



Dear Friends,

It is my pleasure to present HISPASAT's first Corporate Social Responsibility Report, which summarizes the first year of analysis and appreciation of our commitment and responsibility in the economic, social, and environmental spheres. This analysis leads to the spirit that we has guided us throughout 2014: a look within, and at our history, at a very special time for the company, our 25th anniversary. We can say that we know who we are, what we want to be, and the commitments that we want to make. This exercise allows us to reconfirm that we want to be lbero-American partner in the digital transformation, enabling global connectivity and bridging the digital gap.

In today's world, communication satellites are an essential element to creating equal opportunities in access to the Information Society. It is the only technology able to successfully take on the globalization of telecommunications services and to deliver these to remote or isolated areas where ground networks do not reach. Our satellites help reduce the digital gap in their coverage areas, opening the populations of these regions the doors to the digital world, which is essential for economic and social development. In addition, HISPASAT satellites are involved in the development of social projects and digital inclusion programs that support e-learning and telemedicine, especially in Latin America where satellite is the only means of communication in many places.

We work in innovation projects in order to improve these services and products for our customers and for society at large, giving a high quality service that facilitates communication between people from anywhere in the world. We are concerned about limiting our impact on the environment, providing opportunities for our local suppliers, and working on the professional development of our employees equally.

This model allows us to meet the challenge to grow and, at the same time, achieve a high level of quality and obtaining results that benefit society as a whole.

The data reflected in this report highlights the importance of the "good work" of HISPASAT in all these aspects, even before we have considered the coherence of the commitment to our partners in the framework of a formalized CSR plan based on the main international standards (GRI and ISO 26000). This reflection, of which we spoke at the beginning, has been the first step down the path that we are now taking, with the aim of moving forward progressively year after year. To that end, we will launch our own CSR plan: because we must commit to sustainability, understood to be, in the broadest sense, moving forward in business excellence with better management, greater transparency and strict compliance of our commitments, with the idea of gaining legitimacy and the confidence of investors, customers and society.

Therefore, leadership opportunities, with innovative and efficient solutions that create value for all citizens, are on the horizon for us. We are focused on the new era of sustainability and what that will mean, different milestones on the international agenda in 2015, including new sustainable development goals and commitments to address climate change.

We want to commit ourselves to keep improving every day and continue to develop innovative solutions that benefit everyone. To make useful products under fair conditions available to society. To meet the challenges of the environment and help preserve the planet. To get involved in meeting the needs of the community. To act, in short, so that things change. Because that is the only path that will lead us to be the best.

Elena Pisonero President of HISPASAT Group



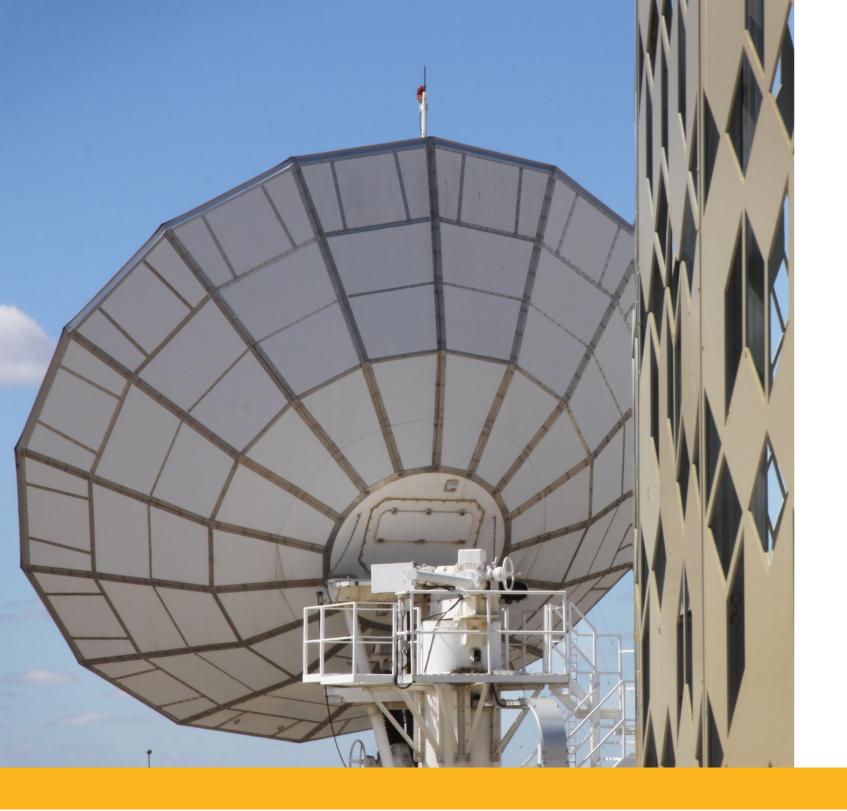
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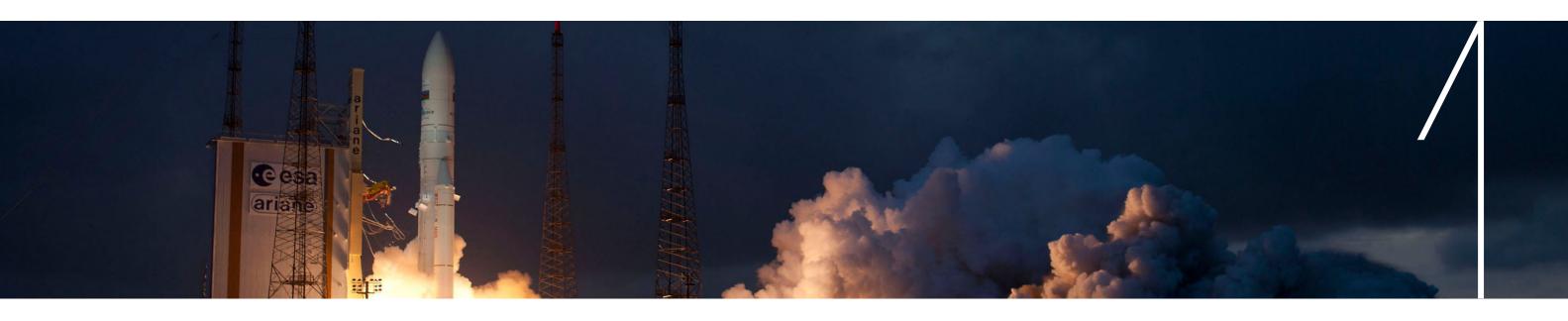


Getting closer to you

At HISPASAT, we know that our work is closely connected with the daily life of individuals. Therefore, we want you to get to know us. We want to tell you about who we are, what we do, how we do it, and, above all, what we want to do.

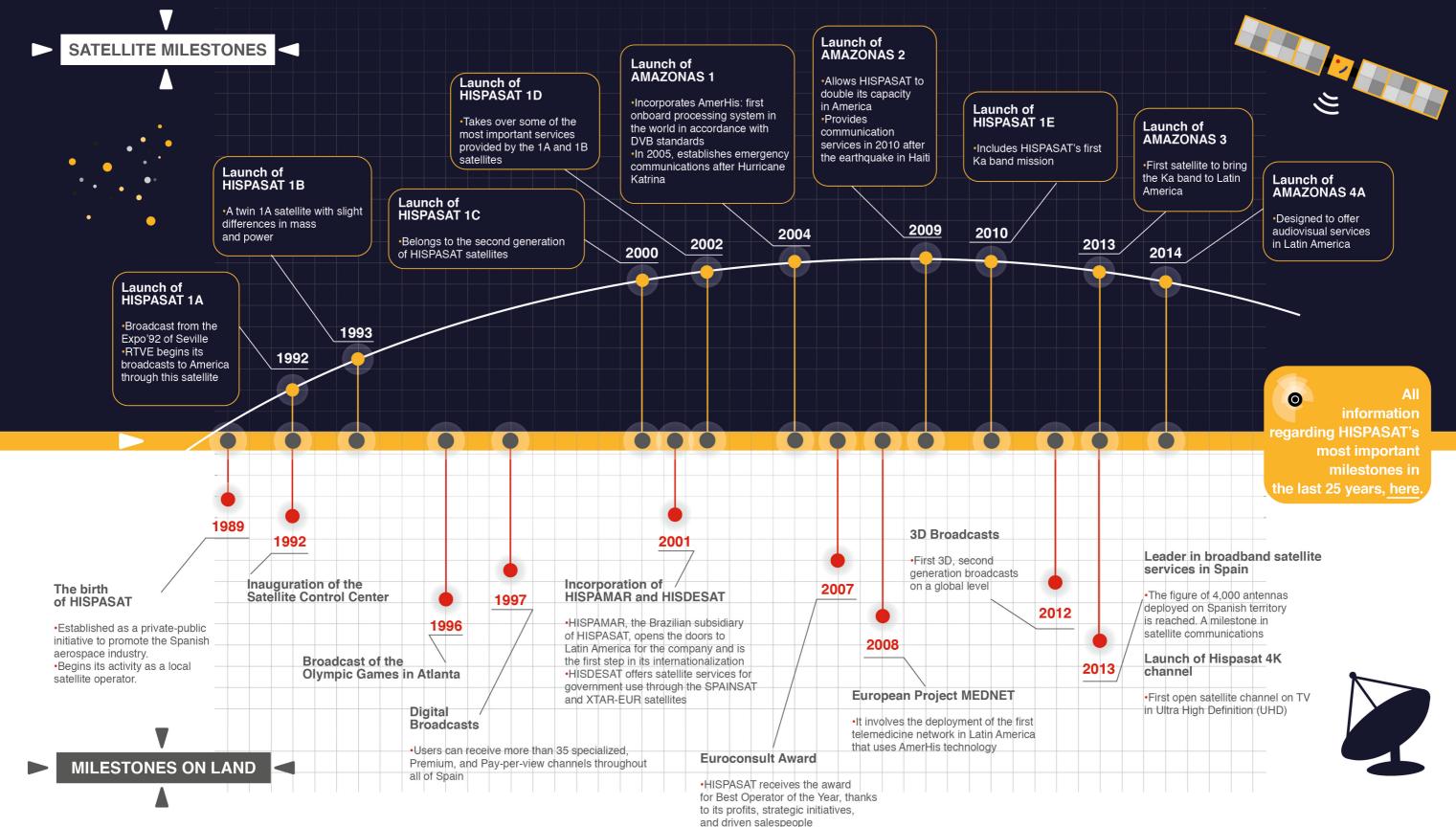
Specifically, we want to get closer to you every day.

We launched 25 years ago



Talking about how HISPASAT has become to be what it is today is to talk about its recent history. To provide service for today. To be ahead of its time. To cross borders. To even lend a hand when needed.

Talking about HISPASAT over the course of these 25 years is to talk about *looking towards the sky without losing sight of the ground.*



PRESENT AND FUTURE

"In five years we are planning on doubling our fleet of satellites. These are the classic rules of the game. But today the key to our growth is our ability to take on the technological challenges of the 21st century: challenges that create value for citizens with innovative and efficient solutions."

Elena Pisonero President of HISPASAT Group You may access the speech regarding HISPASAT's 25th anniversary in its entirety here

Model and values



2.1. Organization profile

HISPASAT is the Spanish operator of satellite communications, the leader in business and government distribution services for the markets in Spanish and Portuguese.

HISPASAT Group is made up of companies with a presence both in Spain as well as in Latin America, where its Brazilian subsidiary HISPAMAR is located. The Group is a key piece for the Spanish aerospace industry, not just because it generates significant industrial returns, but also because it drives development, fosters innovation, and promotes internationalization.

Currently, HISPASAT is solidly positioned in high growth markets, with a stable base of strategic clients.

The Group participates very actively in associations, both general and industry-specific.



Noteworthy...

- Primary communications bridge between Europe and America.
- O Ninth company in the world by revenue in the industry.
- 25 years of experience operating satellites and providing quality service.
- O Broadcasts more than 1,250 television and radio channels through its fleet of satellites.



Solutions worth double

Over the course of these 25 years, HISPASAT has developed a broad range of cutting-edge services and applications, which have become a significant driver behind technological solutions:



O Audiovisual

Distributes and transmits, through its satellites, television and radio to 30 million homes, primarily in the Spanish and Portuquese-speaking markets. This includes DTH, Easy DTH, and TV Multicast broadcast services, among others.

Hispasat 4K, an open channel in ultra-high definition was also launched, which has been made available to the industry in order to drive the development of this new technology.



Corporate / Government

Facilitates the establishment of links to companies (public and private) for the purposes of offering quick and efficient communication solutions. HISPASAT also provides services to the higher government institutions, guaranteeing trustworthiness and a high level of availability for its communications. Multicast Data, UAV, and tele-control networks are a clear example of these types of services.



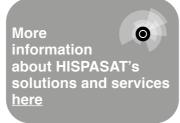
Operator market

HISPASAT offers the telecommunications industry basic network services, trunk, backhaul cellular, internet access, and broadband satellite networks, with the goal of bringing communications to rural, remote or with mountainous terrain that make the deployment of land infrastructure impossible.



Consulting

Thanks to HISPASAT's highly qualified professionals, the Group provides consulting services and "turnkey" projects, as well as technical viability studies of new networks and technical analysis and evaluation of new technology offerings.





What are satellites really used for?

Although HISPASAT is an innovator in the world of technology, the Group would not be what it is if its applications weren't available to society. Because that is where it is possible to truly see the transformations that satellites produce in the daily life of individuals.

There is where what we could call the soul of the satellite lies: because it transcends and surpasses is mere structure and technological potential. Beyond the numbers or the business decisions, what makes HISPASAT attractive is its ability to help companies, institutions, and individuals enjoy communications that are constantly broader and of better quality, anywhere in the world.

The **soul of the satellite** has a lot to do with the particular personal and social experiences that one experiences when they come into contact with the satellite services, both at present and in the foreseeable future. Thanks to HISPASAT, satellite technology represents great progress in consolidating universal internet access in its coverage areas: Spain, Europe, America, and North Africa. The Group may also consider itself to be a fundamental tool for reducing the digital gap in several Latin American countries in which it facilitates, in addition to Internet access, telemedicine and tele-education services, among others.

Specifically, HISPASAT works and will continue working day-to-day to provide true added value to the communications sector and to contribute to the economic and social development of the zones that land networks do not reach.





2.2. Mission, vision, and values

At HISPASAT, we know that in order to advance and build a sustainable future, the definition of a strategy in which people, efficiency and responsibility are the primary pillars is essential:

Our Mission

Our values

- Connect people in any region and be recognized leaders in providing advanced satellite communications services.
- Make it a constant priority to meet to the needs of our clients with quality, effectiveness, and trustworthiness, the creation of value for our shareholders and stakeholders, as well as the promotion of territorial balance, the integration of society, and the development of our employees.

Rigor and Transparency Acting with professionalism and quality, following the established procedures at all times.

Honesty and Integrity

Offer what can be fulfilled. Comprehensive and coherent behavior, avoiding any situation in which a potential conflict of interest may arise.

Continuous improvement and innovation

Commitment to improve what we do every day and to develop new solutions.

HISPASAT's mission, vision, and values are translated in practice into activity committed to connecting people.

Our Vision

- To be leaders in satellite communications in America, Spain, and Portugal. Develop a solid position in Eastern Europe, the Middle East, and North Africa, that ensures our position among the top five satellite communications companies in the world.
- To be a leader in offering innovative products and services that ensure our profitability and growth, and allow us to take on challenges and meet the current and future needs of our clients.

Teamwork

Working towards a common goal. Listening to opinions from all sides with an open attitude. Always taking individual input into account. Sharing information and knowledge.

Responsibility and Initiative

Assume responsibility for what is done or what is allowed to be done. Recognize errors and try to correct them. Active attitude to take on environmental that things change.

2.3. Ethics Code

We have already started down this path towards excellence in management, and within the reference framework established by the Mission, Vision, and Values of the Group, HISPASAT has an Ethics Code that allows all of its employees to guide their behavior towards the highest standards of integrity and honesty.

Basic Ethical Principles

- Honesty
- Transparency
- Responsibility
- Professionalism
- Safety
- Objectivity
- Confidentiality

What is it?

A set of principles and guidelines for behavior aimed to guarantee the ethical and responsible behavior of all of HISPASAT's employees in carrying out their activities.

What is its objective?

To serve as a guide to the professionals of HISPASAT Group in making decisions, and thereby achieve greater awareness of the responsibilities of working at one of the leading satellite operators worldwide.

Who uses it?

The Ethics Code applies to all directors and employees of the companies that make up HISPASAT Group, in any of the countries in which it is present.

Who monitors it?

The Ethics Committee – made up of the Director of Resources and Organization of HISPASAT, the General Counsel of HISPASAT, the Managing Director of HISPAMAR Satélites, and the manager of Internal Auditing and Risk Management of HISPASAT - seek to control its application and interpretation where necessary.

Is a communication channel available?

Yes, the Ethics Mailbox tool is designed to channel all communications related to the Ethical Code and its application: through an electronic form available on HISPASAT's intranet, professionals of the Group may report behavior that is illegal or against the Code.

> You may review the 0 Ethics Code in its entirety <u>here</u>

2.4. Main figures

During the past fiscal year, HISPASAT Group managed to strengthen its sales despite the adverse economic situation, unfavorable exchange rates and the failure of the Amazonas 4A, which has reduced the available capacity on the new satellite. But the impetus given to the commercial activity has consolidated turnover and even increased it by 9% compared to 2013, with its income from leasing space capacity in Latin America.

Furthermore, HISPASAT has been able to reach a back-log figure equal to seven years of income, putting it in one of the highest positions among space telecommunications operators.

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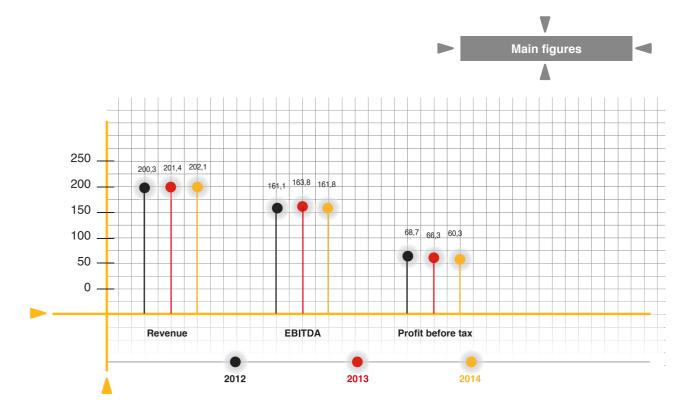
		2012	2013	2014 (*)	
>	Revenue	€ 200.3 million	€ 201.4 million	€ 202.1 million	<
	EBITDA	€ 161.1 million	€ 163.8 million	€ 161.8 million	
	Profit before tax	€ 68.7 million	€ 66.3 million	€ 60.3 million	
	(*) Calculated based on IFR	S accounting standards			

In 2014 156.6 million euros were invested in order to continue with future satellite programs, which will increase the available space capacity in orbit, and especially for the development of new projects and solutions that add value for our customers.

With regard to the company's staff, the Group had 185 employees as of December 31, 2014.

All of HISPASAT's financial information may be found in our 2014 Annual Report





New momentum, greater commitment



3.1. Starting point

From a scientific perspective, the "momentum" is the force that brings something when it is in movement or growing. At HISPASAT that force - and desire to grow - has led us to a reflection about our history, our reality, and our future.

After 25 years down this path, we have stopped to analyze what our starting point is and what the objectives are that we want to pursue. This new momentum has come to fruition in the form of a plan of action that will be carried out over the course of 2015 and will establish the bases of that greater commitment that we are determined to take on.

Ready for action

HISPASAT has always been a committed company: to its employees, to its shareholders, to For HISPASAT, 2015 is a key year for its future CSR strategy for 2016-2019.

its clients, and to society. At HISPASAT Group it is clear to us that beyond the strictly financial indicators and the constant bet on technological innovation, taking into account the value that we provide with our business to citizens and their environment is of the utmost importance, as well as developing ethical and responsible management. Therefore we have taken many steps in the right direction.

In 2014 we decided to take stock and develop an initial diagnosis to determine on what basis we would start to build our plan of action on Corporate Social Responsibility (CSR).

At the time of diagnosis and identification of indicators needed to define this plan, we took into account the main CSR standards currently in force: the standard for report preparation from CSR Global Reporting Initiative (GRI) and ISO 26000 Social Responsibility Guide. In this report we summarize the main results of this diagnosis.

What is yet to come

During this analytical process, the impact of the most important aspects related to HISPASAT's business was identified, which has allowed us to indicate a set of actions to be implemented internally in 2015. In this manner, the Group will establish the bases in order to develop a specific CSR strategy for the 2016-2019 period, and to make this new momentum a reality that will take HISPASAT towards constantly more sustainable

We are sure that there is a long road ahead of us. Doing this effort and being really constants in the way, we will be able to develop a management furthermore efficient and responsible, and to consolidate our commintment with the people that, in one way or another, make up HISPASAT.

3.2. 2015 Action Plan

This first step towards sustainability for HISPASAT deals with laying the groundwork of the main aspects that define the organization and with the purpose of responding to those key issues that affect our environment. In this sense, the plan will include actions focused on the following work areas:



CSR policy and training

In order to identify matters that arise as a result of the impact of the decisions taken and how to confront them in order to contribute to sustainable development.



Stakeholder

In order to identify and recognize those individuals or groups of individuals that affect or are affected by the organization's business. In addition it is necessary to establish related channels and manage their expectations.



Good Government

In order to increase the ability of organizations to behave in a socially responsible manner, through a system in which decisions are taken and implemented.



Adding more value

The Plan developed by HISPASAT also emphasizes the idea of maximizing the reputational returns of the Group, thereby achieving:

- Optimize cohesion of the staff and attract and retain talent.
- Benefit customer satisfaction and quality.
- Improve the company's position and public and internal relations.
- Stand out among the competition.
- Improve productivity and efficiency.
- Minimize corporate risk and improve financial performance.



Human Rights

In order to protect the basic rights that apply to any human being, based solely on being human, from civil and political rights to economic, social, and cultural rights.



Labor Practices

In order to preserve and update all of the policies and practices related to the work done in, by, or on behalf of the organization, including subcontracted tasks.



Environment

In order to control any environmental impact arising from the business of the organization. For example, the production of waste or the protection of natural habitats.



Consumers

In order to contribute to sustainable development and consumption through the products and services offered by the organization.



Community

In order to support the creation of a stable relationship with the people in the environment closest to the organization's activity, and to recognize their value, at the same time.





















- 1. Define and approve a CSR policy.
- 2. Carry out CSR training.
- 3. Consult and involve stakeholders.
- 4. Identify and validate the material aspects of the activity.
- 5. Analyze the degree of compliance with the Good Governance Practices.
- 6. Identify environmental and social risks.
- 7. Specifically analyze the risks without regard to those linked to Human Rights.
- 8. Establish a system for complaints or reporting a breach of Human Rights.
- 9. Conduct a diagnosis regarding Equal Opportunity.
- 10. Identify and evaluate the environmental impact of the activity within the framework of the organization.
- 11. Analyze the inclusion of environmental and social aspects in innovation projects.
- 12. Systematize information security management.
- 13. Analyze Social Action on a global level.
- 14. Formalize the Social Action plan.





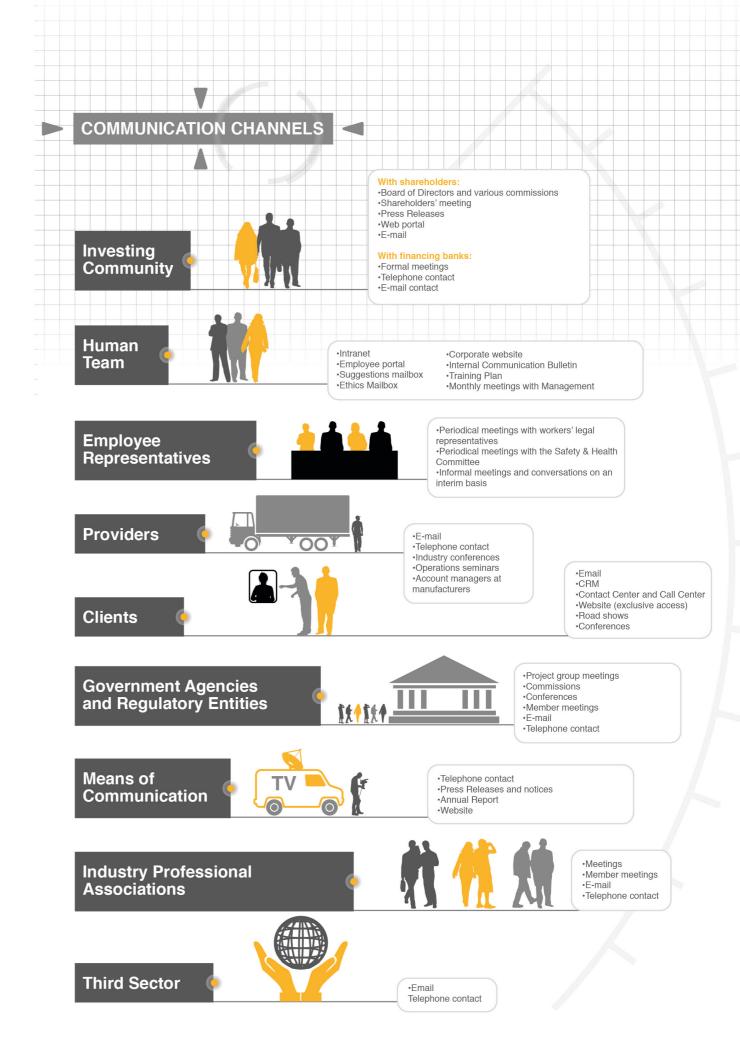
3.3. Stakeholder

In this new momentum that HISPASAT Group brings towards more efficient and sustainable management, it is essential to listen to all of the people that are involved in the development of the company's activities and to give priority to the matters that are of interest to them.

Thus, with the G4 standard of the Global Reporting Initiative (GRI) and the principles of Governance & Accountability as a reference, among other standards, HISPASAT has carried out a first approximation of what will be the pillars of its CSR. Under this premise, it seeks to identify those aspects considered relevant to the economic, environmental, and social impact of the organization based on the expectations of its stakeholders and the impact these issues have on the business and its operation.

Therefore, in 2014 a process of materiality analysis with the aim of "making what is relevant important" began. In this sense, there has been substantial internal work to define the map of HISPASAT's stakeholders. This map has defined the characteristics of each of the groups identified, their levels of dependence and influence, the existing communication channels, training in sustainability and CSR, risks and willingness of their involvement, and expectations there, both by the organization and by the stakeholder.

The survey conducted by HISPASAT to its stakeholders and the management teams of the Group, both in Spain and Brazil, took place at year-end 2014, therefore it could not be included in this edition of the Sustainability Report.



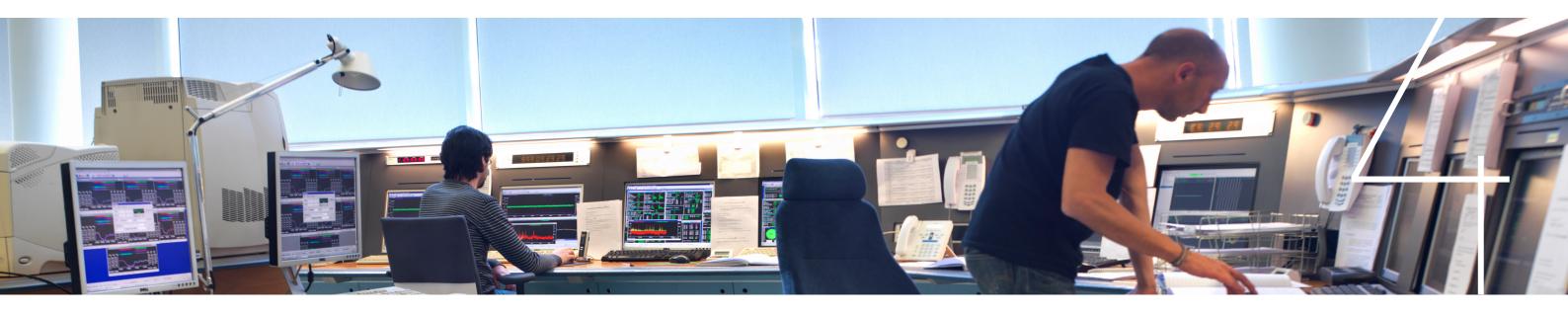




In order to maintain our leadership position in the market, there are many and diverse factors that are essential. But there is one that stands out above the others: the people who work at and for HISPASAT. They, thanks to their talent and dedication, which have made it possible – and make it possible – to be who we are.

For this reason, they are – and will be- without a doubt, always a priority for HISPASAT.

Our Team



The effort, talent, and commitment of our team has made it possible, in these last 25 years, for HISPASAT Group to position itself as a key factor in the new communication era. Our current and future commitment is to continue promoting those aspects that are relevant to people. We want to maintain a workplace in which we can develop our abilities and in which we contribute to reaching our common goal of being the best in our sector.

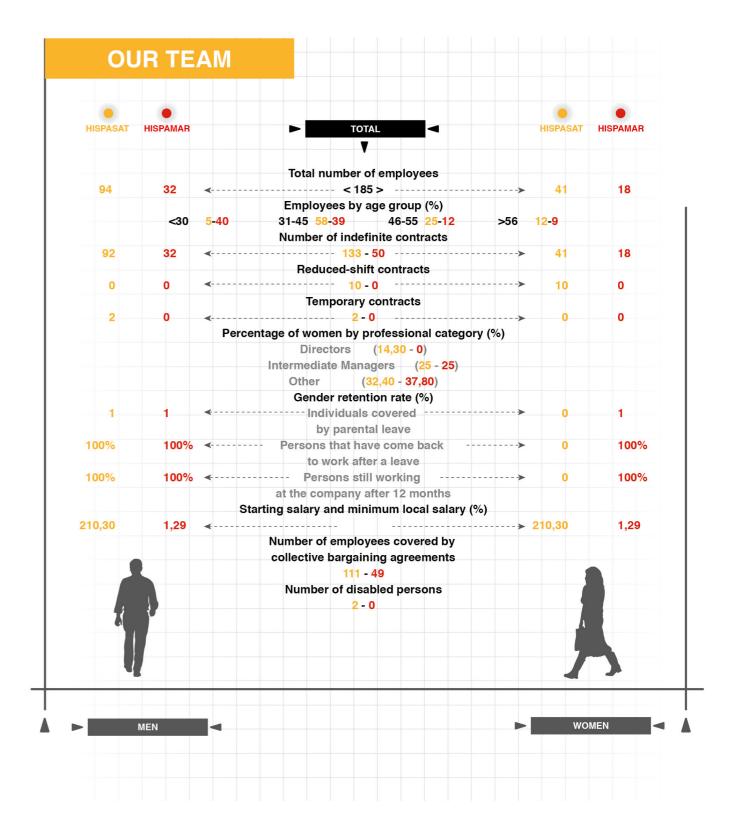
At HISPASAT, we rely on the stability, security, flexibility, and equality of all of the members that make up our team. Therefore, indefinite contracts represent 98% of total contracts, and practically all of our employees work under the company's collective bargaining agreement (111 at HISPASAT and 49 at HISPAMAR). The methodologies employed in order to objectively assess the valuations of positions in the organization concluded that there are no wage differences between men and women in any of the categories of the organization. In 2014, close to 6% of our staff opted to cut back their shift hours. At HISPASAT, we are also aware of the important role that we play as financial agents with regard to equal opportunity, and therefore we provide disabled persons who work in the organization the necessary means for their employment.

Dialogue between all of us that make up the HISPASAT team is carried out through various communication channels, such as personal and team meetings, e-mail and corporate intranet. Also, in order to ensure proper development of the activity, formal mechanisms are available for receiving complaints related to labor issues and protocols to respond and act on them. There is a mailbox for suggestions in the Communication Office, which channels the queries they cannot resolve directly to their departments or to Resources and Organization. There is also an Ethics Mailbox which is monitored by the Ethics Committee.

Representation of HISPASAT's employees is articulated through the Corporate Committee, which holds periodic meetings with the representatives of the company in order to follow up on matters of interest that affect the staff of the company.

- The consolidation and integration of work processes tied to quality areas:
 - **○** ISO 27000 Certification at HISPASAT and HISPAMAR.
 - ISO 9001 at HISPAMAR in the area of Satellite Communication Services offerings.
- The development of the Talent Management Plan at HISPASAT Group.
- The identification and application of initiatives to improve the assignment of operational resources and the design of new work procedures.





4.1. Talent and **Development**

Training is a strategic axis of action in order to maintain, adapt and improve the skills and talent of the team. Therefore, at HISPASAT Group we have a training plan that establishes the criteria under which training is given, determines the basic contents, and formalizes the procedure for the training hours registration and information system.

For talent management, HISPASAT began a plan in 2014, the objective of which is to attract

This year, the training given has included cross-cutting issues such as the prevention of occupational hazards, training for teamwork, and skill improvement; as well as specific knowledge of ISO 9001, ISO 27000 or financial modeling of companies and projects, among many others.

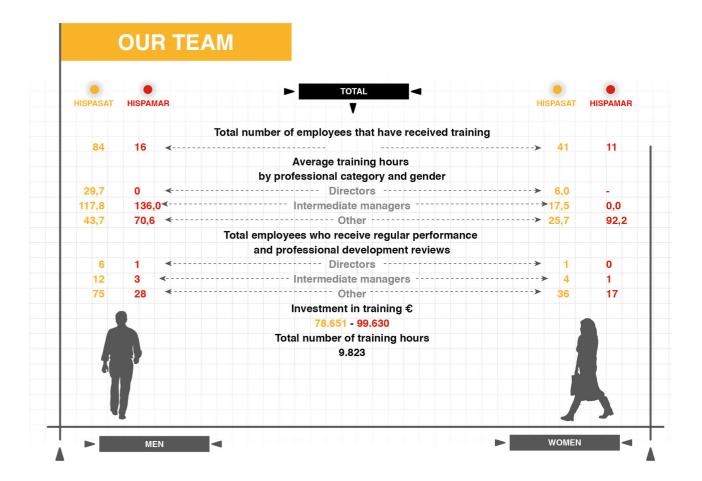
In addition to training, at HISPASAT we have an objective system for evaluating employee performance for the purpose of aligning resources and adjusting individual actions and the organization's strategy, which we will continue working on in the coming years.

and retain the best professionals, and, at the same time, facilitate the professional growth of those individuals with high potential into the company, who may occupy positions of greater responsibility in the future.

HISPASAT Group's investment in training in 2014 reached a total of €78,651 at HISPASAT and €99,630 at HISPAMAR. In total, there were 9,823 hours of training, the average staff training was 53 hours per person. As of December 31, 2014, 82% of the staff had received some type of training.

Investment in training at HISPASAT Group reached a total of €178,281.

Lastly, we believe that sharing certain values in performing activities outside of work helps to promote pride in belonging to the organization. Therefore, within the internal communication framework, sports and cultural activities have been organized so that employees may participate in them voluntarily.



4.2. Workplace health and safety

In 2014, no accident or leave of absence for these reasons took place at the organization. HISPASAT has a Labor Risk Prevention Plan that applies to all individuals performing activities at the company's facilities.

The Safety and Health Committee provides coverage to 100% of our staff, and during the course of 2014 met 4 times, in which the most important matters discussed were those related to:

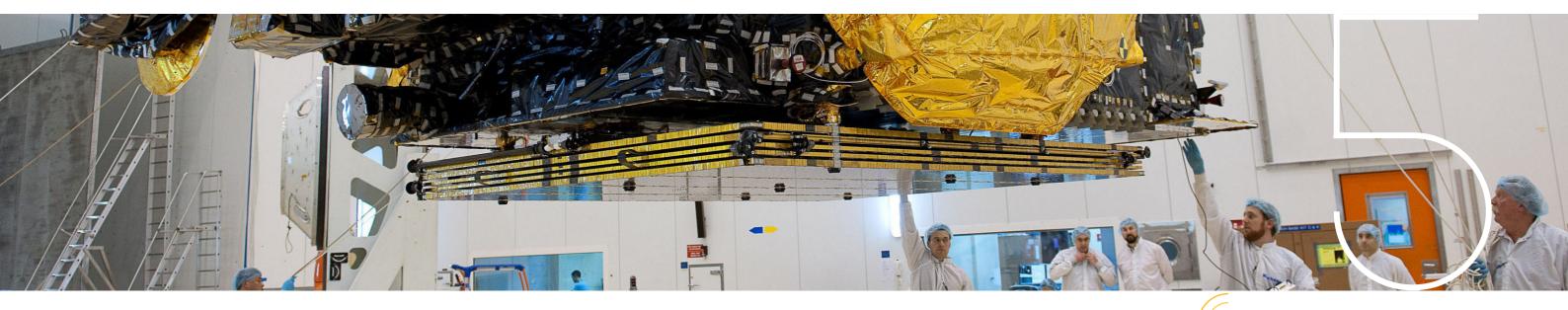
 Review of emergency and evacuation plans, and posterior evaluations of the adaptation projects carried out at the company's facil-

Review of control center signals.

We also have a formal management system in which we incorporate reporting of safety and health control indicators, including the fatality rate, the accident rate, and the rate of illness or absenteeism. All of this is done with the aim to be able to evaluate, plan, react, and take the corrective measures that we deem appropriate. In the event that the activity requires the installation, operating, and maintenance of towers, stations, cables, and other exterior plants, measures are taken to ensure the safety and health of the personnel involved, such as work at tall heights or work in shelters or antennas.



Providers



Supply chain management is critical for us if we want to guarantee that our products and services reach the customer and end consumer. Our providers add value to what we do, and at HISPASAT we believe that partnering with them is necessary in order to establish long-term relationships.

However, it is worth mentioning the Industrial Return Program here, which reaffirms HISPASAT's role as a leading company in the Spanish aerospace industry. Thanks to this program, satellite manufacturers that contract HISPASAT agree to reinvest in components produced in Spain in the same amount that the operator has paid for the satellite, over the course of the 10 years following its construction. This system has made, to date, about 1 billion euros in returns available to the Spanish industry, committed by construction companies for their satellites.

The Industrial Return Program has made about 1 billion euros available to the Spanish industry in 25 years.

In 2014 we conducted a review of the General Contracting Conditions for the Acquisition of Goods and Services by the Group. These conditions incorporate principles that at HISPASAT we believe are essential to ensuring that our employees are responsible for the management and implementation of their activities.

Furthermore, suppliers and subcontractors must participate in our Group's Quality Policy, for the purpose of reach even higher levels of quality and customer satisfaction.

General Contracting Conditions for the Acquisition of Goods and Services

The clauses listed below require certain requisites for suppliers in areas such as labor relations, the environment, and human rights:

The Supplier / Contractor is responsible for the timely payment of wages, social insurance and any other compensation or labor-related, or of any other nature, for whatever reason, that is to be received by employees, and shall hold HISPASAT Group harmless against any claim arising from the breach of this obligation. The Supplier / Contractor shall comply with all provisions relating to the environment and health and safety, including prevention of occupational hazards, that are valid and are applicable to the Order/Contract; and, in any event, those provisions established in HISPASAT Group's internal standards and regulations. The Supplier/Contractor shall respect the internationally recognized human rights, which are, at a minimum, the rights established in the International Bill of Human Rights and the principles regarding the fundamental rights established in the Declaration of the International Labour Organization regarding fundamental labor principles and rights.

Customers



6.1. Quality comes first

At HISPASAT we look for a way to create value for our customers while also being trustworthy, competitive, and profitable. The company was born, and we will continue to work on this, with a strong wish to connect with people in any region and to be recognized leaders in providing advanced satellite communication services.

With this objective, our Quality Policy is defined in order to optimize our customers' satisfaction. This policy is accompanied by a Quality Management System that the Management

of HISPASAT reviews periodically, adapting it to new organizational, environmental, information or market requirements that may arise. We are also committed to promoting its understanding and dissemination into the heart of the organiza-

Our Quality Policy...

...pursues the commitment to be the best every day, to develop innovative solutions and to always act professionally and in a trustworthy manner in all of the established procedures.

tion through ongoing communication and information to the team.





The Quality Management System is certified pursuant to ISO 9001 standard, which allows us to systemize our customer service procedures

and guarantee good service. Our subsidiary HISPAMAR obtained the certification in 2014.

HISPASAT Group Quality Policy <u>here</u>

6.2. Improving customer service

In 2014, we introduced a new Customer Service Process at HISPASAT Group that perfects the model and procedures to better handle customer requests. We believe that good communication with the customer is that which allows us to detect errors, identify aspects that can be improved, and guarantee compliance with our Quality Policy.

Therefore, we have made **new tools** available to our customers in order to provide them with the best coverage possible and to assist them in

the most efficient manner: the call **center** (via phone) and the contact center (web por-



The advantages of the new tools are:



MULTICHANNEL

We have a variety of communication channels through which you can tell us your needs and check the status at any time.

- Customer service call center available from all countries in which we operate: http://goo.gl/AUrUv1
- A web portal through which you can manage your requests:
- https://contactcenter.hispasat.es • Email address: callcenter@hispasat.es



MULTI-LANGUAGE

There will not be any language barriers, we speak:

- Spanish
- Portuguese
- English



24x7x365

We are happy to help, any time of day, any time of year:

- Via telephone, through our call center
- Through the web portal where you can manage your requests



PROXIMITY

Closer to the customer:

- Our personnel will get in touch with the customer in order to clarify and solve any type of request or incident.
- Our salespeople will have access to your requests/incidents in real-time and will explain what is happening.



TRACEABILITY

You can check the status of your requests at any time.

- It is possible to check on the status of your request through our web portal.
- It is possible to leave comments regarding the status of your request.
- In addition, we will let you know by e-mail every time progress is made on



REPORTING

We will periodically inform you of:

- The status of your request
- The level of service being given
- How we have assisted you and how long it has taken us.

HISPASAT conducts a survey annually with our customers to find out their degree of satisfaction with our services, management, and attention. In the survey conducted in 2014, the highest valued was the treatment received from our team, satisfaction with the network and broadcast plan designs, and the billing and collection processes.

Furthermore, our customers state that they will continue working with HISPASAT Group for future needs, and that, in the event that the opportunity arises, they would recommend HISPASAT Group.

The service quality level at HISPASAT is very high, therefore we have not received any sanction that is the result of breaching regulations with regard to the supply and use of the products and services that we offer. In any event, at HISPASAT we have a protocol in order to proceed to paying the applicable compensation that applies to our customers should a breach take place.

At HISPASAT Group we strive to forge a relationship of trust with our customers, so that the contractual relationship is conducted under strict confidentiality clauses that ensure customer privacy and data protection.

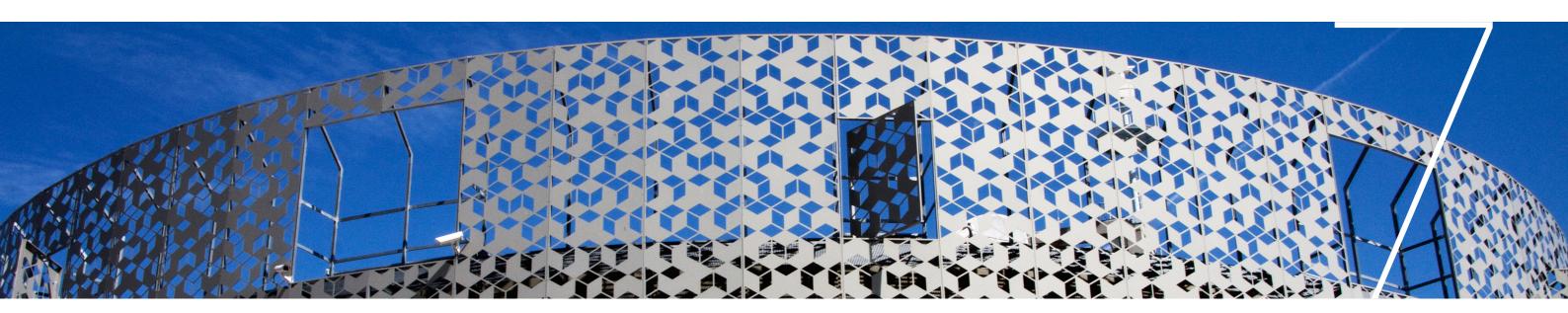
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	mopa oat					
		Enqu	uiries	Rece	eived	
>		Received	Handled	Received	Handled	<
	HISPASAT Group	1,127	100%	725	100%	

0 **Improvement** Plan for Customer Service here

User manual for Grupo HISPASAT Contact Center here

Community



From HISPASAT Group we drive our relationship with the community forward, indirectly, but with significant impact, through our projects and our activity; and directly through social action and participation in industry associations and organizations.

We believe that satellite technology has a fundamental role in closing the digital gap in remote or difficult to access areas. In these areas, the only possible solution to connect these communities with the rest of the world and to optimize their economic and social development is via satellite.

Furthermore, satellites are essential when emergency or disaster relief situations occur in which the ground infrastructures cannot be used.

Social action is a mechanism through which organizations like ours can promote changes in the community. In 2014 we carried out the following actions:

Satellites promote the universalization of telecommunications and access to the information society.



Project Sponsorship

- "Multiply Childhood" with Unicef.
- "Business Alliance for Child Vaccination" with Gavi and Obra Social La Caixa.
- "Help Fund for Emergencies" with the Spanish Red Cross. We made

- a donation in cash of the funds that would normally be used for company Christmas gifts.
- Collection of food and toys by employees for the Food Bank, with the donation of 64 liters of oil from the collection of olives at our control center in Arganda del Rey, and Fundación Madrina.



Participation in Educational Programs

Gavi 🚷

- Fundación Princesa de Girona (Princess of Girona Foundation): HISPASAT has participated since 2012 in the project "Apadrinando el Talento" ("Sponsoring Talent") of the Fundación Princesa de Girona. In 2014 the company collaborated in the program with nine mentors, directors of the company, in order to support youth in secondary education that come from disadvantaged backgrounds, in areas related to their future occupations and supporting their initiative and talent. Ten scholarships are also awarded in order to facilitate the attendance of youth at Forum Impulsa, which is organized annually by the Foundation.
- Fundación UCM (UCM Foundation): HISPASAT makes the diffusion of knowledge possible and facilitates the access of information regarding summer courses in El Escorial, where it extends its satellite coverage.

- Asociación Televisión Educativa y Cultural Iberoamericana (Ibero-American Educational and Cultural Television Association): We provide satellite services to its network of content distributors and associates in Europe and Latin America, and broadcast from its channel signal. The company has also collaborated on its project: "Haiti Aulas Virtuales" ("Virtual Classrooms in Haiti") and on satellite distribution of cultural and informative events.
- Official Association of Telecommunications Engineers: Awards to the best doctoral theses and the best final degree projects.
- BBVA Route in Peru: we provide both the space and the technical equipment necessary for broadcasts so that the organization and journalists have access to telephony and broadband Internet via satellite, and can disseminate information and emit radio and video signals from the Americas to Spain.



Participation in Sporting Events

- Fundación Estudiante (Student Foundation): in order to finance activities that promote the equality and inclusion of disabled persons, as well as training for young athletes.
- Fundación Créate: Sponsorship of the IV Carrera de los Emprendedores (IV Entrepreneur Race), the proceeds of which were donated in full to supporting entrepreneurship at Spanish educational centers.

On the other hand, HISPASAT participates in numerous associations and organizations in the sector. Our presence in these institutions allows us to create positive synergies that benefit the company as a whole, the result of

Secretary of State for Telecommunications and Information Society (3 sessions)

Agencia Nacional de Telecomunicaciones (National Telecommunications Agency) (3 sessions of Rapporteur Group on Radio Communications: 2 of satellite services)

Unión Internacional de **Telecomunicaciones (International Telecommunications Agency), 8** sessions: 2 with Board of Directors of UIT; 1 Rapporteur Group on Radio Communications: 1 Special Regulatory Committee; 2 WPA4 Group; 1 Plenipotentiary; 2 Mixed Special Task Group

Conferencia Europea de **Administraciones Postales y** de Telecomunicación (CEPT) (European Conference of Postal and Telecommunications Administrations) (6 meetings of the Electronic Communications Committee (ECC) and meetings of the conference preparatory group and its work groups).

Federación Nacional de Instaladores de Telecomunicaciones (3 work meetings and Board of Directors Meeting)

Satellite Action Plan of the EC (SAP) and its regulatory group (SAP-REG) (2 annual work group meetings)

Asociación Europea de Operadores de Satélites (European Association of **Satellite Operators**)

Clúster Aeroespacial de Madrid (Madrid Aerospace Cluster) (3 sessions).

the exchange of information and knowledge in the highly specialized sector that is satellite and telecommunications services. Below, we outline the work sessions in which we have participated in 2014:

Asociación Multisectorial de Empresas de Electrónica y Tecnologías de la Información (AMETIC) (Multi-Sector **Association of Electronics and** Information Technology) (1 meeting of the satellite industry)

Asociación Satelital en Colombia (Colombian Satellite Association) (3 sessions).

Digital Video Broadcasting (6 work group meetings).

European Satellite Operator's Standard Institute (1 session).

Federación Catalana de Empresarios Instaladores de Telecomunicaciones (Feceminte) (Catalan Federation of Telecommunications Installer Entrepreneurs) (1 session).

Asociación Hispanoamericana de Centros de Investigación y Estudios de **Telecomunicaciones (Latin American Association of Research Centers and Telecommunication Studies**) (3 sessions: Member Meeting, Board of Directors Meeting, Regulation **Commission, and Operators Meetings).**

Global Vsat Forum (GVF) (2 sessions).

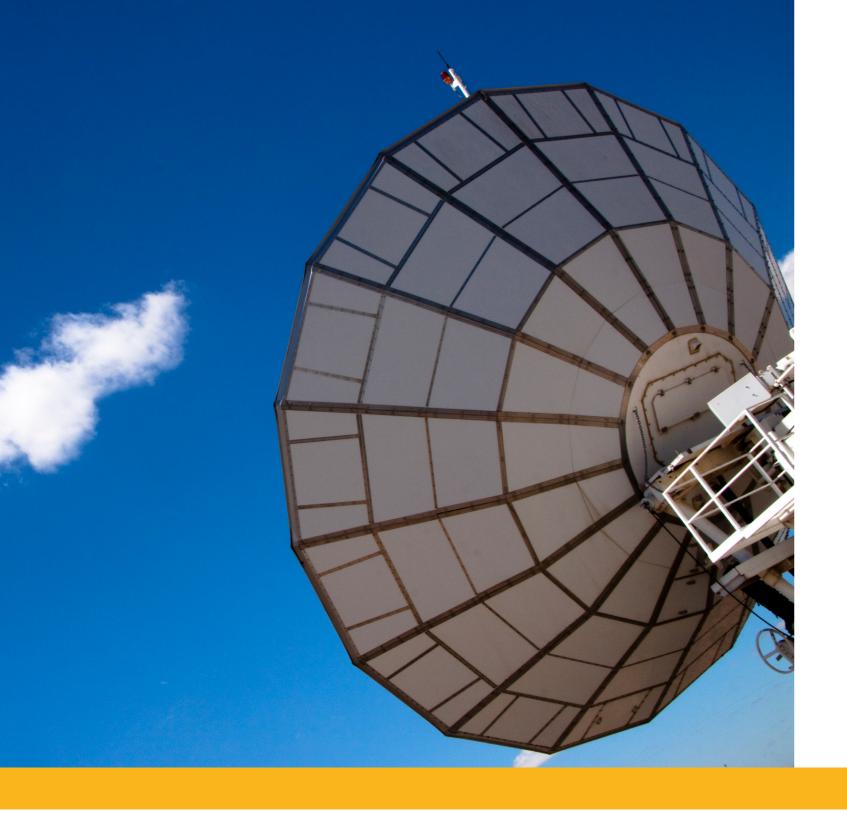
Comisión Interamericana de **Telecomunicaciones (Inter-American Telecommunications Commission)** (3 meetings of the Radio communications Committee and of the Permanent Executive Committee).

Asociación Madrileña de Integradores de **Telecomunicaciones (Madrid Association** of Telecommunications Integrators) (1 association conference).

Circle of Entrepreneurs (3 sessions).

Circle of Trust (9 sessions).





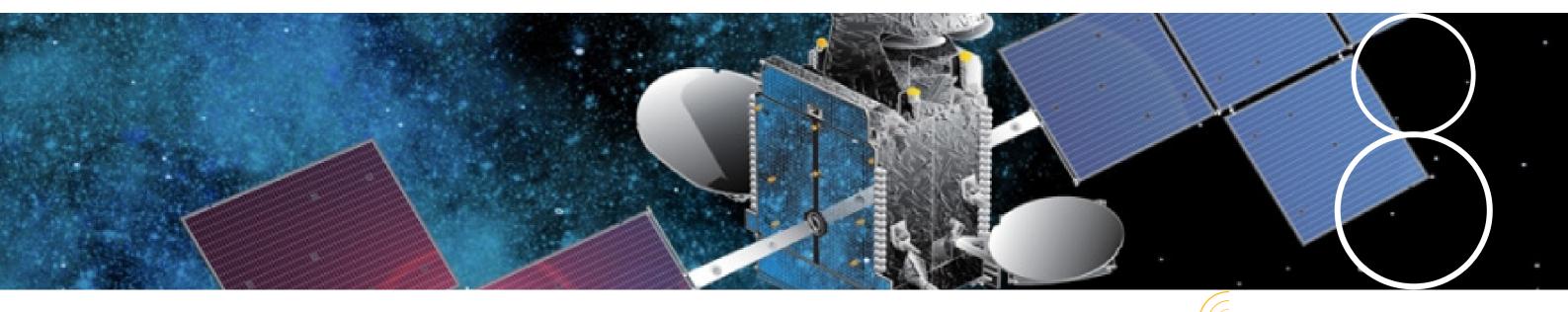
Sustainability-Oriented

In our daily efforts to innovate, we like to focus on what is coming in the future. We work to try to anticipate the needs that one day might arise in the area of communication between people. And to do so without forgetting our current responsibility.

Therefore, there is a long road ahead of us.

And at HISPASAT, our path is clear.

Technology with a social impact



At HISPASAT we work on numerous R+D+i projects that are intended to promote the development of new technologies and identifying innovative satellite communication network architecture to support new quality services. These services add value not only to our customers, but also to society in general.

Beyond this innovative and cutting edge spirit that characterizes us, there is a true current and future commitment to the progress that helps to ultimately eliminate the digital gap and differences in communication that exist between towns and people.

We think that our applications and services are relevant factors for the development of people. They fulfil a true social role.

This idea marks a clear vocation of a private company with a strong responsibility to public services. And at HISPASAT we work daily to reaffirm this.

Noteworthy...

To celebrate HISPASAT's 25th anniversary, in 2014 a contest was announced, the 25th anniversary Award to the best satellite communication innovation.

The prize is in the amount of € 12,000 to the winner and € 5,000 to the runner-up.

The results of the contest will be announced in June 2015.

8.1. Hybrid network and connected TV projects

One of the key areas where HISPASAT is working focuses on the integration of satellite services in new user devices. In this sense, it is necessary to incorporate the new distribution technologies in the home (fiber, WIFI, Ethernet) into satellite signal distribution sys-

H2B2VS Project

OBJECTIVE

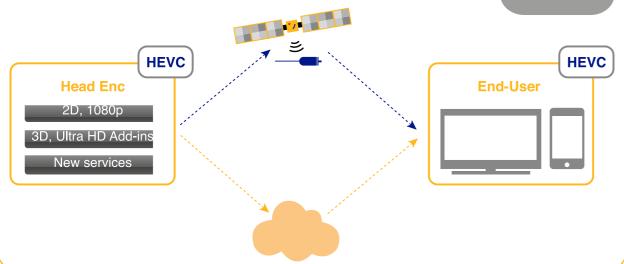
Research and develop solutions for the distribution of new services and formats of video on hybrid broadcast-broadband networks, employing the standard of High Efficiency Video Coding (HEVC).

DEVELOPMENT

The project proposes using the broadband network in a complementary manner to the broadcast network in sending information to provide the desired service. An example of use and one that allows offering value added service for users with hearing disabilities is sending the primary content via the broadcast network and sending subtitles for the deaf via the broadband network. In addition to using HEVC, the project researches solutions throughout the value

chain, and, in each element, tackles different technological challenges that are posed for the coming years.





Saturno Project

OBJECTIVE

Research innovative solutions for satellite content distribution in the digital home that allows the optimization of the deployed infrastructure, as well as develop the necessary equipment and systems. This project aims to bring the satellite to the multi-screen world.

DEVELOPMENT

The developed solutions have the premise of converging with high-speed IP technology

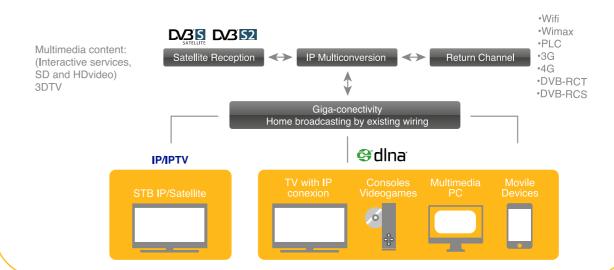
(giga-connectivity) and reusing the infrastructure available at home.

0 More information <u>here</u>

COLLABORATORS

BLUSENS, GIGLE, IECISA, Promax, IKUSI y the public research organization GRADI-ANT (Universidad de Vigo).

This project was the origin of the Sat>IP Alliance.



ICT2020 Project

OBJECTIVE

Research the systems and services associated with the new regulations for Common Telecommunications Infrastructure (CTI) and the possible evolution of these infrastructures in the "Horizonte 2020".

DEVELOPMENT

Seeks to analyze the issue of convergence of access and distribution network in buildings, even homes, and the set of auxiliary networks, especially wireless ones, available there. This project falls within the beginning of the framework research program "Horizonte 2020" of the European Union, which seeks to address the primary social challenges of the future, promote industrial leadership in Europe, and reinforce scientific excellence.

0 More information | <u>here</u> This Project seeks to

integrate the satellite into the already existing

networks in residential buildings in order to provide its inhabitants with service at the lowest cost possible and best efficiency and speed.

COLLABORATORS

Promax, Televés, Fenitel, and Universidad Politécnica de Madrid (Polytechnic University of Madrid).

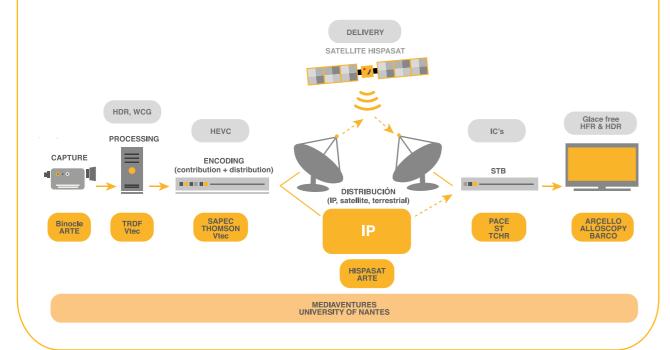
UltraHD-4U Project

OBJECTIVE

The objective of ULTRAHD-4U is to validate and develop the launch of UHDTV in real scenarios. To do so, the necessary development is studied to achieve an end-toend 4k experience, including coding technologies, broadcast, and reception.

DEVELOPMENT

A result of the work of this Project, in March 2013 HISPASAT began a series of validation tests that were implemented in the launch of the Hispasat 4K channel in September of 2013, available for Europe through Hispasat's 1E satellite. Over the course of 2014 improvements have been made to the channel, including the increase in the Frame Rate from 25 to 50 fps, which noticeably improves the perceived quality, especially for images with more movement. Tests were also performed on the first user receptor prototypes (STB - Set-Top-Box), which bring technology closer to the end user. In 2014, at the NAB conference in Las Vegas, the company announced the beginning of the open broadcast of the television channel Hispasat 4K for Central and North America.



These projects are being called to convert the future into the present, thanks to the development of new formats, such as ultra-high definition television (UHDTV), or 4K, and the new standards for hybrid television services, such as HbbTV.

These advances allow HISPASAT to position itself on the cutting edge of the market, which allows its business to be constantly more effective in the value chain of satellite communications.

8.2. Digital inclusion projects

HISPASAT, thanks to its satellite system, has acquired a relevant role in bridging the digital gap in remote or difficult to access zones. In these areas, where land networks do not reach, the satellite is the only solution possible in order to connect communities with the rest

HISPASAT has achieved connecting 648 rural populations in Colombia, in zones such as Amazonas or Boyacá

of the world and to maximize their economic and social development.

Vive Digital Kioskos Project

OBJECTIVE

Achieve 100% of the populations with more than 100 habitants in Colombia having at least one community point of Internet access.

DEVELOPMENT

The Vive Digital Kiosks are spaces located in establishments and educational centers

of rural zones that lack connectivity. In addition to being able to use the Internet, the citizens of these regions also have access to other national and international telephony services, digital literacy, or to e-government, for example. The only thing necessary is to install a small antenna.

COLLABORATORS

NEC de Colombia, S.A.



10K Red Project

OBJECTIVE

Provide Internet access by satellite to 1,700 rural populations in Mexico.

COLLABORATORS

Elara



8.3. Connected School **Projects**

HISPASAT provides the social application of broadband in sectors such as education, health, or scientific and technological development. In this manner, it gives underserved or difficult to access areas of Latin America visibility.

8.4. Emergency and safety projects

As we have already seen -after Hurricane Katrina (2005) and the earthquake in Haiti (2010)-, the satellite fulfills a very important role in emergency situations due to the fact that the availability of land telecommunications **Connected Schools**

- CEIBAL Plan (Uruguay):
- PGMU Program (Brazil): At least 500 locations of 100 habitants access to

infrastructures cannot not always be ensured in those cases.

Satellite technology -thanks to its flexibility, high capacity, and ease of deployment- plays an essential role when providing a quick and effective response in emergency management. HISPASAT collaborates on various projects with the goal of improving, developing, and boosting the deployment of satellite communications in these scenarios.

Also in the framework of emergencies and safety:

Prometeo Project

OBJECTIVE

Develop technologies for the comprehensively fighting forest fires and for the preservation of our forests.

DEVELOPMENT

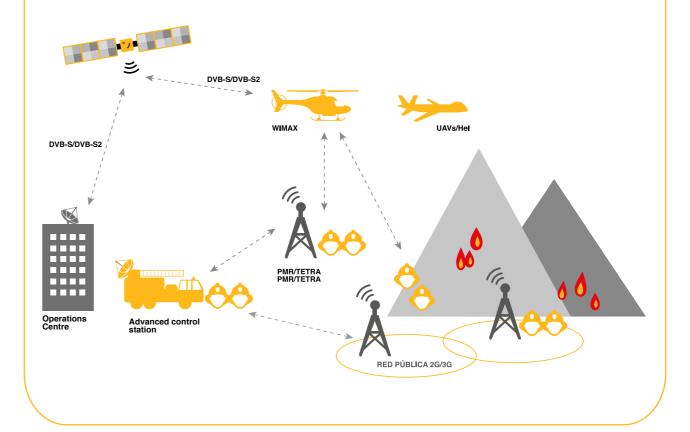
Activities related to the research of the new telecommunications systems models and technologies necessary in order to efficiently and safely develop them for fighting forest fires.

COLLABORATORS

INAER Helicópteros, INAER Maintenance, Telvent, Indra Espacio, DeimosImaging, Isdefe, Tecnolsylva, Expace, Geacam, Vaersa, Brainstorm, Aries, Indra Software Lab and InnovaTec. Additionally, 15 public

research organizations are participating: UPV, UCO, UCLM, USAL, FADA-CATEC, Tecnalia, FGMA, UPM, UPC, UC3M, USC, INTA, LATUV, FCSCL, and ITI.





Intogener Project

OBJECTIVE

Achieve a more precise water flow measurement system in mountainous watersheds in order to make generation of hydro-electric power more efficient and sustainable.



DEVELOPMENT

This project uses the high trustworthiness of the information provided by Earth observation satellites that, together with the in situ measurements transmitted in real time through HISPASAT's communica-

COLLABORATORS

tions satellites, they

are incorporated into

a geo-physical model

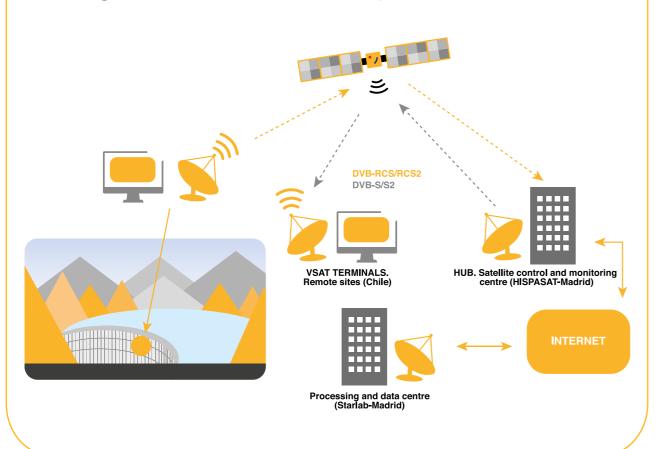
capable of correlating

both measurement in

order to improve water

flow estimates.

Starlab, Endesa Chile, Pontificia Universidad de Chile (PUC) (Pontifical University of Chile), and Future Water.



OBJECTIVE

Develop short and long term solutions in order to improve the current telecommunications systems used in managing putting out forest fires.

ject also tackles other important innovations such as the design of a new autonomous localization system based on signal intensity or on the development of hybrid

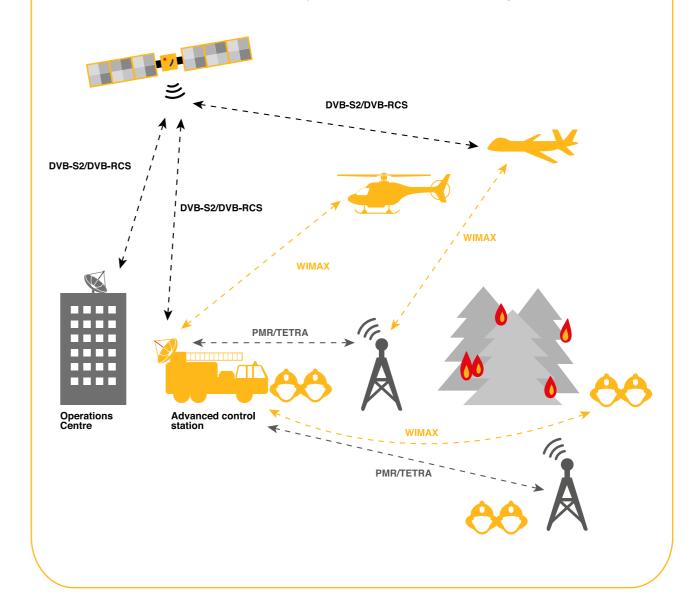
0 information <u>here</u>

DEVELOPMENT

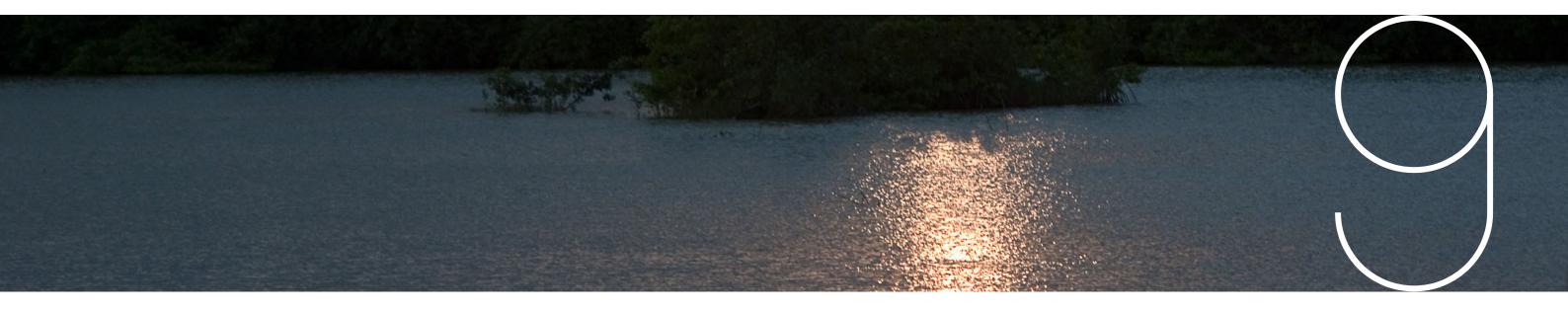
Thanks to the developments made by this project, putting out fires can be done more efficiently and safely, since all of the agents involved will have more trustworthy data in real time of the fire situation. The proWIMAX-SAT equipment and its integration in unmanned aircraft (UAV).

COLLABORATORS

INAER, ISDEFE, TECNALIA, FADA-CATEC, UPM, and Albentia Systems.



Protecting the environment



At HISPASAT we feel committed to protect the environment and biodiversity, the mitigation and adaptation to climate change, the prevention of contamination, and the sustainable use of resources. Along these lines, the Group has been implementing, for some time now, numerous methods that reinforce its most responsible aspect with the environment that surrounds it:

- Implementation of measure to reduce the impact of energy consumption in lighting and burners.
- Systematization of paper consumption, as well as the percentage of recycled paper and its costs.

- Management of metallic, wood, vegetable, and domestic waste, batteries and electric or electronic equipment, with its applicable deposit at authorized management facilities or through municipal pickup (organic waste).
- Identification of the number of points of wastewater discharge volume and treatment control.
- Generation of electricity through photovoltaic solar panels on satellites that are in orbit.
- Raising awareness and energy savings related to the use of the shuttle service or a catering company, reducing the number of trips of employees in their own vehicles.

All of the digitalized documentation at HISPASAT, —the equivalent of almost 10,000 kilos of paper is stored on a hard drive the size of a mobile phone.

Goodbye paper!

In the last fiscal year at HISPASAT we undertook a difficult, but efficient, task: the digitalization of the documentary resources of the Group.

The objective of the initiative was the modernization of the documentary resources of the Group, with intention of reducing paper documents by 95%. In that manner, we were able to also reduce the costs arising from their maintenance, while also establishing more flexible and safe management of the company's documentation.

The process of documentation selection had three very defined options: destruction of the material that was unnecessary, digitalization and destruction of documentation of interest that would not be needed in a physical format, and digitalization and archiving of original documents that could be required by authorities, such as contracts, notary instruments, or tax administration documentation.

All destroyed documentation was recycled.

All of the departments of HISPASAT Group collaborated throughout the selection process.

hispa**sat**

Environmental indicators	HISPASAT	HISPAMAR	Total
CO ₂ emissions (tons)			
Scope 1	265.80	51.10	316.90
Scope 2	1,127.90	33.00	1,160.90
Scope 3	610.40	1.50	611.90
Total	2,004.10	85.60	2,089.90
Scope 1 and 2 emissions related to activity (Tn/OT)			6.33
Total emissions related to turnover (Tn/OT)			11.40
Electric energy consumption (MWh)	3,133.00	336.00	3,469.00
Electric energy consumption related to activity (MWh/OT)			14.86
Liquid fuel consumption (litres)	99,320.00	19,107.00	118,427.00
Liquid fuel consumption related to activity (I/OT)			507.38
Water consumption (m³)	919.00	1,415.00	2,334.00
Water consumption related to activity (I/OT)			10.00
Paper consumption (tons)	2.65	0.55	3.20
Waste generated (kg)			
Hazardous	4,410.00	-	4,410.00
Discarded electrical and electronic equipment	4,400.00		
Discarded electrical and electronic equipment	10.00		
Non-hazardous	36,980.00	-	36,980.00
Metal waste	7,044.00		
Paper and cardboard waste	9,392.00		
Plastic waste	4,696.00		
Wood waste	2,348.00		
Plant waste	500.00		
Municipal solid waste and other similar types	13,000.00		
OT = Occupied transponders	1	1	



COORDINACIÓN EDITORIAL

DIRECCIÓN DE COMUNICACIÓN DE HISPASAT

DISEÑO Y REDACCIÓN DE CONTENIDOS







The text in Spanish prevails over the English version.

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