



**Sustainability
Report
2017**

**Energy
in
evolution**

YPF

we believe





in change



we are





growing

we think about



the future



we are energy



in evolution

Message from the Chairman



For the past 95 years YPF has driven value and contributed to the evolution of Argentine society. We produce energy for millions of Argentine citizens every day.

We also know that in order to remain successful in the coming decades, we need to address the huge energy challenges being faced by our country and the world as a whole.

We must keep on producing the energy required to ensure economic development and the quality of life of all inhabitants, while decisively, effectively and quickly moving forward towards a transition to a lower carbon emission economy. As the leading energy company in Argentina, we take on this challenge as an opportunity for YPF's growth and evolution.

For the past two years we have been working to fulfill a commitment: become a beacon company in Argentina for providing sustainable energy for the community and our customers. This means focusing on a more efficient gas and oil production, as well as profitably boosting electric power and renewable energy generation. As such, we conduct our business in line with the goals of the Paris Climate Change Agreement, the United Nations 2030 Agenda for Sustainable Development Goals, and the UN Global Compact's Ten Principles.

We carry out our activities in Argentina, a country that is uniquely positioned to navigate the transition towards cleaner and more sustainable energy systems. This is thanks to a wealth of natural resources, particularly natural gas and renewables, and the quality of human resources. The energy sector is attracting an increasing amount of foreign investment through projects and operations that involve world-class resources, technology and innovation.

Argentina boasts a large array of natural resources. Concerning oil, on top of conventional and unconventional resources, we have the know-how, expertise, technology and adaptive potential to generate a more efficient production process in the short term.

As regards natural gas—understood as a transitional energy with lower carbon emissions, supplemental to renewable energies—, production from tight and unconventional reservoirs in Argentina (Vaca Muerta is the world's second largest gas reserve) is already enabling profitable, massive development at very competitive prices and export capacity potential for the country. We are also looking into ways of adding value to that gas, for instance, by supplying it to modern powerhouses for electric power generation.

These resources are coupled with renewable energies. The extensive Argentine territory features favorable weather conditions that allow taking full advantage of wind, sun, biomass, and other similar energy sources to generate power at very competitive prices. In Argentina, renewable energies are addressed by a State policy and we, as a company, have made progress in our contributions to it. Our goal is to become leaders in Argentina's renewable energy market in the next five years.

Our vision of the energy future is embodied in our five-year Strategic Plan, which outlines the focal points of YPF's transformation into an integrated and competitive energy company and includes specific operating goals to contribute to climate care and emission reduction. These involve an active management of our portfolio and expansion of efficiently operated unconventional and natural gas projects, strengthening of our electricity and renewable energy business, continuous improvement

of fuels and lubricants, as well as investment in innovation and technology applied to industry. In this context, we have expanded the scope and impact of energy efficiency initiatives to improve performance of our facilities and activities, and have encouraged their adoption throughout the value chain.

Operational excellence and sustainability pervade all our businesses as cross-sectional processes.

Our priority working areas encompass the production of affordable, reliable and sustainable energy, resource and energy efficiency, and climate change adaptation. Customer focus and a vision of diversity and inclusion—enhancing the working skills of our employees—are also of the essence.

In our efforts to continue boosting development, we also face several challenges. We must continue strengthening competitiveness, increase nationwide investment in infrastructure, and adopt regulatory frameworks that encourage implementation of the best available technologies and innovation.

Argentina is leading a historic process. Our commitment is to contribute to the development of inclusive models with cleaner and more accessible and affordable energy for more people.

Miguel Ángel Gutiérrez
Chairman, YPF S.A.

Message from the CEO



Dear Readers,

Our 2017 results show the positive consequences of having adapted YPF's operations and activities to the new industry scenario. From a solid financial position and level of activity achieved throughout the year, we were able to lay down the foundations for implementing our five-year Strategic Plan.

Last year revenues grew 20.3% more than in 2016, while EBITDA (operating income before depreciation, amortization, and unsuccessful exploratory drilling activities) showed a significant recovery both in Argentine pesos (14.7%) and in dollars (2.3%) following the negative result in 2016.

Cash flow from operations reached 72.0 billion pesos (+46.3%), which allowed the company to intensify its debt reduction process. Investments amounted to 58.0 billion pesos, in line with past years' levels, positioning YPF as the largest investor in the country. Gas and electric power segments boasted a noteworthy investment of 3.9 billion pesos (+81.2%).

Despite being a year of many achievements, 2017 was not without difficulties for the company. Within a context of low prices, crude oil production saw a 7% drop.

These production levels were mainly affected by the natural decline of mature wells and weather-related events that unfolded in the provinces of Chubut and

Santa Cruz. This result started to reverse during the last quarter of the year mainly due to the implementation of plans to increase production in the Golfo San Jorge Basin. Natural gas and LNG production decreased 1.1% and 4.2%, respectively. The reserve replacement ratio was impacted by the elimination of the “barril criollo” scheme and the still valid international prices.

During the third quarter we presented the company’s new five-year Strategic Plan focused on transforming YPF into a modern, integrated, competitive energy company. The core issues around which the company seeks to increase its value are profitable growth of its business areas; operational excellence and customer-oriented sustainability; active management of project portfolio based on cost-effectiveness and efficient capital allocation; and strengthening of investment in new energies, innovation, and technology. The safety of our people and operations remains an absolute priority across the organization.

This Plan reaffirms our commitment to energy transition and climate care, and basically comprises a more efficient oil and gas portfolio and increased investments in electric power and renewable energies. We included associated operating targets that involve reducing 10% of specific emissions, positioning the company as a key player in the electric power

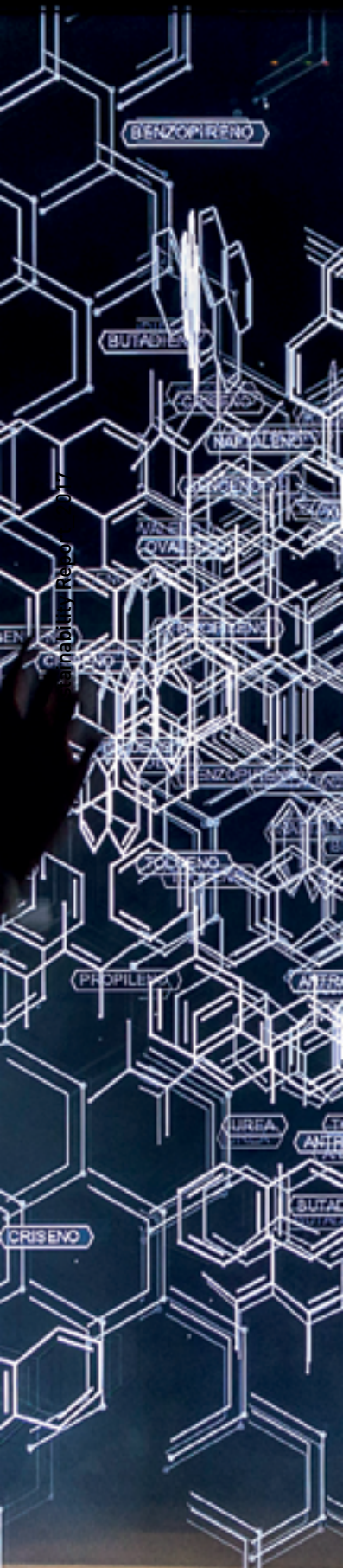
generation market, and becoming nationwide leaders in renewable energies. Along these lines, we kicked off operations in the new Loma Campana Power Plant, started building the Manantiales Bher Wind Farm, and moved forward in the implementation of other renewable energy projects.

We have refined our strategy as an energy company; we have set priorities and goals framed in a new Strategic Plan focused on creating sustainable, long-term value for our shareholders and all our stakeholders. And we are committed to working on these issues in agreement with the Sustainable Development Goals and the UN Global Compact’s principles.

We are confident that in 2018 we will continue making YPF stronger. We are ready to capitalize on the best opportunities.



Daniel González
CEO, YPF S.A.





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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.



Corporate Profile

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-16, 102-45, 201-1

History

YPF S.A. is an Argentine company with more than 95 years of history and leading market positions across the country's oil and gas value chain (production, refining, petrochemical operations and sale of fuels).

We are the leading Latin American company in unconventional projects. Two years ago, the Board of Directors decided to initiate an ambitious process to transform YPF into a broad energy company. In this context, the company is developing a growing electric power and renewable energy business with the aim of becoming one of the leaders in the sector in Argentina.

The company is a publicly traded corporation, with securities trading on the Bolsa de Comercio de Buenos Aires (BCBA – Buenos Aires Stock Exchange) and the New York Stock Exchange (NYSE) since 1993.

Most of its operations are concentrated in Argentina; however, it holds equity interests in one exploratory area in Chile and Bolivia, commercializes lubricants and derivatives in Brazil and Chile, and conducts oil and gas-related construction activities in Uruguay, Bolivia, Brazil and Peru through AESA, one of its controlled companies.

Corporate headquarters are located in the City of Buenos Aires, Argentina. YPF's workforce –including that of its controlled companies– stands at 19,072 direct employees nationwide, of which 22% are women. The company's top priorities are occupational health and safety, as well as operating safety. It operates with a strong commitment to sustainability, integrity and transparency, coupled with professionalism, ongoing improvement and innovation.

For more information on the Entities included in the consolidated financial statements, please visit <https://www.ypf.com/english/investors/Paginas/Financial-information.aspx>

Shareholders

The federal government –through the Ministry of Energy– owns 51% of the shares in YPF, while the remaining 49% shares are floating stock trading on the BCBA and the NYSE.

Vision

YPF S.A. is committed to being an integrated, profitable and competitive company that produces affordable and sustainable energy with a focus on its customers, while leading energy transition in Argentina.

Strategy

Profitable growth by creating value that maximizes its privileged position in the oil & gas business, as well as in the new electric power and renewables business.

Operational excellence and sustainability, commitment to safe and reliable operations that are efficient in terms of carbon emissions and attractive to talent.

Transformation of operations and corporate culture aligned with the new Strategic Plan.

Cost reduction, efficient capital allocation and financial discipline.

Investment in innovation and technology.

Values

YPF's Corporate Ethical Values are the basic guidelines that should inspire Directors' and Employees' behavior in the performance of their duties. They are reflected in the Code of Ethics and Conduct, which also applies to contractors, suppliers and business partners. Those values are: integrity, transparency, responsibility, safety, human rights, gender equality and sustainability.

Activities

YPF is the leading Argentine company in exploration, development and production of crude oil, natural gas and LPG. It is also the main market operator in the Downstream business, which includes operations such as refining, selling, transporting and distributing oil and a wide range of petroleum products, petroleum derivatives, petrochemicals, LPG and biofuels.

The Gas & Energy business involves marketing and distribution of natural gas, commercial and technical operation of LNG regasification terminals, electric power generation and operation of renewable energy projects.



YPF

in Figures - 2017

B AR\$ 252.8

Income

3.42

Energy intensity in Upstream
(GJ / t Oil&Gas produced)

B AR\$ 66.8

EBITDA

0.38

GHG intensity (tons of CO₂
-eq per processing unit)

B AR\$ 58

Investments -

Largest investing company in Argentina

179,066 KT

Reused water

929 M BOE

Total proved reserves

MAR\$ 179

Voluntary social investment

555 K BOE/day

Net hydrocarbon production -

43% of the market

1,563

Gas Stations

35% of the gas
station market

+55% of the gasoline
and diesel market

81.3 K BOE/day

Shale production (YPF and partners) -

World's second largest producer

19,072

Direct employees

22% of women

293 K BBL/day

Refined products:

+50% of Argentina's refining capacity

1

petrochemical producer

2.2 M tons of products/year

5

Electric Power Generator in Argentina
1.8 GW

0.60

Accident Frequency Rate

References

BBL: Barrels

BOE: Barrels of oil equivalent

EBITDA: Earnings before Interest, Taxes, Depreciation, and Amortization.

K: Thousand (s)

M³: Cubic meter (s)

T: Ton (s)

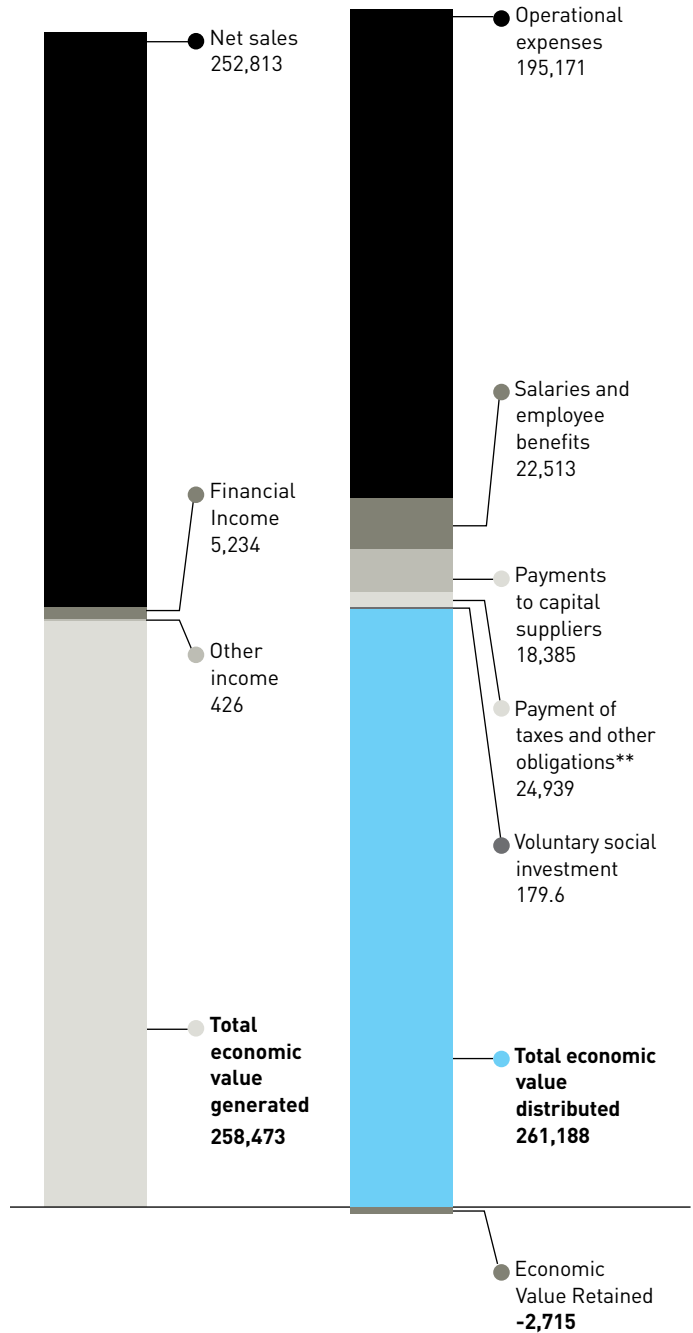
M: Million (s)

B: Billion (s)

AR\$: Argentine pesos

USD: U.S. dollars

Direct Economic Value Generated 2017*



* The information above is expressed in millions of Argentine pesos and has been extracted from YPF S.A.'s Audited Consolidated Financial Statements as of December 31, 2017, as approved by the Board of Directors and audited by Deloitte. For more specific financial information, please visit <https://www.ypf.com/english/investors/Paginas/Financial-information.aspx>

** Taxes, rates, royalties, easements and fees.

Operations

Upstream

Upstream operations consist of exploring, developing and producing crude oil, natural gas and LPG. They involve locating and identifying new reserves, as well as implementing production processes to recover those natural resources. We strive to maximize both productivity and our portfolio's profitability through the rejuvenation of mature fields, an ongoing focus on gas development and the intensive development of unconventional reservoirs.

During 2017, oil operations in the province of Chubut were hampered by two weather-related events that led to losses in production and delays in development execution programs, but had no significant environmental impact. Additional development plans were put in place to recover production losses.

As of December 31, 2017, YPF had interests in 112 concessions in productive basins and 23 exploratory blocks in Argentina. They accounted for 43% of Argentina's total oil and gas production.

Leading company in unconventional resources

We are the leading Latin American company in unconventional exploration and production projects. The most important of them is Vaca Muerta, a geological formation in the province of Neuquén where the Loma Campana field is located. The project is run with world-class partners such as Chevron, Dow Chemical, Petronas, Shell, Equinor, Schlumberger, Total and Wintershall.

In 2017 unconventional production with partners reached 81,300 boe/d, with 607 active wells.

For more information on our unconventional operations, please visit <https://www.ypf.com/english/Vacamuertachallenge/Paginas/index.html>

Hydraulic stimulation: <https://www.ypf.com/energiaypf/Paginas/mitos-y-verdades.html>
<https://youtu.be/TVZ0D0Z59SA>

Water, sand and additives: <https://www.youtube.com/watch?v=ny-lwsOL70Y>

Downstream

We are Argentina's leading refiner, operating three wholly-owned refineries with a combined annual refining capacity of approx. 319.5 K bbl/d. We also hold a 50 percent equity interest in Refinería del Norte, S.A. an entity jointly controlled with Pluspetrol and Pampa Energía S.A. –and operated by the latter– with a refining capacity of 26.1 K bbl/d.

We have a network of 1,563 YPF-branded gas stations, of which we own 113 (OPESSA). We develop products, services and market solutions for agriculture and industry sectors. We supply bulk gas directly to the wholesale market and over 45,000 facilities from different segments.

We transport and store crude oil and products that are delivered to refineries. We sell refined products and crude oil to international and domestic customers. We are also one of the leading petrochemical producers in Argentina and the Southern Cone of Latin America, with operations at our Ensenada industrial complex ("CIE") and Plaza Huincul refinery. In addition, Profertil S.A., a company jointly controlled with Agrium Holdco Spain S.L., is one of the leading urea producers in the Southern Cone.

For more information on these activities, refer to Chapter 3: Operational Excellence and visit our corporate web page: www.ypf.com

Natural Gas, Electric Power and Renewables

The Gas and Energy segment is involved in the marketing and distribution of natural gas, the commercial and technical operation of LNG regasification terminals, and the generation of electric power from conventional and renewable energy sources.

YPF is the largest producer of natural gas in Argentina, with total sales of 14,544 Mm³ in 2017, accounting for 30.1% of the market. It operates UTE Escobar (a joint venture between YPF and ENARSA) and Terminal Bahía Blanca, both of which handle LNG regasification. Along with Petrobras and Dow Argentina, YPF has an equity

interest in MEGA S.A., a company engaged in gas separation and fractionation. It also holds a majority stake in Metrogas, a natural gas household distribution company operating nationwide.

The electricity and renewable energy business used to be handled by YPF's subsidiary YPF Energía Eléctrica S.A. At the time of this Report, it started operating under the name YPF LUZ with a new partner, General Electric Financial Services Inc. (with a 24.99% stake)¹. YPF LUZ has now an installed capacity of 1,807 MW as well as renewables and cogeneration projects under construction for an additional 620 MW between 2018–2020. Its goal for 2022 is to position itself as the third largest electric generator in Argentina and the leading company in the renewable energy sector.

It has three power generation plants – two (combined cycle) wholly owned and a third in which it holds a 40% interest along with Enel and Panamerican Energy. It also owns and operates another three power generation plants fueled by natural gas produced by YPF S.A.

During 2017 YPF moved forward with construction of the Manantiales Behr Wind Farm (99 MW), in the province of Chubut. The new corporate plan has targeted construction of an additional two similar wind farms.

For more information on the company and its operations, please see Form 20-F at <https://www.ypf.com/english/investors/Lists/InformeAnualForm20/20-F-2017.pdf>

For more information on our renewables strategy and YPF Luz, please refer to Chapter 5: Climate Action and Environmental Management and visit us at <http://www.ypluz.com> (only in Spanish version) <https://www.ypf.com/energiaypf/Energiasrenovables/home.html> (only in Spanish version)

¹ On Dec. 14, 2017, YPF's Board of Directors entered into an agreement with GE Energy Financial Services Inc. for the capitalization of YPF Energía Eléctrica (YPF EE). On March 20, 2018, GE subscribed shares of YPF EE in order to achieve participation equal to 24.99% of YPF EE's capital stock. International Energy Agency (basis year: 2015).



Value Chain

New energies

YPF Energía Eléctrica S.A.
Development of wind and solar energy projects and increase in natural gas production to replace fuel oil or diesel power generation.

Exploration

Search for and identification of new oil and gas reservoirs.

Production

Recovery of oil and gas resources -either conventional or unconventional- by means of extraction processes.

Development

Preparation for production in areas with oil and gas reservoirs. Includes definition of development type and investment level.

Storage and Transportation

Use of oil and gas pipelines, vessels and trucks to transport crude oil and condensate, dry and liquefied natural gas. Use of multi-purpose pipelines, tankers and trucks to distribute refined products.

Innovation and Technology - Y-TEC

Strengthening of Y-TEC, a leading company in the generation and transfer of innovative technological solutions for a sustainable energy industry.

LNG

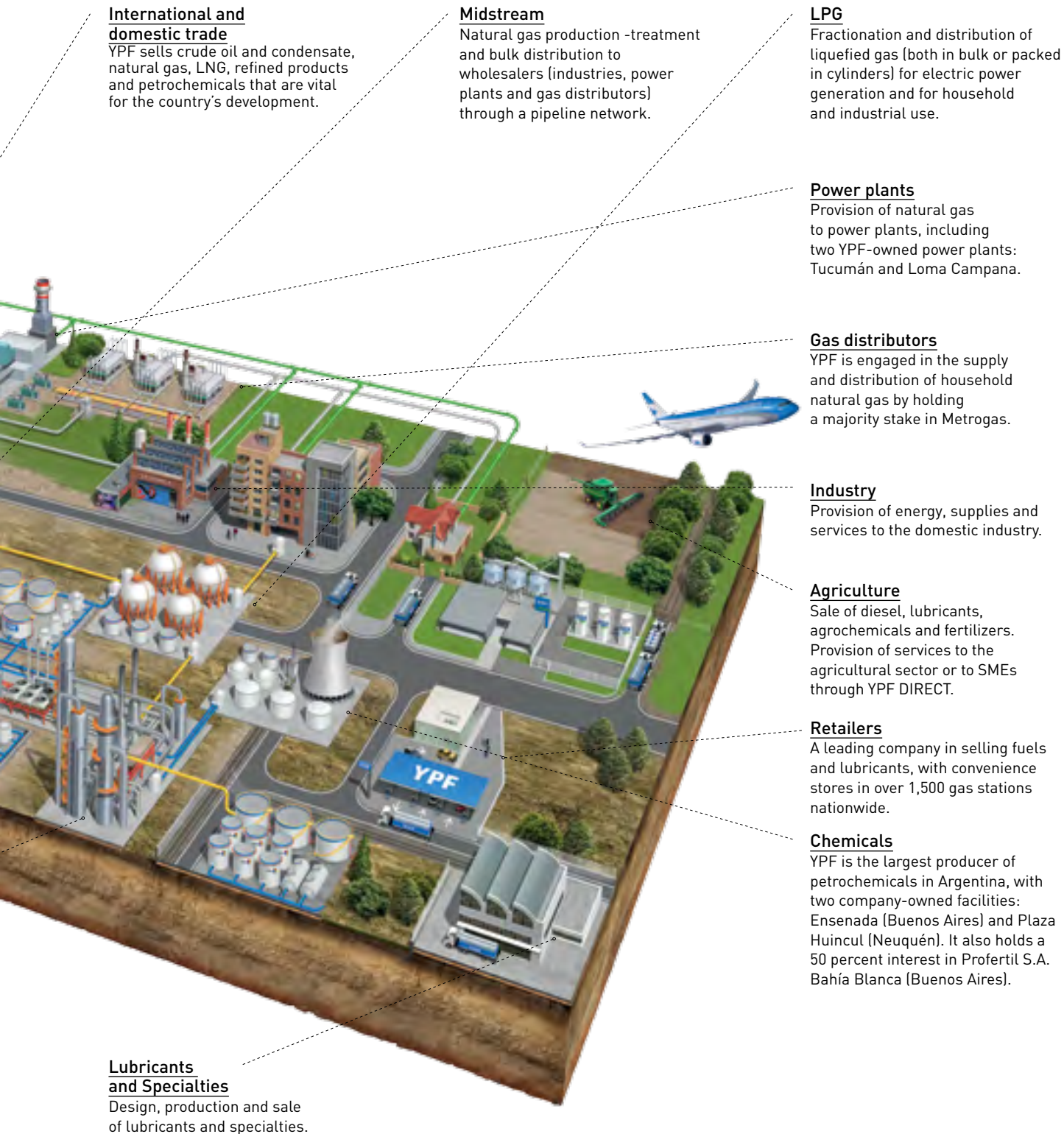
Regasification and distribution of liquefied natural gas in bulk.

Refining

YPF's refining operations to produce fuels and derivatives (lubricants, plastic and synthetic consumables, agrochemicals and fertilizers) are conducted in three facilities: La Plata (Buenos Aires), Luján de Cuyo (Mendoza) and Plaza Huincul (Neuquén).



- Oil and petroleum products
- Liquid fuels
- Natural gas
- Electric power



International and domestic trade

YPF sells crude oil and condensate, natural gas, LNG, refined products and petrochemicals that are vital for the country's development.

Midstream

Natural gas production -treatment and bulk distribution to wholesalers (industries, power plants and gas distributors) through a pipeline network.

LPG

Fractionation and distribution of liquefied gas (both in bulk or packed in cylinders) for electric power generation and for household and industrial use.

Power plants

Provision of natural gas to power plants, including two YPF-owned power plants: Tucumán and Loma Campana.

Gas distributors

YPF is engaged in the supply and distribution of household natural gas by holding a majority stake in Metrogas.

Industry

Provision of energy, supplies and services to the domestic industry.

Agriculture

Sale of diesel, lubricants, agrochemicals and fertilizers. Provision of services to the agricultural sector or to SMEs through YPF DIRECT.

Retailers

A leading company in selling fuels and lubricants, with convenience stores in over 1,500 gas stations nationwide.

Chemicals

YPF is the largest producer of petrochemicals in Argentina, with two company-owned facilities: Ensenada (Buenos Aires) and Plaza Huincol (Neuquén). It also holds a 50 percent interest in Profertil S.A. Bahía Blanca (Buenos Aires).

Lubricants and Specialties

Design, production and sale of lubricants and specialties.

About this Report

GRI 102-48, 102-49, 102-50, 102-51, 102-52, 102-53,
102-54, 102-56

The Report has been prepared in compliance with the 2016 GRI sustainability reporting Standards of the Global Reporting Initiative –GRI, Essential option, including its Oil and Gas Sector Supplement. The Oil & Gas Industry Guidance developed by the International Petroleum Industry Environmental Conservation Association (IPIECA) has been used as reference when considering environmental and social issues.

Our last sustainability report was for the year 2016. This Report covers the period from January 1 to December 31, 2017. It deals with YPF S.A.'s operations and, in the areas of human resources and environment, it also includes indicators from controlled companies² as well as information on all the actions taken by the company along with YPF Foundation.

It does not contain significant changes to information provided in previous Reports or to the material topics prioritized. Any restatements of information/data provided in previous Reports are included in the relevant chapters. Calculation of Economic Value Generated and Distributed has been adjusted in line with recent guidance set out by the GRI Standards guidelines.

This Sustainability Report has been submitted to an analytical review process by Deloitte & CO S.A. which entailed examining the identification process of material aspects and the applicability of GRI Standards and Global Compact Principles. It serves as the Communication on Progress to the United Nations Global Compact (UNGC).

This Report documents our operations and business activities, in alignment with our commitment to sustainability. We have updated information on our work and addressed opportunities and challenges to reconcile the production of energy to provide for society's energy demands and the competitiveness of the business with economic, social and environmental issues.

This Report covers the topics that are most material to the company as identified in our latest internal assessment and through dialogue with our stakeholders.

Information on environmental, social and governance performance provided in this Report can also be accessed from our corporate web page.

The contact point for questions regarding the report or its contents is: sustentabilidad@ypf.com

² For more information on our organizational structure, including the main companies in the Group, see the Consolidated Financial Statements as of December 31, 2017, at:
<https://www.ypf.com/english/investors/Lists/InformacionFinanciera/Financial-Statements-12-31-2017.PDF>





Integrated Energy Company

Leading Energy Transition in Argentina

GRI 103-1, 103-2, 103-3,
102-11, 102-15

Energy is essential for economic development and people's quality of life, and this is reflected in the ever-increasing demand for power, which the main energy agencies forecast will increase by an extra 30% worldwide by 2040. As for Argentina, the increase in demand is expected to be 3.5% per year. We acknowledge the pressing need to reconcile the growing demand for energy with a future low in carbon emissions, and meet the challenges that this entails. A clean and efficient energy future involves the use of renewable energy sources, a higher penetration of cleaner energies such as natural gas, and improvement in the quality of liquid fuels, biofuels, and energy efficiency and resource initiatives. Each region or country will have to develop its own roadmap for transition based on its specific starting point, resource availability and capabilities.

In this context, the oil and gas industry has been undergoing a difficult time of disruptive changes that have placed business competitiveness at the core of YPF's strategy.

As of 2016 and during 2017, the company focused on operational efficiency, costs and productivity, while successfully identifying new opportunities for sustainable growth. Accordingly, in October of 2017, it launched its renewed business strategy 2018-2022, which calls for YPF's transformation from a strictly oil & gas company to an integrated energy company. The key focal points of this process in the area of sustainability are related to more carbon-efficient oil and gas production and profitable growth in electric power and renewables production.

YPF considers itself to be a competitive, integrated energy company leading energy transition in Argentina and focused in generating affordable, sustainable energy.



Strategic Plan 2018 - 2022

The new business strategy that began in 2017 envisages profitable growth with a focus on value creation and the use of all the available energy potential. This involves a 4-4.5 billion dollar investment per year and features:

- Production of oil, gas and fuels to meet the country's needs in a competitive and more carbon-efficient way.
- Significant growth of the renewables and electric power generation business relying on cleaner sources.
- Boost to petrochemical production associated with natural gas production.
- Investment in innovation and technology for a sustainable business.

The plan envisages, at the same time, high integration of petrochemical operations and natural gas production plus relaunch of a customer-focused B2C and B2B business strategy.

This strategy includes the following commitments:

- Operational Excellence and Sustainability: occupational health and safety, and operating safety are the company's top priorities, as well as carbon efficiency and talent attraction.
- Transformation of operations and corporate culture aligned with the new Strategic Plan.
- Cost reduction, efficient capital allocation and financial discipline.

These commitments will enable us to drive energy transition in Argentina to a sustainable matrix and contribute to a future with less carbon emissions per unit of energy generated and used. The use of technology, creativity and innovation will be key to promoting the changes required by such challenge.

Accordingly, during 2017 we approved our Corporate Sustainability Policy and renewed our Commitment to Climate Change.

Operating Goals

+25%

Production
2018-2022

+50%

Reserves
2018-2022

+10%

EBITDA*
CAGR**
2018-2022

4/4.5

Investment
Billion USD / year
2018-2022

~1.5x

Net debt / EBITDA
2022

*EBITDA = Operating results + amortization and charge for impairment of fixed assets + amortization of intangible assets + unproductive exploratory wells.

**CAGR = Compound annual growth rate.

Focal points of our contribution to energy transition in Argentina

Reduction of CO₂ emissions intensity in our oil and gas operations

In the next few years, oil and gas projects will continue to be part of our project portfolio. We are then committed to reducing the total intensity of carbon emissions associated with them by working on concrete initiatives already underway. These projects include energy efficiency standards across all operations as well as a search for solutions for carbon capture, storage and reuse.

Growth in electric power and new energies production

For 2022, we have set ourselves two main goals that will be achieved through YPF Energía Eléctrica S.A.: grow from the fifth to the third largest electric power generator in Argentina, using diverse sources (more efficient thermal, wind and solar energies); and become the leader in renewables generation, with 20% of our own generation coming from renewable sources. During 2017 YPF moved forward with construction of the Manantiales Behr Wind Farm, scheduled to start operations in 2018. Investment for the next five years is estimated at approx. USD 3 billion.

Resource efficiency

The amount of natural resources and materials used in production processes has an impact on both the future availability of those resources and materials and on the amount of emissions and waste they generate.

Reducing the intensity of the resources used to conduct our operations is another focal point of the work we have set ourselves to do. This process may also positively affect corporate costs. We have a set of actions and pilot projects in place, such as water use, and are committed to encouraging the identification of opportunities linked to the circular economy.

Innovation and Technology

Innovation and technology are vital factors necessary to be more efficient and competitive. They are key to both managing our daily operations and successfully completing the transformation process in our company. For this reason, we have set up Y-TEC¹, the leading Argentine company in the generation and transfer of technology solutions for the energy industry, making any necessary changes to our corporate structure to strengthen those functions. Our main goals are to govern a balanced R&D portfolio designed to create value, and manage co-innovation technology models with Academia, the entrepreneurial ecosystem, and world-class partners.

As regards digitalization specifically, the Strategic Plan envisages working on four chapters: technology applied to operations, technology applied to customer relationship, analytics and mobility.

¹ In which CONICET (National Council of Scientific and Technical Research) has a 49%-interest.



Operating goals

~10%

reduction in CO₂
equivalent emissions intensity

#3

player in
electric power generation

#1

renewable energy company, with 20% of our
own generation coming from renewables.

70%

of the fuels to be produced in 2022
will have low sulfur content

Commitment to Sustainability

GRI 102-12, 102-13, 102-20, 102-21, 102-28, 102-35, 102-40, 102-42, 102-43, 102-44, 102-46, 102-47

In 2017 YPF's Sustainability Policy was approved, and the Commitment to Climate Change and Energy Efficiency was renewed. The areas of focus and key goals in these documents were included in YPF's new Strategic Plan with greater emphasis.

We have defined our planned contribution to energy transition in Argentina; we have set the safety of our people and operations as an absolute priority across the organization; we have strengthened talent and diversity management, as well as innovation, as two focal points in the transformation process; and we have redefined our way to build relationships with stakeholders.

Materiality and Stakeholders

Our stakeholders include all individuals and organizations that are linked to the company in its role as energy producer and supplier, employer or partner. In this sense, our aim is to create long-term, transparent and mutually beneficial relationships with them.

There are specific areas within the company's vice presidencies that manage stakeholder relations. In addition, formal communication channels are available as detailed in this Report.

Updates on sustainability-related material topics were provided through dialogue with internal and external groups. Their opinions on and priorities vis-à-vis

YPF management are highly valued, as well as their expectations on the future of both the company and the energy industry. Their input and suggestions were collected not only in specific meetings, but also in several dialogue instances and through different corporate communication channels.

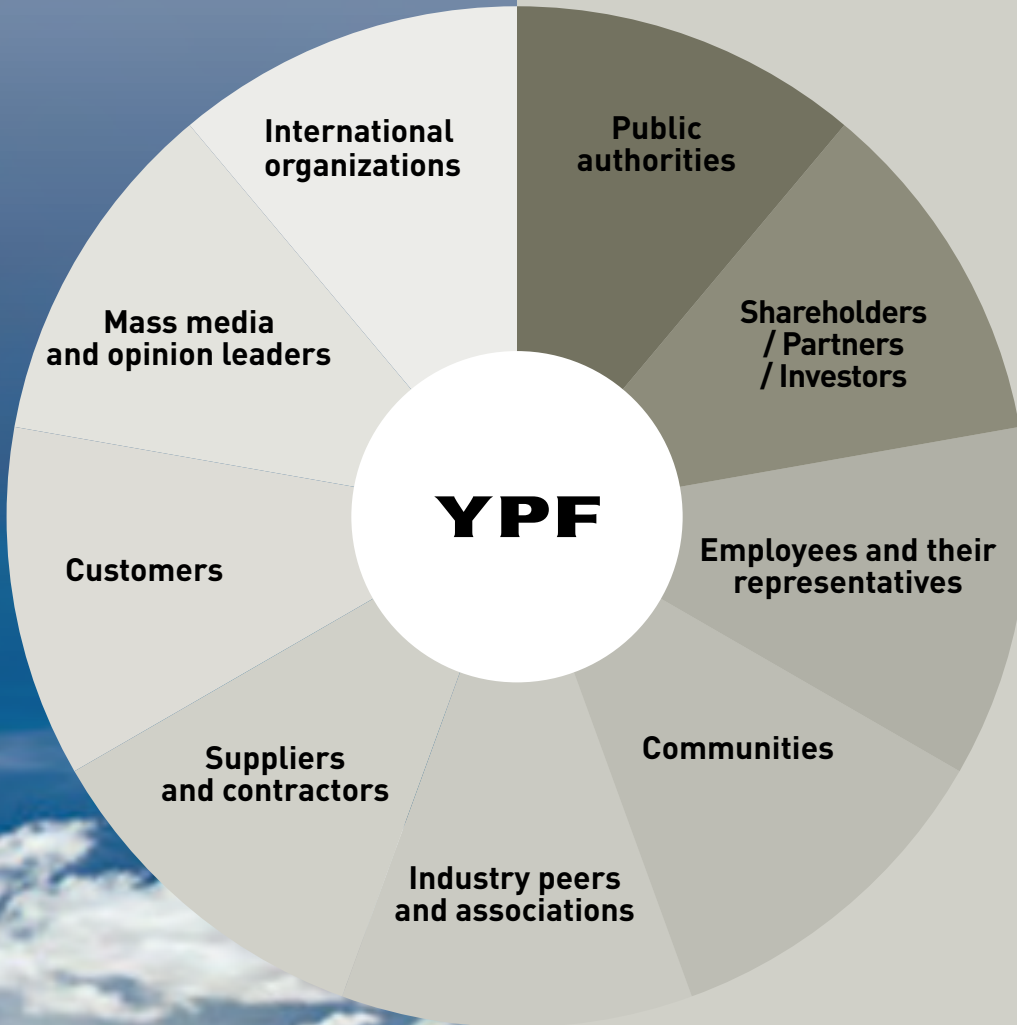
Other tools such as media analysis, public opinion surveys, and reputation and brand positioning research were also used, with an internal evaluation of their results. Year after year, the focus points of our materiality matrix have been maintained.

The communication process with internal and external stakeholders was carried out with the assistance of Deloitte & CO S.A.

YPF's role as an integrated, competitive and innovative company, as well as renewable energy production, transparency, ethics and integrity, and environmental management are the topics considered most important by our stakeholders. Occupational health and safety, and local economic and social development are among the most valued topics.

Understanding and discussion of these topics –reported in this document– is done within the scope of our business strategy and corporate values.

Stakeholders



Material Topics

Economic	Environmental	Social
<ul style="list-style-type: none"> • Integrated, competitive and innovative energy company • Transparency, ethics and integrity • Value chain management • Customer orientation 	<ul style="list-style-type: none"> • Climate action • Environmental management • Renewable energies 	<ul style="list-style-type: none"> • Occupational health and safety • Local economic and social development • Diversity • Talent attraction and development • Human rights



Contribution to the UN 2030 Global Agenda for Sustainable Development

Organizations have a key role to play to contribute towards the 17 Sustainable Development Goals (SDGs) set by the United Nations at global level and the Paris Climate Agreement, both of which the Argentine government has ratified.

YPF is a member of the UN Global Compact in Argentina and as such it supports its Ten Principles. From 2016–2017, it was a Board member of the Argentine Network.

It is important to highlight that at the time of this Report, the company is promoting sustainable energy at global level through its Chairman’s role as the B20 Chair of the Energy, Resource Efficiency and Sustainability Taskforce, business chapter of the G20 World Summit hosted by Argentina.

As an energy company, we believe that our challenges and most significant contribution are focused on the SDGs related to both the transition to low-carbon economies and sustainable production.

Accordingly, our contribution to SDG compliance is centered on:



The main aspects of YPF’s role in meeting SDGs 7, 12, 13 and their associated targets can be found in the guidelines of the company’s Strategic Plan. We achieve SDG 8 by ensuring responsible and safe operations. With respect to SDG 9, YPF’s and CONICET’s Y-TEC is actively implementing this Goal through its vital work on research and new energy solutions.

At the same time, we have strengthened our commitment towards SDG 5 on Gender Equality, which has been included as a priority in the company’s new Diversity Project. Finally, SDG 17 on global partnerships and effective cooperation may be a key driver for meeting the initiatives related to the Agenda.





Each of the chapters in this Report also includes initiatives in our contribution to every SDG. We will continue to review and update our role in meeting these Goals.

We have implemented programs and projects focused on sustainable development through partnerships with the public and private sector. Among our key partnerships and partners in 2017 are the following:

- United Nations Global Compact –Argentine Network
- IADB (Inter-American Development Bank)
- CEADS (Argentine Business Council for Sustainable Development)
- GDFE (Group of Foundations and Enterprises)
- IPIECA (International Petroleum Industry Environmental Conservation Association)
- IGU (International Gas Union)
- ARPEL (Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean)
- IAPG (Argentine Oil and Gas Institute)
- Argentine Ministry of Energy
- Argentine Ministry of Labor, Employment and Social Security
- Argentine Ministry of Production
- Argentine Ministry of Environment and Sustainable Development
- Argentine Ministry of Education
- CONICET (National Scientific and Technical Research Council)
- INET (National Institute of Technological Education)
- 57 Argentine state-run and private universities
- MIT (Massachusetts Institute of Technology)
- IFPEN (IFP Energies Nouvelles)
- Globant
- MIC Consortium (a space for oil & gas companies to work collaboratively on microorganism-induced corrosion)

Sustainability in the Corporate Management Model

YPF understands sustainability as a way of doing business that involves:

- Transparent and responsible work at economic, environmental and social levels.
- Profitability and focus on growth through innovation and new technologies.
- Short- and long-term value generation for shareholders, investors, partners, customers, employees, suppliers, the communities where we operate, and our country.

This approach is described in the relevant Policy and reflected in both our management system and operational excellence model.

Below is an overview of our governance highlights, priorities in corporate sustainability management and associated performance incentives for 2017-18.

The Executive Management Committee, through each one of its members and their respective vice presidencies, reviews and monitors relevant sustainability topics. The Board of Directors performs these duties through the Risk and Sustainability Committee. This body is made up of five regular Board members and is in charge of establishing comprehensive management policies for business risks and monitoring their suitable implementation, as well as promoting best practices in sustainability, among other responsibilities².

The company's Board of Directors also approves the annual and quarterly financial statements, the Prospectus and the Form 20-F.

In the area of management, the Sustainability Department, which reports to the Vice Presidency of Environment, Health and Safety (EHS), is tasked with formulating and implementing sustainability strategies and plans across the organization, and reporting results on a regular basis to both the Executive Vice Presidency of Operations and Transformation and the Board's Risk and Sustainability Committee.

Each business unit and cross-cutting area of EHS, Human Resources, Supply Chain, Corporate Governance and Social Investment is responsible for meeting the company's sustainability goals.

Key Performance Indicators

Top management performance is evaluated by means of a system of targets that not only provides a measure of performance in the strategic dimensions of management, but also impacts on the variable remuneration of those holding managerial positions.

In 2017 -when the highest authority responsible for monitoring compliance with these targets was the Executive Management Committee- there were four main corporate level targets focused on aspects such as finance and costs, operations, and occupational health and safety. In the case of the last aspect, the Accident Frequency Rate was used as a key performance indicator. The target set for 2017 was 0.74 (number of accidents per million hours worked), while the actual result achieved was 0.60.

The scope of the new Strategic Plan includes five main corporate level targets for 2018, which again address finance, cost and return on investment issues, but add a Sustainability Index. This Index supersedes and outperforms the Accident Frequency Rate by introducing new indicators for evaluation such as traffic accidents, spill frequency rate and specific CO₂ equivalent emissions.

As of 2018, the highest authority responsible for monitoring compliance with these targets is the company's CEO along with the Executive Management Committee.

²For more information on this topic, please refer to Chapter 2: Corporate Governance.



Corporate Governance

A corporate governance system that designs the structure and operations of its bodies with a focus on ethics, transparency and anticorruption mechanisms is key to consolidating a responsible business model at the economic, environmental and social levels.

The foundations for YPF's corporate governance system are transparency, shareholder involvement, the Board's efficient operation and the external auditor's independence. They are mainly contained in the corporate bylaws, the Board's Rules, the Transparency Committee and Board Committees' Rules, the Disclosure Committee's Rules, the Code of Ethics and Conduct and its Internal Code of Conduct in capital markets. Corporate governance practices are also governed by the General Corporations Law 19550 (LGS), the Capital Markets Law 26831 (LMC), Argentine Securities and Exchange Commission (Comisión Nacional de Valores – CNV) rules and United States Securities and Exchange Commission (SEC) rules.

Governance Structure

GRI: 102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-27, 102-28, 102-32, 102-33, 102-35, 102-36, 102-37, 205-2, 405-1

Board of Directors. Nomination and performance evaluation.

The Board of Directors, responsible for managing the company's business, is nominated and their performance evaluated by the Shareholders' Meeting. As of Dec. 31, 2017, the Board was made up of 15 regular Directors –14 independent Directors and 1 non independent Director (among whom one is female) – and 11 alternate Directors. All members are of recognized solvency, competence and experience in the industry, from a variety of public and private sectors.

The Board of Directors evaluates on a regular basis the main corporate issues, including economic, environmental and social topics, and their associated impacts, risks and opportunities. It reviews, for example, the information required to be reported in financial statements, the Code of Corporate Governance, proposals to shareholders (prior to each Meeting), and the Sustainability Report, among others.

In order to carry out its mission in an effective and transparent way, the Board has a number of Committees created and formed by its regular members. The Board Committees are:

- Audit Committee
- Nomination and Remuneration Committee
- Compliance Committee
- Risk and Sustainability Committee
- Strategy and Transformation Committee

In addition, there are two committees –the Disclosure and the Ethics Committees– created by the Board and comprised of top managers.

The Supervisory Committee has the power to oversee Board compliance with the General Corporations Law 19550 (LGS), the company's Bylaws, any applicable rules and regulations, and decisions taken by the Shareholders' Meetings.

Corporate Management

The Board of Directors is in charge of appointing senior officers based on their professional and technical background.

In August of 2017, in order to successfully undertake a stage of expansion and transformation, the Executive Management Committee was created as a collective body reporting to the Board of Directors. Throughout the year, the Committee was responsible for corporate decisions on economic, social and environmental issues.

In addition, the Executive Vice Presidency of Operations and Transformation was created to approach the necessary change in operations and corporate culture vis-à-vis the new Strategic Plan 2018–2022.

For a list of the members of the Board of Directors for Fiscal Year 2017, visit <http://www.cnv.gov.ar/sitioWeb/Empresas> (only in Spanish version) In the search field enter "YPF S.A." and select: Información Societaria → Nóminas → De Órganos Sociales y Gerentes. Then click on the document "Nómina Directorio y Comisión Fiscalizadora" –April 28, 2017 - ID 4-479727-D.

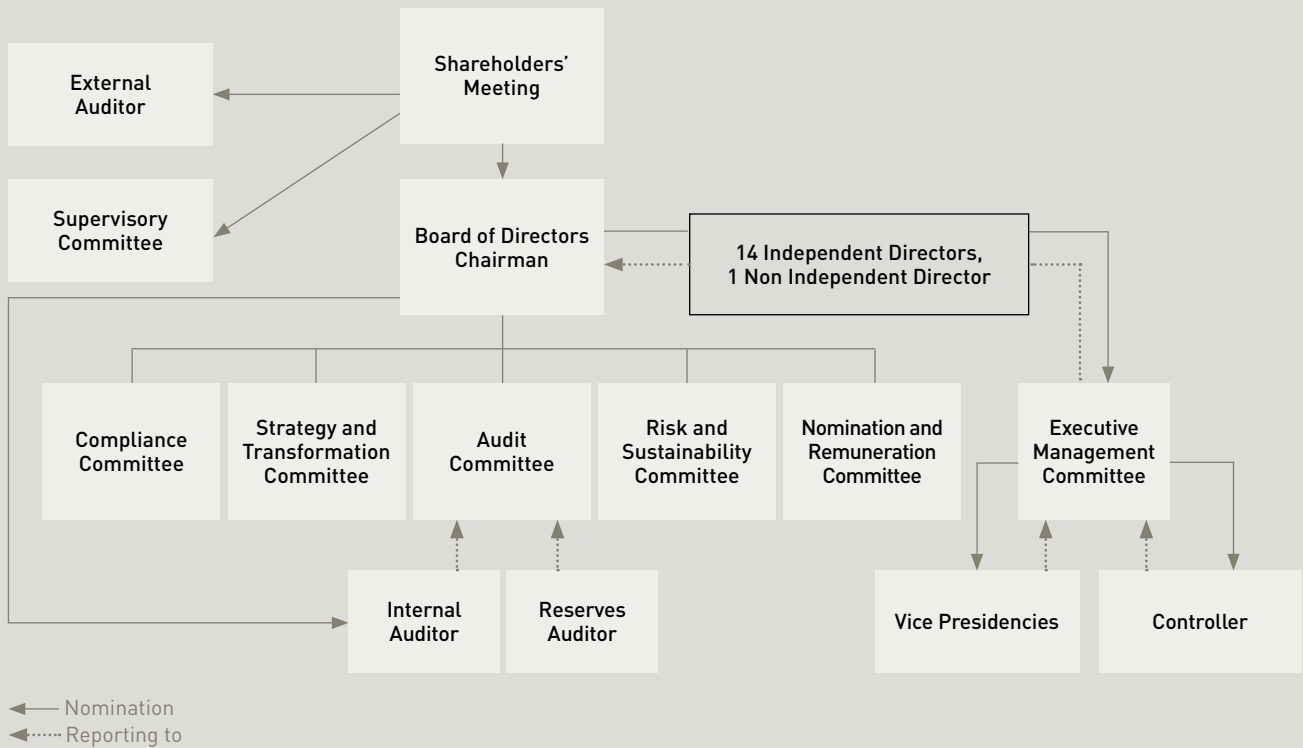
For information on the Board's current composition at the time of this Report (Aug. 2018), see

<https://www.ypf.com/english/investors/Corporate-governance/Paginas/Board-of-Directors.aspx>

For more information on the various Committees and the Supervisory Committee, see YPF's Code of Corporate Governance 2017 at <http://www.cnv.gov.ar/sitioWeb/Empresas> (only in Spanish version), or visit <https://www.ypf.com/english/investors/Corporate-governance/> (only in Spanish version)

For more information, visit <https://www.ypf.com/english/TheCompany/Paginas/Executive-Management-Committee.aspx>

Governance structure



Executive Management Committee - Composition as of December 2017

Name	Position
Daniel C. González Casartelli	Financial Executive Vice President – CFO
Pablo Bizzotto	Upstream Executive Vice President
Santiago Martínez Tanoira	Downstream Executive Vice President
Marcos Miguel Browne	Executive Vice President of Gas and Energy
Carlos Alberto Alfonsi	Executive Vice President of Operations and Transformation
Sebastián Mocerrea	Executive Vice President of Corporate Affairs, Communications and Marketing

At the time of this Report, the company has also a CEO, appointed by the Board of Directors in April of 2018, who is YPF's top executive officer and to whom the various corporate Vice Presidents report.

It is important to highlight that, in accordance with the corporate Bylaws, the Chairman of the Board shall not serve as CEO.

Remuneration

The remuneration of non-executive Board members is fully determined by the annual shareholders' meeting on the basis of financial and economic results for the relevant fiscal year and pursuant to the General Corporations Law 19550 and Argentine Securities and Exchange Commission (Comisión Nacional de Valores – "CNV") rules.

In addition, the Nomination and Remuneration Committee assesses and sets guidelines for the remuneration paid to the company's CEO and senior management.

The company has also introduced a target management system that provides an annual evaluation of top management performance and includes sustainability indicators.

Management of conflicts of interest

YPF's Code of Ethics and Conduct defines a number of policies and procedures for identifying, handling and solving conflicts of interest. Additionally, there is a procedure specific to the Audit Committee for handling conflict of interest complaints within the Board of Directors.

Training

YPF has Training Programs in place for Board members and senior management that include topics related to their roles and duties, comprehensive business risk management, business-specific and regulatory knowledge, corporate governance dynamics and sustainability. Other programs, targeted for Audit Committee members, are focused on international accounting, audit and internal control rules as well as capital markets-specific regulations.

For more information, please refer to YPF's Code of Corporate Governance 2017 at <http://www.cnv.gov.ar/sitioWeb/Empresas> (only in Spanish version)



Ethics and Integrity

GRI: 102-16, 102-17, 102-26
103-1, 103-2, 103-3, 205-2
103-1, 103-2, 103-3, 412-2
103-1, 103-2, 103-3, 415-1

All directors' and employees' actions should be grounded in corporate ethical values, which are the basic guidelines for our corporate ethical conduct, as reflected in the Code of Ethics and Conduct approved by YPF's Board of Directors. Those values are:

- Integrity
- Transparency
- Responsibility
- Safety
- Sustainability
- Human Rights
- Gender Equality

The Code of Ethics and Conduct –also applicable to contractors, subcontractors, suppliers and business partners interacting with YPF– addresses the following issues: commitment to ethical standards of business conduct, equal opportunities and non-discrimination, use and protection of assets, conflicts of interest, gifts, gratuities and business courtesies, transparency of information, use of privileged information, prohibited periods for trading YPF's securities, unfair competition and protection of competition, and anti-bribery and anti-corruption measures.

During 2017, regular training courses were provided to not only raise awareness, but also promote understanding of the scope and implications of these issues. Both the Ethics Committee and the Ethics Line continued in place throughout the year.

Our Code of Ethics is available at <https://www.ypf.com/english/investors/Corporate-governance/Paginas/Ethics-Code.aspx>

Corporate actions in 2017:

- Annual Business Management Program targeted for middle and top management. It includes a module on the Code of Ethics.
- Induction to the company of Young Professionals, with a focus on expected principles and values that should guide their behavior in the organization.
- Extended application of the Code of Ethics to controlled companies (OPESSA, Y-TEC and AESA, among others).
- Signing of the Code by all employees, contractors and suppliers. In the event of noncompliance with the company's ethical standards, YPF has the right to terminate any agreement entered into with such parties.
- Online training for all company employees, with problem-solving cases.
- YPF's Ethical Space on the company's intranet, with direct access to the Ethics Line.



Reporting and management of concerns and complaints

The Ethics Committee is responsible for implementing the Code of Ethics and Conduct, enforcing its compliance and making decisions on any reported allegations of breach of the Code. In this context, it supervises operation of the “Ethics Line”, a system for reporting situations and/or behavior that might constitute an actual or potential breach of Code provisions.

A breach of the Code includes irregular practices, fraud or corruption, unethical or illegal behavior, or suspected conflicts of interest involving any subject person. The Ethics Line features confidentiality and anonymity of whistleblower, consulting services by PwC, and adoption of the principle of non-retaliation.

In addition, there is a mechanism in place –as required by the Sarbanes-Oxley Act– that has been implemented to report to YPF’s Audit Committee any complaints about potentially irregular practices associated with the organization’s accounting and auditing matters, as well as with internal control over financial reporting (Whistleblower Line).

To contact the Audit Committee, visit <https://ccaau.ypf.com.ar/entrada.aspx>

Communication with shareholders and investors

The Board of Directors complies with its responsibility to submit regular information reports as required by the General Corporations Law 19550 (LGS), the Capital Markets Law 26831 (LMC), Argentine Securities and Exchange Commission (Comisión Nacional de Valores – “CNV”) rules, Merval Listing Regulations and SEC rules. The company also has an Investor Relations Department, tasked with addressing investor inquiries and concerns. YPF reports, on a quarterly basis, corporate management results, allowing investors at large and regulatory authorities to access such information. These presentations are broadcast via webcast on YPF’s website with free access provided to shareholders or potential investors. They are maintained on the website for subsequent viewing. In addition, a Corporate Governance Department handles registration of the shareholders entitled to participate in shareholders’ meetings and provides them with relevant information.

Prohibition of contributions to the public sector

As for cash flows that may be directed to the public sector, YPF’s Code of Ethics and Conduct expressly prohibits making or offering payments in cash, in kind or any other benefit, directly or indirectly, to any person at the service of any entity – whether public or private– political party or candidate for public office, with the intent to unlawfully obtain or maintain business or any unfair competitive advantage. This concept is reinforced in our corporate donations policy, which specifies that donations will not consist of funds or contributions to support political parties or campaigns.

Respect for Human Rights

The company operates within a framework of respect for human rights. It not only complies with current Argentine laws, but also outperforms existing standards on working conditions, occupational health and safety, trade unions and the right to collective bargaining, diversity and inclusion, equal employment opportunity and non-discrimination, as well as respect for the communities impacted by company operations. This involves a preventive approach to respect and protect human rights in the company’s field of action.

In addition, the Code of Ethics and Conduct – applicable to business partners and suppliers– establishes that respect for human rights is a cornerstone of how YPF conducts business and covers specific situations regarding, for example, equal opportunities and non-discrimination. This Sustainability Report addresses Human Rights in different chapters on environmental management, occupational health and safety, labor relations, diversity and inclusion, local communities and value chain. Strengthening work on this topic implies undertaking an overall analysis of human rights in 2018 and formulating the relevant policy focal points.

Risk Management

GRI: 102-15, 102-29, 102-30, 102-31
201-2
103-1, 103-2, 103-3, 205-1
103-1, 103-2, 103-3, 412-1

We understand Risk Management as a corporate-wide, structured and ongoing process that allows identification, evaluation and control of the risks to which the company is exposed.

It involves a cross-organizational approach and seeks to evaluate how different risk scenarios may impact the main corporate goals.

The Risk and Sustainability Committee, as part of the Board's Committees, was created to establish policies on comprehensive business risk management and supervise their correct implementation. The Committee, which is regularly briefed and updated on this topic, is also responsible for identifying and evaluating major risk factors specific to the company and/or its activities, monitoring risks and implementing the relevant mitigation actions, among other duties. It is also in charge of reviewing corporate sustainability policies.

In addition, a Corporate Risk Management Department, reporting to the Executive Financial Vice President, was set up and tasked with keeping the Committee updated.

Maintaining an ongoing risk management culture across the organization is a top management commitment and another of the goals set by the Risk and Sustainability Committee. To this end, collaborative workshops and individual meetings are planned with different business units or areas.

Risk Map

The corporate risk map, which identifies scenarios and possible approach strategies, is jointly prepared by all YPF's business units under the leadership and coordination of the Risk Management Department. Risks are classified as environmental, strategic, operational and compliance. All actions planned to mitigate the risks identified in the Map are focused on preventing, managing and controlling such risks and may change their initial assessment.

For more information on economic, environmental, operational and climate change-related risks, see YPF's Form 20-F at <https://www.ypf.com/english/investors/Lists/InformeAnnualForm20/20-F-2017.pdf>



Operational Excellence

The key players in our transformation into an integrated, competitive energy company are the more than 63,000 direct and contractors' employees who carry out YPF's activities.

On embarking on this new future-minded road, we pursue operational excellence as a fundamental value to ensure the safety and health of our people, preserve the environment, warrant the reliability and integrity of our assets and operations, boost resource efficiency maximizing the company's worth, and consistently meet the needs of both our internal and external customers.

Our People

YPF's transition to an integrated energy company calls for empowered people seeking to constantly develop their skills and creativity, as well as new talents.

During 2017 we renewed our people development and leadership strategy that will equip us with the required human resources to tackle new challenges. We expect to strengthen YPF's position as an employer of choice by transforming our employee's experience, enhancing leadership and fostering a cultural change by means of:

- People management focused on skill development, talent, and diversity.
- A reward and incentive system that boosts productivity and encourages merit-based assessments.

Along these lines, our priority commitment to talent development and people's safety and health amid a collaborative and flexible work environment is of the essence, as well as process improvement and digitalization.

At YPF we also encourage equal opportunities and inclusion, and we respect employees' freedom of association and collective bargaining through relevant representative bodies.

Diversity and Equal Opportunities

GRI 103-1, 103-2, 103-3, 401-3, 405-1

We promote diversity as a value that not only creates a more representative workforce but also helps build a more successful and profitable company. The corporate principles of equal opportunities and non-discrimination are engrained in our Code of Ethics and Conduct and guide our activities.

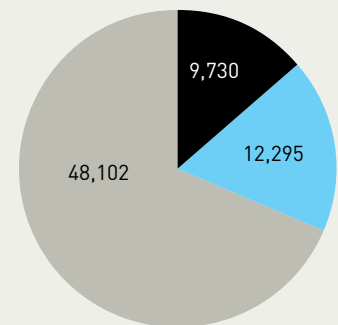
Weighing different opinions and ideas:

- propounds more business opportunities and encourages competitiveness in an evolving environment;
- helps understand and better serve an increasingly diverse market;
- leads to better responses and solutions to technical and organizational challenges;
- improves working conditions and enables talent retention.

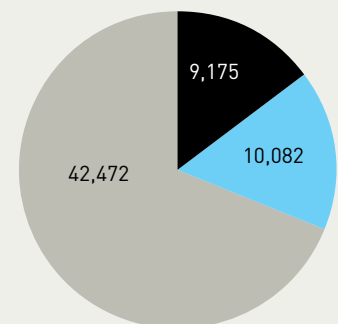
Between 2014 and 2017 female representation in leading positions increased as managerial and executive positions held by women went from 10% to 12%. The number of women joining the company in 2017 grew by 50% (from 211 to 318).

Number of people employed

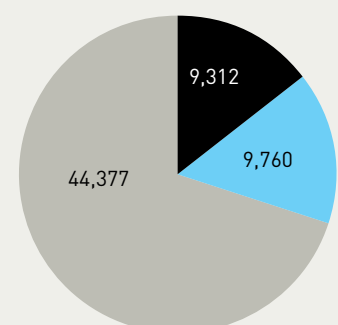
2015
Total 71,641



2016
Total 61,729



2017
Total 63,449



- YPF S.A.
- Controlled companies
- Contractors

This cultural shift is also portrayed in the initiatives launched in an attempt to cater for a still predominantly male segment by means of proposals that favor work-life balance and smooth new mothers' return to work. One such proposal is our gradual return policy that adds one additional month to the statutory three-month maternity leave, and reduces regular workdays to 6 hours during newborn's first 12 months, with no wage cutback, plus financial assistance for a day-care center. In this context, 95% of women returned to work at the end of their extended maternity leave and 90% resumed work one year later. Work is already under way for an extended paternity leave.

We believe that one of the basis for inclusion is access to employment; accordingly, the following initiatives are currently being developed:

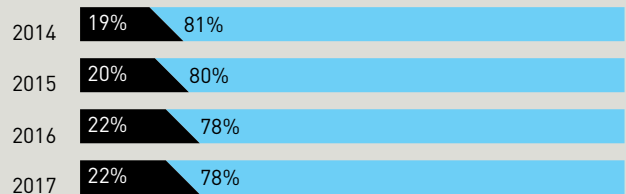
- Employability for People with Disabilities Program, executed in collaboration with the Argentine Ministry of Labor. This program consists in an instructor-led professional training practice carried out by participants at YPF for ten months, after which they are better positioned skills-wise to access the formal labor market. In 2017, of the 60 people who completed the training, 60% secured registered jobs.
- Qualifying practices offered to 70 young adults from vulnerable sectors in gas stations of YPF's Own Network through the Young Adults with a Future Program.
- The inclusive procurement program seeks to enable access, involvement and opportunities to suppliers committed to employing people with physical, sensory and mental disabilities.
- Another program was added in 2017 for people who had spent time in prison, to help and accompany them in their social and professional re-insertion efforts.

Diversity Committee

In 2017 we made significant progress in reaffirming our commitment to diversity and inclusion:

- We added a new core value to our Code of Ethics and Conduct: Gender equality.
- We polled the opinion of over 1,900 women at YPF on diversity and its impact on the working environment.
- We held open talks about gender equality for men and women from all company areas, as well as other talks on female talent in the different businesses.
- Ten critical issues were identified that women find are obstacles to fully develop their career, based on which the company has set out actions for implementation between 2018 and 2020.
- To guarantee equal opportunities, we created a Diversity Committee with the primary goal of leading gender equality implementation. This Committee works in accordance with a five-year plan involving projects to promote and nurture diversity and inclusion of our people, customers and suppliers.

Employee Breakdown by Gender (%)



For YPF SA and controlled companies only; Metrogas and YPF GAS are excluded.

● Women
● Men

Female Leadership (Women holding managerial and executive positions) (%)



For YPF SA and controlled companies only; Metrogas and YPF GAS are excluded.

● Women
● Men

Talent Attraction, Retention and Development

GRI 102-38,102-39, 202-1
103-1, 103-2, 103-3, 401-1, 401-2
103-1, 103-2, 103-3, 404-1, 404-2, 404-3, 405-2

We strive to become the most-coveted employer of professionals willing to advance their careers, and to attract different profiles that add to our business strategy and operations. To this end, we have formulated a comprehensive human resources action plan to attract the best professionals and technical experts, offering benefits that meet their specific needs as well as management tools to empower their career prospects within YPF. Our primary goal as regards employees already working at YPF is to build a more robust culture marked by constant feedback, holistic training and development.

YPF's corporate values steer our conduct across all company areas and guarantee a framework of respect, transparency and collaboration.

Distributed in many locations throughout the country, all employees work on a full-time basis and 96% under a permanent employment contract.



New Talent

During 2017 we continued strengthening our talent attraction programs. Every year, in addition to traditional recruiting processes, we undertake different initiatives aimed at incorporating young professionals.

We organize university events in several Argentine provinces to introduce the company, share employment opportunities, and deepen our insight into the expectations and ambitions of potential new employees. Over 260 people of a total of 2,266 registrations were chosen during these events in 2017 (up 18% compared to 2016 figures), primarily in the provinces of Buenos Aires and Neuquén. In 2017 the new hire and job rotation rates were 13% and 14%, respectively¹. These new professionals join the company within the framework of a specific program that strengthens their profile and speeds up their progress to hold positions and lead projects.

We also offer apprenticeships and qualifying practices to advanced students from state-run and private universities, and coordinate technical visits for Argentine citizens studying at international universities.

To enable other young adults to train in careers of great interest to the company, we grant over 200 scholarships to our employee’s children for undergraduate and associate degrees.

Employee’s Value Proposal

This proposal puts forward the set of attributes that the job market and company members perceive as value. It continued to be reaffirmed in 2017 and focused on talent development, performance management, and remuneration and benefit administration.

Talent Development

We accompany our employees in their career path by providing them with tools and resources that help them boost performance. Our primary goal is to build a more robust, merit-rewarding culture founded on dialogue, feedback and continuous learning, holistic training and development. It not only represents a key business success factor but also helps provide inclusive, equitable and quality training.

Internal Communication

Open, collaborative working environments raise employees’ motivation and performance. At YPF we encourage dialogue through various mechanisms and tools that encourage exchanges between supervisors, employees and peers.

The internal social network #EnRed is a means to spread news and significant events about the company and employees’ interests. It allows posting training material like tutorials, creating communities, developing content in a collaborative way and, as such, enhance learning.

#EnRed in numbers:

- 5 Institutional Zones
- 6 Regional Zones
- 3 Corporate Zones
- +400,000 visits to zones and groups
- +880,000 contents seen by users
- +70,000 shared contents

Besides reporting concerns to their immediate supervisor, all employees can use the Ethics Line—the company’s formal channel—to anonymously make inquiries or file complaints.

Training

We continued investing in the ongoing development of our employees holding technical and professional operating positions. We deliver wide-ranging courses related to management skills and competencies through leadership and management programs for supervisors and managers, and the tutor program. In 2017, 383 people attended the School of Leadership and 50 YPF professional-student working pairs attended the Tutor Program for YPF Foundation’s scholarship awardees.

Over the last few years the company has intensified the e-learning format to streamline the learning process and reach a larger number of people. The company also offers the possibility of finishing high school, and achieving a first undergraduate, specialization or master’s degree consistent with their activity within the company, with the possibility of sabbaticals and return-to-work commitments.

¹ The calculation method was updated pursuant to GRI standards. The new hire and rotation rates are calculated over the total number of employees of YPF S.A. and controlled companies as of 2017 year end.



Training offered by the company:

- In-house training courses;
- Financial aid for external training or instruction;
- Pre-planning and training program providing outgoing support for those who plan to retire.
- Different approaches to ongoing training (at the workplace, classroom and virtual).

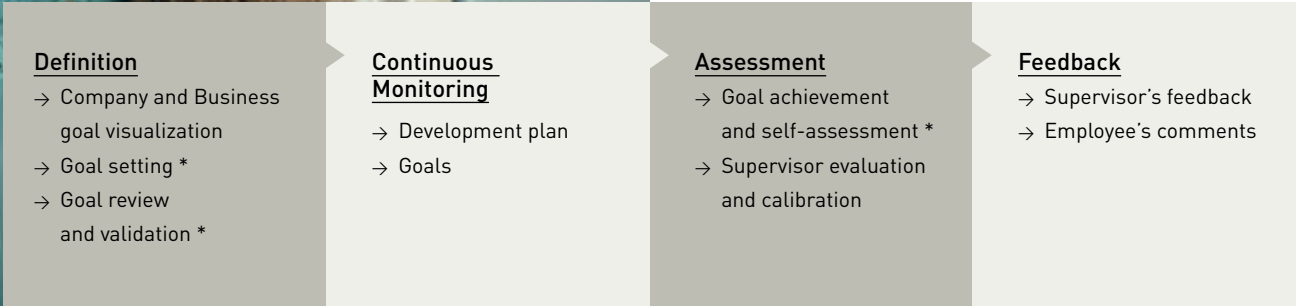
By year end, 553,208 training hours were delivered in the entire YPF Group, with an average training hour load per employee of 31 hours. Seventy-seven per cent were delivered to YPF S.A. employees.

In-house training hour load by type (YPF S.A.)	2016	2017
Technical	179,030	240,442
QESH	70,111	61,136
Management	132,701	122,971

Data for YPF S.A. only.

Performance Management

We seek to align people’s efforts with corporate objectives by improving team execution and performance assessment quality. Fulfilling the company’s goals concerns all employees and entails setting individual targets², self-assessment of both employees and supervisors, and potential multifeedback.



Definition

- Company and Business goal visualization
- Goal setting *
- Goal review and validation *

Continuous Monitoring

- Development plan
- Goals

Assessment

- Goal achievement and self-assessment *
- Supervisor evaluation and calibration

Feedback

- Supervisor’s feedback
- Employee’s comments

* Only for employees not covered by bargaining agreements.

² The self-assessment process and the setting of individual targets are required only for employees not covered by bargaining agreements.

In 2017 this tool was further improved when combined with the Development Plans that supervisors and employees prepare upon completion of an evaluation process. The results of both performance and potential assessments also contributed to building a Talent Map that forms part of the company's Succession Plan.

Remuneration and Benefits

The company's remuneration policy is equal pay for equal position, experience and performance.

In 2017, as in 2016, the wage for entry-level positions at YPF Group still more than doubled the current minimum wage in Argentina³. Similarly, as for the relationship between the total annual remuneration earned by the best-paid person in the organization against the average total annual remuneration, the ratio remained 21 for YPF S.A. and 27 for YPF Group. The percentage increase ratio of the total annual remuneration was 1.04 in 2017 compared to 1.02 in 2016⁴.

The pay gap is 4% in favor of men, just like in 2016, and is lower than the pay gap in the Argentine market. The difference is mainly due to job seniority and employee's individual performance.

During 2017 performance-based remuneration included a bonus for approximately 6,400 YPF employees not covered by bargaining agreements and 9,000 employees covered by bargaining agreements. Envisaged to motivate and reward people for the achievement of annual business targets, the program consisted in a set of goals and specific measurable indicators established by YPF's Management by Objectives Program at company, business unit and employee level.

As regards benefits, the quality of workplace life was improved by the incorporation of the above-mentioned short- and long-term bonuses, personal loans, pension plans with company contributions, transportation for field operations personnel, cafeteria, gym, day-care center, birth and school grants, and flexible remote work.

³ Based on the starting salary at YPF Group equivalent to the wage of an entry-level salesman at OPESSA, which includes base salary, meal allowance and other fixed benefits. This base salary is 2.8 times higher than the current Adjustable Minimum Living Wage in Argentina.

⁴ Remuneration includes salary, thirteenth salary, and non-wage meal allowance for personnel outside bargaining agreements.

Employees' Representation

GRI 102-41
103-1, 103-2, 103-3, 402-1
103-1, 103-2, 103-3, 403-1, 403-4

The company's main Upstream and Downstream activities are carried out by employees under a collective bargaining agreement who are directly or indirectly employed. To YPF, building collaborative relationships with labor unions is crucial to support a management approach focused on health and safety stewardship as well as on holistic employee development.

As established by this bargaining agreement, companies take full responsibility for health and safety in the workplace in accordance with current legislation. Employees should become properly apprised of environmental health, social diseases, accident rate factors and safety measures, and help carry out activities in healthy and risk-free environments.

Along these lines, employees have a Company's Board member representing them, an internal Labor Relations Policy, and a specific area that coordinates the relationship between employees and labor unions ensuring that all relevant issues are duly addressed in the agreements and translate into appropriate working conditions.

YPF employees and contractors' employees provide their services subject to current labor laws and the regulations established in collective bargaining agreements. Forty-six percent of the employees at YPF S.A. are represented by the Labor Union of Oil and Hydrocarbons (SUPeH). Contractors' employees are represented by another 16 labor unions, whereas 61%—mostly in the Upstream business—are represented by nine labor unions. The Collective Bargaining Agreements executed with both SUPeH and Oil labor unions encompass health and safety concerns. The labor legislation in force also provides health and safety standards that apply to all employees.

In 2017 work was commenced to update the Collective Bargaining Agreement 1261/12 “E” issued by SUPeH⁵. This agreement includes a paragraph on occupational medicine and six sections about Occupational Health and Safety which provide—inter alia—for the creation of a mixed safety committee and the expansion of the role of employees’ representatives in all matters relating to environmental compliance monitoring.

As a result of a collaboration with key industry players—which included the Argentine government, provincial governors, labor unions and representatives from the main producing provinces—, an Addendum to the Collective Bargaining Agreements was signed in January 2017 with both Labor Unions of Neuquén. This addendum focused on boosting efficiency and productivity, and creating genuine jobs in unconventional operations. It was then extended to labor Unions of the province of Chubut, including shale, tight and conventional operations. By the end of 2017 similar agreements were individually executed with the main service companies of Santa Cruz.

Health and Protection of People, Communities and Assets

GRI 103-1, 103-2, 103-3, 403-2
103-1, 103-2, 103-3, 410-1

At YPF, the occupational health and safety of all the people working in our operations—including suppliers and business partners—is our top priority.

Our Management System—rooted in prevention and a strong corporate safety culture—operates within the framework of the Safety, Environmental Protection and Health Preservation Policy and focuses on mitigating occupational, industrial and process risks. The company also has a Health, Environmental Protection and Health Preservation Plan in place that is annually reviewed.

Our Management System is certified to OHSAS 18001 (Safety) and ISO 14000 (Environment) standards in the Company’s main industrial complexes.

Six Golden Rules

- Shared commitment
- Safe driving
- Work permits
- Excavation works
- Work at height
- Hoisting operations

Occupational Health

We are committed to preserving the health of all the people working in our facilities—both our own and contractors’ employees. We have a comprehensive health model and an Occupational Health and Safety management team. Every year YPF’s own employees must undergo a full examination to check their health condition, detect prevalence diseases and outline appropriate prevention programs for cardiovascular, metabolic and trauma issues, to name a few. In 2017, the medical exam compliance rate of YPF employees was 93%.

Part of the staff may be exposed more significantly to physical (basically noise and ergonomics) or chemical risk factors, especially during industrialization of oil and gas. Pursuant to applicable Argentine legislation, in collaboration with the Occupational Risk Insurer (ART), we perform an annual survey of workers exposed to risk factors (NTEAR), determine adequate controls, and conduct regular health checks of our own staff.

Based on the results, we develop plans for (1) staff training and instruction; (2) investment in facilities; (3) safe labor practices; (4) emergency detection and mitigation methods; and (5) use and control of personal protection equipment and elements, which are simultaneously implemented for our own and contractors’ employees in the different company’s businesses: refinery, gas stations, and oilfields.

By means of the Outsourcing System or SRC, the medical service also conducts management audits to supervise the health data kept by contractors on their own workers.

Guidelines were also set for disease prevention and health promotion that are implemented at the health units located throughout the country. In 2017 these units performed more than 40,000 medical consultations with progress monitoring.

In 2017 YPF was the first company in the industry to receive the accreditation issued by the Specialized Center for Standardization and Accreditation in Healthcare (CENAS) for its medical service provided throughout Argentina, which complies with the standards set forth in the Healthcare Quality Accreditation Program (PACS).

Absence due to non-work-related diseases amounted to 84,826 days. The absence rate for women was higher than that for men: 4.28 and 1.41, respectively⁶.

The total number of days lost by the company's workforce due to work-related and in-transit accidents was 7,674, with a similar absentee rate for men (0.15) and women (0.32). In 2017 the rate of days lost by the company's own employees was 0.019%⁷.

Physical and Emotional Health Programs

We promote safe and healthy work environments by means of different prevention programs directly related to prevalent risks and conditions:

- Prevention program for psychoactive substance abuse at work.
- Cardiovascular prevention program.
- Emotional health program.

⁵ Scheduled to become operative in January 1, 2018 pursuant to agreement 1572/18 "E".

⁶ This rate calculates the number of absence days per year, based on an average 22 working days per month.

⁷ The rate of lost days is obtained by comparing the total number of days lost due to accidents with the total number of work hours scheduled for the reporting period.

Prevention Training

Trained staff

- First aid assistance: + 20,000*
- CPR and AED (automated external defibrillator) use: +21,000*
- Substance abuse: +25,000*

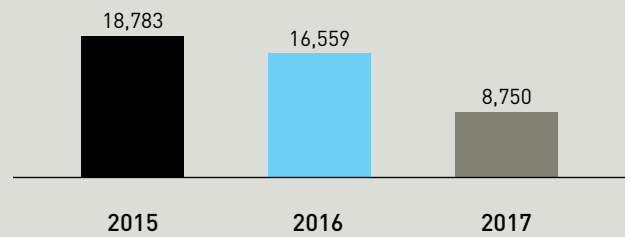
Trained medical staff

- Advanced cardiovascular life support: 144 physicians
- Basic life support: 124 nurses

*Includes contractors' employees.

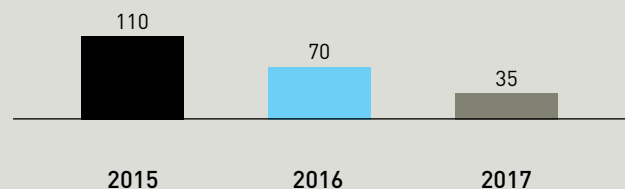
Emotional health

Missed days due to psychopathologies



A 69%-decrease in the average number of missed days per person during the 2015-2017 period

Missed days due to psychopathologies per person





The prevention program for psychoactive substance abuse is carried out since 2014 in collaboration with labor unions with a view to preserving the health of the company's own and contractors' employees, and diminishing drug and alcohol abuse risks. From its inception, 30,000 people have received training and about 49,000 preventive medical examinations have been performed.

In 2017 the program detected 200 occasional drug and alcohol users, 40 of which are on medical leave for drug abuse and 17 have joined a treatment program.

Safety

The main guidelines for Process and Operating Safety are embedded in the Management Plan and focus on the following areas:

1. Process Safety
2. Operating Safety
3. Management of Contractors
4. Standards Review
5. Emergency Management
6. Outreach Campaigns
7. Training and Instruction
8. Audit

The Six Golden Rules of safety in operations, in force since 2014, are a solid backbone in preventing work-related accidents.

We developed several initiatives on process review and control throughout the year:

- Audits and inspections of facilities and change management procedures;
- Monitoring and follow-up of improvement measures developed from process safety risk assessments;
- Performance monitoring and safety management audits of designated companies;
- Review of safety management processes at levels 1, 2 and 3.

In 2017 we conducted 2,426 drills and delivered external training to 500 firefighters in the company's three main businesses. Communication campaigns were organized on issues such as road safety, hand protection and Golden Rules.

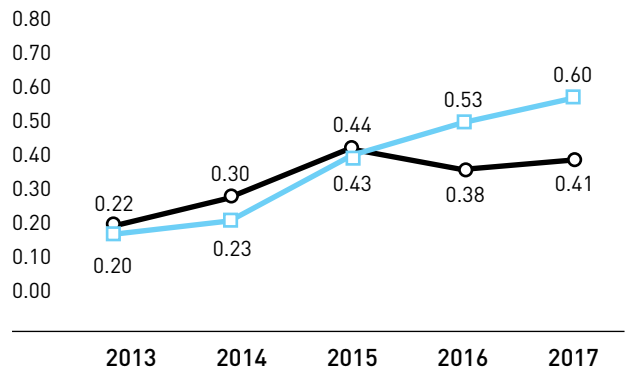
Drills conducted

- Fire / Explosion
- Motor vehicle injured / accident
- Spills on waterways
- Climate / hydrological emergency
- Toxic gas leaks

We also allocated resources for the purchase of mobile equipment for emergency control procedures in critical Upstream settings, and for development of specific scenarios:

- Work and training plans in collaboration with *Oil Spill Response Limited*⁸ and development of an intercompany cooperation agreement.
- Drills conducted with communities adjoining Industrial Complexes in the Downstream business through the drafting of an Emergency Response Plan with Community Impact.
- Reworking rooms, procedures and drills for Red and Amber Crisis Committees.

Safety Training Index



● YPF employees

■ Contractors' employees

STI (%) = (training hour load / hours worked)* 100

⁸ Oil Spill Response Limited (OSRL) is the largest international industry-funded cooperative dealing with spill response systems by providing preparedness, response and intervention services.

We perform systemic risk monitoring in industrial assets by implementing corporate standard 10.065. In 2017 we covered 74%, 99% and 85% of controlled assets in the Upstream, Downstream and Natural Gas businesses, respectively.

Within this context, incidents continued their downward trend in the past years. The 2,792 reported environmental and safety incidents accounted for a 13%-decrease in 2017 compared to 2016 figures. Of that total, 878 were deemed high potential incidents (15% less than in 2016). Appropriate investigations and improvements were carried out.

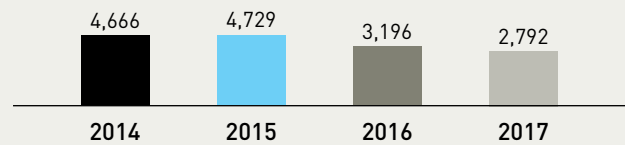
In 2017 the work-related accident frequency rate kept dropping to 0.60 against the 2016 rate of 0.74 and the 2015 rate of 0.91, without any fatal accidents reported. Accidents involved mainly trauma and hand injuries. The type of injury analysis is integrated into work planning so as to constantly improve health and safety conditions.

Physical Security and Human Rights

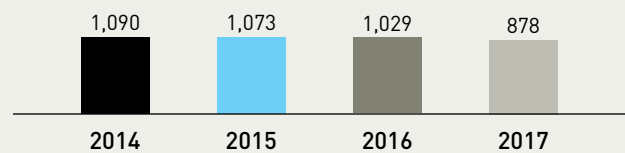
The company also has a Physical Security Policy specifically intended to safeguard both people and asset integrity by adopting timely preventive and reactive measures and encouraging safety awareness among its staff. One of its provisions is: "To ensure that all people performing security duties at YPF and its controlled companies have a solid training in human rights."

Along these lines, all surveillance and access control agreements require personnel to have knowledge of and training in human rights; 100% of security contractors' personnel are trained in human rights.

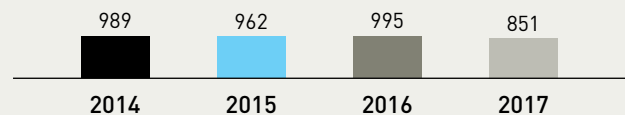
Reported incidents (environmental and safety)



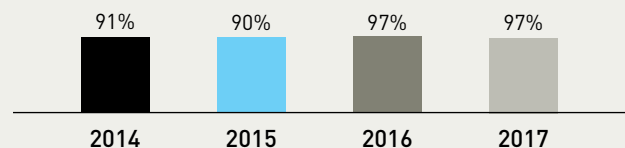
High potential incidents



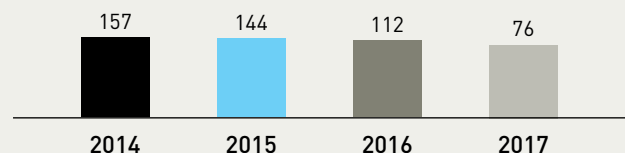
Warranted investigations



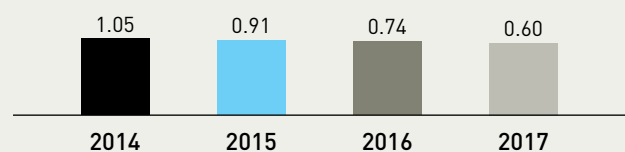
Warranted investigations versus high potential incidents



Computable accidents



Accident Frequency Rate (AFR)





Supply Chain Management

GRI 103-1, 103-2, 103-3, 407-1
 103-1, 103-2, 103-3, 408-1
 103-1, 103-2, 103-3, 409-1
 103-1, 103-2, 103-3, 204-1
 103-1, 103-2, 103-3, 308-1
 103-1, 103-2, 103-3, 414-1

Our supply chain is governed by current guidelines and policies aimed at not only bringing into line appropriate technical, fiscal, legal and cost-related requirements, but also ethical values and any applicable environmental, labor and social security requirements. Accordingly, the Code of Ethics and Conduct, as well as the commitment to the company’s Sustainability Policy⁹, apply to all contractors, subcontractors, suppliers of goods and services, and business partners.

The above-mentioned requirements pervade the different stages of the procurement process—selection, qualification, award, assessment—which is certified to ISO 9001 standard and in 2017 involved an aggregate of 5,853 suppliers with updated qualification information.

The company’s General Procurement and Contracting Conditions that suppliers or contractors accept when submitting their offers comprise their basic obligations and responsibilities in matters such as ethics and conduct, environment, health and safety, and labor relations.

The company’s aggregate purchases and contracts in 2017 amounted to 186,569 million pesos, of which 170,977 million pesos were purchases made from Argentine suppliers and 15,618 million pesos were purchases made abroad¹⁰.

⁹ <https://www.ypf.com/LaCompania/Documents/YPF-Sustainability-Policy-2017.pdf>

¹⁰ In 2016 these values were 149,362 million pesos for domestic purchases and 10,664 million pesos for foreign purchases. More information available in the consolidated Financial Statements as of 12/31/2017. <https://www.ypf.com/english/investors/Paginas/Financial-information.aspx>

Supplier Classification

YPF follows a uniform, homogenous procedure for classifying suppliers that involves the systematic analysis of different aspects (economic and financial, quality, management capacity, safety, environment, etc.).

This classification enables YPF to obtain reasonable assurance about a supplier's capability to satisfactorily provide a good or service. The standard expected during this process varies according to the level of criticality assigned to each group of goods to be procured and, taking into account that a supplier is specifically classified vis-à-vis one or more segments, it also varies across geographies.

The classification status of a given supplier allows or disallows its participation in requests for proposals and subsequent contract award. This classification may also vary throughout the different process stages. Once given, it can be changed over time based on performance assessments, the results of a supplier's economic and financial situation, or other variables like quality, safety, environment, sanctions, etc.

Suppliers are registered and classified into three levels of criticality (high, medium and low) based on the goods and services offered and a number of requirements. These give rise to different control systems, implementation requirements, management system certifications (quality, health and safety and/or environmental), and internal and external audits.

Supplier Classification Process



* Companies with low and medium levels of criticality are analyzed based on legal, economic and financial and/or technical assessment criteria, as applicable. Provisionally eligible: A new audit is required in six months.

Suppliers by level of criticality **				
	2017		2016	
High	2,275	26%	809	13%
Medium	3,820	44%	2,652	43%
Low	2,646	30%	2,757	44%
TOTAL	8,741	100%	6,218	100%

**During 2017 following the implementation of new tools in procurement and contracting processes, the catalog of goods and services that provides the basis for the classification was readjusted, leading to further changes in the related levels of criticality.

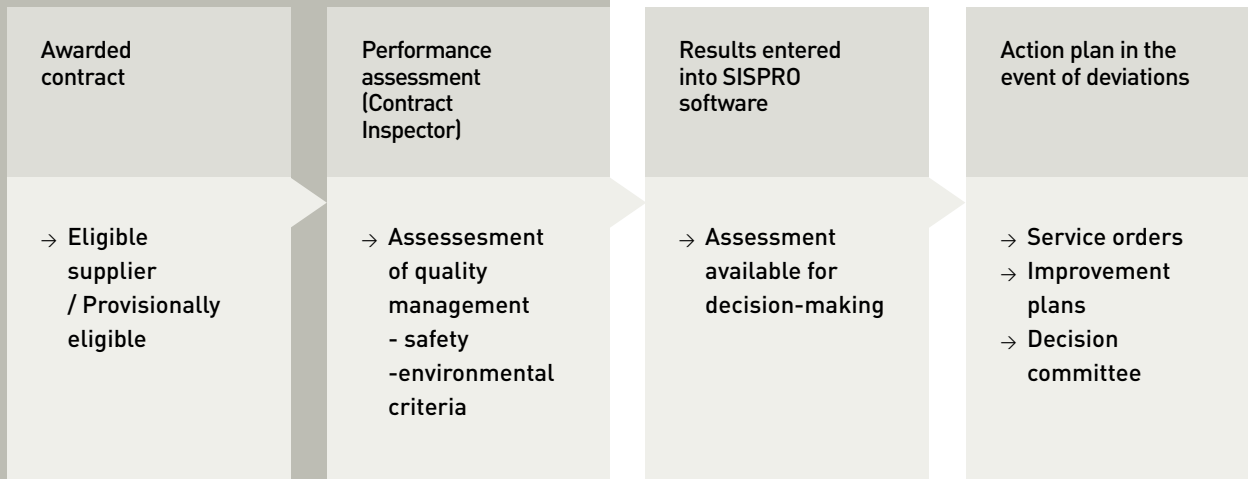
Performance Assessment

Over the life of contracts, the company carries out supplier performance assessments by way of systematic, documented valuations of the significant aspects of the relationship.

This process evaluates regulatory compliance and fulfillment of contractual requirements in relation to quality management of goods and services supplied, labor relations, health and safety performance, or environmental preservation. Monthly compliance reports and quarterly risk maps are drafted, as well as a scorecard that monitors contractors' performance.

In 2017, 75% of suppliers were given a good or very good performance rating.

Supplier Assessment Process



Based on the different assessment tools employed by the company, no significant risks of incidents of child, forced or compulsory labor, or of violations of the freedom of association have been identified involving operations or suppliers under current contracts in the reporting period.

Customer-oriented Products and Services

GRI 103-1, 103-2, 103-3

Achieving a satisfactory customer experience is our company's priority. We have the largest fuel and lubricant supply network in the country consisting of 1,563 gas stations and convenience stores, 113 of which are company-owned. Around 35% of gas stations in the country belong to YPF and in 220 cities the company is the only option available. We serve the public at large and the domestic market (mining, oil and gas, infrastructure, aviation and transport) with all types of products: fuels, lubricants, coke, asphalt, paraffin, and byproducts. We sell diesel oil and several inputs like agrochemicals and fertilizers to the agro-industrial sector. We supply the retail liquid fuels market with 9.7 Mm³/year (52% gasoline) averaging more than 20 million monthly dispatches in our entire network.

We provide three key services associated with fuel sales **in gas stations**, on which work continued during 2017:

→ YPF FULL:

We strive to make the +530 convenience stores spanning the country welcoming spaces that invite get-togethers, study, work or just relax. With that in mind, we began a renovation process that embodies sustainable, technological and healthy service provision. This means overall price and cost management, display of marketed products, and launching of new products in key categories like cafeteria and food.

→ YPF BOXES:

Lubrication and Diagnostics service offered in over 250 of the company's gas stations. In addition to ELAION oil changes, a specialist goes over the most important checklisted points in the car free of charge (mechanical parts, fluids and filters, safety elements and lubricants).

→ YPF SERVICLUB:

YPF's 20-year old, member reward, 360 customer interaction and fidelity program carried out in every YPF gas station in the country. In 2017 it set a historical record with one million new members, reaching a total of 2.7 million members.

Participants earn kilometers with every purchase that can be later redeemed for discounts in fuels, FULL products, lubricant changes, automobile care products, travel vouchers, and Mercado Pago gift cards, among other options (like adding miles to fly by Aerolíneas Argentinas or earning discounts with Banco Nación's Nativa credit card and Club La Nación's card).

In 2017 we intensified the plan launched in 2016 to improve customer experience in gas stations:

→ PASS:

The technology innovation program that improves customer refueling experience was implemented in over 100 gas stations during 2017.

→ Gas Pump Controller and Capture Network:

It moved forward from pilot project in 2016 to being implemented in more than 120 gas stations.

→ Smart Coupons (coupon book):

This system—which allows offering promotions to each specific customer based on its needs and buying choices—continued to be implemented during 2017.

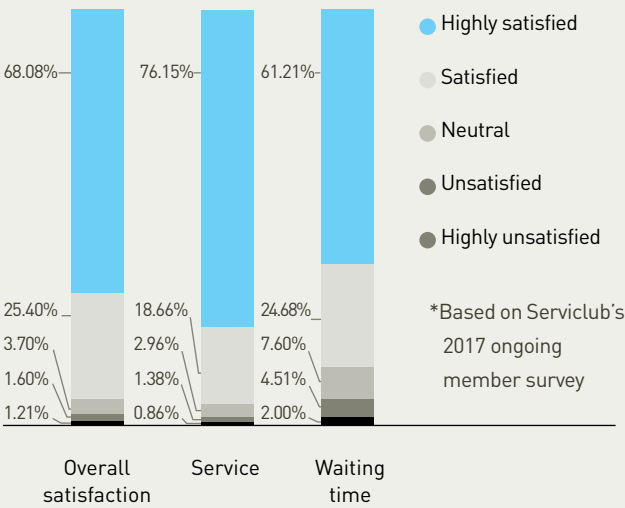
→ Two new experiences were added to boost customer service performance: YPF+ Program, based on the assessment of qualitative and quantitative variables through a mystery shopper; and Networking Experience Project, in which gas station employees and supervisors shared best practices among gas stations all over the country.

Our smart fuels INFINIA are still the first choice of automobile drivers. In 2017 these fuels registered a 20.1%- and a 27%-increase in gasoline and diesel sales, respectively.

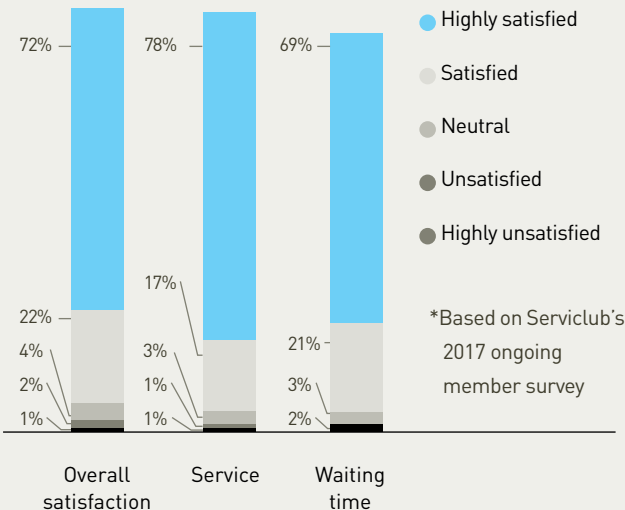
Customer Satisfaction

To evaluate whether these initiatives show in customer satisfaction ratings, we perform an ongoing point-of-sale, customer experience measurement. In 2017 over 3 million polls were sent with a 10% response rate with the following results in respect of YPF's Own Network and Associates' Network:

Customer satisfaction tracking in YPF's Own Network



Customer satisfaction tracking in Associates' Network



Opinion Polls

Every year YPF conducts a public opinion poll called "National Monitor - Corporate Image Assessment" through a countrywide quantitative research. In 2017 the target group comprised 1,540 men and women over 16 years old polled by telephone or through surveys.

Thinking about YPF, how much do you agree with the following statements? (%)



During 2017 we continued to supply products and services to other segments and industries.

Agriculture

We have the largest, comprehensive, agricultural service network in Argentina operating through YPF DIRECTO—with different centers spanning the country—and the distribution channel. In 2017, 20 distributors were added to the network, now totaling 105 centers.

YPF DIRECTO is a one-stop hub where agricultural producers or SMEs find all the products to carry out their activities, plus the required technical support and guidance to address their needs. Agricultural products and services comprise the following: (1) capillary services; (2) soil sampling; (3) technical advice; (4) grain exchange; (5) fuels; (6) lubricants and specialties; (7) phytosanitary; (8) plastics; (9) fertilizers; (10) grease; and (11) Blue 32.

Along these lines, we incorporated the exchange of grains for inputs as a commercial tool. Agricultural producers can purchase all the necessary agricultural inputs (fertilizers, fuels, phytosanitary products, lubricants, ensiling bags, and seeds) and pay for them with grains. Part of these grains are fed into YPF's production line as raw material for biofuels, and the rest is chiefly marketed in foreign markets.

Transportation

The company offers transportation products and services on site and on the road, enabling companies to exercise integrated fuel load monitoring. It also provides technical advice on products and facilities infrastructure in over 900 gas stations throughout the country.

YPF Gas

We are leaders in LPG fractioning and distribution in Argentina (in bulk or packed) with a supply capacity and coverage that reaches every region in the country.

We also work with and provide products and services for the following industries:

- Construction: Selling asphalt and inputs.
- Chemical: Petrochemical-based products used as raw material for a large variety of elements present in our daily life.
- Aviation: Jet fuels compliant with ATA 103 standard, present in 52 domestic airports and 1 airport in Santiago de Chile.
- Marine market: Fuels and lubricants compliant with strict international quality standards.
- Mining: Comprehensive solution for fuel, lubricant and service supply.





Innovation and Technology

GRI: 103-1, 103-2, 103-3

Innovation and technology are vital factors necessary to be more efficient and competitive. They are key to both maximizing our everyday work performance and successfully complete the transformation process in our company. For this reason, the strategic guidelines for the next five years have been included in YPF's renewed Business Plan as an important chapter.

These guidelines are substantially focused on general commercial matters, business processes and cybersecurity. They offer a five-year perspective that aims to strengthen decisions informed by analytics, govern a balanced R&D portfolio designed to create value, and manage co-innovation technology models with Academia, the entrepreneurial ecosystem, and world-class partners.

Specifically, in terms of digital technology use, they seek to implement key initiatives to improve production, speed up operations, increase organizational efficiency, strengthen safety performance and improve customer focus. We have therefore defined lines of work, as well as reinforced investment in process automation and decision making informed by operational data.

Fostering an innovative culture across the whole organization is also a priority. Thus, in 2017 our corporate structure was modified to enhance that value through the creation of a specific area, in charge of a Chief Technology Officer, which defines and coordinates innovation and technology strategies. The scope of these strategies includes YPF's technology company Y-TEC, a leader in cross-border research and development, and generation and transfer of technology solutions for the energy industry.

In addition, in the same year, innovation and digitalization initiatives were planned or set in motion that focused on four chapters: technology applied to operations, technology applied to customer relationship, data science and mobility.

As part of the co-innovation strategy, an agreement was entered into with Globant (GLO), a local digital company offering innovative technology services, to work together as strategic partners in YPF's digital transformation. The first initiatives of this partnership are geared towards enriching customer relationship and strengthening employee ties with the organization.

In our role as members of the Board of Directors of the Regional Association of Oil, Gas and Biofuels Sector Companies in Latin America and the Caribbean (ARPEL), we have engaged in developing and launching Innov@arpel, a virtual platform for innovation and technology that is intended to bring together and promote ideas, projects and advances presented by Academia, industry and professionals related to the energy sector.
(www.innovarpel.org)

Y-TEC

Y-TEC (YPF Tecnología S.A.) was born from a unique combination between YPF (with a 51%-interest)—and its operative experience— and CONICET (National Council of Scientific and Technical Research) (with a 49%-interest) —and its long-standing scientific capabilities. It addresses specific industry technology needs by applying scientific systems, visualizes value-creating ideas and intends to generate innovative solutions that produce real results.

Y-TEC offers innovative spaces, liaison with other technology-based companies and increased interconnectivity with key industry players as enabled by international partnerships. Located in Berisso, it has become a world-class Research and Development Center, with a 13,000 m²-surface area, 47 labs and 12 experimental plants. It is staffed with a professional team of 250 scientists and technical experts who are currently working on 13 R&D technological programs in a coordinated and cross-disciplinary manner.

In addition, it brings capabilities together to supply over 80 high quality technical and lab assistance services for fundamental disciplines such as Geosciences, Reservoir Engineering, Materials and Nanotechnology, Biotechnology, Analytics, Environment, Renewable Energies, Computer Modeling and Simulation, and Industrial Products and Processes.

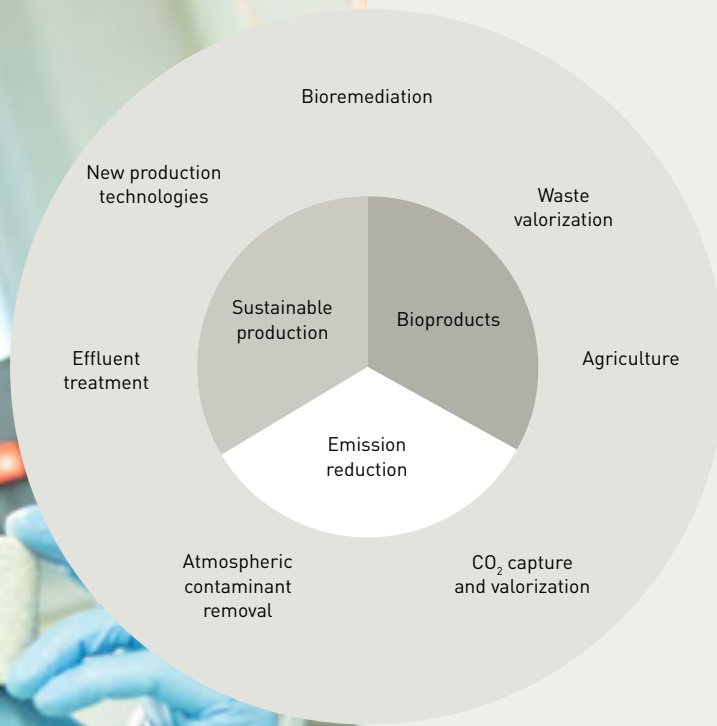
In 2017 the first Analytics Experience Center was established through Y-TEC to develop data science projects for all YPF operations. The Center is a multidisciplinary initiative that brings together, under one umbrella, data scientists, process modeling experts and IT professionals aimed at providing cross-cutting solutions to improve our performance, protect our assets, and identify new business opportunities.

Further actions included both expanding the patents portfolio through cross-border technology licensing and deepening research, thus advancing high-impact projects to the stages of transfer and implementation. Another initiative focused on strengthening global links with internationally-recognized academic centers such as Massachusetts Institute of Technology (MIT) (Industrial Liaison Program) and IFP Energies nouvelles (IFPEN), among others.

Environmental Sustainability Program

The program focuses on three strategic areas: emission reduction, increased sustainable production and bioproduct development. This translates into high-impact projects for the industry, namely, effluent treatment, development of new production technologies, soil bioremediation, CO₂ capture and valorization, atmospheric contaminant removal, and valorization of agricultural products and waste.

For more information about Y-TEC and its innovative programs, visit:
<https://y-tec.com.ar/paginas/home.aspx> (only in Spanish version)



Among the leading projects that helped create this program is Irupé, a pioneering nanotechnology-based solution. Y-TEC developed a membrane able to separate water from hydrocarbons. The membrane was integrated into a device for industrial use, bio-inspired by the Irupé plant, which has great environmental and productive application potential.

Additionally, and for the first time in Argentina, Y-TEC applied a set of adapted techniques drawn from molecular biology and medicine to sediment remediation in the Oil & Gas industry. The use of this cutting-edge methodology has allowed it to improve the effectiveness of diagnosis exponentially—from 0.1% to 99%. It has also shown that the best remediation alternative is in-situ biological treatment by Monitored Natural Recovery (MNR), a novel treatment technology that is environmentally non-invasive.

The importance of recovering arid ecosystems is recognized at a global level. In this regard, Y-TEC has become pioneer in the use of alternative techniques for the ecological restoration of arid areas. Six pilot projects were implemented in YPF oilfields that included direct sowing of seeds with changes in substrates, creation of safe sites, and knowledge integration on primary succession in desert environments. These techniques represent a promising innovation that seeks to recover a larger number of affected sites at less cost.

With respect to bioproducts, Y-TEC and YPF Agro have jointly developed the first ecological fungicide for soybean cultivation that simultaneously combines the effects of a fertilizer and a fungicide, both of them biologically-based.

ISO 50001 Standard Certification

In line with its commitment to working towards reducing emissions and fostering energy efficiency, Y-TEC has become one of the first Argentine companies to certify the ISO 50001 Standard for Energy Management System. The implementation of this international standard is designed to reduce greenhouse gas emissions and other associated environmental impacts, as well as energy costs, through a systematic energy management.

New Y-TEC Innovation Space to reduce industrial emissions of carbon dioxide into the atmosphere

Jointly set up with National University of Patagonia “San Juan Bosco” (Comodoro Rivadavia, Province of Chubut), the Space has been created to achieve two goals: helping reduce industrial carbon dioxide emissions and turning residual compounds into valuable resources for production, with added value or sustainable energy.

MIC Consortium

It has been created as a space of collaborative work, bringing oil & gas companies together to share experiences and knowledge on the problems posed by microorganism-induced corrosion (MIC) and optimize mitigation strategies.

National Award for Innovation Management

In 2017 Y-TEC launched the “National Award for Quality in Innovation Management”, the first recognition for corporate systematic innovation management in Argentina, together with Excelencia Competitiva (EXC) network, 3M Argentina and University of St. Andrews. The purpose of the award is to set a benchmark for implementing innovation, so that Argentine companies can self-evaluate their processes.



Innovation and Digitalization

As part of the strategic Plan, a series of relevant innovation and digitalization initiatives were outlined, put in place or strengthened.

Cybersecurity

In 2017 we had an external evaluation completed and started to implement a multi-year action plan to position and maintain YPF's cybersecurity in line with world-class industry best practices.

Electrical mobility

During 2017 the company kept moving forward with a pioneering project in Argentina that involves installing over 200 fast charging points for electric vehicles (EVs) across the country. The project has been undertaken jointly with QEV Argentina – an electromobility holding firm with vast experience in the energy, finance and technology sectors and ABB – a leading international group supplying technology services. Planned investment in the project totals USD 13 million.

Charging management software enables users to locate the nearest charging point, reserve charging time and pay by credit card, smartphone or e-wallet. Chargers will be compatible with the three main systems on the market – CCS, CHadeMo and AC –, which ensures their compatibility with future technological developments in the EV industry.

Operations Automation

This is one of our most important transformation projects in terms of improved safety and efficiency in well operations. Today YPF has more than 50% of its wells equipped with iUp telemetry to provide real-time monitoring, anticipate potential operation failure and reduce costs. The project is aimed at both applying the smart-well concept to new wells and rental agreements, and speeding up automation deployment in oil fields.

Digital contracts

In 2017 we continued strengthening the digital procurement process by completing and signing 211 digital contracts. This supports paperless work flow and hence reduced consumables consumption and costs. In addition, the digital format allows more efficient deadline management, control, data traceability, and document access, resulting in real savings on operating costs.

Digital Workplace

In 2017 we also worked on this project, which will be implemented at the beginning of 2018. Its key focus is to develop a digital workplace that optimizes the work experience and how we create and collaborate.

YPF has other initiatives in the pipeline, such as an integrated operations center for the upstream and downstream business units, as well as digital employee training programs that will continue to operate in the coming years.



Climate Action and Environmental Management

In line with the commitments made by the Argentine Government under the Paris Agreement and the country's contribution to the 2030 Agenda, YPF focuses on responsible, cost-efficient power generation, maximizing the use of resources and lowering carbon emissions.

Our work commitment is to prevent and minimize the environmental impacts of our operations while protecting surrounding communities.

Climate Change

Over the next years we are committed to a lower-carbon economy through more efficient oil, gas, fuels and derivatives production, lower intensity in GHG emissions, and cleaner electric power with a higher share of renewable energies.

During 2017 we reaffirmed our Commitment on Climate Change and Energy Efficiency which provides the framework for working on mitigation and adaptation activities. The identified lines of action include the following:

- Integrate climate risk analysis methods;
- Encourage and boost energy efficiency by improving performance in our facilities and activities;
- Advance research and development of new related technologies;
- Expand the procurement and contracting criteria to include the purchase of energy efficient goods and services;
- Develop adaptation strategies for our operations.

Accordingly, we added key operational goals to our new business strategy for 2022:

- Achieve a 10% reduction of our specific GHG emissions.
- Become the third electric power generator in the country, reaching a 20% renewable energy power generation.
- In terms of air quality, we work towards achieving the target of having 70% of our vehicle fuels conform to low-sulphur standards (Euro V).

Both our shareholders and the investment community are more sensitive to climate change-related business risks. From 2018 onwards, we will delve into the analysis of this challenge in connection with the company's strategic planning.

Alliances and Collaborations within the Sector

We have executed a framework collaboration agreement with the Argentine Ministry of Environment and Sustainable Development and have taken part in workshops organized by its Climate Change Unit to work on specific plans relating to Argentina's contribution to the Paris Agreement.

We chaired the Occupational Health, Safety and Environment Committee of IAPG (Instituto Argentino del Petróleo y del Gas – Argentine Oil and Gas Institute), where we shared best practices and new sector-specific legislation, and joined in the Energy and Climate Group of CEADS (Consejo Empresario

Argentino para el Desarrollo Sostenible – Business Council for Sustainable Development Argentina).

Since 2016 we are leading the Climate Change Working Group of ARPEL (Asociación Regional de Empresas del Sector Petróleo, Gas y Biocombustibles en Latinoamérica y el Caribe – Regional Association of Oil, Gas and Biofuels Companies in Latin America and the Caribbean). Along with them, in 2017 we organized a workshop on vulnerability and adaptation to climate change, and collaborated in drafting the report “Climate Risks and Adaptation: Challenges and Opportunities in the Oil and Gas Sector”. We also played a part in drafting a report on transparency and technology frameworks, global GHG emissions inventory, and cooperative approaches, presented during the 23rd Session of the Conference of the Parties (COP23) of the United Nations Framework Convention on Climate Change (Bonn, Germany).

Energy Efficiency

GRI: 103-1, 103-2, 103-3, 302-1, 302-3, 302-4

In 2017 we completed an energy assessment of production processes in the company's three main businesses (Upstream, Downstream, and Gas and Energy). This helped us ascertain YPF's balance, consolidated and area-specific consumption, establish a baseline, and identify energy efficiency opportunities. Estimated savings involve a 10% reduction in the company's energy consumption intensity forecast for 2022.

This assessment will be carried out on completed, in-progress and planned projects. In the Downstream business, the most relevant projects are associated with cogeneration in the City of La Plata and revamping of units in La Plata and Luján de Cuyo industrial complexes; while in the Upstream business, those related to electrification and generation improvements brought about by changes in equipment in mature oilfields. In Gas and Energy, the key to energy efficiency lies in renewable energy projects, which will be the most significant contributors to reducing specific GHG emissions.

As part of this process, starting in 2018, YPF has decided to upgrade the consumption and deficiency logging and monitoring system, and implement a coordinated, company-wide energy management system.



In 2017 we made progress in the implementation of the ISO 50001 Energy Management standard and certified several facilities to it.

Sites certified to ISO 50001 standard:

→ La Plata Petrochemical Plant (2016)

→ Canning Plant (AESA, 2017)

Being currently implemented:

→ Y-TEC

→ La Plata Refinery

→ YPF Tower in the City of Buenos Aires

Although energy consumption for the past three years—calculated as the energy content of fuels used to perform all of YPF’s activities—has grown slightly, the weighted energy intensity has shown a downward trend (-3.95% between 2016 and 2017).

	Unit	2014	2015	2016	2017
YPF’s energy intensity (weighted)	GJ / production unit	5.02	4.89	4.84	4.65

	Unit	2014	2015	2016	2017
Energy consumption	KGJ	186,236	191,586	195,761	199,573

Emissions

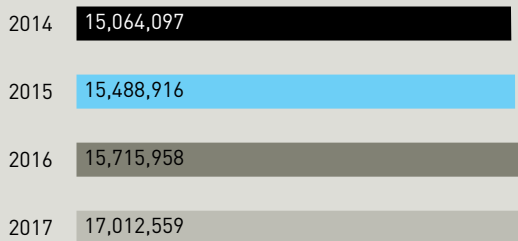
GRI 103-1, 103-2, 103-3, 305-1, 305-2, 305-4, 305-5

Since 2008 we have been gradually introducing management systems into our operations to record emissions through GHG inventories, applying the ISO 14064-1 standard. During 2017, we completed an external audit of all of YPF’s industrial complexes: La Plata (Refinery and Petrochemical Plant), Luján de Cuyo, and Plaza Huincul (Refinery and Methanol Plant). We also monitored other air emissions (SO₂, NO_x, CO, NMVOC*, and particulate) in accordance with applicable regulations.

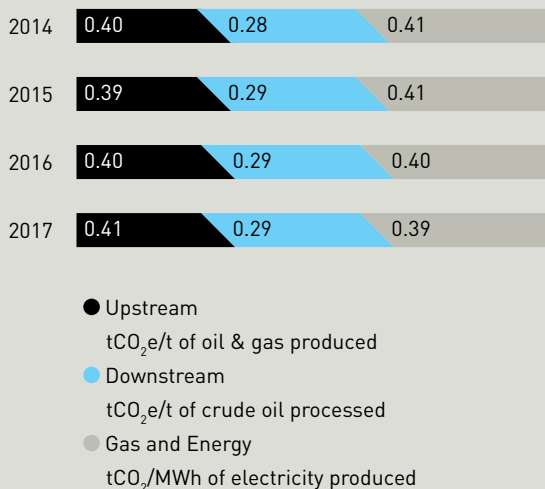
* Non-methane volatile organic compounds

Total direct GHG emissions (Scope 1) in tCO₂e increased around 8% in 2017 due to the addition of new assets and an adjustment in measurements, whereas the analysis of intensity of these emissions remains relatively stable since 2014.

Total direct GHG emissions tCO₂e



Intensity of direct GHG emissions by business



The 2022 target is to reduce the intensity of emissions through projects focused on energy efficiency and solutions to capture, store and reuse carbon dioxide and renewable energies.

Clean Development Mechanism Projects

We continue monitoring our two projects registered under the Clean Development Mechanism (CDM), which allow reducing emissions in the different stages and processes of crude oil refining through the recovery of flare gas in La Plata (CILP) and Luján de Cuyo (CILC) industrial complexes. Residual gases are compressed and injected into the

fuel system to feed furnaces and boilers, thus avoiding the need to use natural gas and fuel oil for heating. In 2017, CO₂ was reduced by around 144,000 tCO₂ between both projects.

The methodology developed by YPF was approved by the United Nations in 2007 under the name of AM0055 “Baseline and Monitoring Methodology for the recovery and utilization of waste gas in refinery facilities”. To date, there are six projects registered under the CDM that have implemented this methodology around the world (Argentina, China, Kuwait and Egypt).

Flare Gas and Vented Gas

As part of the action plan to strengthen our commitment to minimizing flare gas and vented gas, in 2017 we moved forward in the implementation of technological solutions that enable the recovery of compressed gas and liquefied gas from gas wells in remote areas through wellhead gas capture, compression or liquefaction, and transport. Benefits are twofold: reducing emissions, on the one hand, and using recovered gas in industrial operations, power generation, or in gas pipelines for household use, on the other.

In 2017, ten liquefaction facilities were installed to capture wellhead gas and vented gas in 7 wells in Neuquén and Mendoza, yielding 150,000 m³ of natural gas a day. As regards recovery of compressed natural gas (CNG), the recovery capacity in the pilot well reached 16,000 m³ a day.

Forestry project in the Province of Neuquén

This year we continued the project launched in 1998 that already boasts 7,000 hectares of pines, indigenous and other species. A new forest inventory was made of planted fields to adjust the CO₂ capture calculation, estimated in 760,000 tons in 2014. The new calculation will be available next year.

Climate Change Adaptation

We moved forward with climate risk assessment projects at the company’s facilities by implementing the Business Areas Climate Impact Assessment Tool or BACLIAT. In 2017 we also used it at the Logistics Terminal located in Concepción del Uruguay. We looked into past, current and future climate trends; detected primary risks; and identified mitigation actions to reduce vulnerability and encourage early action.



Fuel Quality

GRI 103-1, 103-2, 103-3, 417-1

103-1, 103-2, 103-3, 068

103-1, 103-2, 103-3, 0614

The combined production of our three refineries accounts for over 50% of the country's refining capacity. YPF offers cutting-edge fuels that ensure engine power, protection and cleanliness over and above the prevailing quality specifications in Argentina, in line with the requirements of the modern automobile industry.

These fuels are designed to aid in environmental stewardship and lack heavy-metal additives. Gasolines help extend the life of the catalyst system and prevent the release of toxic fumes. Low-sulfur diesels minimize deposit formation, corrosive compounds, and polluting emissions.

YPF's fuel reliability builds upon quality controls performed throughout the fuel distribution circuit and traceability mechanisms. These include: (1) the certification system that guarantees source quality; (2) 14 regional laboratories equipped with state-of-the-art technology that supervise fuel quality at every shipping terminal before loading it into distribution trucks; and (3) mobile labs monitoring YPF's points of sale across the country.

YPF maintains the mandatory biofuel blend in the formulation and marketing of diesel fuels and gasolines in compliance with the provisions of Argentine Law 23093 (10% of biodiesel blend in diesel fuels and 12% of bioethanol blend in gasolines). The annual total purchase of biofuels by YPF amounted to 668,219 tons of FAME and 585,050 cubic meters of ethanol.

For more information on fuels visit:
<https://www.ypf.com/productosyservicios/Paginas/YPF-DIRECTO-Combustibles.aspx>
 (only in Spanish version)

Development of Electric Power and Renewable Energy Business

GRI: 103-1, 103-2, 103-3, 063

YPF Energía Eléctrica¹ was created in 2013 to promote the development of an electric power and renewable energy business. In 2017 the progress made in new energy solutions included (1) the construction of its first wind farm; (2) the opening of Loma Campana Thermal Power Complex; (3) the introduction of new solar energy pilot projects to supply its own operations; and (4) the search for partnerships to foster investment in new energy solutions.

Our current power generation installed capacity is 1,807 MW. A further 620 MW will be added between 2018 and 2020 through five wind energy and efficient thermal power generation projects currently in progress, with an estimated investment of USD 1 billion.

Projects underway:

- Manantiales Behr Wind Farm (99 MW)
- Tucumán Closing of Cycle (200 MW)
- La Plata Cogeneration (80 MW)
- Cañadón León Wind Farm (99 MW)
- Los Teros Wind Farm (122 MW)

YPF's goal for 2022 is to increase its installed capacity to around 4500 MW, which would position the company as the country's third largest electric power producer and the leader in renewable energies. A roughly 20% of this additional investment will be focused on renewable energy projects (wind, solar and biomass), allowing YPF to derive 20% of all the energy produced from these sources.

¹ In 2018, YPF Energía Eléctrica became known as YPF LUZ (75.01% YPF S.A. and 24.99% General Electric Financial Services Inc.)

Manantiales Behr Wind Farm

This is one of the major projects in the country in terms of size and resource quality, with a power factor of 59%. Its construction started in October 2016 and entailed a total estimated investment of USD 200 million. The selected site—40 km northeast of Comodoro Rivadavia (Province of Chubut)—is one of the windiest areas in Argentina, and even in the world. It features 30 wind turbines and 2 transformer substations. With a final installed capacity of 99 MW (to be achieved in two stages), it will enable YPF to use 50% of production to supply its renewable energy operations, thus complying with the 8% requirement established by Argentina’s Law 27191. Its capacity will equal the consumption of 130 thousand homes and achieve CO₂ emission savings of 241,600 tons.

Los Teros Wind Farm

This project will be located 45 km from the City of Azul, Province of Buenos Aires. It provides for the installation of 32 air turbines and the building of a substation connecting to the 132 kv line linking the cities of Tandil and Olavarría. The farm will have an installed capacity of 122 MW and a power factor of 55%, an extremely high efficiency level according to national and international standards. The wind farm is expected to begin operations by the end of 2019. The wind power to be produced by Los Teros will entail CO₂ emission savings of 5.5 million tons over 20 years vis-à-vis the same energy produced by a thermal power plant, which equals saving 58,000 cubic meters of diesel fuel, or 98 million cubic meters of natural gas.

Cañadón León Wind Farm

In 2017 YPF EE took part in a tender process organized by CAMMESA within the context of RenovAR 2.0 Program and was awarded the Cañadón León Wind Farm project. The company will be in charge of installing both a wind farm—with a nominal capacity of 99 MW that will form part of the Interconnected Electric System—and the infrastructure required for its operation and maintenance. The farm—to be located 25 km from the City of Caleta Olivia, in the Province of Santa Cruz—will have a 20-year contract with CAMMESA for the total amount of the energy produced.

In addition, YPF EE is considering the development of solar photovoltaic and biomass power generation projects with a view to increasing the renewable-energy project portfolio.

* To learn more about the wind farm, visit:
<https://www.ypf.com/energiaypf/ParqueEolico/index.html>
 (only in Spanish version)

Environmental Impact Management

In terms of environmental management, our major challenges involve the maturity of a large part of our oil and gas asset portfolio, the integrity of our facilities, an efficient use of resources, a proper approach to the scenarios in which we operate, and overall risk management.

Environmental management is governed by the Safety, Environmental Protection and Health Preservation Policy. It is built upon a strong corporate safety and protection culture, and is implemented through a risk management system, risk mitigation, and integration of process safety principles. This management system and its implementation are certified to OHSAS 18001 (Safety) and ISO 14001 (Environment) standards in the company’s main industrial complexes.

This Management System complies with applicable international standards and is executed by the businesses, operating centers, suppliers, and business partners through cross-functional processes. It features an internal environmental, social and health impact assessment standard (ESHIA), whose level of development is consistent with the stages and characteristics of each project and implementation area. An ongoing plan is developed to manage and monitor major environmental variables based on our insight into the operating environment and the identification of potential impacts caused by our activities.

All of the company’s businesses are constantly upgrading their integrated management systems; and major environmental parameters are subject to reporting and monitoring as a means to evaluate our performance and implement any necessary improvements².

² In 2017, environmental parameters were checked by an independent entity in the largest data-sourcing centers. This entity issued a report with findings and recommendations for improvement.

Verified data included:

- Energy consumption
- Air emissions (GHG—CO₂, CH₄ and N₂O—, NO_x, SO₂, NMVOC, etc.), flare gas emissions, venting, etc.
- Water management (consumption, reuse, discharge, and compound content in discharged volumes).
- Waste management (hazardous and non-hazardous, generation, reuse, treatment, stock, disposal).
- Spills.

Water and Effluent Management

GRI 103-1, 103-2, 103-3, 303-1, 303-3
103-1, 103-2, 103-3, 306-1

Water Management

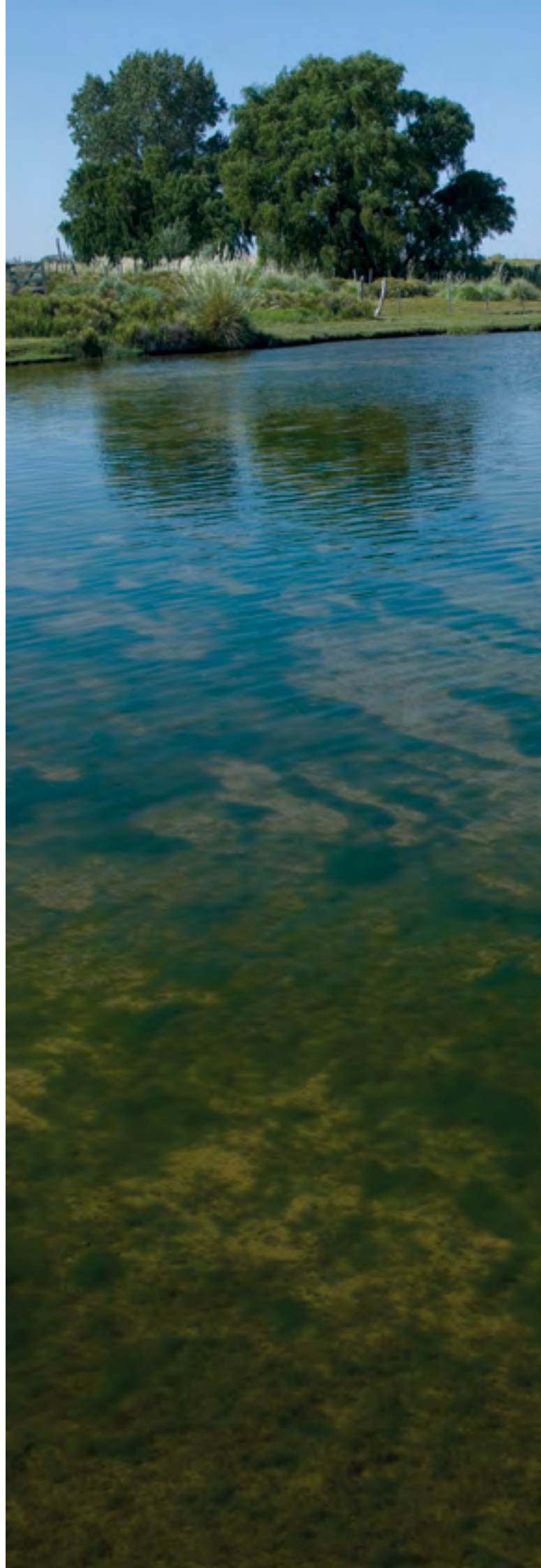
YPF is committed to an integrated water management approach focused on resource sustainability, as embodied in its corporate regulations. This means not only assessing water resources in terms of use, but also of transportation and storage; consumption optimization, ensuring adequate treatment of process water to enable reuse; and analysis and treatment of liquid effluents.

Along these lines, in 2015 we started a water management benchmarking study on several assets within the Downstream and Gas and Energy businesses. The three industrial refining complexes, Tucumán Thermal Power Plant, and La Matanza Terminal had already been surveyed in 2016. In 2017 we finished surveying Dock Sud and La Plata Terminals, Escobar LNG Plant, and Y-TEC. This methodology improved our knowledge of water withdrawal sources and effluent disposal points and provided relevant volumes.

A similar ongoing improvement process is carried out in the Upstream business. Based on a survey performed on all operations in 2015, this area has now an annually updated resource management plan.

Since 2010 the company performs ongoing surface water monitoring in its areas of operation, such as Neuquén River and Mari Menuco and Barreales Lakes, in the Province of Neuquén. In addition, a four-year hydrological study (2015/2018) has been put in place in this province to more accurately identify the depth of the aquifer to be protected in all conventional and unconventional areas.

In 2017 we also continued implementing the Local Water Tool³ and analyzed Fernández Oro Station in the Province of Río Negro (Upstream) and Escobar LNG Plant, in the Province of Buenos Aires (Gas and Energy). As a result, new potential risks were identified and included in the relevant action plans.



Water management evolution [KT]	2014	2015	2016	2017
Water withdrawn from external sources	62,390	63,074	63,642	66,832
Discharged	27,721	28,082	27,918	28,147
Reused	10,000	9,776	9,945	179,066
Produced	159,967	174,558	175,591	170,129
Injected	172,464	185,929	186,476	179,569

During 2017, production water treated and added to the secondary recovery process in mature fields began to be considered reused water as it is recycled into the production process. Thus, the Downstream business reused 9,399 kt of water, while the Upstream business, 169,664 kt.

Water Withdrawal Intensity

Water withdrawal is more intense in Downstream operations, particularly in refining due to evaporation in cooling circuits, production system purges and product purification processes.

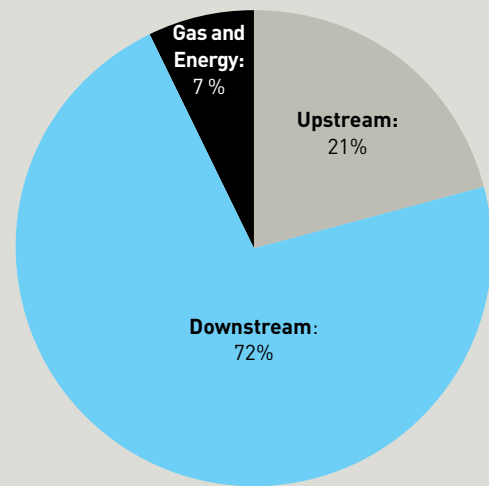
In Upstream processes, water consumption stems from the need to inject water into wells to improve production and to carry out conventional and unconventional well stimulation.

The water withdrawal permits for each activity or project are issued by the regulatory authorities of each province.

During 2017, although water withdrawal intensity grew in the Upstream business due to both an increase in injected water for secondary recovery and an improvement in surface water withdrawal registration, YPF's total water withdrawal intensity diminished.

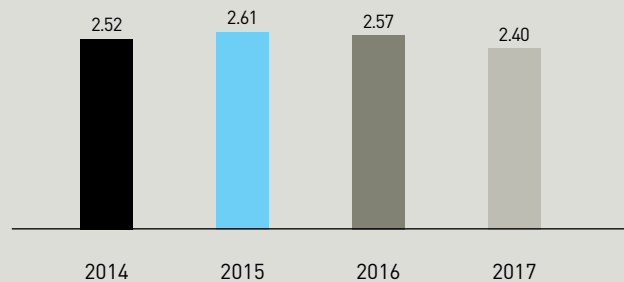
³ Tool developed by GEMI (Global Environmental Management Initiative) and customized for hydrocarbon producers. It allows assessing external impacts, business risks, opportunities and management plans related to water use and disposal in specific operating sites.

Water withdrawn by the Company's Main Businesses



YPF's water withdrawal intensity (weighted)

KT of water withdrawn / production unit



Discharged Water

A portion of the water used is treated and discharged in compliance with the conditions established and authorized by the regulatory authority of the discharge site. In such places without specific regulations, YPF discharges water in accordance with current industry standards.

**Discharged water
KT**



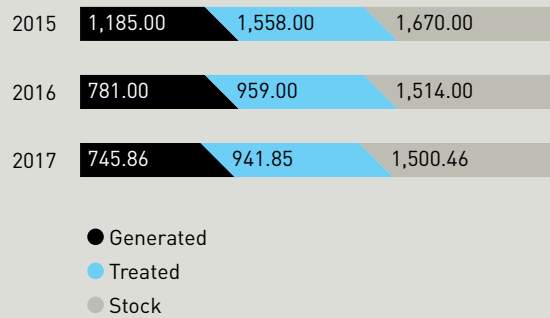
Waste

GRI 103-1, 103-2, 103-3, 306-2, 306-3

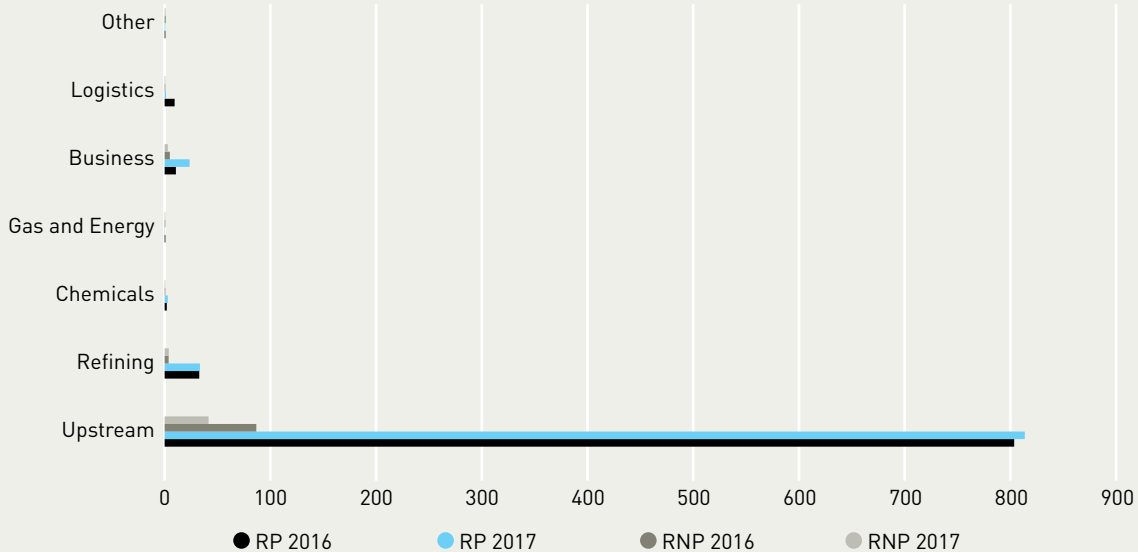
In compliance with Argentine regulations and the Environmental Policy, we develop integrated waste management activities seeking to (1) phase out waste generation; (2) reduce waste hazardousness and ensuing environmental impacts; (3) ensure proper treatment and final disposal; and (4) establish continuous improvement programs.

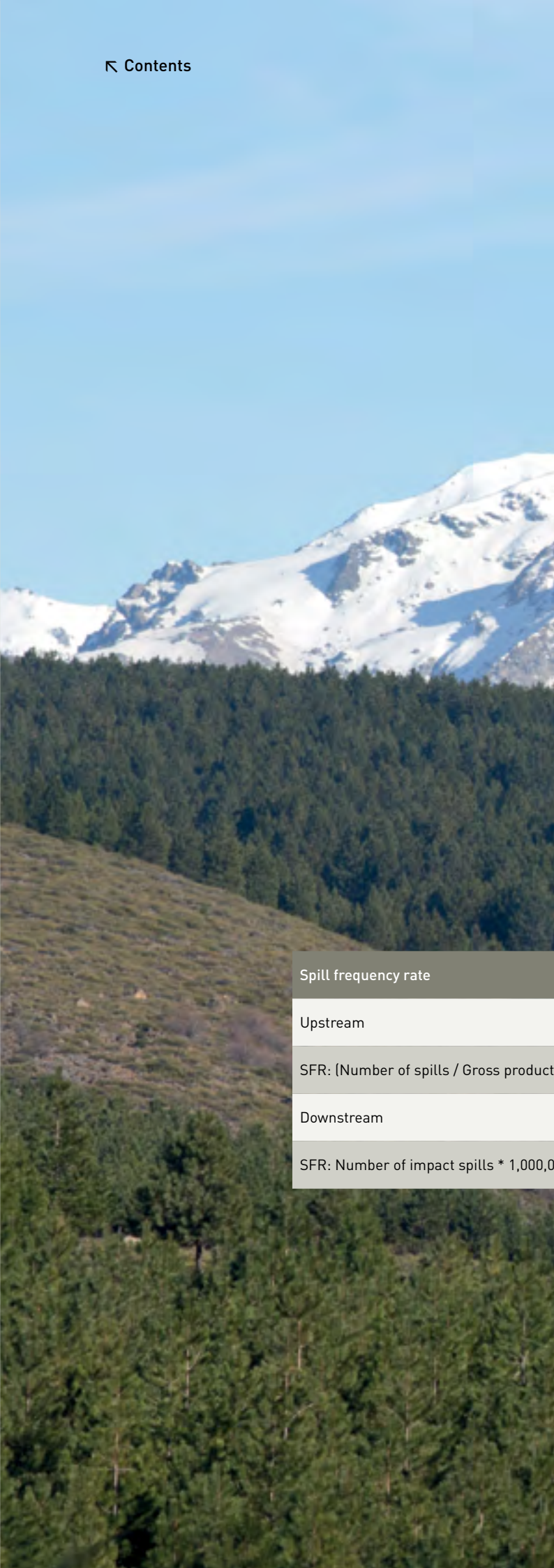
Ongoing management has allowed us to reduce total waste generation (hazardous and non-hazardous) by 59% in the past three years (from 1185 KT in 2015 to 745 KT in 2017), while waste stock dropped 11% in the same period.

**Total waste
(hazardous and non-hazardous)
KT**



Treated hazardous and non-hazardous waste by type of activity (KT)





In recent years, hazardous waste management in the Upstream business focused on generation reduction, treatment and proper remediation. This allowed us to lower our stock of soil with hydrocarbon repositories by 65% between 2012 and 2017. Biotreatment was the most commonly used technique for eligible streams. It enables the recovery of soils to be later disposed on sites identified by the relevant environmental authority.

Spill Preparedness and Response

The company has a Spill Prevention and Control System in place that has helped reduce the spill frequency rate for the past five years. This system provides an investment plan focused on the integrity, maintenance and improvement of facilities and pipelines. It includes a spill communication and response procedure reporting to a software program that automatically alerts the relevant environmental authority.

In the specific Downstream business, improvement activities were aimed at storage, and truck and pipeline transportation.

In 2017, out of the total volume of spills in Upstream operations, 96% were minor spills; while 85% of the spilled volume accounted for production water associated with crude oil, and 15%, for hydrocarbons.

Spill frequency rate	2013	2014	2015	2016	2017
Upstream	19.82	14.59	11.37	12.03	12.14
SFR: (Number of spills / Gross production + Cumulative injected water) x 10 ⁶					
Downstream	0.19	0.17	0.14	0.18	0.12
SFR: Number of impact spills * 1,000,000 / transported cubic meters.					

* Spills of fluids with hydrocarbon concentration over 50ppm in volumes greater than 5 m³, or under 50 ppm in volumes greater than 10m³ Classification as per resolution 25/04 of the Argentine Secretariat of Energy.

Biodiversity

GRI 103-1, 103-2, 103-3, 304-1, 304-2, 304-3, 304-4

Biodiversity management at YPF is primarily focused on performing operations in or near ecologically sensitive areas in compliance with the company's corporate standards, reviewed in 2017 as part of a regular update. Within the framework of regulatory management, during the early stage of project assessment we conduct environmental impact studies and provide an action plan. If the area of influence is found to be of high biodiversity value, the company may choose not to develop or move forward with a given project. This happens if the area (1) falls under Category I of the IUCN (International Union for the Conservation of Nature); (2) is designated as a Core Area in Biosphere Reserves according to UNESCO's MAB (Man and the Biosphere) program; or (3) is a Natural, Cultural, or Mixed Site on UNESCO's World Heritage List.

At present, YPF is operating in two sites where Biodiversity Action Plans have been developed to enable proper biodiversity management through monitoring and protection activities and, as applicable, biodiversity recovery. In 2010, more specifically in Llanquanelo Lagoon, we started operations outside the boundaries of the protected natural area. Through regular monitoring and the best technology available, we seek to minimize the impact on soil and local

biodiversity. In 2017, we performed a pilot test jointly with the INTA (*Instituto Nacional de Tecnología Agropecuaria* – National Institute of Agricultural Technology) for reforesting the area by planting indigenous shrub species.

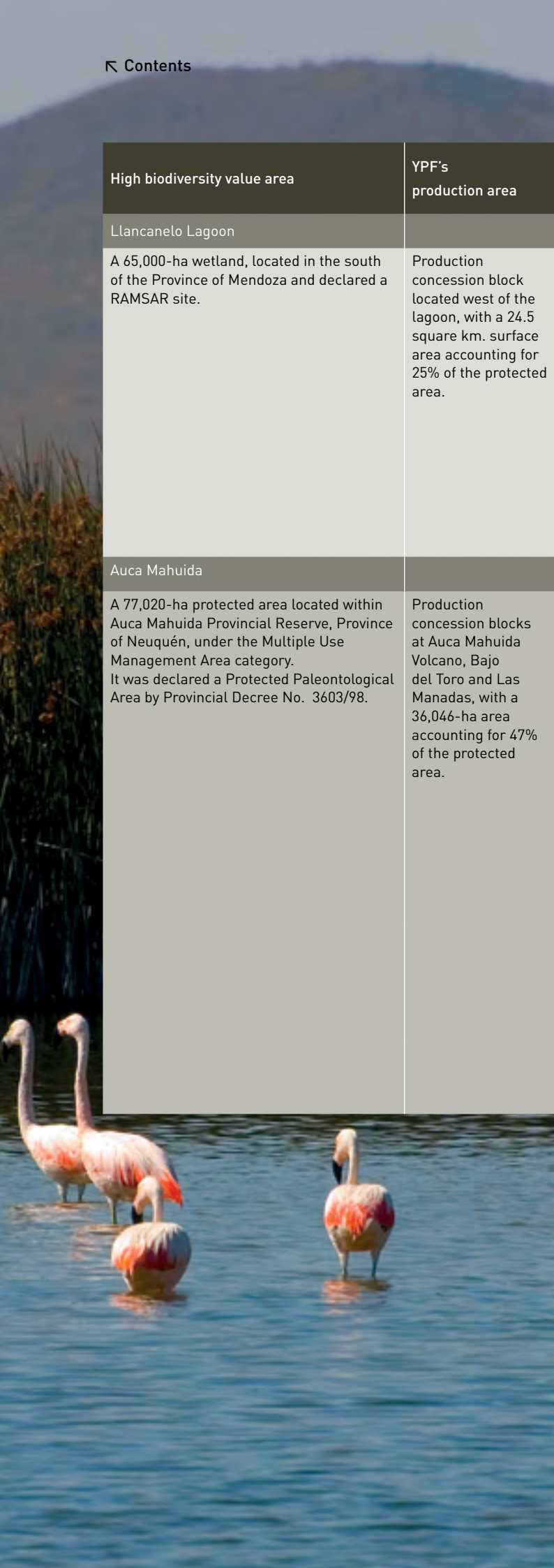
We also develop biodiversity protection projects in other operations carried out by the company, such as the Ecological Reserve of Luján de Cuyo Refinery. This 32-ha area was created in 1999 to contribute to the preservation of wild species and provide natural spaces for recreation, education and research. It features a wildlife rescue, rehabilitation and conservation center jointly coordinated with the provincial Natural Renewable Resources Department.

Together with the Protected Birds and Biodiversity Department of the Secretariat of Environment for the Province of Tierra del Fuego, we started in 2017 a project to restore the nesting habitat of the red cauquén (ruddy-headed goose), which was declared in danger of extinction. Our participation in the project included enclosing a section of the ranch Estancia Cullen with a wire fence.

As part of the project development for the Manantiales Behr Wind Farm, we carried out monitoring assessments based on international standards, in order to define mitigation measures for possible impacts on avifauna species.

High biodiversity value area	YPF's production area	Species inhabiting the area*	Identified risks	Prevention and mitigation measures
Llancanelo Lagoon				
A 65,000-ha wetland, located in the south of the Province of Mendoza and declared a RAMSAR site.	Production concession block located west of the lagoon, with a 24.5 square km. surface area accounting for 25% of the protected area.	95 birds: 89 non-threatened species and 6 vulnerable species.	Opening of sites and new roads.	Multiple locations and facility camouflaging.
		16 mammals: 10 least concern species, 3 exotic, 2 vulnerable and 1 endangered.	Fuel and chemical spills on soil and in waterways.	Waterproof containment in tanks and trucks.
			Noise emissions from the use of generators.	Protections installed on equipment to reduce noise emissions.
Auca Mahuida				
A 77,020-ha protected area located within Auca Mahuida Provincial Reserve, Province of Neuquén, under the Multiple Use Management Area category. It was declared a Protected Paleontological Area by Provincial Decree No. 3603/98.	Production concession blocks at Auca Mahuida Volcano, Bajo del Toro and Las Manadas, with a 36,046-ha area accounting for 47% of the protected area.	82 birds: 72 non-threatened species, 7 vulnerable, 2 threatened and 1 endangered	Opening of sites and new roads	Protection to reduce noise emissions.
		17 mammals: 12 least concern species, 2 exotic, 2 vulnerable, and 1 almost threatened.	Opening of sites and new roads.	Site adaptation to restore species composition.
			Fauna-vehicle collisions.	Speed limits and training.
		17 reptiles: 2 vulnerable, 7 threatened, 2 data deficient and 6 not evaluated.	Drilling impact on guanaco birth rates. Noise emissions from electric power generators and drilling equipment.	Drilling operations carried out outside the species' reproductive cycle.
				Soundproof structures.

* Number of species present in the area included in the IUCN's Red List of Endangered Species and in national conservation lists.





Creating Social Value

GRI 103-1, 103-2, 103-3, 201-1, 203-1, 203-2, 413-1

As the largest energy company, YPF plays a crucial role in the country: its products and services are key not only to economic development and competitiveness, but also to the quality of life of the population. The energy we produce is used in transportation and as electricity for industries, institutions and homes (for heating or cooking), among other purposes. We also supply a wide range of products that span from lubricants to fertilizers.

The company's activities help, in different ways, boost Argentina's national and provincial economies. This includes quality job generation, procurement of goods and services, payment of taxes, royalties, and dividends, investment in science and technology, and training of human resources. But we also make direct social contributions to different communities either voluntarily or in compliance with different regulations in force in the areas of operation.

Economic Value Distributed 2017

in millions of Argentine pesos

\$195,171

Supply chain
for operations

\$24,939

Payment of Taxes and Other Obligations-
Taxes, rates, royalties, easements and fees

\$22,513

Direct employees
Salaries, social security
and other benefits

\$179.6

Voluntary social investment¹
Programs, donations,
and sponsorships

¹ These contributions are coupled with CSR Funds provided in accordance with provincial regulations, as well as funds channeled through cultural promotion and tax credit instruments.



Sustainable Supplier Development

GRI 103-1, 103-2, 103-3, 203-2

Technical and Production Enhancement

During 2017, the Sustainable Supplier Development Program² —aimed at boosting supplier productivity and competitiveness—continued building up with the twofold purpose of improving the quality and costs of products and services procured by the company, and strengthening the value chain in its areas of operation. This program enables YPF to provide small and medium enterprises with the following, in collaboration with government organizations and private entities:

- Technical assistance for implementing Quality, Safety and Environmental Management Systems, and production efficiency programs, jointly with IRAM (Instituto Argentino de Normalización y Certificación – Argentine Institute of Standardization and Certification) and INTI (Instituto Nacional de Tecnología Industrial – National Institute of Industrial Technology), respectively.
- Support in obtaining subsidies and funding available in the market, by acting as a liaison between public and private credit institutions and suppliers.

The company also worked hand in hand with the Argentine Ministry of Production in the PRODEPRO YPF 2030 agreement—a joint effort focused on enhancing domestic suppliers’ production capacity in strategic industry areas, scheduled to become operative in 2018.

² For information or inquiries about the program, visit: desarrollosustentabledeproveedores@ypf.com / <http://www.ypf.com/Proveedores/Paginas/desarrollo-sustentable-de-proveedores.aspx> (only in Spanish version)

→ Quality and Productivity Improvement Program

It provides technical support for selected contractors in collaboration with other entities with a view to boosting processes, improving production management, and certifying quality standards.

In 2017, 32 companies took part in the Program in La Plata, Comodoro Rivadavia, Mendoza and Neuquén.

→ Credit Support

YPF helps suppliers obtain credit for production projects that require expansion of facilities, addition of new technology, increase of working capital, or purchase of new equipment.

In 2017 nine supplier companies obtained funding for over 21 million pesos.

Labor Inclusion and Reintegration

The company's commitment also involves building responsible and inclusive bonds with the men and women from the communities where we operate. Along these lines, there are two programs being currently implemented:

→ Inclusive Procurement

This program was established for the purpose of facilitating tender opportunities for offerors providing employment to people with physical, sensory or mental disabilities. The offerors may be organizations that either are fully devoted to inclusion (foundations, cooperatives, associations) or show a commitment to this goal by including in their workforce at least 10% of people with disabilities³.

In 2017 we continued asking these organizations, cooperatives, protected workshops, associations, and entities engaged in labor inclusion of disabled people to enter their data in the inclusive supplier database. That year we reached a total of 30 protected workshops registered and awarded contracts to three institutions: (1) APAD, a gift kit assembly service; (2) La Usina, a training-for-inclusion service; and (3) Granja Andar, a catering service.

³ For more information or questions about the program, refer to <https://www.ypf.com/Provedores/Paginas/Compras-Inclusivas.aspx> (only in Spanish version)

→ Technical and Professional Training for Labor Reintegration

This training program is basically intended to afford new opportunities to people forced to change jobs due to contract optimization programs that the oil and gas sector had to put in practice in recent years. It is carried out in collaboration with the Argentine Ministry of Labor, which certifies courses and builds upon YPF Foundation's relevant expertise. The proposal is aimed at training people in trades with unmet labor demand in the main areas where YPF operates.

The program, which began in December 2017, enables entering the data of qualified people into the applicant databases of local employment offices, which in turn make them available to provincial companies and organizations.

Social Investments

We develop special relationships with the communities where we conduct production operations. We promote actions and programs based on stakeholder dialogue and focused on delivering shared value, strengthening the social license to operate and reaffirming our employees' commitment. We contribute with direct social investments through (1) our own programs and initiatives; (2) corporate volunteer work; (3) donations; and (4) sponsorship of educational and social institutions by means of cultural promotion and tax credit instruments, as well as mandatory provincial CSR Funds. These efforts— basically focused on educational and local development activities—seek to build mutually beneficial bonds with local players. During 2017 the company's voluntary investment amounted to 179.6 million pesos, which included YPF Foundation's annual donation of 31 million pesos. The Foundation works in coordination with the company as a key player in social investment matters. Of such aggregate amount, more than 57 million were allocated to help establish life plans for indigenous communities with which YPF maintains a relationship.

As regards cultural promotion and tax credit instruments available at national and provincial level that allow allocating contributions for cultural, training and learning projects, during 2017 the company invested over 65 million pesos in more than 140 projects, surpassing the year-ago contributions.



Contributions to CSR and Sustainable Development funds continued during 2017, allocating a total of 147.8 million dollars, between 2013 and 2017, to programs implemented in the provinces of Neuquén, Río Negro, Chubut, Santa Cruz and Tierra del Fuego. These funds, invested by YPF along with its operating partners within the scope of current provincial regulations, are managed by local authorities, with YPF and YPF Foundation having different levels of participation. They are basically used to contribute to community development in such matters as social infrastructure, education, health, environment, culture, science and research.

With a view to strengthening community relationships and enhancing the value of corporate contributions, during 2017 the company began drafting a new Social Investment Policy scheduled for implementation as of 2018.

→ Forestry Project

During 2017 we continued consolidating the social benefits associated with the Forestry Project, which was launched in the Province of Neuquén in 1998. This forestation program seeks sustainable development of forest resources by (1) protecting the natural system; (2) preserving and safeguarding the integrity of key ecosystem components; (3) ensuring the future availability of forest resources; (4) and boosting regional economies.

Throughout 2017 the program generated 2,700 work days for women and 39,516 work days for men in forestry, forestry-industrial, and new forest planting activities. Twenty permanent positions were also created in Las Ovejas region, which features the Forestry Training Center that delivers training and certification in technical areas.

As a result of the company's funding and support, the province has been able to expand its Northern Forest Industrial Park by adding a new cutting mill with logistics and infrastructure capable of manufacturing 1,500 m³ of timber volume per month produced in YPF's Nahueve forest field. We have also undertaken to contribute the wood required to build 200 dwellings that will gradually replace poor rural houses in northern Neuquén.

Voluntary social investment	Unit	2017	2016
Total	Pesos	179,621,316	139,983,134
Donations	Pesos	57,575,166	44,035,803
Relationships with the community	Pesos	64,950,074	52,496,238
Indigenous communities	Pesos	57,096,076	43,451,093
Educational and cultural promotion initiatives through tax credit instruments	Pesos	65,448,238	34,134,311
Forestry Project	Pesos	11,859,780	21,656,562
Mandatory CSR funds 2013-2017 USD 147,800,000			

At the same time, throughout 2017, the company continued operating 15 Social Supply Modules (MAS), whose goal is to enable energy access in remote areas of the country by providing quality fuels. These modules, which started to be installed in 2014, were fully designed and developed in Argentina, fulfilling flexibility, sustainability, operational safety and environmental protection criteria.

Relationship with Indigenous Communities

GRI 103-1, 103-2, 103-3, 203-1

103-1, 103-2, 103-3, 413-1

103-1, 103-2, 103-3, 069

YPF operates with full respect for human rights and the culture of indigenous communities and all citizens.

Along these lines, site surveys are carried out to establish the presence of inhabitants or communities before starting operations. This task is usually performed by specialized external consultants and is coupled with a regularly updated assessment of community vulnerabilities, needs and demands based on fundamental rights.

The company has an open-dialogue policy with inhabitants in the areas where it operates, irrespective of their legal status in relation to land tenure, and has a team in regular contact with them. This policy aims to address any situations and claims by community members who live in the area and/or carry out economic activities even if they are not landowners.

We have managed to establish community bonds based on ongoing dialogue and respect. Notwithstanding this, difficulties have arisen specifically with some leaders and representatives. Community bonds have been forged in the Province of Neuquén in particular, as it features the largest presence of communities in areas where the company conducts its core hydrocarbon operations.



Community	YPF's Area of Interest	Relationship Strategy
<p>PAYNEMIL 32 families</p>	<p>LOMA LA LATA</p>	<p>Process based on fluid and ongoing dialogue with community authorities. Daily interaction and analysis of particular situations based on a grievance and expectation mechanism jointly predefined with the community.</p> <p>Role of due diligence in Operating Projects. Virtuous circle of sanitation in environmental impact situations supervised by the regulatory authority, with active, open and transparent community participation.</p> <p>Design and implementation of social investment projects focused on the standard of living and cultural strengthening of the community, such as (1) an agreement for the Educational Project "Dinos" based on paleontological recovery; (2) "Pillmatun Recreational Space", second stage; (3) improvement of drinking water supply network, and land systematization for alfalfa and corn crops.</p> <p>Other projects are also implemented, including electricity installation in homes, gas and heating supply, drinking water supply, health insurance provision, veterinary services, and school transport.</p>
<p>KAXIPAYIÑ 31 families</p>	<p>LOMA LA LATA</p>	<p>New three-party dialogue processes with community authorities, local Government and YPF. They started in the second quarter of 2017 following some communication difficulties between company and community, as well as claims by the community to local authorities.</p> <p>During the year there were some groundless limitations and impediments raised by some community leaders concerning a new development project and environmental sanitation tasks that had already been validated and/or authorized by competent regulatory authorities. As a result of these projects, there were also requests for disproportionate compensation.</p> <p>An environmental action was taken to court by the community despite having prevented the performance of sanitation tasks reported to and approved by the competent regulatory authorities.</p> <p>Notwithstanding the above, operations with company's assets already present in the area continued throughout the year. The company maintained its role of due diligence in operating processes and continued developing the social investment initiatives already pledged, such as health insurance provision, electricity installation in homes, surveillance stations for community safety, safe drinking water supply, bulk gas supply, and school transport.</p>
<p>CAMPO MARIPE 7 families</p>	<p>LOMA CAMPANA</p>	<p>The relationship model with this community is subject to a land claim filed by community members before provincial authorities which has not been definitively resolved yet.</p> <p>Part of the land being claimed by the community, located in YPF concession areas, belongs to the Province and another part to third parties. The regulatory authority carried out the relevant data gathering process on the land and decided to grant the community only part of the land claimed, but the community rejected the decision.</p>

Community	YPF's Area of Interest	Relationship Strategy
CAMPO MARIPE 7 families	LOMA CAMPANA	<p>This situation has also led to court claims involving land disputes with private third parties holding ownership. In this context, in July 2017 the community obstructed operations of one of YPF's drilling rigs. As this illegal act jeopardized the safety of community members, employees, the environment and operations, the company filed a case in a federal court.</p> <p>The federal court of competent jurisdiction ordered the community to stop its activities and allow the company to freely operate. No further incident has occurred following the court's decision.</p> <p>Notwithstanding this situation, YPF maintains the overall relationship policy described above. Hence, it has taken actions towards enhancing the community's quality of life by implementing a production project in the area where the community is located –an area which was reserved for it by a 2013 provincial decision. In 2015 YPF, together with CORFONE (Corporación Forestal Neuquina S.A.), designed and implemented the systematization of 46 hectares of land for alfalfa crops, generating a productive development opportunity for the community, based on dialogue with its members.</p>
LONKO PURRAN 9 families	PORTEZUELO NORTE – CERRO BANDERA	<p>Constant and participatory dialogue with community authorities. Ongoing cooperation relationship and management of agreements and commitments. Role of due diligence in operating projects.</p> <p>Improvements in members' standard of living, including provision of drinking water supply, and upgrade of roads and accesses.</p>
GELAY KO 13 families	ANTICLINAL CAMPAMENTO + BARDITA ZAPALA	<p>Ongoing and constructive dialogue with community authorities. The mechanism to record communications, claims, requests and suggestions agreed on with the community is still in force.</p> <p>Role of due diligence in operating projects.</p> <p>Early Alert Project implemented in remote areas where community members work.</p> <p>Joint project for the restoration of sites with indigenous plants and native plant nurseries engaging young community members.</p>
ANTIPAN 9 families	CERRO GRANITO	<p>Ongoing and constructive dialogue with community authorities. Due diligence in operating projects.</p> <p>Agreement on social investment projects, such as improvement of the water supply network for animal consumption and drinking water supply, which started in 2016 and continued throughout 2017.</p>
LUCERO PICHINAU 13 families	VOLCÁN AUCA MAHUIDA	<p>Ongoing and participatory dialogue with authorities. Educational project providing three university scholarships to young community members.</p>

YPF Foundation

GRI 103-1, 103-2, 103-3, 203-2

YPF Foundation encourages quality energy-focused education at different educational levels and the sustainable development of communities intersecting with YPF's operations. It is engaged in networking activities with Argentine state-run and private universities, provincial, national and international government agencies, and NGOs to endorse an effective sustainable development agenda built upon principles and values, a shared vision and common goals.

During 2017, YPF Foundation continued developing the programs outlined in its five-year work plan:

You and Energy for Primary Schools

With a view to bringing children closer to science and the world of energy, the educational experience 'You and Energy' features a book, an interactive web portal, workshops, and teachers' guidelines. In 2017, it added new games, experiments, two videos on wind and solar energy, stop-motion video creation, plus new booklets on renewable energies as part of the teachers' guidelines. This initiative was also awarded the Good Design Seal given by the Argentine Ministry of Production to innovative and outstanding products.

As part of the Energy and Environmental Education Program carried out in collaboration with the Argentine Ministries of Education, Energy, Environment and Sustainable Development, provincial ministries of education, universities and non-profit organizations, several activities were organized to help teachers gain a better and deeper insight into the energy and environmental challenges posed by the country's sustainable development scenario.

For more information on YPF Foundation's activities, visit
<http://www.fundacionypf.org/Paginas/home.aspx>
(only in Spanish version)

9,600
children played and explored science in the 179 'You and Energy' workshops

4,500
teachers received the "Energy in the Classroom" guide with activities and experiments

300
teachers and leading education representatives underwent training in the 3rd National Seminar and in the Energy and Environmental Education Workshops

32,600
people visited the interactive trailer exhibiting the world of energy



Undergraduate scholarships

The Undergraduate Scholarship Program for degrees related to Argentina's energy and technology development stands out for its high academic performance requirements and the guidance of YPF's professional mentors. In 2017, the Program included **gender equality** and **regional balance** as part of the selection criteria for awarding scholarships and laying the groundwork for future applications. In addition, the 4th Annual Meeting of Scholarship Students brought together young students and YPF's key technical leaders in an inspirational event for sharing experiences.

100
renewed undergraduate scholarships for students pursuing energy degrees

16,700
high school students took part in activities aimed at promoting the study of energy development degrees

+100
YPF's mentors assisting scholarship students

+480
university students took part in geosciences, production processes, and environmental training activities

Technical and Professional Training

With a view to contributing to skill development as a means to improve employability, technical and professional training courses open to the community are delivered on specializations relating to the energy industry, regional production activity, and renewable energies. Courses include crosscutting training in core competencies and digital literacy, and occupational health and safety. The Argentine Ministry of Labor, Employment and Social Security awards official certificates to students attending these courses.

The Renewable Energy Training Program was launched in 2017 in every province with the support of INET (*Instituto Nacional de Educación Tecnológica* – National Institute of Technological Education), targeted to teachers, technical experts, installers, and operators in these areas of expertise. Training kicked off in the provinces of Mendoza, Neuquén, Buenos Aires and Río Negro for technical education teachers and professional education instructors. Courses are delivered in a mobile classroom equipped with low power generators and innovative educational panels that make teaching system assembly, installation and maintenance easier. Open meetings were also organized jointly with specialists from YPF, Y-TEC and local leading representatives to help improve knowledge on the use and purpose of renewable energy-based technologies.

105

teachers and instructors trained as renewable energy mentors

1,900

people trained in technical professions in 150 courses delivered in 20 towns

Sustainable Cities

The joint efforts of the Inter-American Development Bank and government authorities yield action plans to promote the sustainable development of communities intersecting with the energy industry. Priority action lines are identified through a participatory methodology and a holistic interdisciplinary approach that help plan the sustainable growth of cities, considering issues on environmental, urban and fiscal sustainability, as well as governance and transparency. The assessment stage was completed in 2017 and action plans started to be outlined for the cities of Allen, in the Province of Río Negro, and Malargüe, in the Province of Mendoza. In past years, action plans had been implemented for the cities of Las Heras and Añelo.

YPF Foundation's New Strategic Plan

In 2017, the Foundation developed a new strategic plan scheduled for launching in 2018. The plan's primary goal is to achieve nationwide implementation, with a view of technology and innovation as fundamental tools for involvement in education and community life. It further contemplates measuring the impact of our actions against the Sustainable Development Goals to which we adhere.

The plan identifies –for each defined work area– goals, scope, differential, expected impact, related initiatives, and strategic allies. It also provides an approach to enable compliance with the following SDOs:



The Foundation’s new strategy contemplates the creation of a digital platform primarily aimed at empowering energy knowledge, innovation and research through content, activities, remote labs, and competitions for young students. It will be a participatory e-learning and information venue with educational science and energy content. It will also help promote the activities of other energy-related NGOs.

YPF Foundation’s New Strategic Plan		
Strategic Guidelines and Goals	Initiatives	Goals
<p>Quality education Promote relevant quality energy-focused education, driving innovation and creativity in technical, professional and scientific training.</p>	<p>University scholarships</p>	<p>To have the highest-ranked scholarship university program in engineering, technology, Earth sciences, and environmental degrees. To encourage training excellence, enrollment, permanence, and degree achievement.</p>
	<p>STEAM</p>	<p>To promote science, technology, engineering, art, and mathematics (STEAM) education through project-based teaching, innovation in learning, experimentation, creativity, and research.</p>
	<p>Technical and Professional Training</p>	<p>To improve technical and professional training in towns. To support inclusion of knowledge-based services. To strengthen knowledge on alternative energies.</p>
<p>Local development We seek to enable conditions favoring local development by (1) providing tools for participatory planning and implementation of projects on energy challenges; and (2) promoting collective intelligence, sustainability, and resilient infrastructures.</p>	<p>Sustainable cities</p>	<p>Energy challenges To help local governments and relevant social players implement projects that raise public awareness on renewable energies, reconversion, efficiency, and improvement in processes for the use of energy-consuming or energy-generating resources.</p>
		<p>Urban planning To foster knowledge tools and generate windows of opportunity for city planning and sustainability.</p>

Appendices

Relevant Information and Performance Indicators

Company Profile

GRI: 0G1, 102-7

* Estimates of reserves were prepared using standard geological and engineering methods generally accepted by the petroleum industry and in accordance with the Securities and Exchange Commission (SEC) and the Argentine Securities and Exchange Commission (Comisión Nacional de Valores – CNV) rules. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

The value of total proved reserves refers to developed and undeveloped reserves and is the sum of crude oil, gas and LNG reserves stated in equivalent barrels. For more information, please see page 66 of Form 20-F: <https://www.ypf.com/english/investors/Paginas/Financial-information.aspx>

** The information above is expressed in millions of Argentine pesos and has been extracted from YPF S.A.'s Consolidated Financial Statements as of December 31, 2017, as approved by the Board of Directors and audited by Deloitte. For further financial information, please visit: <https://www.ypf.com/english/investors/Paginas/Financial-information.aspx>

	Unit of measure	2017	2016
Total hydrocarbon production	KBOE/d (thousand barrels of oil equivalent per day)	555	577
Natural gas production	Mm ³ /d (million cubic meters per day)	44.1	44.6
Crude oil production	Thousand BBL (barrels) per day	228	245
LNG production	Thousand BOE per day	50.4	52.5
Refinery processing levels	Percentage	91.7%	92.0%
Share of Argentina's gasoline supply	Percentage	55.1%	54.8%
Diesel production	Million BBL per year	41	40.6
Gasoline production	Million BBL per year	25.2	24.6
Fuel oil production	Thousand tons per year	935	1,554
Total proved reserves*	Thousand BOE	929	1,113
Sales**	Million pesos	252,813	210,100
EBITDA**	Million pesos	66,791	58,216
Net profit / (loss) for fiscal year **	Million pesos	12,672	-28,379
Total liabilities**	Million pesos	353,185	302,478
Total shareholders' equity**	Million pesos	152,533	118,661
Gas stations	Number	1,563	1,547
Direct employees (YPF Group)	Number	19,072	19,257
Female employees	Percentage	22%	19%

Corporate Governance

Composition of the Board

GRI: 405-1, 102-22

15
regular members,
14 independent,
one woman.

93%
is over
50 years old

7%
is between
30 and 50 years old

Board Committees

Audit Committee.

The Audit Committee has been established by the Capital Markets Law 26831 and the CNV rules. It is in charge of overseeing the internal control and administrative-accounting systems, and the reliability of financial information or other relevant facts subject to reporting. It also verifies compliance with applicable capital market regulations.

Nomination and Remuneration Committee.

In charge of assessing and setting guidelines for the remuneration paid to the company's CEO, senior management, and Board members with executive duties, whenever applicable. It is tasked with reviewing and approving policies on Remuneration, Benefits and Talent Management.

Compliance Committee*.

The Compliance Committee has been formed to (1) advance compliance with laws, regulations, rules, policies and/or organizational codes, as well as with principles of good corporate management and ethical standards applicable to the Company; and (2) ensure proper understanding thereof, supervise management, and analyze the litigation strategy for pre-court, arbitration and court disputes involving YPF and its affiliates.

Risk and Sustainability Committee.

Formed to carry out the following duties, among others (1) establish and supervise proper implementation of policies for comprehensive management of business risks; (2) identify and assess major risk factors specific to the Company and/or its activity; (3) monitor risks and take appropriate mitigation actions; and (4) encourage best sustainability practices, establishing goals, plans, targets and measurement tools across the organization such as regular performance reviews and continuous improvement mechanisms.

Strategy and Transformation Committee.

Focused on the Company's medium- and long-term strategy, this committee acts as a liaison between the Board and the Executive Management Committee.

Committees created by the Board and formed by the company's senior management.

'Transparency Committee' or Disclosure Committee, advised by the SEC within the framework of the U.S. Sarbanes-Oxley Act.

It ensures that the information disclosed to investors, the markets where YPF shares are listed, and the regulatory entities of said markets is true and complete, reported on a timely basis, and in accordance with applicable standards and general principles of market operation and good governance to which the Company adheres.

Ethics Committee.

In charge of administering the Code of Ethics and Conduct, evaluating and determining appropriate steps to address reported situations.

* As of the date of this report, the Compliance Committee has changed its name and duties, and is currently called "Legal and Institutional Affairs Committee."

Operational Excellence – Our People

GRI: 102-8, 102-38, 102-39, 202-2, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2

Number of people employed	Unit	2015	2016	2017
Total	Number	71,641	61,729	63,449
YPF S.A.	Number	9,730	9,175	9,312
Controlled companies	Number	12,295	10,082	9,760
Contractors	Number	48,102	42,472	44,377

Staff breakdown by type of employment contract, region and gender (2017)	Permanent employment contract			Temporary employment contract			Total
	Women	Men	Total	Women	Men	Total	
<i>Region</i>							
Buenos Aires	1,431	3,708	5,139	3	172	175	5,314
City of Buenos Aires	1,016	1,838	2,854	2	4	6	2,860
Chubut	177	774	951	0	0	0	951
Córdoba	120	240	360	0	0	0	360
Mendoza	184	2,089	2,273	1	225	226	2,499
Neuquén	324	2,193	2,517	1	121	122	2,639
Santa Cruz	109	828	937	0	78	78	1,015
Tierra del Fuego	11	130	141	4	100	104	245
Rest of the country	490	1,215	1,705	1	2	3	1,708
Sao Paulo – Brazil	23	58	81	0	0	0	81
Total	3,885	13,073	16,958	12	702	714	17,672

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

All full-time employees. No seasonal variations.

People employed by geographical location	Unit	2016	2017
Córdoba	Percentage	1.98	2
Mendoza	Percentage	15.24	15.59
Neuquén	Percentage	24.51	23.54
Santa Cruz	Percentage	12.23	10.85
Santa Fe	Percentage	1.76	1.76
City of Buenos Aires	Percentage	7.93	7.86
Buenos Aires	Percentage	22.48	21.76
Río Negro	Percentage	1.92	2.74
Chubut	Percentage	7.53	7.53
Tucumán	Percentage	0.58	0
Rest of the country	Percentage	3.66	6.13
Other countries	Percentage	0	2.33

Staff at YPF S.A., controlled companies and contractors. Details for MetroGAS and YPF Gas not included.

Annual Total Compensation Ratio	Unit	2016	2017
YPF S.A.	Percentage	21	21
YPF Group	Percentage	27	27

YPF S.A.'s and controlled companies' staff not covered by bargaining agreement. Details for MetroGAS and YPF Gas not included.

Percentage increase in annual total compensation ratio	Unit	2016	2017
Percentage increase in annual total compensation for the organization's highest-paid individual	Percentage	17.5	14.8
Median percentage increase in annual total compensation for all employees	Percentage	17.2	14.2
Ratio of percentage increase in annual total compensation	Percentage	1.02	1.04

YPF S.A.'s and controlled companies' staff not covered by bargaining agreement. Details for MetroGAS and YPF Gas not included.

Executive Officers by Province	Unit	2016	2017
San Juan	Number	1	0
Rio Negro	Number	0	1
Buenos Aires	Number	29	30
City of Buenos Aires	Number	20	30
Neuquén	Number	1	1
Mendoza	Number	10	10
Santa Fe	Number	3	4
Chubut	Number	2	3
Córdoba	Number	3	3
Tucumán	Number	2	2
Corrientes	Number	1	1
Entre Ríos	Number	1	1
Foreigners	Number	1	1

YPF S.A.

Registration of new employees in 2017	Under 30 years old		Between 30 and 50 years old		Over 50 years old		Women	Men	TOTAL
	Women	Men	Women	Men	Women	Men			
Buenos Aires	110	281	25	220	0	32	135	533	668
City of Buenos Aires	38	51	9	32	0	5	47	88	135
Chubut	16	21	2	17	0	0	18	38	56
Córdoba	5	7	2	6	0	0	7	13	20
Mendoza	10	126	3	225	0	21	13	372	385
Neuquén	14	171	9	277	1	45	24	493	517
Santa Cruz	3	13	5	79	1	9	9	101	110
Santa Fe	22	32	5	8	0	0	27	40	67
Tierra del Fuego	4	21	5	105	0	36	9	162	171
Brazil	2	11	3	22	0	1	5	34	39
Rest of the country	17	37	7	29	0	8	24	74	98
TOTAL	241	771	75	1,020	2	157	318	1,948	2,266
Total by age group	1,012		1,095		159				

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Registration of new employees by gender	Unit	2016	2017
Women	Number	211	318
Men	Number	1,706	1,948
Women	Percentage	11	14
Men	Percentage	89	86

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Aggregate registration of new employees by age group	2016	2017
Under 30 years old	878	1,012
Between 30 and 50 years old	893	1,095
Over 50 years old	146	159

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Employee deregistration by gender	Unit	2016	2017
Women	Number	435	298
Men	Number	4,129	2,143
Women	Percentage	10	12
Men	Percentage	90	88

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Employment registration rate - 2017	Under 30 years old		Between 30 and 50 years old		Over 50 years old		Women	Men	TOTAL
	Women	Men	Women	Men	Women	Men			
Buenos Aires	0.62%	1.59%	0.14%	1.24%	0.00%	0.18%	0.76%	3.02%	3.78%
City of Buenos Aires	0.22%	0.29%	0.05%	0.18%	0.00%	0.03%	0.27%	0.50%	0.76%
Chubut	0.09%	0.12%	0.01%	0.10%	0.00%	0.00%	0.10%	0.22%	0.32%
Córdoba	0.03%	0.04%	0.01%	0.03%	0.00%	0.00%	0.04%	0.07%	0.11%
Mendoza	0.06%	0.71%	0.02%	1.27%	0.00%	0.12%	0.07%	2.11%	2.18%
Neuquén	0.08%	0.97%	0.05%	1.57%	0.01%	0.25%	0.14%	2.79%	2.93%
Santa Cruz	0.02%	0.07%	0.03%	0.45%	0.01%	0.05%	0.05%	0.57%	0.62%
Santa Fe	0.12%	0.18%	0.03%	0.05%	0.00%	0.00%	0.15%	0.23%	0.38%
Tierra del Fuego	0.02%	0.12%	0.03%	0.59%	0.00%	0.20%	0.05%	0.92%	0.97%
Brazil	0.01%	0.06%	0.02%	0.12%	0.00%	0.01%	0.03%	0.19%	0.22%
Rest of the country	0.10%	0.21%	0.04%	0.16%	0.00%	0.05%	0.14%	0.42%	0.55%
TOTAL	1.36%	4.36%	0.42%	5.77%	0.01%	0.89%	1.80%	11.02%	12.82%

New hire and employee turnover rates are calculated on the total number of employees as of 12/31/2017 —which was 17,672 for YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Employment deregistration - 2017	Under 30 years old		Between 30 and 50 years old		Over 50 years old		Women	Men	TOTAL
	Women	Men	Women	Men	Women	Men			
Buenos Aires	61	151	49	192	4	130	114	473	587
City of Buenos Aires	22	33	45	65	6	26	73	124	197
Chubut	2	10	5	45	2	10	9	65	74
Córdoba	5	12	8	12	0	2	13	26	39
Mendoza	4	136	3	256	1	80	8	472	480
Neuquén	7	182	16	443	4	108	27	733	760
Santa Cruz	1	27	5	60	1	29	7	116	123
Santa Fe	11	27	10	14	0	4	21	45	66
Tierra del Fuego	0	1	1	8	0	3	1	12	13
Brazil	1	0	1	2	0	0	2	2	4
Rest of the country	5	31	18	24	0	20	23	75	98
TOTAL	119	610	161	1,121	18	412	298	2,143	2,441
Total by age group	729		1,282		430				

Turnover rate - 2017	Under 30 years old		Between 30 and 50 years old		Over 50 years old		Women	Men	TOTAL
	Women	Men	Women	Men	Women	Men			
Buenos Aires	0.35%	0.85%	0.28%	1.09%	0.02%	0.74%	0.65%	2.68%	3.32%
City of Buenos Aires	0.12%	0.19%	0.25%	0.37%	0.03%	0.15%	0.41%	0.70%	1.11%
Chubut	0.01%	0.06%	0.03%	0.25%	0.01%	0.06%	0.05%	0.37%	0.42%
Córdoba	0.03%	0.07%	0.05%	0.07%	0.00%	0.01%	0.07%	0.15%	0.22%
Mendoza	0.02%	0.77%	0.02%	1.45%	0.01%	0.45%	0.05%	2.67%	2.72%
Neuquén	0.04%	1.03%	0.09%	2.51%	0.02%	0.61%	0.15%	4.15%	4.30%
Santa Cruz	0.01%	0.15%	0.03%	0.34%	0.01%	0.16%	0.04%	0.66%	0.70%
Santa Fe	0.06%	0.15%	0.06%	0.08%	0.00%	0.02%	0.12%	0.25%	0.37%
Tierra del Fuego	0.00%	0.01%	0.01%	0.05%	0.00%	0.02%	0.01%	0.07%	0.07%
Brazil	0.01%	0.00%	0.01%	0.01%	0.00%	0.00%	0.01%	0.01%	0.02%
Rest of the country	0.03%	0.18%	0.10%	0.14%	0.00%	0.11%	0.13%	0.42%	0.55%
TOTAL	0.67%	3.45%	0.91%	6.34%	0.10%	2.33%	1.69%	12.13%	13.81%

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Return to work after maternity leave	Unit	2014	2015	2016	2017
Female employees entitled to parental leave (pregnancies)	Number	276	277	308	428
Female employees who took parental leave	Number	276	277	308	428
Return to work	Number	197	217	276	406
Return-to-work-rate	Percentage	71	78	90	95
Female employees active one year after return to work	Number	210	204	249	387
Retention rate	Percentage	68	71	81	90

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

As regards men, 416 employees took paternity leave.

Return-to-work rate = Return to work / female employees who took parental leave.

Retention rate = Female employees active one year after return to work / female employees who took parental leave.

Training hour load	Unit	2014	2015	2016	2017
YPF Group*	Hours	604,998	553,824	516,049	553,208
YPF S.A.	Hours	353,921	391,287	381,932	424,548
Controlled companies	Hours	251,077	162,537	134,117	128,660

* YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Training hour load by type	Unit	2016	2017	
Total	Hours	381,842	424,548	100%
Technical	Hours	179,030	240,442	57%
QESH	Hours	70,111	61,136	14%
Management	Hours	132,701	122,971	29%

YPF S.A.

Training hour load by gender (2017)	Unit	YPF S.A.	Controlled companies	YPF Group*	YPF Group -average
Total	Hours	424,548	128,660	553,208	31.30
Women	Hours	81,812	26,669	108,481	27.84
Men	Hours	342,736	101,991	444,727	32.29

* YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Training hour load by professional category (2017)	YPF S.A.	Controlled companies	YPF Group*	YPF Group -average
Total	424,548	128,660	553,208	
Executive officers	1,584	2	1,586	18.23
Managers	27,534	1,007	28,541	45.52
Supervisors	57,878	13,394	71,272	48.06
Analysts and coordinators	176,989	11,415	188,404	47.18
Higher staff covered by bargaining agreement	76,228	46,502	122,730	15.09
Ground-level staff covered by bargaining agreement	84,335	56,340	140,675	41.99

* YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Average training hour load per employee	Unit	2014	2015	2016	2017
YPF S.A.	Hours	37.61	40.21	41.63	45.59
Controlled company	Hours	19.89	13.22	13.30	13.18

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Percentage of employees by gender and category with performance evaluations (2017)	Women	Men
Executive officers	100	74
Managers	95	95
Supervisors	99	96
Analysts and coordinators	92	95
Ground-level staff covered by bargaining agreement	94	99
Higher staff covered by bargaining agreement	96	93
Total	94	96

Employee breakdown by gender	Unit	2014	2015	2016	2017
Women	Number	3,979	4,067	3,863	3,897
Men	Number	16,404	16,367	13,993	13,775
Women	Percentage	19	20	22	22
Men	Percentage	81	80	78	78

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Contents

Employee breakdown by category, gender and age group (2017)	Women		Men		Under 30 years old		Between 30 and 50 years old		Over 50 years old	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Executive officers	5	6%	82	94%	0	0%	49	56%	38	44%
Managers	79	13%	548	87%	1	0%	342	55%	284	45%
Supervisors	232	16%	1,251	84%	17	1%	1,155	78%	311	21%
Analysts and coordinators	1,251	31%	2,742	69%	497	12%	2,968	74%	528	13%
Higher staff covered by bargaining agreement	2,009	25%	6,123	75%	2,557	31%	4,945	61%	630	8%
Ground-level staff covered by bargaining agreement	321	10%	3,029	90%	241	7%	2,380	71%	729	22%

YPF S.A. Details for MetroGAS and YPF Gas not included.

Employee breakdown by age group	Unit	2016	2017
Under 30 years old	Percentage	26	19
Between 30 and 50 years old	Percentage	59	65
Over 50 years old	Percentage	15	16

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Employee breakdown by position	Unit	2015	2016	2017
Executives	Number	86	87	87
Managers	Number	614	595	627
Supervisors	Number	1,599	1,536	1,483
Analysts and coordinators	Number	4,321	3,929	3,993
Higher staff covered by bargaining agreement	Number	3,812	3,542	8,132
Ground-level staff covered by bargaining agreement	Number	10,259	8,321	3,350

YPF S.A. and controlled companies. Details for MetroGAS and YPF Gas not included.

Men's wages compared to women's wages	Unit	2014	2015	2016	2017
	Percentage	106.8	104.3	103.4	103.9

YPF S.A.'s and controlled companies' staff not covered by bargaining agreement. Details for MetroGAS and YPF Gas not included.

Operational Excellence - Health and Protection of People, Communities and Assets

GRI: 403-2

Absentee rate calculation by region and gender (2017)	Days lost	Absentee rate
Women	47,116	4.65
City of Buenos Aires	8,997	0.89
Chaco	348	0.03
Chubut	614	0.06
Córdoba	1,875	0.18
Corrientes	167	0.02
Entre Ríos	1,016	0.10
Formosa	6	0.00
Greater Buenos Aires	18,900	1.86
Mendoza	1,023	0.10
Neuquén	1,245	0.12
Province of Buenos Aires	6,824	0.67
Río Negro	294	0.03
Santa Fe	3,479	0.34
Jujuy	0	0.00
La Rioja	0	0.00
Misiones	439	0.04
Salta	0	0.00
San Juan	15	0.00
San Luis	1,067	0.11
Santa Cruz	243	0.02
Tierra del Fuego	17	0.00
Tucumán	547	0.05

Absentee rate calculation by region and gender (2017)	Days lost	Absentee rate
Men	45,886	1.56
City of Buenos Aires	8,289	0.28
Chaco	572	0.02
Chubut	756	0.03
Córdoba	1,199	0.04
Corrientes	167	0.01
Entre Ríos	462	0.02
Formosa	325	0.01
Greater Buenos Aires	6,484	0.22
Jujuy	36	0.00
La Rioja	22	0.00
Mendoza	844	0.03
Misiones	291	0.01
Neuquén	4,707	0.16
Province of Buenos Aires	18,989	0.01
Río Negro	294	0.01
Salta	30	0.00
San Juan	71	0.00
San Luis	93	0.00
Santa Cruz	1,004	0.03
Santa Fe	995	0.03
Tierra del Fuego	150	0.01
Tucumán	106	0.00

Sustainability Report_2017

Absentee rate = Days lost/(work days x population) x100

Absenteeism due to work-related and in-transit accidents and non-work related diseases.

Based on an average of 22 work days per month.

YPF S.A.'s own and controlled companies' staff. Details for AESA countries and MetroGAS not included.

Absences due to work-related and in-transit accidents	2016	2017
Days lost	20,269	7,674
Absentee rate - Women	0.40	0.32
Absentee rate - Men	0.42	0.15

YPF S.A.'s own and controlled companies' staff. Details for AESA countries and MetroGAS not included.

Absences due to non-work related diseases	2016	2017
Days lost	87,563	84,826
Absentee rate - Women	3.84	4.28
Absentee rate - Men	1.25	1.41

YPF S.A.'s own and controlled companies' staff. Details for AESA countries and MetroGAS not included.

Safety training index	Unit	2014	2015	2016	2017
Own staff	Percentage	0.30	0.44	0.38	0.41
Contractors' staff	Percentage	0.23	0.43	0.53	0.60

STI (%) = (training hour load/hours worked) x100

Health exams	Unit	2014	2015	2016	2017
Yearly health exam (ICEP)	Percentage	90	91	90	93
Health exam for at-risk workers (ICER)	Percentage	100	100	98	100

Includes YPF S.A.'s own and controlled companies' staff. Details for AESA Countries and MetroGAS not included.

Emotional health - Missed days due to psychopathologies	2015	2016	2017
	18,783	16,559	8,750

YPF S.A.'s own and controlled companies' staff. Details for AESA countries and MetroGAS not included.
Program launched in 2015.

Reported incidents (environmental and safety)	Unit	2014	2015	2016	2017
	Number	4,666	4,729	3,196	2,792

Includes YPF S.A., AESA, OPESSA, Y-TEC, YPF Gas, Chile, and Brazil.

High-potential incidents*	Unit	2014	2015	2016	2017
Number of incidents	Number	1,090	1,073	1,029	878
Validated investigations**	Number	989	962	995	851
Validated investigations vs. high-potential incidents	Percentage	91	90	97	97

* All investigated.

** Planned procedure completed.

Includes YPF S.A., AESA, OPESSA, Y-TEC, YPF Gas, Chile, and Brazil.

	2014			2015			2016			2017		
	OS	CS	Total	OS	CS	Total	OS	CS	Total	OS	CS	Total
Days lost due to computable accidents							916	8,778	9,694	269	6,163	6,432
Accidents with days lost (computable)	20	137	157	21	123	144	14	98	112	7	69	76
Accident Frequency Rate (AFR)	0.48	1.27	1.05	0.46	1.09	0.91	0.26	0.96	0.74	0.17	0.81	0.60
Fatalities (Computable)	0	1	1	0	2	2	0	0	0	0	0	0
Fatality Rate (FR)	0	0.92	0.66	0	1.75	1.25	0	0	0	0	0	0

OS: Own staff; CS: Contractors' staff.

Computable accidents: accidents subject to YPF safety management procedures.

Includes YPF S.A., AESA, OPESSA, Y-TEC, YPF Gas, Chile, and Brazil.

AFR = (Number of computable fatalities + number of accidents with loss of computable days) x 1,000,000/Number of man-hours worked.

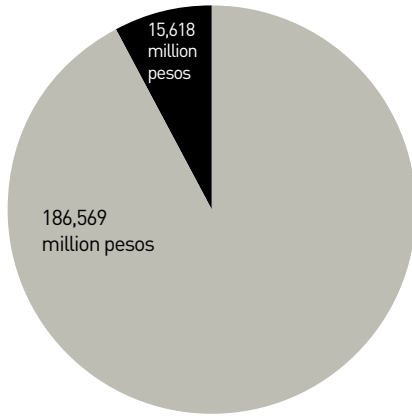
FR: Number of computable fatalities x 100,000,000/Number of man-hours worked.

Operational Excellence – Supply Chain Management

GRI 102-9, 204-1, 308-1, 404-1, 408-1, 409-1, 412-3, 414-1

Procurement

- Argentina
- Abroad



	Upstream %		Downstream %	
	2017	2016	2017	2016
Domestic		51%	70%	62%
Chubut	4%	6%	-	-
Mendoza	6%	8%	8%	9%
Neuquén and Rio Negro	24%	26%	2%	1%
Santa Cruz	9%	10%	-	-
La Plata	-	-	20%	-

In 2017 there were 5,853 suppliers with updated qualification information*

Of this total, 95% were Argentine.

100% of contracts for regular labor services at YPF's facilities are subject to assessment on labor and social security aspects.

100% of contracts include adherence to YPF's Code of Ethics and Conduct.

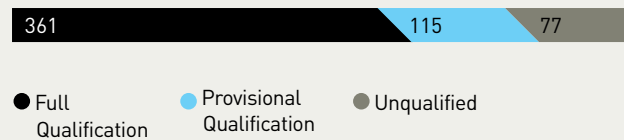
* Total number of suppliers with updated qualification in 2016: 5,137.

Geographical breakdown of suppliers by service provision capability

	2017	2016
Argentina	5,334	4,325
City of Buenos Aires	77	37
Central area	38	23
Greater La Plata area	176	134
Coastal area	56	41
Northwestern area	8	4
Western area	559	355
Pampas area	42	18
Southern area	248	200

Supplier Qualification

In 2017 the company performed 643 qualification processes on 571 companies, 46 of which were new.



Performance Assessment

→ 100% of new critical suppliers are assessed as per our quality management system, and safety and environmental criteria in line with the activity developed.

→ Contract assessments in 2017 totaled 1,786.

Number of assessments by outcome



32 companies were sanctioned and prevented from taking part in new procurement processes.

Climate Action and Environmental Management

Environmental management indicators apply to all controlled companies except to CIMSA, MetroGAS and Profertil.

GRI: 302-1, 302-3, 302-4, 303-1, 303-3, 305-1, 305-2, 305-4, 305-5, 305-7, 065, 306-1, 306-3, 066, 306-2, 067

	Unit	2014	2015	2016	2017
Energy consumption	KGJ	186,236	191,586	195,761	199,573

Totals are the sum of the energy contained in fuels consumed and used in YPF's activities and the energy equivalence of purchased electricity.

YPF S.A.'s Guide to Environmental Parameters.

Sources of energy consumption	Unit	2014	2015	2016	2017
Fuel consumption	106 t	3.29	3.58	3.56	3.69
Purchased electricity	106 MWh	2.57	2.84	2.48	2.13
Purchased steam	106 GJ	8.14	7.22	8.28	7.84

Electricity	Unit	2014	2015	2016	2017
Purchased	10 ⁶ MWh	2.57	2.84	2.48	2.13
Produced	10 ⁶ MWh	7.74	7.46	7.88	7.78
Sold	10 ⁶ MWh	5.83	5.83	6.12	5.87

Energy intensity by business unit	Unit	2014	2015	2016	2017
Energy intensity in Upstream	GJ/t of Oil&Gas produced	3.07	3.22	3.50	3.42
Energy intensity in Downstream	GJ/t of crude oil processed	5.45	5.18	5.00	5.13
Energy intensity in G&E	GJ/MWh of energy produced	7.38	7.43	7.19	6.62

	Unit	2014	2015	2016	2017
YPF's energy intensity (weighted)	GJ/production unit	5.02	4.89	4.84	4.65

	Unit	2014	2015	2016	2017
Total direct GHG emissions	tCO ₂ e	15,064,097	15,488,916	15,715,958	17,012,559

These emissions include CO₂, N₂O and CH₄.

Intergovernmental Panel on Climate Change AR4 Report: Global warming potential (CH₄: 25 and N₂O: 298).

Indirect GHG emissions from energy generation	Unit	2016	2017
Upstream – Purchased electricity	MWh	1,142,114	992,258
Upstream – Indirect emissions	tCO ₂	611,031	530,858
Downstream – Purchased electricity	MWh	1,177,411	1,123,842
Downstream – Indirect emissions	tCO ₂	629,915	601,255

2017 indirect emissions were calculated based on purchased electricity, considering the latest Emission Factor for the operating margin of the Argentine Power Grid, published on November 2, 2016 by the Ministry of Energy and Mining; year 2015 calculation.

CO ₂ emissions by business unit	Unit	2016	2017
Upstream	tCO ₂ eq	6,004,076	6,672,672
Refining	tCO ₂ eq	3,329,917	3,487,588
Chemicals	tCO ₂ eq	649,102	607,894
Logistics	tCO ₂ eq	175,136	169,376
Gas and Energy	tCO ₂ eq	2,243,430	2,056,638

Intensity of direct GHG emissions by business unit	Unit	2014	2015	2016	2017
Upstream	tCO ₂ e/t of Oil&Gas produced	0.40	0.39	0.40	0.41
Downstream	tCO ₂ e/t of crude oil processed	0.28	0.29	0.29	0.29
Gas and Energy	tCO ₂ /MWh of electricity produced	0.41	0.41	0.40	0.39

The intensity of GHG emissions is calculated by factoring in the emissions classified in Scope 1 (direct emissions) by processing unit.

For the Downstream Business, the calculation includes the emissions by ton of crude oil processed in refineries; for the Upstream Business, the direct emissions by ton of oil and gas produced; and for the Gas and Energy Business, the emissions calculated based on the MWh produced.

	Unidad	2014	2015	2016	2017
Intensity of YPF's emissions (weighted)	tCO ₂ eq / production unit	0.37	0.36	0.37	0.38
	Unit	2014	2015	2016	2017
Total air emissions	t	136,400	142,169	143,400	160,251
SO ₂	t	9,633	10,002	6,307	6,281
NO _x	t	46,592	57,313	61,653	76,284
COVNM	t	62,136	55,796	56,534	57,508
CO	t	14,125	15,184	14,929	16,312
Particulates	t	3,914	3,873	3,977	3,866
Emission-reduction projects under the CDM	Unit	2014	2015	2016	2017
La Plata Industrial Complex (CILP)	tCO ₂	125,165	111,115	129,940	119,161
Luján de Cuyo Industrial Complex (CILC)	tCO ₂	13,897	24,521	26,321	24,724
Flared and vented gas	Unit	2014	2015	2016	2017
Flared gas	t	368,475	388,653	336,974	334,820
Vented gas	t	161,582	127,048	116,894	111,832
Volume of flared and vented hydrocarbon for production (Upstream)	Unit	2014	2015	2016	2017
Flared gas for production	t/t	0.009	0.010	0.009	0.007
Vented gas for production	t/t	0.007	0.005	0.005	0.004
Volume of flared and vented hydrocarbon for production (Downstream)	Unit	2014	2015	2016	2017
Flared gas for production	t/t	0.011	0.010	0.009	0.011
Vented gas for production	t/t	0.0005	0.0004	0.0003	0.0003

Water withdrawal by business unit	Unit	2014	2015	2016	2017
Upstream	Kt	9,867.22	8,669.17	9,115.00	14,122.00
Downstream	Kt	47,517.65	49,437.56	48,873.00	47,725.00
Gas and Energy	Kt	4,990.27	4,927.19	5,597.00	4,930.00

The 2017 Report includes new sites from the Upstream business.

	Unit	2014	2015	2016	2017
Water withdrawal by source	Kt	62,569	63,074	63,642	66,832
Public water supplies	Kt	1,231	1,496	1,440	1,026
Surface water	Kt	53,976	54,138	54,001	57,648
Groundwater	Kt	7,362	7,440	8,201	7,994
Other sources of water withdrawal	Kt	-	-	-	163

Guide to Environmental Parameters

	Unit	2014	2015	2016	2017
Intensity of YPF's water withdrawal (weighted)	kt of water withdrawn/ production unit	2.52	2.61	2.57	2.40

Intensity of water withdrawn for operations	Unit	2014	2015	2016	2017
Upstream	kt of water withdrawn/ kt of crude oil and gas produced	0.46	0.38	0.40	0.55
Downstream	kt of water with- drawn/kt of crude oil processed	3.22	3.27	3.28	3.20
Gas and Energy	Kt of water withdrawn /MWh of electricity produced	0.0009	0.0009	0.001	0.0009

Water management evolution	Unit	2014	2015	2016	2017
Water withdrawn from external sources	Kt	62,390	63,074	63,642	66,832
Discharged	Kt	27,721	28,082	27,918	28,147
Reused	Kt	10,000	9,776	9,945	179,066
Produced	Kt	159,967	174,558	175,591	170,129
Injected	Kt	172,464	185,929	186,476	179,569

Discharged water: water discharged to surface or ground waterways, channels, sewage network, etc. Such water is discharged pursuant to the provisions of and as authorized by the regulatory authority.

It does not include produced water injected into Upstream operations or ballast water from shipping terminals.

Reused water: water reused within the same facility, in the same or different industrial processes. This category is broken down based on type of reuse, such as irrigation, hydraulic stimulation, and secondary recovery, among others.

Produced water: water produced by wells in hydrocarbon extraction or obtained in exploratory drilling. Following treatment, water is reused for secondary recovery, hydraulic stimulation, or injected for final disposal into deep injection wells.

Injected water: water injected into wells to boost production. Water injected into deep wells for final disposal is included in the "Discharged water" category.

Guide to Environmental Parameters

Discharged water by business unit	Unit	2015	2016	2017
Upstream	Kt	0.22	0.20	1,859.46
Downstream	Kt	27,132.42	27,110.65	25,523.03
Gas and Energy	Kt	949.59	807.44	764.35

☰ Contents

Discharged water by destination	Unit	2017
Surface waterway	Kt	24,707
Body of groundwater / Formation water	Kt	2,650
Soil	Kt	790

Standard Methods of the Examination of Water and Wastewater, published by APHA (American Public Health Association), AWWA (American Water Works Association), and WPCF (Water Pollution Control Federation), United States of America.

Hydrocarbons in spilled volumes	Unit	2016	2017
Production water	%	91	85
Hydrocarbon	%	9	15

Spill frequency rate	Unit	2015	2016	2017
Upstream	(Number of spills/ gross production + accumulated injected water) x 10 ⁶	11.37	12.03	12.14
Downstream	Number of impact spills x 1,000,000/ transported cubic meters	0.14	0.18	0.12

Hydrocarbons in discharged water	Unit	2014	2015	2016	2017
Downstream	t	42.74	40.8	39.82	40.33
Refining and Chemicals	t	41.36	40.32	37.31	32.32

Soils with hydrocarbons in Upstream	Unit	2014	2015	2016	2017
Stock	Kt	1,931	1,382	1,221	973
Treated	Kt	963	1,046	672	616

Total waste (hazardous and non-hazardous)	Unit	2014	2015	2016	2017
Generated	Kt	983.00	1,185.00	781.00	745.86
Treated	Kt	1,267.00	1,558.00	959.00	941.85
Stock	Kt	2,124.00	1,670.00	1,514.00	1,500.46

Treated waste = reused + recycled + disposed of waste. The volume of treated waste is higher than that of generated waste, because it includes treatment of waste stored in previous years.

Stock = stored waste + waste undergoing treatment (as of 12/31/2017)

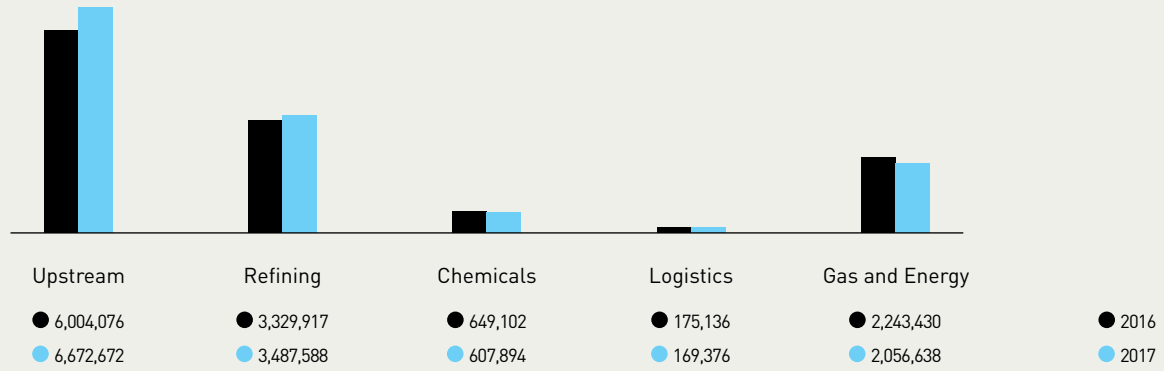
Hazardous and non-hazardous waste by disposal method	Unit	2016		2017	
		HW	NHW	HW	NHW
Total HW and NHW	Kt	2,472.92		2,442.30	
Total	Kt	2,143.17	329.75	2,050.05	392.26
Reused	Kt	364.16	78.44	476.01	14.10
Recycled	Kt	51.52	5.09	72.25	11.32
Stored	Kt	808.37	229.84	708.40	339.99
Undergoing treatment	Kt	476.08	0.00	452.07	0.00
Disposed of	Kt	443.04	16.38	341.32	26.85

Treated hazardous and non-hazardous waste by type of activity	Unit	2016		2017	
		HW	NHW	HW	NHW
Total HW and NHW	Kt	958.70		941.85	
Total	Kt	858.79	99.91	889.58	52.27
Upstream	Kt	802.23	88.83	826.50	42.59
Refining	Kt	33.60	3.92	34.26	4.10
Chemicals	Kt	2.17	0.44	3.07	0.56
Gas and Energy	Kt	0.09	0.18	0.12	0.19
Business	Kt	10.98	5.09	24.19	3.08
Logistics	Kt	9.71	0.33	1.37	0.66
Other	Kt	0.01	1.12	0.07	1.09

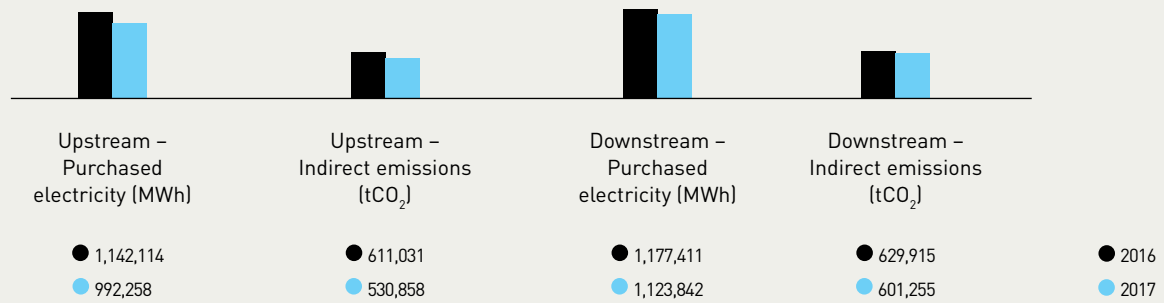
Drill mud and cuttings	Unit	2016	2017
Drill mud and cuttings (oil base cutting)	Kt	148.73	115.58
Drill mud and cuttings (water base cutting)	Kt	160.40	99.47

Fuels	INFINIA	SUPER	INFINIA DIESEL	ULTRADIESEL	DIESEL 500
Grade	3	2	3	2	2
Statutory limits					
Sulfur	Max 50 mg/kg	Max 150 mg/kg	Max 10 mg/kg	Max 1500 mg/kg	Max 500 mg/kg
Benzene	Max: 1.0% v/v	Max: 1.0% v/v	-	-	-
Lead	Max: 5 mg/L	Max: 5 mg/L	-	-	-
Average/maximum values in 2017					
Sulfur	36/49.5 mg/kg	72/135 mg/kg	7.2/10 mg/kg	486.9/1364 mg/kg	414.5/498 mg/kg
Benzene	0.58/0.98% v/v	0.69/0.98% v/v	-	-	-
Lead	Nil	Nil	-	-	-

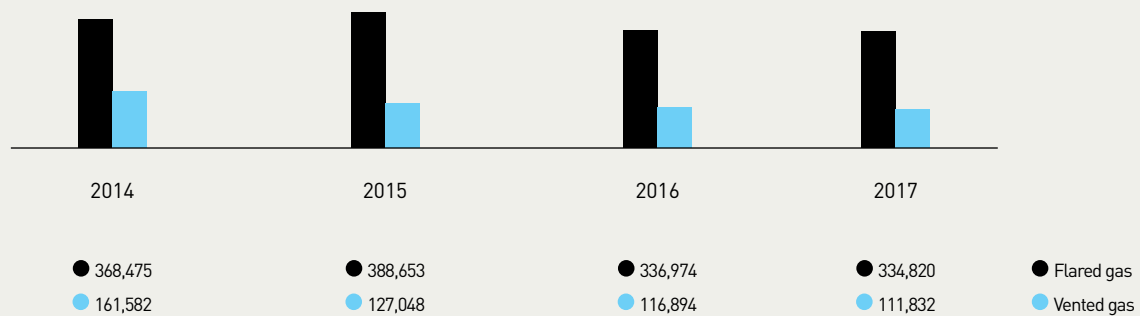
CO₂ emissions by business unit
(tCO₂ eq)



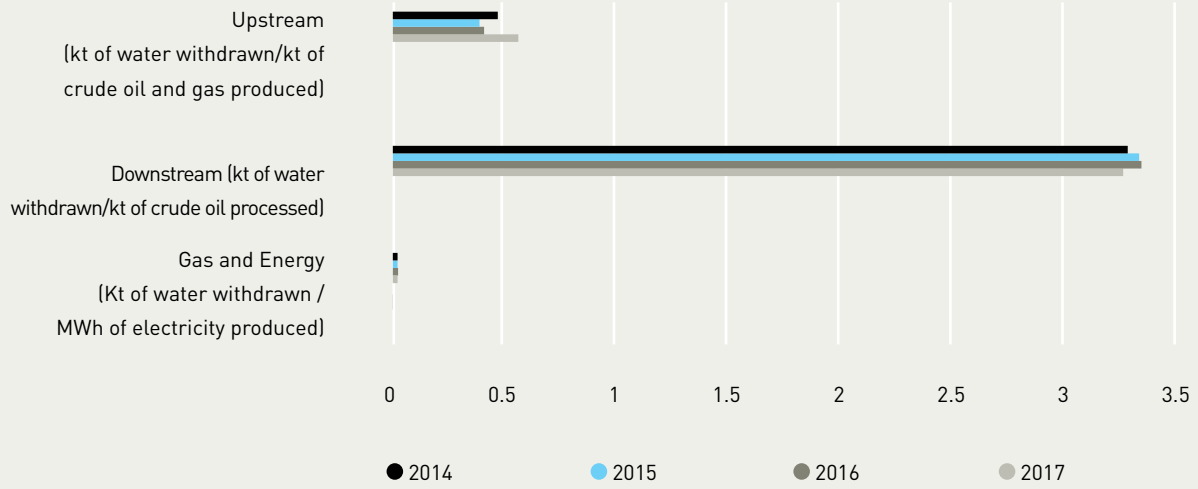
Indirect GHG emissions from energy generation



Flared and vented gas



Intensity of water withdrawn for operations



Soils with hydrocarbons in Upstream (kt)

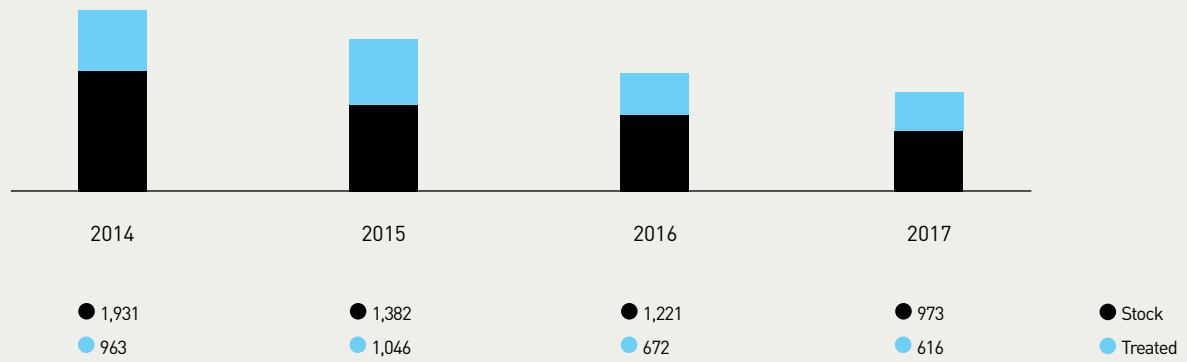


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YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
GRI 102 GENERAL DISCLOSURES				
1. Organizational profile				
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102-3	Location of headquarters	16		
102-4	Location of operations	16		
102-5	Ownership and legal form	16		
102-6	Markets served	22, 23		
102-7	Scale of the organization	18, 20, 21		
102-8	Information on employees and other workers	All employees work on a full-time basis. There are no seasonal variations. 102, 103		Principle N° 6
102-9	Supply chain	59, 115		
102-10	Significant changes to the organization and its supply chain	There were no significant changes during the reporting period.		
102-11	Principle or approach	27-29		
102-12	External initiatives	34, 35		
102-13	Membership of associations	35		
2. Strategy				
102-14	Statement from senior decision-maker	10-13		
102-15	Key impacts, risks, and opportunities	27, 45		
3. Ethics and integrity				
102-16	Values, principles, standards, and norms of behavior	17, 42		Principle N° 10
102-17	Mechanisms for advice and concerns about ethics	42		Principle N° 10
4. Governance				
102-18	Governance structure	39-40		
102-19	Delegating authority	39-40		
102-20	Executive-level responsibility for economic, environmental, and social topics	32, 39		
102-21	Consulting stakeholders on economic, environmental, and social topics	32, 39, 40		
102-22	Composition of the highest governance body and its committees	39		
102-23	Chair of the highest governance body	As per the last amendment of the Bylaws (April, 2016), the Chairman of the Board shall not serve as General Manager or CEO.		
102-24	Nominating and selecting the highest governance body	39		
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YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
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102-27	Collective knowledge of highest governance body	41		
102-28	Evaluating the highest governance body's performance	41		
102-29	Identifying and managing economic, environmental, and social impacts	45		
102-30	Effectiveness of risk management processes	45		
102-31	Review of economic, environmental, and social topics	45		
102-32	Highest governance body's role in sustainability reporting	39		
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102-36	Process for determining remuneration	41		
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102-40	List of stakeholder groups	53		
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102-42	Identifying and selecting stakeholders	32		
102-43	Approach to stakeholder engagement	32		
102-44	Key topics and concerns raised	32, 63		
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MATERIAL TOPICS - GRI 200 - ECONOMIC STANDARDS				
GRI 201 ECONOMIC PERFORMANCE				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	YPF S.A.'s Consolidated Financial Statements as of 12/31/2017.		

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
201-1	Direct economic value generated and distributed	19, 88		
201-2	Financial implications and other risks and opportunities due to climate change	45		Principle N° 7
201-3	Defined benefit plan obligations and other retirement plans	The Argentine Social Security System is based on the contributions made by employer and employee to the system. Those who have paid the statutory contributions and reached retirement age are financed with contributions of the economically active population. Additionally, YPF has a Pension Plan in place. Each subscriber may contribute an amount varying between 3% and 10% of their monthly remuneration and the company will contribute an equal amount. See also Note 14 to YPF S.A.'s Consolidated Financial Statements as of 12/31/2017: https://www.ypf.com/english/investors/Paginas/Financial-information.aspx		
201-4	Financial assistance received from government	Information available in Form 20-F: https://www.ypf.com/english/investors/Paginas/Financial-information.aspx		
GRI 202 MARKET PRESENCE				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	50		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	53		Principle N° 6
202-2	Proportion of senior management hired from the local community	104		Principle N° 6
GRI 203 INDIRECT ECONOMIC IMPACTS				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	89, 90, 93, 96		
203-1	Infrastructure investments and services supported	93		
203-2	Significant indirect economic impacts	89, 97, 98		
GRI 204 PROCUREMENT PRACTICES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	59		
204-1	Proportion of spending on local suppliers	115		
GRI 205 ANTI-CORRUPTION				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	42, 45		Principle N°10
205-1	Operations assessed for risks related to corruption	45		Principle N°10

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
205-2	Communication and training about anti-corruption policies and procedures	42		Principle N°10
GRI 206 ANTI-COMPETITIVE BEHAVIOR				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	YPF S.A.'s Consolidated Financial Statements as of 12/31/2017.		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Note 28 b) 3) (p.93) to YPF S.A.'s Consolidated Financial Statements: https://www.ypf.com/english/investors/Lists/InformacionFinanciera/Financial-Statements-12-31-2017.PDF		
RESERVES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	YPF S.A.'s Consolidated Financial Statements as of 12/31/2017.		
0G1	Volume and type of estimated proved reserves and production	100		
MATERIAL TOPICS - GRI 300 – ENVIRONMENTAL STANDARDS				
GRI 302 ENERGY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	74, 75		
302-1	Energy consumption within the organization	YPF purchases energy from the Argentine Interconnected System, which in 2017 was supplied by 31% hydro and other renewable sources. The company's own generation of renewable energy is scheduled to begin in 2018, with the start-up of the Manantiales Behr Wind Farm, currently under construction. 75, 116		Principles N° 7 and 8
302-3	Energy intensity	Does not include consumption outside of the organization.		Principle N° 8
302-4	Reduction of energy consumption	75		Principles N° 8 and 9
0G3	Total amount of renewable energy generated by source	YPF's own generation of renewable energy is scheduled to begin in 2018, with the start-up of the Manantiales Behr Wind Farm, currently under construction.		
GRI 303 WATER				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	80		
303-1	Water withdrawal by source	81		Principles N°7 and 8
303-2	Water sources significantly affected by withdrawal of water	No activities have been identified in YPF's operations affecting water sources by water withdrawal for use – particularly during 2017.		Principle N° 8

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
303-3	Water recycled and reused	81		Principle N° 8
GRI 304 BIODIVERSITY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	84		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	84, 85		Principle N° 8
304-2	Significant impacts of activities, products, and services on biodiversity	84, 85		Principle N° 8
304-3	Habitats protected or restored	84, 85		Principle N° 8
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	85		Principle N° 8
GRI 305 EMISSIONS				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	73-75		
305-1	Direct (Scope 1) GHG emissions	76, 116		Principles N° 7 and 8
305-2	Energy indirect (Scope 2) GHG emissions	117, 124		Principles N° 7 and 8
305-4	GHG emissions intensity	76, 116		Principle N° 8
305-5	Reduction of GHG emissions	76, 118		Principles N° 8 and 9
305-6	Emissions of ozone-depleting substances (ODS)	YPF's operations do not produce any of the ozone-depleting substances listed in the Montreal Protocol: http://ozone.unep.org/montreal-protocol-substances-deplete-ozone-layer/32506		Principles N° 7 and 8
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	118		Principles N° 7 and 8
GRI 306 EFFLUENTS AND WASTE				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	80, 82, 83		
306-1	Water discharge by quality and destination	Discharge water is reused only by YPF. 82, 120		Principle N° 8
306-2	Waste by type and disposal method	82, 122		Principle N° 8
306-3	Significant spills	83, 121		Principle N° 8
306-4	Transport of hazardous waste	During 2017, no hazardous waste—as identified by Annexes I, II, III and VIII of the Basel Convention—was exported or treated.		Principle N° 8
306-5	Water bodies affected by water discharges and/or runoff	No water bodies were affected by water discharges in any of our operations during 2017.		Principle N° 8
OG5	Volume and disposal of formation or produced water	120		
OG6	Volume of flared and vented hydrocarbon	118		

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
OG7	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	123		
GRI 307 ENVIRONMENTAL COMPLIANCE				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	YPF S.A.'s Consolidated Financial Statements as of 12/31/2017.		
307-1	Non-compliance with environmental laws and regulations	Note 14 a) 4) to YPF S.A.'s Consolidated Financial Statements as of 12/31/2017: https://www.ypf.com/english/investors/Paginas/Financial-information.aspx		Principle N° 8
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	59-61		
308-1	New suppliers that were screened using environmental criteria	115		Principle N° 8
PRODUCTS AND SERVICES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	78		
OG8	Benzene, lead and sulfur content in fuels	78, 123		
MATERIAL TOPICS - GRI 400 - SOCIAL STANDARDS				
GRI 401 EMPLOYMENT				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	48-53		
401-1	New employee hires and employee turnover	51, 105, 106		Principle N° 6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All YPF's direct employees work on a full-time basis and 96% have a permanent employment contract. Four per cent of direct employees, who have a temporary employment contract, receive all the benefits they are entitled to, in compliance with current laws. 53		
401-3	Parental leave	48, 108	Male employees are entitled to paternity leave ranging from 2 to 3 days, as provided by local laws. Therefore, this topic is not considered material for disclosure reporting purposes.	Principle N° 6

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
GRI 402 LABOR/MANAGEMENT RELATIONS				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	53, 54		
402-1	Minimum notice periods regarding operational changes	YPF S.A. is committed to complying with the deadlines and modalities set forth by labor legislation in force, its internal rules, and the Collective Bargaining Agreements entered into directly or through the industry trade associations in which it formally participates. 53		Principle N° 3
GRI 403 OCCUPATIONAL HEALTH AND SAFETY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	53-57		
403-1	Workers representation in formal joint management-worker health and safety committees	53		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	55, 57, 11-113	At the time of this Report, there is no disclosure of breakdown by sex or region for contractors' employees' numbers and rates.	
403-3	Workers with high incidence or high risk of diseases related to their occupation	54		
403-4	Health and safety topics covered in formal agreements with trade unions	53		
GRI 404 TRAINING AND EDUCATION				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	50-53		
404-1	Average hours of training per year per employee	52, 109		Principle N°6
404-2	Programs for upgrading employee skills and transition assistance programs	51		
404-3	Percentage of employees receiving regular performance and career development reviews	110		Principle N°6
GRI 405 DIVERSITY AND EQUAL OPPORTUNITY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	48, 49		
405-1	Diversity of governance bodies and employees	39, 101, 111		Principle N°6
405-2	Ratio of basic salary and remuneration of women to men	53		Principle N° 6

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
GRI 406 NON-DISCRIMINATION				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	42, 44		
GRI 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	44, 53, 54, 59		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	115		Principle N° 3
GRI 408 CHILD LABOR				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	44, 53, 54, 59		
408-1	Operations and suppliers at significant risk for incidents of child labor	115		Principle N° 5
GRI 409 FORCED OR COMPULSORY LABOR				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	44, 53, 54, 59		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	115		Principle N° 4
GRI 410 SECURITY PRACTICES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	44, 58		
410-1	Security personnel trained in human rights policies or procedures	58		Principle N° 1
GRI 411 RIGHTS OF INDIGENOUS PEOPLES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	44, 93		
411-1	Incidents of violations involving rights of indigenous peoples	No incidents involving violations of the rights of indigenous peoples were identified in our operations during the reporting period.		Principle N°1
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place	93-95		
GRI 412 HUMAN RIGHTS ASSESSMENT				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	42, 44, 45		
412-1	Operations that have been subject to human rights reviews or impact assessments	45		Principle N° 1

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
412-2	Employee training on human rights policies or procedures	42		Principle N° 1
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	115		Principle N° 2
GRI 413 LOCAL COMMUNITIES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	87, 88, 93		
413-1	Operations with local community engagement, impact assessments, and development programs	93-99		Principle N° 1
INVOLUNTARY RESETTLEMENT				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	93-95		
OG12	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	No cases of involuntary resettlement were registered during the reporting period.		
ASSET INTEGRITY AND PROCESS SAFETY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	56-58		
OG13	Number of process safety events, by business activity.	Note 28 a) to YPF S.A.'s Consolidated Financial Statements as of 12/31/2017:		
GRI 414 SUPPLIER SOCIAL ASSESSMENT				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	59-61		
414-1	New suppliers that were screened using social criteria	115		Principle N° 2
GRI 415 PUBLIC POLICY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	42, 44		
415-1	Political contributions	44		Principle N° 10
GRI 417 MARKETING AND LABELING				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	78		
417-1	Requirements for product and service information and labeling	78		

YPF SUSTAINABILITY REPORT 2017 GRI Content Index				
GRI Standard	Content	Page or reference	Omission	United Nations Global Compact
GRI 418 CUSTOMER PRIVACY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	YPF has an information security policy in place that defines controls, management, and responsibilities. Its scope includes personal information privacy protection. It is applicable to controlled companies, contractors, suppliers and business partners.		
GRI 419 SOCIOECONOMIC COMPLIANCE				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	YPF S.A.'s Consolidated Financial Statements as of 12/31/2017.		
419-1	Non-compliance with laws and regulations in the social and economic area	Note 28 to YPF S.A.'s Consolidated Financial Statements as of 12/31/2017.		
FOSSIL FUEL SUBSTITUTES				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	27-31, 78		
OG14	Volume of biofuels produced and purchased meeting sustainability criteria.	78		
INNOVATION AND TECHNOLOGY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	67-71		
103-1-2-3	R&D for the Energy Industry	67-71		
RENEWABLE ENERGY				
103-1-2-3	Management approach: Explanation of the material topic and its boundaries – Management approach and its components – Evaluation	27-31, 78-79		
103-1-2-3	Investment in renewable energy projects	78		

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The company

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