered more than

# 1,500

domestic appliances, white goods, furniture and computers to 98 organizations in 19 Mexican states.

## Community

In line with the vision and values of prosperity embodied by Grupo Salinas, **TV Azteca promotes** a vision of the country based on **freedom** of thought for prosperity, **positive leadership and innovation**. The key programs which guide this effort are:

### Kybernus

Grupo Salinas' initiative for the creation of social value that aims to build a culture of leadership in values in Mexico alliance with public and private and charitable organizations that share the objective of a better future for all. The aim of Kybernus is to establish in each Mexican state a system for identifying, training and boosting social and political leadership through creative collaborative spaces which bring together a common interest in achieving collective results and building collaboration networks.

### La Ciudad de las Ideas (The City of Ideas)

An audience of more than 5,000 attended the Metropolitan Auditorium of the city of Puebla to hear about brilliant thoughts and ideas in fields ranging from science, technology, art and design to politics, culture, education and entertainment\*\*. *What's the point?* The guiding concept of this festival was to invite the presenters and the audience to reflect deeply on the reasoning behind their actions. The most eagerly awaited moment during the event was the big debate on the legalization of drugs with the involvement of Mexican and international personalities and celebrities.

### Caminos de la Libertad (Roads to Freedom)

In order to encourage thinking about the importance of freedom Grupo Salinas supports the Caminos de Libertad organization in its work for the development of the individual and society. In 2015 this initiative gave eight courses, lectures and seminars, as well as three colloquia and conferences on the topic of freedom. In May 2015, the prize-giving of the sixth Roads to Freedom competition for youngsters took place. Work from 20 different countries was submitted to the competition.

To supplement these programs, TV Azteca promotes the activities of **Cultural Development (Fomento Cultural Grupo Salinas)**, whose aim is to support the preservation of Mexico's cultural heritage and to popularize art, history, identity and national values.



At the end of 2015 **Kybernus** had

# 1,230

participants in 28 Mexican states, 72% more than last year.

During the period

# 84


events, where held 63 workshops\* and 21 lectures.

\* Four workshops were held for the first time: National Security, Human Rights, Political Communication and Disability Awareness.

\*\* The event included the attendance of 60 speakers, scientists, humanist thinkers and opinion leaders.



## Important Events

  
**24%**

of energy consumption came from renewable sources (wind power).



Renewal of Grupo Salinas' Federal Environmental Protection Agency's **Environmental Quality Certificate** and the **Federal District of Mexico City Environment Ministry's Environmental Compliance Certificate**.



TV Azteca's **environmental protection** investment in 2015 was approximately

**\$2** million pesos.



The reduction of energy consumption compared to the previous year reached

**1.5 GWh**

representing the saving of **2.1 million pesos** avoiding the emission of

**798**

tons of CO<sub>2e</sub>. These figures are equivalent to the energy consumption of **873 homes over the course in one year**.

A **New Forest (Un Nuevo Bosque)** is a TV Azteca project which began in 2002 and in the last 13 years has enabled us to plant more than

**1.5** 

**million trees in 300 reforestation projects**, with the participation of **150,000 people** in **33 cities** across Mexico.

## 2016 Challenges

- **Raising environmental awareness** in TV Azteca's sphere of influence and **backing up this influence** through stricter **policies of internal control**.
- **Record energy savings** achieved at TV Azteca **change from analog to digital technology**.

# Enviromental Value



## Environmental Management

TV Azteca is a Company committed to the well-being of the communities where it operates and the protection of the environment. Therefore, it has implemented initiatives to foster the sustainable development of the Company and to achieve these objectives, in 2008, Grupo Salinas created an area specialized in energy efficiency and sustainability, sustainability with the goal of reducing the Company's environmental impact, generate improvements in the management of its resources in order to strengthen its competitiveness by ensuing greater sustainability in all its companies.

The Energy and Environment Department prepares efficiency strategies in the use of resources and to mitigate the environmental impact. Initiatives led by the Department promote increased environmental awareness among employees focused on energy savings and efficiency, appropriate waste management, low water consumption and the reduction of emissions.

As a complement to the aforementioned initiatives, through the Company's internal portals, the Energy and Environment Department provides TV Azteca's employees with environmental conservation tips that emphasize the international celebrations for the care of the Earth, Water and the Environment.

As a result of the annual certification process no environmental fines or sanction were reported in 2015 and no significant environmental risks were detected in the TV Azteca supply chain.

## Materials

The principal supplies for TV Azteca's operations are: paper, toner, wood for sets, electronic equipment for signal distribution and batteries. There are usage strategies and guidelines for each to ensure optimal use during their useful life. This policy is complemented by the recycling and reuse of materials that permit this.

## Emissions

In 2015 emissions with a national scope were calculated in compliance with the Mexican Climate Change Law in order to prepare the report for the Annual Operation Certificate as required by the National Register of Emissions. In 2015, total greenhouse effect gas (GEI) at TV Azteca was 39,216 tons of CO<sub>2e</sub>.

TV Azteca's indirect emissions are related to the production of purchased electricity. The calculation was made on the basis of conversion factors published by the Intergovernmental Panel on Climate Change (IPCC).

A target reduction of 200,000 tons of CO<sub>2e</sub> by 2021 was set for Grupo Salinas from the time that baseline energy consumption and emission measurement were carried out in 2008. The following table shows the progress made to date:

### Emissions avoided by Grupo Salinas\*

| Year | Cumulative emissions avoided<br>(Tons of CO <sub>2e</sub> ) | Percentage of the target |
|------|---|--------------------------|
| 2012 | 75,922  | 38%                      |
| 2013 | 107,378   | 54%                      |
| 2014 | 137,944   | 69%                      |
| 2015 | 172,443   | 86%                      |

Note: 7,219 tons of CO<sub>2e</sub> by reduction and 27,280 tns of CO<sub>2e</sub> from renewable energy.

\* The companies of Grupo Salinas included in this calculation are: TV Azteca, Grupo Elektra, Banco Azteca, Salinas & Rocha and Italika.



In 2015 total **greenhouse gas emissions** stood at

**39,216**

**tons of CO<sub>2e</sub>**, representing a **16% reduction in emissions compared to the previous year**, when the figure stood at **s 46,636 tons of CO<sub>2e</sub>**.

Total **direct Greenhouse Gas emissions** stood at

**9,431**

**tons of CO<sub>2e</sub>**, while the figure for total indirect emissions was

**29,785**

**tons of CO<sub>2e</sub>**.





2015 TV Azteca **total water consumption** stood at

**77,683 m<sup>3</sup>**

**consumption by head offices** and the **remaining 14% was consumed regionally.**

In comparison to 2014 when **78,893 m<sup>3</sup> of water** was consumed, representing a saving of **1,210 m<sup>3</sup>** in the Company's **water consumption.**

## Water

All the water used by TV Azteca is obtained through municipal service providers. Municipal services are governed by the National Water Law, which establishes that the catchment of various sources should be balanced in order to maintain the hydrological equilibrium and to prevent any one water source from being affected by its catchment.

Due to the nature of its commercial activities, TV Azteca does not have production processes that generate toxic waste beyond that of household waste. No water discharge has a direct effect on the biodiversity of water resources and related habitats, and all the discharges are made through the municipal sewerage infrastructure.

Although TV Azteca does not at present have any specific programs for the reuse of water, the Company does campaign for awareness and care over water use, which has a positive impact on water saving and management.

## Energy

TV Azteca makes an effort to improve the energy efficiency of its operations at all levels of the business, from corporate buildings to the facilities in the Company's regions. In this manner it contributes to the care of the environment and to the fight against climate change and the depletion of fossil fuels.

### Consumption by type of fuel in 2015



**Gasoline** consumed by utility vehicles

**3,962,957**  
liters



As part of our operation we use **LP gas** in the employees' dining room

**22,690**  
liters



We use **diesel** to start up and run emergency backup generators

**98,607**  
liters



In 2015 a **total of**

**87 GWh**

**of energy** was consumed. **24% came from renewable sources** (21 GWh from wind power) and the **remaining 76% came from electric power** (65 GWh came from the Federal Electricity Commission).

This year TV Azteca participated on the "Meeting Mexico's Energy Challenges" panel of the Mexico Energy Summit 2015, focusing on the importance of innovative generation technology and the use of energy. It also took part as a mediating partner in the Global Institute for Sustainability's Green Business Summit 2015, a cutting-edge event for corporate sustainability at the Latin American level with the participation of national and multi-national enterprises, which lead the development of products, technologies and innovative systems for leveraging the transition to low carbon economies as an opportunity for generating competitive sales.

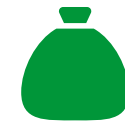
## Waste

The majority of the waste generated at TV Azteca is classed as non-hazardous.

## Biodiversity and Environmental Awareness

The operation and location of the TV Azteca facilities do not have a significant impact on environmental biodiversity. Nevertheless as a responsible corporate citizen, TV Azteca acknowledges its joint responsibility for raising environmental awareness; therefore it sponsors and disseminates various programs and campaigns which aim to consolidate environmental awareness across society. In 2015, the main achievements in this field were:

- In conjunction with the Ministry of Energy, we produced a short film to raise awareness among the population about the efficient use of energy in their homes. It was projected from July 24 to 28, 2015, in the Cinépolis movie theaters and impacted 1,256,428 people.
- Multimedia training for employees. The intranet portal has two tutorial videos entitled "Energy Saving" and "Good Energy Saving Practices" that explain the importance of saving energy and how to put it into practice. The site has had 93,000 visits.
- An interactive multimedia course to raise the awareness of 26,000 employees on the efficient use of energy, the separation of resources and saving water.



Total **waste** in 2015 was

**1,462**

**tons**, of which **98% related to non-hazardous waste**, and the **remaining 2% of waste was hazardous\***.

Total **non-hazardous waste** is equivalent to

**1,433**

**tons**, of which **85% relates to the head office** while the **remaining 15% relates to regional facilities\*\***.

\* Hazardous waste is handled in accordance with the applicable regulations.

\*\* The calculation of regional waste generation is based on statistics while at the head office a detailed control is maintained with suppliers.





All the entities that form part of TV Azteca have been included in this report; therefore, the material actions and issues described herein cover the most relevant achievements and challenges in terms of sustainability for the Company in the six countries in which it operates in the year reported (January through December 2015). The reports are prepared annually. The last report was published in May 2015.

The report has not been verified externally. However, all the relevant figures and data are aligned to the Annual Financial Report, which is reviewed independently and is public to all the Company's stakeholders. The report is also reviewed and approved for publication by our Investor Relations Department.

The participation of the stakeholders in the preparation of this report and the Materiality Study was conducted through internal tools and means of communication through which TV Azteca obtains the opinions, expectations and needs of each of its publics. These tools are described in depth in the Stakeholders' Matrix in this report (p. 14-15)

# Report Profile

For the fourth consecutive year, we adopted the Global Reporting Initiative (GRI) methodology for the preparation of TV Azteca's Annual Sustainability Report. The essential conformity option of version 4.0 of the GRI was considered in 2015.

## Materiality Study

For TV Azteca, knowing the material issues of the Company is very important and allows us to continually adjust the course of our sustainability strategy. In 2015, this strategy was reconfigured under the organization's Sustainability Model.

An in-depth Materiality Study was prepared with the support of an external consultant, which was used as a basis for this report. The work process consisted of three stages:



### Identification

The issues relevant for the Company were identified through interviews with executives and directors from key departments. The GRI Guide and the indicators relevant for the communication industry were consulted and considered in the process.



### Prioritization

The information gathered was used to determine the most relevant issues for TV Azteca and were prioritized considering their impact on the Company's strategic objectives and the perceptions of its stakeholders.

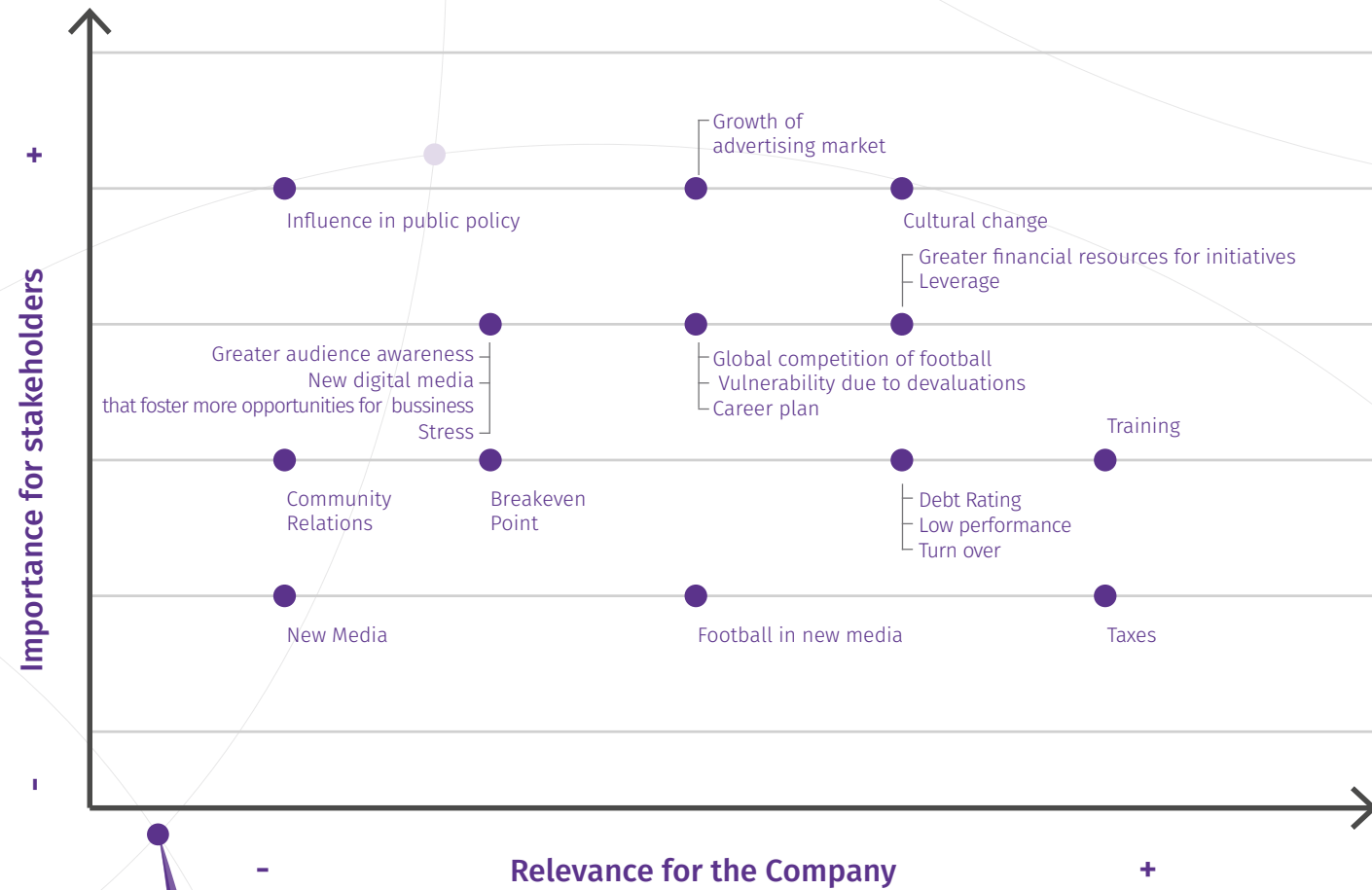
Said perceptions were established indirectly through public opinion surveys both in the media and the social networks, a *benchmark study* of the best practices in sustainability issue and the review of the main results of customer and employee satisfaction surveys.



### Validation

The contents were submitted for the appraisal of the Sustainability and Investor Relations Departments to select the approaches and the indicators contained in this report.

The material issues established in the study have, in their entirety, an internal coverage and are shown in the following graph:



For more details on this report or the issues concerning the sustainability of TV Azteca, contact:

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## General standard disclosures

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| G4- 13   | 35  |          |                    |
| <b>Participation in external initiatives</b>     |   |          |                    |
| G4- 14   | Mexico and the countries where the Company operates are attached at the Declaración de Río in 1992 to comply with regulations applicable we follow the precautionary principle. |          |                    |
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| <b>Appearance: Procurement Practices</b>                                      |                      |          |                    |
| G4- 42  | 21                   |          |                    |
| <b>Assessment of the skills and performance of the highest governing body</b> |                      |          |                    |
| G4- 43  | 22-24                |          |                    |
| <b>Assessment of the skills and performance of the highest governing body</b> |                      |          |                    |
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| <b>Function of the highest governing body in the preparation of the sustainability report</b>      |                      |          |                    |
| G4- 48   | 57                   |          |                    |
| <b>Functions of the highest governing body in assessing the economic, environmental and social</b> |                      |          |                    |
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## Specific standard disclosures

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| <b>Aspect: Economic Performance</b>          |  |          |                    |
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| G4- EC4                                      | TV Azteca does not receive Financial Aid from the Government |          |                    |
| G4- EC6                                      | 87% of managers comes from the place where it operates       |          |                    |
| <b>Aspect: Indirect Economic Consequence</b> |  |          |                    |
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| Indicator   | Page / Direct Answer | Omission  | External Assurance |
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| <b>Aspect: Effluence and waste</b>                      |                      |   |                    |
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| <b>Aspect: Regulatory compliance</b>                    |                      |   |                    |
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| G4-EN30   | 51                   |   |                    |
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| G4-EN32   | 34                   |   |                    |
| G4-EN33   | 34                   |   |                    |
| <b>Aspect: Environmental assessment of suppliers</b>    |                      |   |                    |
| G4-EN34   | Neither              |   |                    |
| <b>CATEGORY: SOCIAL PERFORMANCE</b>                     |                      |   |                    |
| <b>SUBCATEGORY: LABOR PRACTICES AND DECENT WORK</b>     |                      |   |                    |
| <b>Aspect: Employment</b>                               |                      |   |                    |
| G4-LA1  |                      |   |                    |
| <b>Aspect: Relations between workers and management</b> |                      |   |                    |
| G4-LA4  | 38                   | TV Azteca do not have the breakdown of rotation |                    |
| <b>Aspect: Health and safety at work</b>                |                      |   |                    |
| G4-LA6  | 49                   |   |                    |
| <b>Aspect: Training and education</b>                   |                      |   |                    |
| G4-LA9  | 39-40                |   |                    |
| G4-LA10   | 39-40                |   |                    |
| G4-LA11   | 43                   |   |                    |

| Indicator   | Page / Direct Answer  | Omission | External Assurance |
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| <b>Aspect: Diversity and equal opportunities</b>          |   |          |                    |
| G4-LA12   | 20, 37-38   |          |                    |
| <b>Aspect: Evaluation of labor practices of suppliers</b> |   |          |                    |
| G4-LA14   | 34-35   |          |                    |
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| <b>Aspect: Investment</b>                                 |   |          |                    |
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| <b>SUBCATEGORY: SOCIETY</b>                               |   |          |                    |
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| G4-SO5  | 31  |          |                    |
| <b>Aspect: Public Politics</b>                            |   |          |                    |
| G4-SO6  | TV Azteca does not make financial contributions to political parties. |          |                    |
| <b>Aspect: Unfair competition practices</b>               |   |          |                    |
| G4-SO7  | Neither   |          |                    |
| <b>SUBCATEGORY: PRODUCT LIABILITY</b>                     |   |          |                    |
| <b>Aspect: Product labeling and services</b>              |   |          |                    |
| G4-PR5  | 33  |          |                    |
| <b>Aspect: Customer Privacy</b>                           |   |          |                    |
| G4-PR8  | Neither   |          |                    |
| <b>SUPPLEMENT COMMUNICATION MEDIA</b>                     |   |          |                    |
| <b>Aspect: Content production</b>                         |   |          |                    |
| M1  | 27-29   |          |                    |
| M2  | 27-29   |          |                    |
| M3  | 27-29   |          |                    |
| <b>Aspect: Interaction with the public</b>                |   |          |                    |
| M6  | 29  |          |                    |
| M7  | 27-29   |          |                    |





<http://www.irazteca.com/es/informes-de-sustentabilidad>