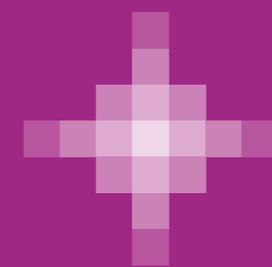


# 2019 Sustainability Report

**volaris**



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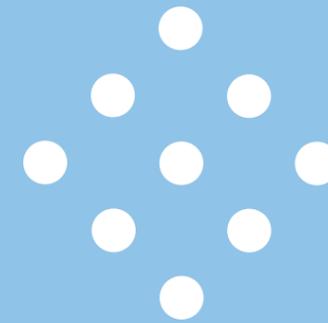
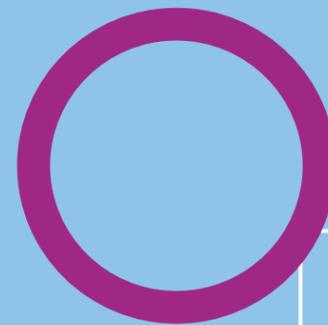
# 01.



# ABOUT VOLARIS

“Volaris has changed the outlook of the aviation industry in Mexico and the region by having a business model that has been able to evolve in order to meet the new mobility needs demanded by an ever-changing society. We have transported more than 120 million passengers in the last 14 years.”

Enrique J. Beltranena  
Volaris President and Chief Executive Officer



LETTER FROM THE CEO  
VOLARIS CORPORATE SUSTAINABILITY PROGRAM  
VOLARIS VALUE CREATION MODEL  
2019 VOLARIS HIGHLIGHTS  
VOLARIS MILESTONES





Photographs by Ricardo Encinas



# LETTER FROM THE CEO

GRI 102-1, 102-2, 102-12, 102-13, 102-14, 102-15  
GRI 201: 103-1, 103-2, 103-3  
GRI 302-3, 302-4, 302-5  
GRI 305: 103-1, 103-2, 103-3

If I were to describe in one sentence what 2019 meant to Volaris, I would say that it was the year in which we achieved our goals: **we democratized air transportation to get more people to travel well, and positioned ourselves as the leading airline in Mexico.** This was the year in which, despite economically and geopolitically challenging domestic and international trends, we made a mark on the country's aviation history by **flying the largest number of passengers in a year; close to 22 million people chose to fly with Volaris in 2019. According to the surveys carried out with our Customers, about 6% of them traveled by plane for the first time.**

Fourteen years into the foundation of Volaris, all of us who make up the Company have built a resilient and exemplary airline, yielding results that are proof of the figures presented. Since its inception in 2006, Volaris has been the **fastest-growing airline, flying over 120 million passengers** and increasing its routes from **5 to 197** with an average of 378 daily departures in these fourteen years. By the end of 2019, **Volaris became the largest domestic operator in Mexico and the airline that transported the most passengers in a year in**

**the history of the country: accounting for 61% growth of Mexico's air transportation market.**

Several factors have influenced this growth, especially our ultra-low-cost model, the geographical diversification through shared codes, our point-to-point model, and Volaris's ability to adapt to operating in secondary airports, as well as a diversified network that allows us to work around infrastructure deficiencies. We are the leading airline in the states with the highest GDP growth and remittance flows. Moreover, the states with the highest number of exports to the United States of America.

**Our ultra-low-cost business model has positioned us as the second-lowest-unit-cost airline in the world and the first in the continent and the western hemisphere.** This allows us to align with an emerging market economy in which the middle class is evolving and demanding more seats and air transportation. The internal traffic demand of our primary Customers, *Friends, Visitors* and *Family* grows much faster than the economy in general, making our business model the best to increase the traffic of passengers flying in Mexico and to the United States and Central America.





In fact, **Volaris is the only airline that competes with buses!** Our development of the low-fare concept, which allows people to purchase only what they need, and our loyalty discount programs have allowed **26% of Volaris's capacity to compete only with bus companies** by the end of 2019. Moreover, it is important to point out that even when Volaris aims at keeping the lowest costs, this has not been an obstacle to sustaining the highest standards of quality, safety, and punctuality. In 2019, AirlineRatings.com once again selected Volaris as **one of the 10 safest and low-cost airlines in the world.**

In May 2005, Volaris received a **concession from the Mexican Federal Government to provide the air transportation public service** of passengers, cargo and mail in the country and abroad. Since then, Volaris has been a key actor for the Mexican State and for the national airline industry for its contributions such as **tax payments, job creation, creation of economic opportunities, tourism promotion**, among others, as well as for the **value creation** through social, environmental and economic initiatives that are part of the **Volaris Corporate Sustainability Program.**

From its foundation, Volaris has generated Value for its Customers, Shareholders, Ambassadors, Suppliers, Union, Authorities, and Communities where it operates. Because of this, I am very proud

to share with you that in 2019, **we redesigned Volaris's Sustainability Model** to adapt it to a changing global environment, where the role of companies to protect the environment and contribute to the well-being of society is increasingly important. **For Volaris, it is fundamental to meet the needs of the present, without compromising the next generations**, and therefore, we seek to create the ideal environment so the ultra-low-cost aviation business may be a driving force for many years to come. To achieve this goal, we integrated the **Sustainability Model** to our **Business Model**, and aligned it with **ESG** (environmental, social, and governance) **criteria**, as well as with the **United Nations Sustainable Development Goals (SDGs).**

**The Planet Care Focus of the Volaris's Sustainability Strategy** is of paramount importance for the Company. Aviation is an industry that generates benefits for societies and the economy worldwide. However, we need to reaffirm our commitment to the planet. In 2019, one of the most important trends for aviation worldwide was a higher public awareness about the environmental impact of airline operations. Given this scenario, Volaris endorsed its commitment, as an industry leader to be **the greenest airline in Mexico.** Our **Comprehensive Environmental Protection Policy #CielitoLimpio**, will allow us to achieve the industry's goals for the coming years.

\* Mujeres y hombres que trabajan en Volaris.



This policy enables us to be increasingly eco-efficient, operating with a **young fleet**: 82 aircrafts averaging 5 years of age. Also, **we have acquired the best technology** (A320 NEO aircraft fitted with sharklets on the wings), and implemented **flight techniques and trajectory optimization to reduce our fuel consumption and the environmental footprint of our operations. Volaris was the first airline to operate NEO airplanes in North America, and they currently account for 28% of our fleet!**

In 2018, we saved **32.5 million gallons of fuel** as compared to the industry's average consumption per passenger-mile. This is equivalent to saving **314,000 tons of CO<sub>2</sub>**, or the emissions of **60,000 vehicles driven in a year**. In 2019, we saved **15.8**

**million gallons of fuel** versus Volaris 2018 consumption. Furthermore, since 2012, Volaris has **reduced its CO<sub>2</sub>/RPK emissions by 17%**.

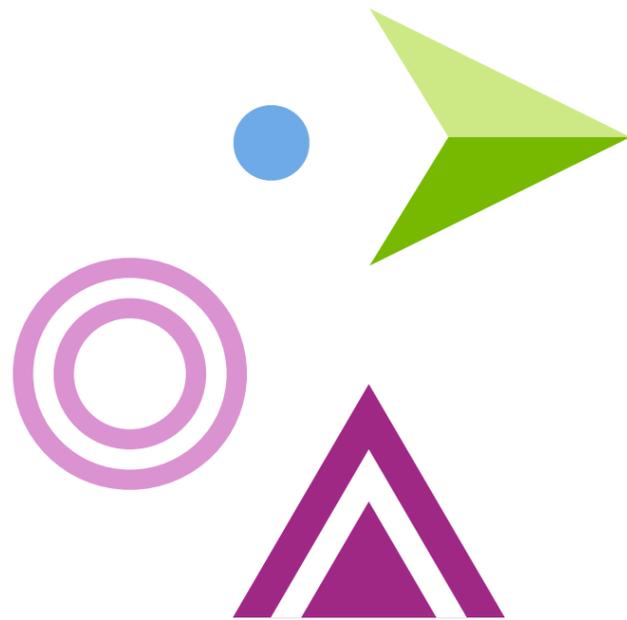
Moreover, **we offset part of our carbon footprint** together with our Customers, through the voluntary contributions they make when purchasing their airplane tickets, which are then used to purchase carbon-emission reduction credits certified by the **Mexican Carbon Platform of the Mexican Stock Exchange** and by the **United Nations**. In addition, at Volaris we focus on implementing initiatives meant to raise the awareness of our Ambassadors and Customers about our commitment to protect the planet through **recycling programs, paper saving, reforestation brigades, energy consumption savings, sponsorships**

**and attendance to forums, and awareness campaigns on environmental protection. ISO 14001 certification** on the Quality of Environmental Management, and our permanence on the **Sustainability Index of the Mexican Stock Exchange** for five consecutive years indicates that we are on the right path.

At Volaris, we are committed to the future of the planet and the industry. Thus, we have defined goals to get more people to travel well and for many years to come! **By 2022, about 50% of our fleet will be replaced by ecological aircraft** fitted with engines capable of reducing fuel consumption, and carbon, nitrogen, and sound footprints. In addition, these airplanes will be equipped with **wing-sharklet technology** to achieve an average

**“Committed to the future of the planet and the industry, we defined goals to mitigate our environmental impact.”**

**“I am grateful for the loyalty and trust of our Shareholders; for our Customers who have given us the privilege of providing them with the best travel experiences; and of course, the entire Volaris Family.”**



of **18.5% less fuel consumption. By 2025, the goal is to reduce fuel consumption by an additional 4% versus 2019** (19.2 GAL/RPK in 2019 versus 18.43 GAL/RPK in 2025).

**The goal for 2025 is to reduce CO<sub>2</sub> emissions by an additional 4% versus 2019** (73.3g CO<sub>2</sub>/RPK in 2019 - 70.4g CO<sub>2</sub>/RPK in 2025). Moreover, we will continue to collaborate with the Mexican regulations of the Federal Agency of Civil Aviation (AFAC) and the Ministry of the Environment and Natural Resources (SEMARNAT), as well as with international organizations, to contribute to the generation of better sources of information and initiatives for the benefit of all people.

**The People Care Focus of Volaris's Sustainability Strategy** aims to strengthen the commitment with the People, who are at the core of the management of a sustainable business. Our **Ambassadors, Customers** and **Communities** are our main focus and we want to assure them with accessibility, welfare and safety, since they are the priority for the development of the Company. Likewise, at Volaris we have a particular vocation for respect and promotion of Human Rights and equality. We have a firm commitment to providing our Ambassadors with a work environment that promotes quality of life. We support labor relations and practices that guarantee their well-being, with competitive wages and

benefits that surpass the minimum established by law, and we provide violence-free workplaces with opportunities to grow so that we can attract, retain and develop the best possible talent.

Also, we have sealed our commitment to the community through our "**Avión Ayuda Volaris**" **Program**, created to provide support for people who are vulnerable in some way. This is also evident through our operations, our **Corporate Volunteer Program**, our strategic partnerships with civil organizations such as **ECPAT** (End Child Prostitution and Trafficking), and with other institutions and companies.

Finally, **the Economic and Corporate Governance Focus of Volaris's Sustainability Strategy** is distributed in four main pillars: Business Strategy, Governance Structure, Corporate Affairs, and Value Chain. Based on these aspects, we will take actions in looking for cost reduction, optimization of resources and preservation of ethics, culture of legality and transparency throughout all of our processes.

I remain firmly committed to leading the transformation of this great industry in the regions where we fly, and to continue wearing the Volaris badge with great pride everywhere we go. I am grateful for the loyalty and trust of our Shareholders,

and for our Customers, who have given us the privilege of providing them with the best travel experiences, always taking care of their security, and of course, for the entire Volaris Family, Ambassadors, Directors of the Board and Members of the Management Team, who are leading us on a successful path thanks to their extensive knowledge, experience, and commitment, making us fly higher every time.

**Enrique J. Beltranena**  
**President and Chief Executive Officer**

# VOLARIS CORPORATE SUSTAINABILITY PROGRAM

GRI 102-9, 102-10, 102-12, 102-20, 102-26, 102-29, 102-40, 102-42, 102-43, 102-44  
GRI 412: 103-1, 103-2, 103-3

As a Company that has taken on Sustainability as part of its business strategy, we have the responsibility of generating value for our Stakeholders. We reinforced our commitment to the future of new generations by creating the ideal context for the ultra-low-cost aviation business to continue being a driving force and a source of employment for many years to come. This is why our business goals are aligned with the **United Nations (UN) Sustainable Development Goals**, also known by their abbreviation **SDGs** (initiative promoted by the UN to give continuity to the development agenda after the Millennium Development Goals and which were adopted by all Member States in 2015 as a universal call to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030) and to **ESG factors** (Environmental, Social and Governance), which are also considered as **principles for responsible investment**.

At Volaris, we share a **mission**: "With the best people and lowest costs, we enable more people to travel... well!", and a **vision**: "Transcend by creating and living the best travel experiences", which have guided us in our commitment to democratize the skies and to make the experience of flying affordable to all people during almost the 14 years that we have been operating.

In 2019, we redefined our airline's sustainability strategy through the development of the **Volaris Corporate Sustainability Program**, which is composed of three approaches that will allow us to direct the business' efforts towards sustained growth in the future.

## VOLARIS CORPORATE SUSTAINABILITY PROGRAM

### Economic and Corporate Governance Focus

- A Business Strategy
- B Governance Structure
- C Corporate Affairs
- D Supply Chain Management



### People Care Focus

- A Ambassadors Relations, Practices and Wellbeing
- B Human Rights & Community Relations
- C Customer Welfare and Privacy & Data Security



### Planet Care Focus

- A Compliance and Reporting
- B Comprehensive Environmental Protection Policy #CielitoLimpio
- C Efficient Fuel Consumption Management



The **Economic and Corporate Governance Focus** concentrates on four main issues: Business Strategy, Corporate Governance Structure, Corporate Affairs, and Supply Chain Management, which take us to carry out the following actions:

- **Reducing costs and optimize resources**
- **Maintaining high standards of operational efficiency**
- **Participating in the processes of creating public policy**
- **Managing our supply chain responsibly**
- **Conducting our business under a culture of ethics and legality**, implementing anti-corruption and anti-bribery practices, managing risks and crises, and ensuring the protection of information and transparency in all our processes.

Through our **Planet Care Focus**, we defined our **Comprehensive Environmental Protection Policy**, named **#CielitoLimpio**, which is made up by a series of actions and initiatives that aim to fulfill aviation's commitments to protect the planet, reduce Volaris's carbon footprint, guide our operations towards a more eco-efficient management, and position Volaris as the **"Greenest Airline in Mexico"**.

This Policy includes the following initiatives:

- **Efficient fuel consumption management**, through the acquisition of a young fleet and the investment in the best technology, as well as the use of other fuel-saving techniques.
- **Carbon Emissions Offset Program #CielitoLimpio** through which our Customers have the option to offset part of the carbon footprint produced by their trip. With these voluntary contributions, we purchase carbon-emission reduction credits certified by the Mexican Carbon Platform.
- **Ecological initiatives**, such as paper saving and electricity consumption reduction programs.

- **Efforts for biodiversity**, such as reforestations and environmental awareness campaigns.
- **Environmental Compliance through emissions reports**, hazardous waste proper management, and accreditation of certifications, such as ISO 14001 and 9001.

Thanks to these initiatives, we are confident that we are well on our way to contribute to the creation of an increasingly sustainable industry. In addition to complying with the demanding regulations of the aviation sector, we have aligned our environmental objectives with the industry's goals for the coming years.

Finally, through our **People Care Focus**, we strengthen our commitment to People, who are the core of any sustainable business management, that is, commitment to our Ambassadors, the Communities where we operate, and our Customers.

We consider our Ambassadors to be part of a family, the **Volaris Family**. That is why we have the best labor practices in place to guarantee solid and long-lasting labor relations that favor the wellbeing and personal and professional development of our employees, through:

- **The Volaris Culture**
- **Respect for Human Rights**
- **Volaris Competencies Model and Talent Cycle**
- **Training programs**
- **Corporate volunteering program**
- **Wages and benefits plan**
- **Health and safety plan**

The relationships with the Communities where we operate are the great foundation that has allowed us to identify and adopt the social causes that give a deeper sense of transcendence to our operations. We voluntarily assume the commitment to generate strategic partner-

ships and implement programs for the protection of Human Rights and for the care of people in vulnerable situations. The initiatives that takes us to meet our objectives in this regard are listed below:

- **Human Rights Protection Program**: this Program aims to protect the rights of children and teenagers who travel with Volaris, through the implementation of protocols developed in coordination with **The Code-ECPAT** organization and with the **National Institute of Migration**. With this Program, we seek to protect all minors traveling on our aircraft from any possible case of human trafficking and commercial sexual exploitation in the context of travel and tourism.
- **"Avión Ayuda Volaris" Program**: this Program is intended to provide support to people who are vulnerable in some way, such as from medical emergencies, emergencies due to natural disasters, or humanitarian crises, through strategic partnerships with civil society organizations, government institutions and with other private sector organizations. We transport rescuers, volunteers, medical staff, patients, organs and tissues for transplant purposes and humanitarian aid.

Finally, Customers' welfare and protection of their rights is another of the core pillars of our People Care Focus. In 2019, Volaris positioned itself as **the Airline that carries the most passengers in Mexico and the one that offers the most destinations in the United States of America from Mexico**. One of the fundamental factors in the sustained growth of the company and business continuity is, without a doubt, our Customers. That is why we constantly strive to guarantee their welfare, their rights, and their having the best travel experiences, by means of the following three mechanisms:

- **Aviation security and safety program**
- **Personal data protection protocols**
- **Plans, programs and continuous training to provide the best customer service**

## Economic and Corporate Governance Focus

- A Business Strategy
- B Governance Structure
- C Corporate Affairs
- D Supply Chain Management



## Planet Care Focus

- A Compliance and Reporting
- B Comprehensive Environmental Protection Policy #CielitoLimpio
- C Efficient Fuel Consumption Management



## People Care Focus

- A Ambassadors Relations, Practices and Wellbeing
- B Human Rights & Community Relations
- C Customer Welfare and Privacy & Data Security



### Customers

- Accessibility and connectivity
- Low prices
- Security
- Travel experience
- Corporate reputation
- Pollution footprint offset
- Alignment with Sustainable Development Goals (SDGs)

### Ambassadors

- Volaris Family
- Equal opportunities and non-discrimination
- Competitive payment
- Sense of pride and belonging
- Safety and wellbeing
- Union relations
- Awareness of environmental protection
- Alignment with Sustainable Development Goals (SDGs)

### Community

- Reduction of pollution footprint
- Human Rights protection
- Positive impact in the Communities where we operate
- Awareness of environmental protection
- Strategic partnerships to achieve goals
- Corporate volunteering
- Alignment with Sustainable Development Goals (SDGs)

### Suppliers

- Reliable customer
- Long-term relationships
- Sustainable Supply Chain
- Human Rights protection
- Reduction of pollution footprint
- Environmental protection
- Alignment with Sustainable Development Goals (SDGs)

### Investors

- Short, medium and long-term business plan
- Return of investment
- Revenue generation
- Cost reduction
- Resources optimization
- Strict risk control
- Ethics and transparency
- Alignment with Sustainable Development Goals (SDGs)

### Authorities/ Industry

- Law enforcement
- Employment generation and economic development
- Collaboration and communication with the government and its agencies
- Tax payment
- Obtainment and renewal of operational certifications
- Reduction and offsetting of the pollution footprint
- Alignment with Sustainable Development Goals (SDGs)

# VOLARIS VALUE CREATION MODEL

GRI 102-10, 102-12, 102-26, 102-29, 102-42, 102-43, 102-44

In redefining our **Volaris Corporate Sustainability Program**, we also strive to identify our Stakeholders and determine the economic, environmental and social value that we generate with, for, and through them. To this end, we developed the **Volaris Value Creation Model**. As a Company that strives to be sustainable in the future, we are committed to implementing actions in favor of each Stakeholder, through open communication channels with each of them to learn about their needs. This Model will allow us to continue improving and adapting our strategy to the interests and needs of the Stakeholders that make up the company, in order to create an airline that is resilient to the trends, changes and challenges facing the aviation industry in the coming years.

## SUSTAINABLE DEVELOPMENT GOALS

Likewise, the 2030 United Nations (UN) Agenda, through the **SDGs (Sustainable Development Goals)**, has been a fundamental guide in the restatement of our sustainability strategy. The ATAG (Air Transport Action Group) developed a document (2017) that included the importance of people's air transportation, connectivity, and mobility to meet the goals set by the **United Nations for Sustainable Development** for the next fifteen years. With this, we ensure the prosperity and security of present and future generations. The document states that the global aviation sector has a role to play in 15 of the 17 SDGs (classified on a scale of low, medium and high relevance to the sector).

The document allowed us to identify points of convergence among Volaris actions, programs, and projects that contribute to the achievement of goals related to eleven of the SDGs. The main correlations are listed below:



### NO POVERTY End poverty in all its forms everywhere

1. Air transportation connectivity and accessibility
2. Promotion of tourism -economic development in the Communities where we operate
3. Supply Chain Management Program
4. Direct and indirect employment generation
5. Formal jobs
6. Diversity and Equal Employment Opportunities Policy
7. Fair wages, and benefits surpassing the minimum established by law
8. Carbon Emissions Offset Program [#cielitolimpio](#)
9. "Avión Ayuda Volaris" Program



### GOOD HEALTH AND WELLBEING Ensure healthy lives and promote well-being for all at all ages

1. Prohibition of the use of tobacco on board
2. Supply Chain Management Program
3. Social security and major medical expense insurance for Ambassadors and Family
4. Ambassador and family occupational health programs
5. "Avión Ayuda Volaris" Program
6. Aviation Security and Safety
7. Addiction-free company
8. Comprehensive Environmental Protection Policy [#cielitolimpio](#)



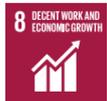
### QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

1. Partnerships with schools related to aviation professions
2. Programs to attract young talent
3. Training programs



### GENDER EQUALITY Achieve gender equality and empower all women and girls

1. Corporate Governance Structure
2. Volaris Code of Ethics
3. Volaris Ethics and Whistle Blowing Line Committee
4. Diversity and Equal Employment Opportunities Policy
5. Compensation Policy
6. Maternity and Paternity Policy, and use of breastfeeding rooms
7. Home Office and Flex-time Policy
8. Talent Attraction and Promotion
9. Performance Management
10. Recognition Programs
11. Talent Review and Succession Planning
12. Career Paths
13. Leadership Development
14. Training programs
15. Fair wages, and benefits that surpass the minimum established by law
16. Breastfeeding rooms
17. Agreements with day care centers
18. Occupational health and safety
19. Programs and partnerships for Human Rights protection
20. Supply Chain Management Program



## DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

1. Corporate Governance Structure
2. Corporate Affairs
3. Supply Chain Management Program
4. Carbon Emissions Offset Program [#cielitolimpio](#)
5. Direct and indirect employment generation
6. Diversity and Equal Employment Opportunities Policy
7. Partnerships with schools related to aviation professions
8. Programs to attract young talent
9. Performance Management
10. Recognition Programs
11. Career and development plans
12. Training programs
13. Formal jobs
14. Fair wages, and benefits that surpass the minimum established by law
15. Occupational Health and Safety
16. "Avión Ayuda Volaris" Program



## INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

1. Accessible air transportation
2. Corporate Affairs - public policy to influence airport infrastructure processes
3. Investment in young fleet and new technology



## REDUCING INEQUALITIES

Reduce inequality within and among countries

1. Connectivity and accessibility of air transportation
2. Payment facilities through various means and for all income levels
3. Supply Chain Management Program
4. Volaris Code of Ethics
5. Volaris Ethics and Whistle Blowing Line Committee
6. Diversity and Equal Employment Opportunities Policy

7. Compensation Policy

8. Maternity and Paternity Policy, and use of breastfeeding rooms

9. Home Office and Flex-time Policy

10. Breastfeeding rooms

11. Agreements with daycare centers

12. Direct and indirect employment generation

13. Formal jobs

14. Performance Management

15. Recognition Programs

16. Talent Review and Succession Planning

17. Career Paths

18. Leadership Development

19. Training programs

20. Fair wages, and benefits surpassing the minimum established by law

21. Occupational Health and Safety

22. "Avión Ayuda Volaris" Program

23. Programs and partnerships for Human Rights protection

24. Carbon Emissions Offset Program [#cielitolimpio](#)



## RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

1. Corporate Governance Structure
2. Supply Chain Management Program
3. Comprehensive Environmental Protection Policy [#cielitolimpio](#)
4. Programs and partnerships for Human Rights protection
5. Annual Sustainability Report



## CLIMATE ACTION

Take urgent action to combat climate change and its impacts

1. Corporate Affairs
2. Supply Chain Management Program
3. Home Office and Flex-time Policy
4. Corporate volunteering activities focused on environmental issues
5. Comprehensive Environmental Protection Policy [#cielitolimpio](#)



## PEACE, JUSTICE AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

1. Corporate Governance Structure
2. Corporate Affairs
3. Information Privacy and Cybersecurity
4. Supply Chain Management Program
5. Diversity and Equal Employment Opportunities Policy
6. Corporate volunteering activities
7. "Avión Ayuda Volaris" Program
8. Programs and partnerships for Human Rights protection



## PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalise the global partnership for sustainable development

1. Corporate Affairs
2. Strategic partnerships or the Company's operation
3. Supply Chain Management Program
4. Strategic partnerships for the Corporate Volunteering Program, Human Rights protection, the operation of "Avión Ayuda Volaris" Program, and the Carbon Emissions Offset Program [#cielitolimpio](#)

We are convinced that the company's comprehensive strategy, consisting of our **Business Model**, our **Volaris Corporate Sustainability Program**, and our **Value Creation Model**, will continue to position **Volaris as the leading aviation competitor in Mexico**, and will allow us to continue meeting present needs without compromising the needs of future generations.

The **Volaris 2019 Annual Sustainability Report** defines our Approaches and how each of them contributes to **Sustainable Development**. Likewise, the Report also focuses on explaining how the actions, programs and projects that we carried out through the year have allowed us to achieve objectives and set goals for the coming years.

# VOLARIS RELEVANT FIGURES

GRI 201-1

# 2019

Rated as one of the 10 safest low-cost airlines in the world by AirlinesRatings.com



# 65

destinations, plus 57 under the codeshare agreement with Frontier; 40 in Mexico, 22 in the United States, and 3 in Central America

# 179.2



million passengers in 2019

The only Mexican airline to have flown this number of passengers in 12 months



# 197

routes

+146 routes under the codeshare agreement with Frontier

# 2<sup>nd</sup>

lowest unit cost operator in the world, first in the Americas and in the Western Hemisphere

# +19.5%

growth in passengers, about 6% of the surveyed Customers got on a plane for the first time

# \$34,753



million Mexican pesos in operating income



# VOLARIS RELEVANT FIGURES

GRI 201-1

2019

**-6%**   
**fuel consumption**  
vs. 2018 on ASM (available seat miles),  
which is equivalent to 37.9 million gallons  
not consumed, and to 370,575 tCO<sub>2</sub>

  
**Young fleet**  
with an average  
of 5 years

**+49%**  
  
Mobile Check-in versus 2018,  
which has reduced paper use  
by 32 tons, equivalent to saving  
543 trees and +860 thousand  
liters of water

**-17%**  
**CO<sub>2</sub> emissions**  
2012: 88.0g CO<sub>2</sub>/RPK 2019: 73.3g CO<sub>2</sub>/RPK

**28%**  
**of our  
fleet is NEO**  
(state-of-the-art technology  
in environmental efficiency)

Extended scope of the  
**ISO 9001 and 14001 certifications**  
in operational areas

**-18.5%**  
**fuel consumption**  
2012: 23.6 GAL/RPK 2019: 19.2 GAL/RPK

**32,467**  
**certified carbon  
credits purchased since  
2015**



Members of the **Sustainability  
Index of the Mexican  
Stock Exchange** for the fifth  
consecutive year

# VOLARIS RELEVANT FIGURES GRI 201-1

# 2019

# 314

organs and tissues transported for transplant purposes since 2009 (58 in 2019)

# 106



dreams fulfilled for children and teenagers having a chronic or terminal illness, and for people who have recovered their sight after surgery

Recognized by MERCO (Corporate Reputation Business Monitor) as one of the 100 companies with the best Social Responsibility and Corporate Governance practices in Mexico

# 4,950

Ambassadors in Mexico and Central America



# 46%



# 54%

# 265



airplane tickets donated through the "Avión Ayuda Volaris" Program to provide support for people who are vulnerable in some way (with a commercial value of \$941,000 Mexican pesos)

10<sup>th</sup> consecutive year earning the SRE (Socially Responsible Enterprise) award

7<sup>th</sup> consecutive year being a Top Member in the implementation of The Code-ECPAT

Implementation of Mexican Official Standard NOM-035-STPS2018 (Psychosocial risk factors at work) in our workplaces

# +61



thousand hours of training

# 513

#VoluntariosVolaris who benefited 1,973 people directly

We earned some of the highest scores granted by organizations in the United States of America in customer service (Business Consumer Alliance, and Better Business Bureau), and settled 97% of complaints filed with PROFECO (Mexican Consumer Protection Agency)

# VOLARIS MILESTONES

- Starts **operating in Toluca**
- **Makes an initial order of 14 aircrafts**
- Arrival of the first **A319 airplane**



2006

2009



- Initiates flights to the **United States of America**
- Arrival of the first **A320 airplane**
- Signs an agreement with **CENATRA** (National Transplant Center) to **transport organs and tissues** for transplants in Mexico

- Transported **10 million passengers**
- Starts operating in the AICM (Mexico City International Airport)
- Earns the **SRE** (Socially Responsible Enterprise) award



2010

2011



- Orders **44 new aircraft**

- Launches the **You Decide** price-disaggregation plan



2012

2013



- Initial public offering in the **BMV** (Mexican Stock Exchange) and the **NYSE** (New York Stock Exchange), thus becoming the only Mexican airline listed in both
- Signs an agreement with **ECPAT** (End Child Prostitution and Trafficking) and with **The Code**






**2014**

- Earns **ISO 9001** and **14001** certifications

**2015**



- Arrival of the first **A320 NEO airplane**
- Starts operating routes in **Central America**



**2016**

- Has a fleet of **50 aircraft**
- Transported **50 million passengers**
- Launches the Comprehensive Environmental Protection Policy **#CielitoLimpio**
- Signs and agreement with the **Mexican Carbon Platform MéxiCO<sub>2</sub>** to purchase **carbon-emission reduction credits**
- Joins the **Sustainability Index of the Mexican Stock Exchange**

**2017**



- Obtains a foreign air operator's permit to fly to the **United States of América** from **Costa Rica**
- Launches the **Mobile Check-In** project, which has reduced paper use by more than 62 tons
- Recognized by Air Transport as **The Most Valued Airline of the Year**



**2018**

- Arrival of the first **A321 NEO airplane**, and from then on, all Volaris aircraft has been fitted with the best technology to reduce fuel consumption, CO<sub>2</sub> and NOx emissions, and sound footprint
- Makes an order to increase its fleet by **80 NEO aircraft**, the largest in the history of Mexico, with an investment of **\$9 billion USD**
- Launches Shared Code with **Frontier Airlines**

**2019**



- Becomes the **lowest unit-cost airline** in the Americas and in the western hemisphere, and the second worldwide
- Becomes the **leading airline in Mexico** due to number of passengers flown in a year, and the fastest-growing airline
- Launches the **Ya Vas** platform

# 02.

# ECONOMIC AND CORPORATE GOVERNANCE FOCUS

// The Economic / Governance Care areas of the Volaris Corporate Sustainability Program revolve on four core issues: Business Strategy, Corporate Governance Structure, Corporate Affairs, and Supply Chain Management, to undertake actions aiming at reducing costs, optimizing resources and preserving ethics and transparency in all our processes, thereby ensuring the benefits of air transportation for many years to come."

Enrique J. Beltranena

Volaris President and Chief Executive Officer

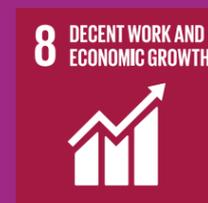
## BUSINESS STRATEGY

## CORPORATE GOVERNANCE

- BOARD OF DIRECTORS AND COMMITTEES
- RISK MANAGEMENT
- CODE OF ETHICS
- INFORMATION PRIVACY AND CYBERSECURITY

## CORPORATE AFFAIRS

## SUPPLY CHAIN MANAGEMENT



# BUSINESS STRATEGY

GRI 102-2, 102-4, 102-6



Volaris's ultra-low-cost business model also contributes to meeting the SDGs (Sustainable Development Goals). By reducing our costs, lowering our prices and increasing our capacity, we contribute to making the benefits of aviation available to more people. This allows us to open more routes, more destinations, and fly more people, which encourages tourism. In turn, tourism generates economic development in the Communities where we operate, in part, by generating direct and indirect employment, and by the economic revenue coming from tourists.

In addition, our business model contributes to the protection of the environment. Volaris's most important strategy for cost reduction is fuel efficiency management, which accounts for 38% of the Company's costs. Using fuel efficiently has a direct impact on reducing the pollution footprint of our operations.

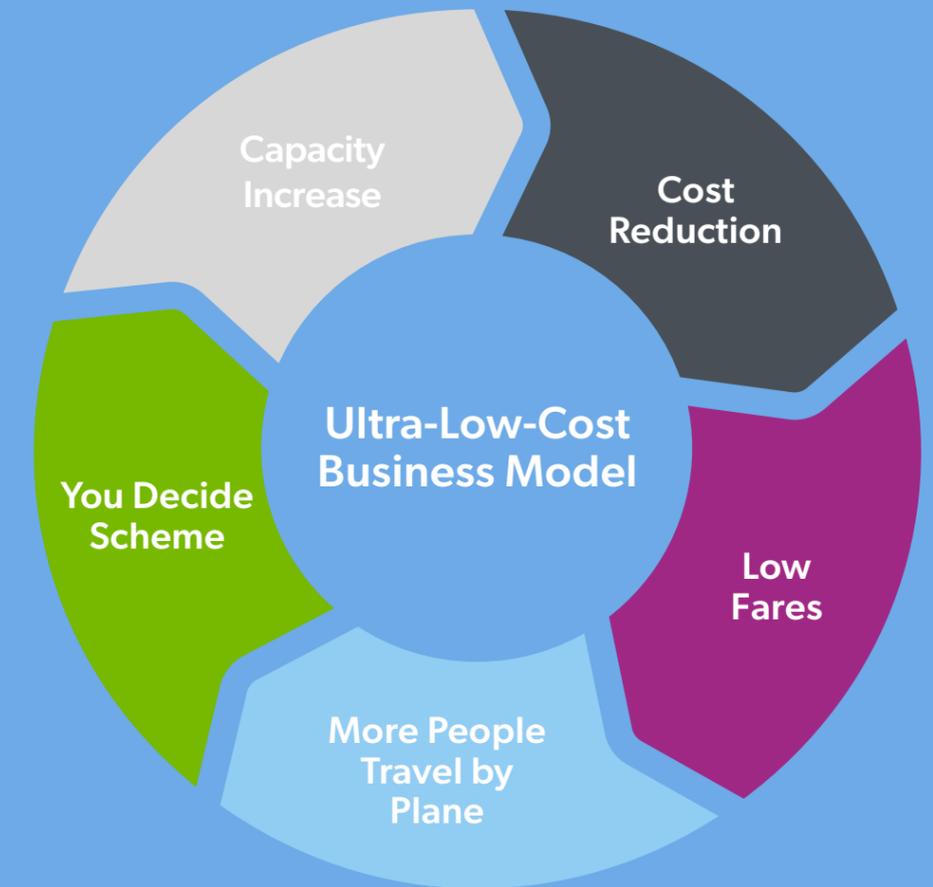
Volaris's ultra-low cost model contributes directly to building a sustainable company."

Enrique J. Beltranena

Volaris President and Chief Executive Officer

Volaris is an ultra-low-cost airline with point-to-point service operating in Mexico, the United States of America and Central America. The **ultra-low-cost business model** allows us to offer low fares to drive the market and get more people on planes, without compromising service quality, safety and punctuality. This business model has become the best option for an emerging market, in which more and more seats are demanded at low prices in air transportation. Volaris focuses on passengers visiting friends and relatives (VFR), price-con-

scious business travelers, and people traveling for leisure within Mexico and to selected destinations in the United States of America and Central America. Volaris has changed the outlook of the aviation industry in Mexico and the region by following a business model that has been able to evolve and better respond to the new mobility needs demanded by an ever-changing society, thanks to cost reduction and our You Decide plan.



In 2019, Volaris positioned itself as Mexico's leading airline transporting more passengers than any other airline in Mexico, and as the one with the highest growth, proving how successful its business model is.

## COST REDUCTION

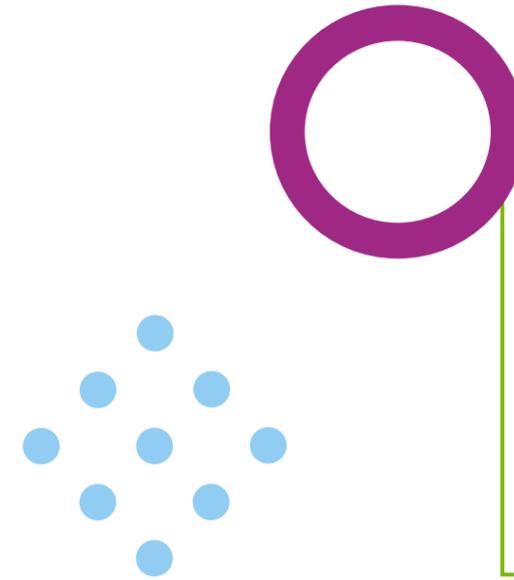
Cost reduction is the key factor in Volaris's ultra-low-cost business model. In 2019, we positioned ourselves as **the lowest unit-cost** operator on the American Continent and in the Western Hemisphere, and the second worldwide. Having the lowest costs in the market has led us to the following achievements:

- The only airline that competes with buses. In 2019, **26%** of Volaris's capacity competed only with bus companies, which means that, when we make comparisons, Volaris is not only competing with other air operators, but also with bus transportation.
- Resilient to industry challenges, such as a lack of infrastructure. Volaris has built a strong and diverse network through its **point-to-point model**, with minimum concentration in a single hub.

For example, only 27.4% of Volaris's total seats leave from the AICM (Mexico City International Airport). Our airline has achieved success without being dependent on this airport and for its ability to adapt to operate in secondary airports. This means that the impact of the AICM saturation is less for Volaris.

- The **leading airline** in the states of the Mexican Republic that have higher GDP growth (Gross Domestic Product). In other words, in the north-western states of the country.
- The airline that has managed to **democratize the skies** so that more people **travel well!**

**In 2019, Volaris positioned itself as the lowest unit-cost operator on the American Continent and in the Western Hemisphere, and the second worldwide.**



**In 2019, about 6% of our surveyed Customers claimed to have traveled by plane for the first time. In addition, 83% of these Customers said that they would not travel by bus again.**

**During 2019, Volaris was able to rise to the industry's challenges thanks to its cost reduction strategy, which is the cornerstone of its business model. This cost reduction strategy is supplemented with its strong and diverse network that contemplates minimum concentration in a single geographic point, without overlapping with other operators. With this, it is possible to solve infrastructure gaps and constantly grow in untapped opportunities throughout the Americas."**

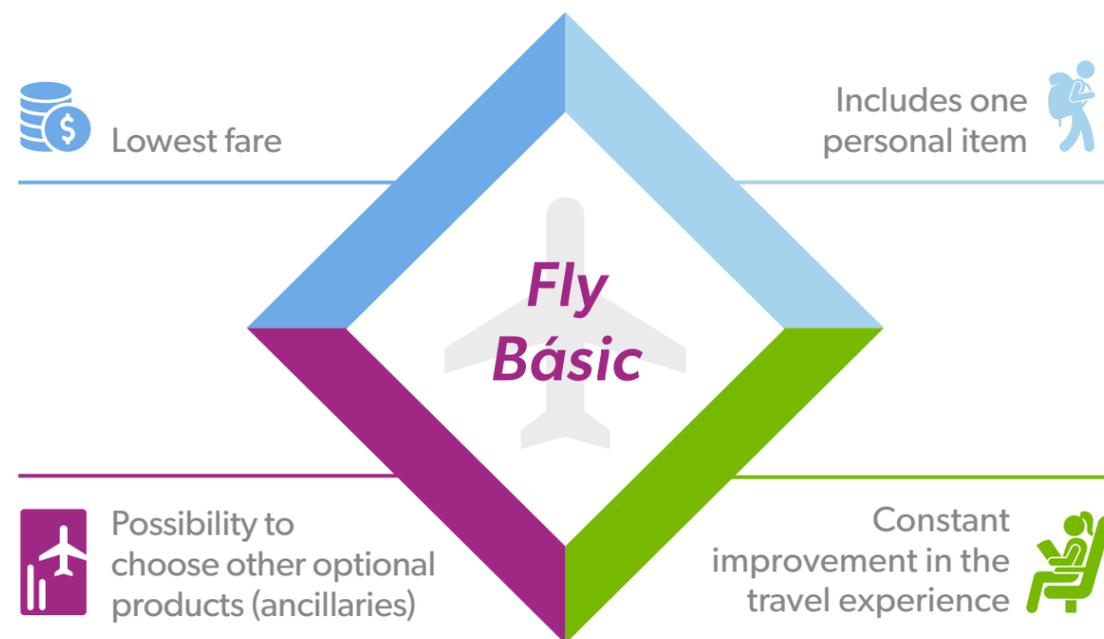


Holger Blankenstein  
Executive Vice President Airline  
Commercial and Operations

## YOU DECIDE SCHEME

GRI 102-2, 102-4, 102-6, 102-7, 102-10  
GRI 201-1

In 2012, we launched our *You Decide* program, which is an airplane ticket price-disaggregation framework that leads to offering the lowest base fare, called *Fly Basic*, and to offering optional services separately, so that our Customers will only pay for what they need, offering with our base rates and optional services an absolute transparency of what each Customer pays. Our *Fly Basic Fare* is an alternative to travel with a personal item, without having to check any baggage, and thus be able to pay the lowest fare in the market. Consequently, with our *Fly Basic Fare*, increasingly more people can access the benefits of air transportation.



We also have a fare chart in place and a wide range of optional products (ancillaries) that each Customer can choose, according to individual travel needs. During 2019, Volaris generated **11,960 million pesos** in ancillary revenues, **which represents a third of our total revenues.**



**In 2019, we had +19.5% passenger growth.**

**In addition to the Basic Fare, we have two other fares that include more optional products:**

### Fly Classic

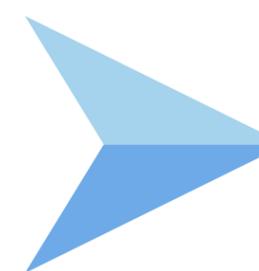
**It includes:**

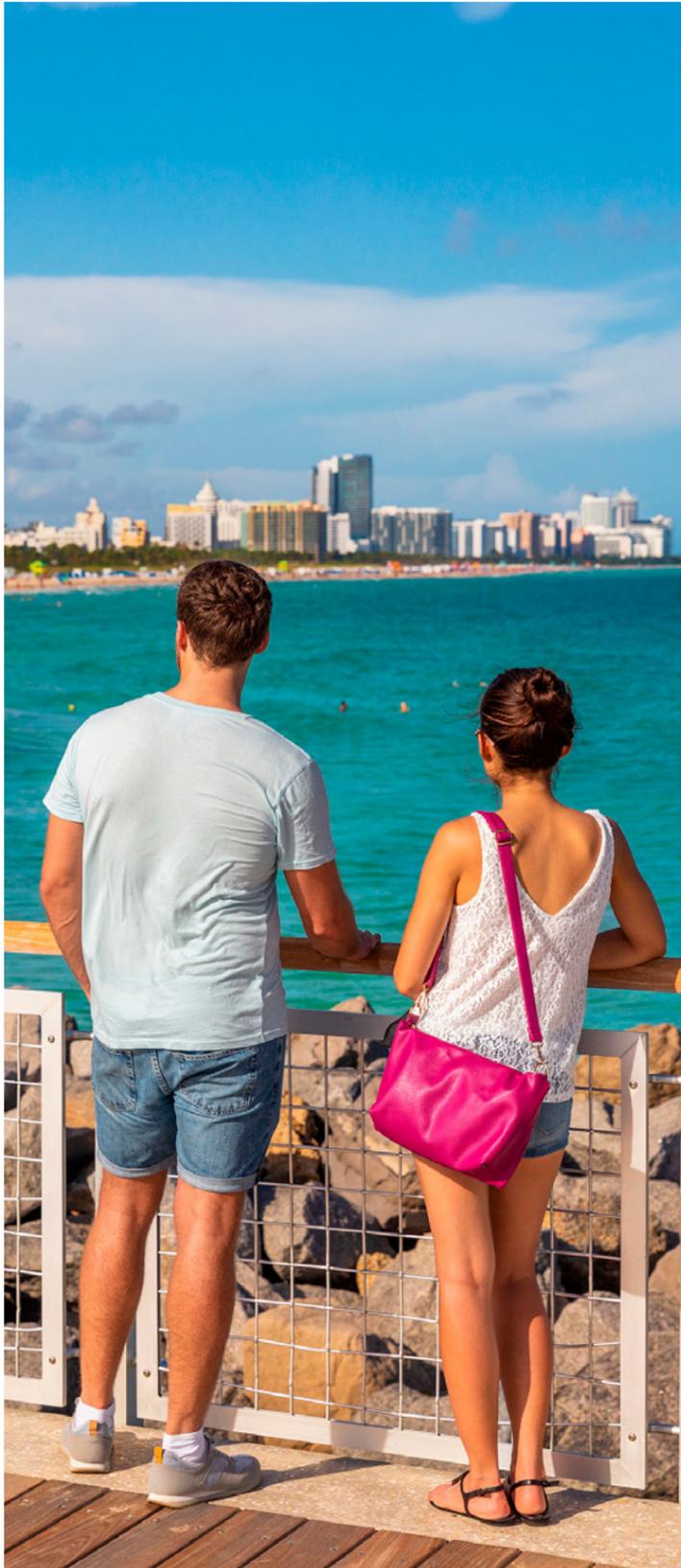
- 1 personal item (must fit under the seat)
- 1 handheld piece of baggage
- 1 checked piece of baggage (25 kg)
- Boarding priority

### Fly Plus

**It includes:**

- 1 personal item (must fit under seat)
- 2 handheld pieces of baggage
- 1 checked piece of baggage (25 kg)
- Boarding priority
- Selection of standard seats at no cost
- Personalized service





In addition to special fares and promotions, Volaris offers all its Customers the following loyalty programs, whose aim is to encourage our Customers to choose Volaris as their option for future travel, thus contributing to the creation of a sustainable airline.

## v. club

This is a membership that offers fares at an even lower cost, and the possibility to choose from three different options: individual, group (owner plus six more passengers), and subscription (individual, with monthly payments).

### Benefits

- Best prices on all flights and services
- Savings of at least \$100.00 Mexican pesos on each flight
- Exclusive promotions every Thursday
- Ten extra kilos of checked-in baggage when selecting the Classic or the Plus Fare

**632,000**  
members

## v. pass

This is a membership through which you have the option of acquiring the best prices on one-way or round-trip tickets once a month, for any of our domestic destinations, through a fixed monthly fee, and without depending on seasonal changes.

### Benefits

- Fixed monthly payment
- You only pay taxes (VAT and airport fees)
- Baggage service at preferential rates
- Access to v.club fares

**26,000**  
members

## Partnership with Banco INVEX

In our quest to offer different opportunities for our Customers, we strengthened our partnership with Banco INVEX in 2019.

### Benefits

- Points earned for purchases made with the INVEX electronic wallet, which can be used to pay for flights at Volaris
- Welcome and anniversary bonuses deposited directly to the electronic wallet
- 3, 6, and 11 months of credit with 0 interest
- Additional piece of baggage at no cost to the membership owner and to the people traveling with him/her when paying with the INVEX Volaris credit card
- 15% discount on the purchase of products from the *Entre Nubes* on-board menu

**282,000**  
members

The success of the ultra-low-cost business model positioned Volaris as **the largest ultra-low-cost airline in Latin America, and the largest operator in Mexico**, in 2019:

- Almost **22 million passengers** chose Volaris to travel. This became a milestone in the history of aviation in Mexico.
- We increased the number of our passengers by **19.5%**. About **6%** of our surveyed Customers claim to travel by plane for the first time.
- We are the **fastest growing airline** in the country, with a fleet of 82 aircraft, and have increased our routes from **5** in 2006, to **197** in 2019, averaging **378 take-offs a day**.
- We operate in **65 destinations**, and in more than **100 destinations under a code shared** with Frontier Airlines.
- We have consolidated our position as the Latin American airline with **the most routes** to the United States of America.
- Volaris accounts for **61%** of the growth of the country's air transportation market.

**“Our philosophy is clear, and we live by it in each of the operations that we seek to convert into experiences, so that more people can travel every time... and travel well.”**

Carolyn Prowse

Volaris Vice President and Chief Commercial Officer

**With the adoption of the ultra-low-cost business model, Volaris has proved its capability of adapting to the needs of its Customers over time, contributing to the development of a sustainable Company in the future.**



**197** Routes  
**+146** Frontier routes

**65** Destinations   
40 Mexico  
22 United States of America  
+57 Frontier  
3 Central America

# 2019 Route Map



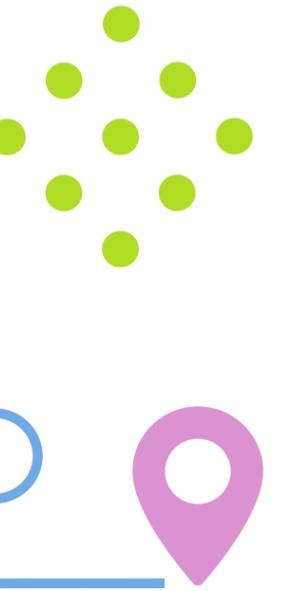
+100 destinations

## MEXICO

- 1. ACAPULCO
- 2. AGUASCALIENTES
- 3. CANCUN
- 4. CHETUMAL
- 5. CHIHUAHUA
- 6. MEXICO CITY
- 7. CIUDAD JUAREZ
- 8. CIUDAD OBREGON
- 9. COLIMA
- 10. COZUMEL
- 11. CULIACAN
- 12. DURANGO
- 13. GUADALAJARA
- 14. HERMOSILLO
- 15. HUATULCO
- 16. IXTAPA / ZIHUATANEJO
- 17. LA PAZ
- 18. LEON
- 19. LOS CABOS
- 20. LOS MOCHIS
- 21. MAZATLAN
- 22. MEXICALI
- 23. MONTERREY
- 24. MORELIA
- 25. MERIDA
- 26. OAXACA
- 27. PUEBLA
- 28. PUERTO ESCONDIDO
- 29. PUERTO VALLARTA
- 30. QUERETARO
- 31. SAN LUIS POTOSI
- 32. TAPACHULA
- 33. TEPIC
- 34. TIJUANA
- 35. TORREON
- 36. TUXTLA GUTIERREZ
- 37. URUAPAN
- 38. VERACRUZ
- 39. VILLAHERMOSA
- 40. ZACATECAS

## UNITED STATES

- 41. AUSTIN
- 42. ALBUQUERQUE
- 43. ATLANTA
- 44. BIRMINGHAM, AL
- 45. BISMARCK
- 46. BOISE
- 47. BOZEMAN
- 48. BRANSON
- 49. BUFALO
- 50. CEDAR RAPIDS
- 51. CHARLESTON, SC
- 52. CHARLOTTE
- 53. CHICAGO (MIDWAY)
- 54. CHICAGO (O'HARE)
- 55. CINCINNATI
- 56. CLEVELAND
- 57. COLORADO SPRINGS
- 58. COLUMBUS
- 59. ORANGE COUNTY
- 60. DALLAS-FORT WORTH
- 61. DENVER
- 62. DES MOINES
- 63. DETROIT
- 64. EL PASO
- 65. FARGO
- 66. FILADELFIA
- 67. FORT MYERS
- 68. FRESNO
- 69. GRAND RAPIDS
- 70. GREENVILLE
- 71. HOUSTON
- 72. HUNTSVILLE
- 73. INDIANAPOLIS
- 74. ISLIP
- 75. JACKSON
- 76. JACKSONVILLE
- 77. LAFAYETTE (LOUISIANA)
- 78. LA GUARDIA (NEW YORK)
- 79. LAS VEGAS
- 80. LITTLE ROCK
- 81. LOS ANGELES
- 82. LOUISVILLE
- 83. MADISON
- 84. MEMPHIS
- 85. MIAMI
- 86. MILWAUKEE
- 87. MINEAPOLIS
- 88. MISSOULA
- 89. NASHVILLE
- 90. NORFOLK
- 91. NEW ORLEANS
- 92. NEW YORK (JFK)
- 93. OAKLAND
- 94. OKLAHOMA CITY
- 95. OMAHA
- 96. ONTARIO, CA
- 97. ORLANDO
- 98. PALM SPRINGS
- 99. PENSACOLA
- 100. PHOENIX
- 101. PITTSBURGH
- 102. PORTLAND
- 103. PROVIDENCE
- 104. RALEIGH-DURHAM
- 105. RENO
- 106. SACRAMENTO
- 107. SALT LAKE CITY
- 108. SAN ANTONIO
- 109. SAN DIEGO
- 110. SAN FRANCISCO
- 111. SAN JOSE, CALIFORNIA
- 112. ST. LOUIS
- 113. SEATTLE
- 114. SIOUX FALL (SOUTH DAKOTA)
- 115. SPOKANE
- 116. SYRACUSE
- 117. TAMPA
- 118. TRENTON
- 119. TULSA
- 120. WASHINGTON D.C.
- 121. WICHITA

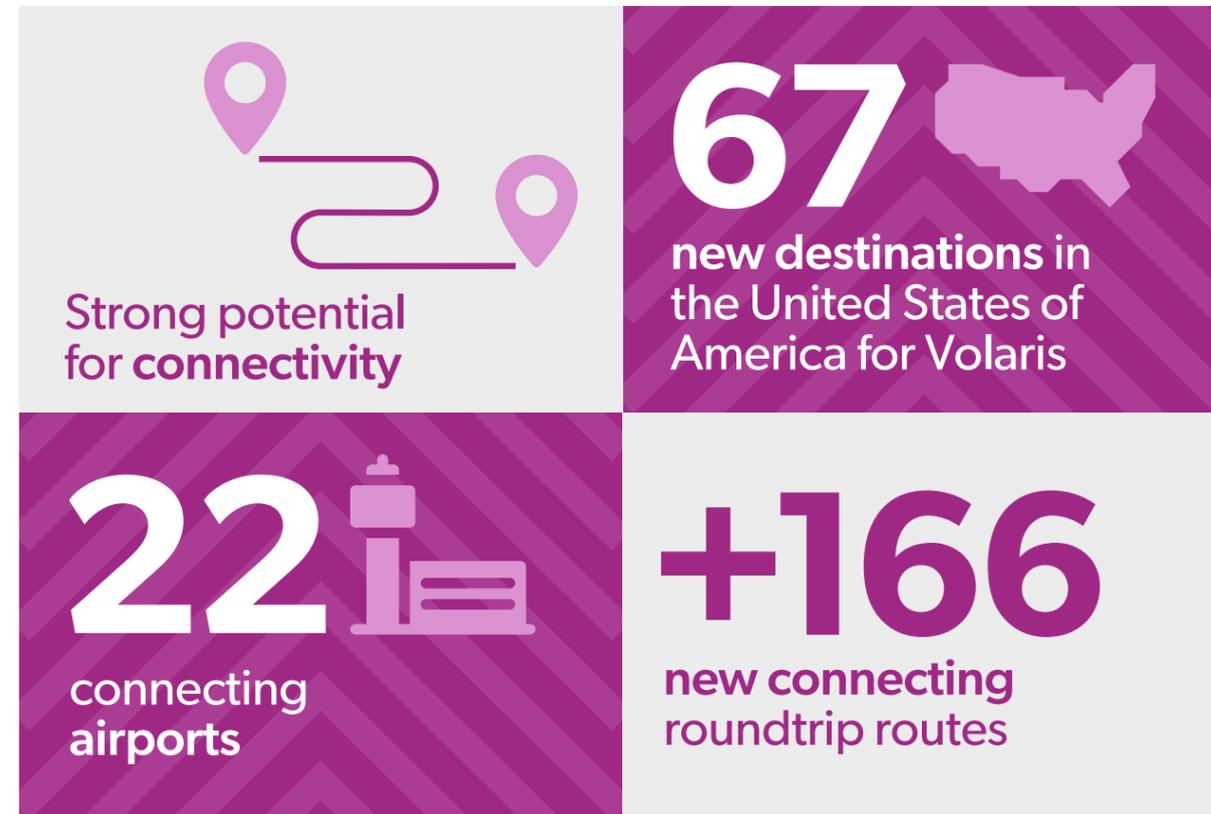


## CENTRAL AMERICA

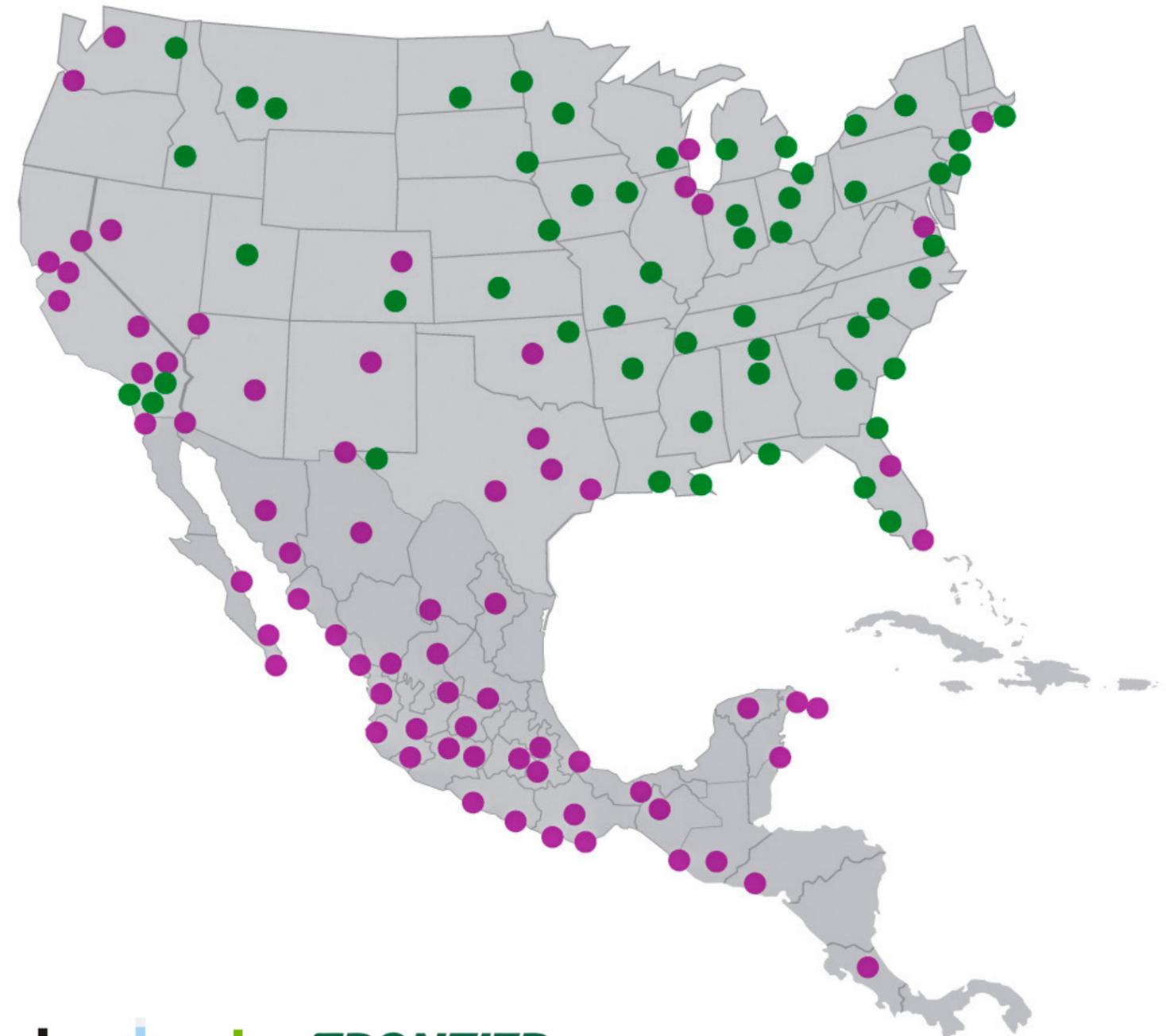
- 122. GUATEMALA, GUATEMALA
- 123. SAN SALVADOR, EL SALVADOR
- 124. SAN JOSE, COSTA RICA

## Benefits of the Codeshare Agreement with Frontier

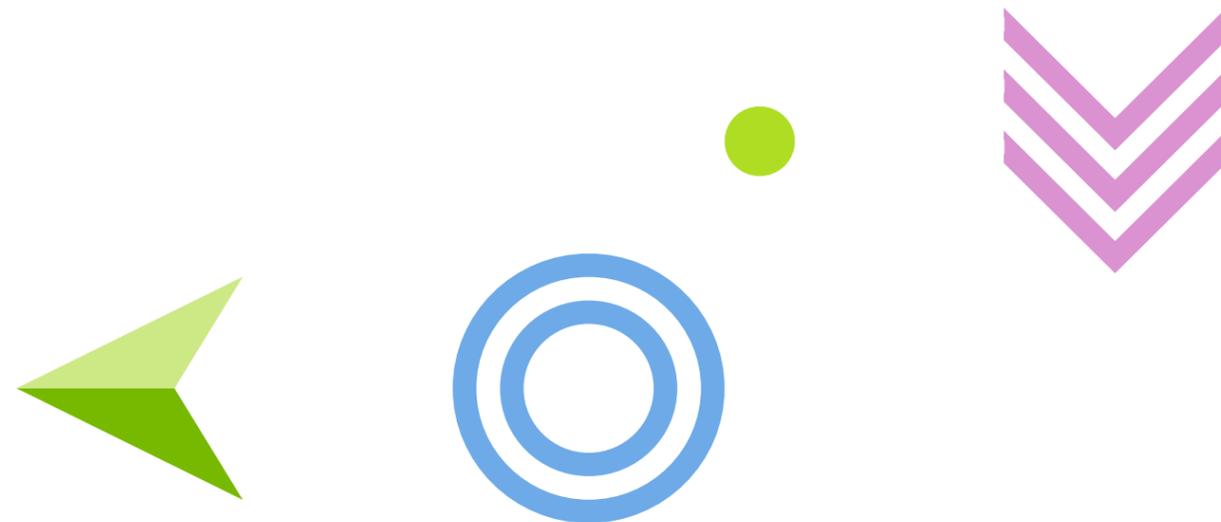
GRI 102-6, 102-7, 102-10



This is the first codeshare agreement between two ultra-low-cost airlines



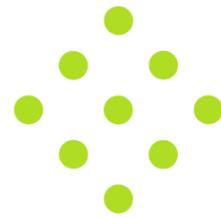
volaris + FRONTIER  
LOW FARES DONE RIGHT



## OPERATIONAL EFFICIENCY

An airline's operational efficiency is an important element of its business strategy. An efficient operation is more resilient and can rise more quickly to challenges and changes in the marketplace. It also determines the feasibility of the company's business in the short, medium and long terms.

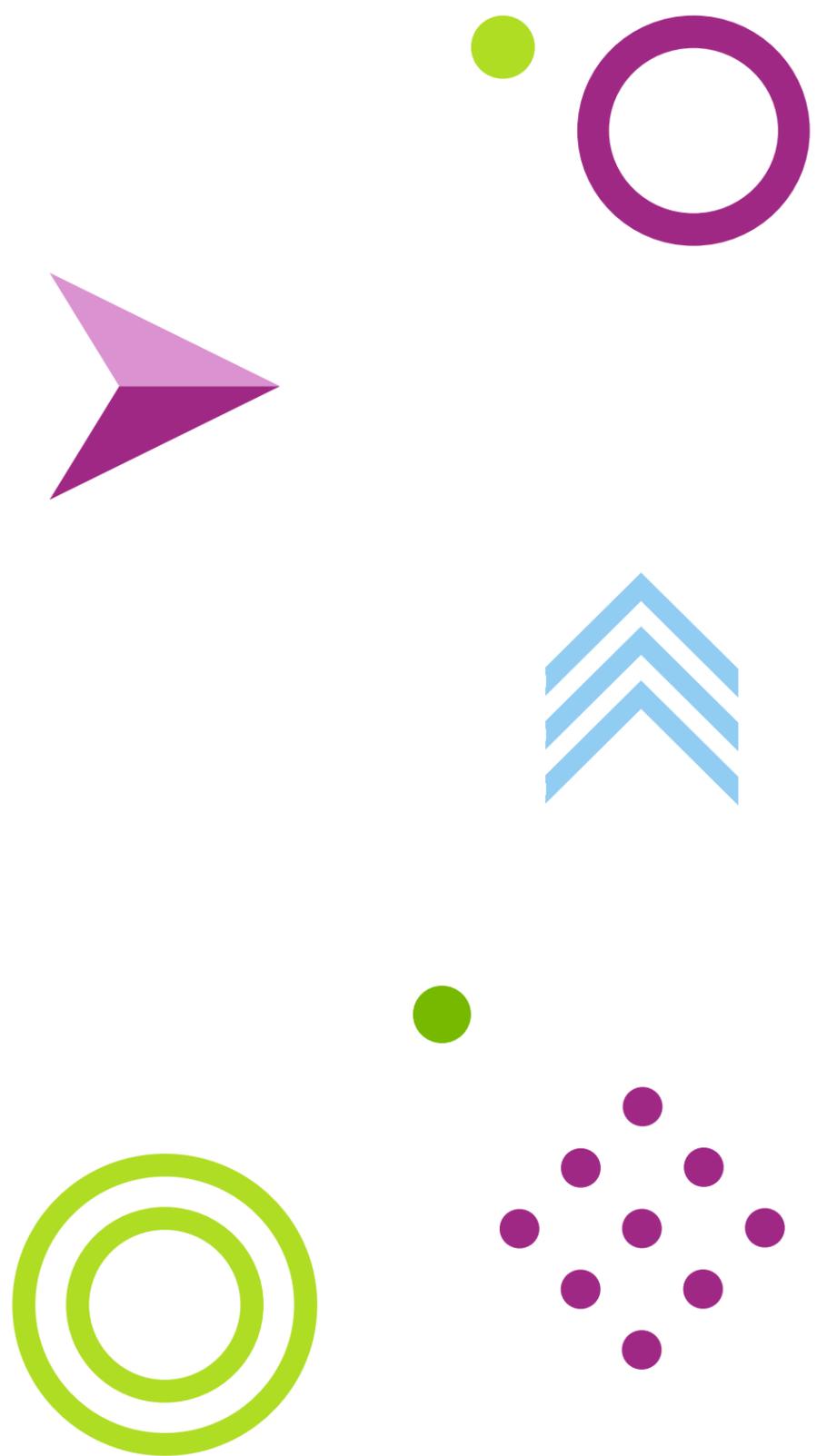
The main indicators that help us monitor our operational efficiency are the following:



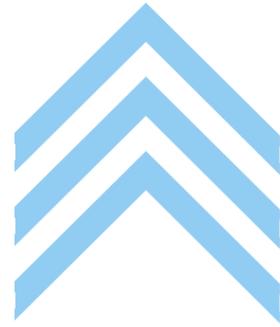
**Safe, reliable, efficient, and cost-effective air transportation is an essential component of a broader mobility strategy to help achieve the 2030 United Nations (UN) Agenda for Sustainable Development.”**

Flying in Formation – ATAG, 2017

OPERATIONAL EFFICIENCY <sup>1</sup>	Indicator
	Booked passengers (thousands)
	Available seat miles (ASMs) (thousands)
	Load factor
	Fuel gallons consumed (thousands)
	Employees per aircraft at end of period
	Aircraft at end period
	Average daily aircraft utilization (block hours)
	Average daily aircraft utilization (flight hours)
	Airports served at end of period
	Departures
	Passenger flight segments (thousands)



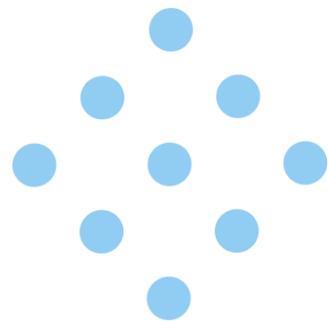
<sup>1</sup> For more information, see Report 20F published on our Investor Relations website. <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001520504/d3ec0f80-4793-4178-9b3b-fc6b6c09c18c.pdf>



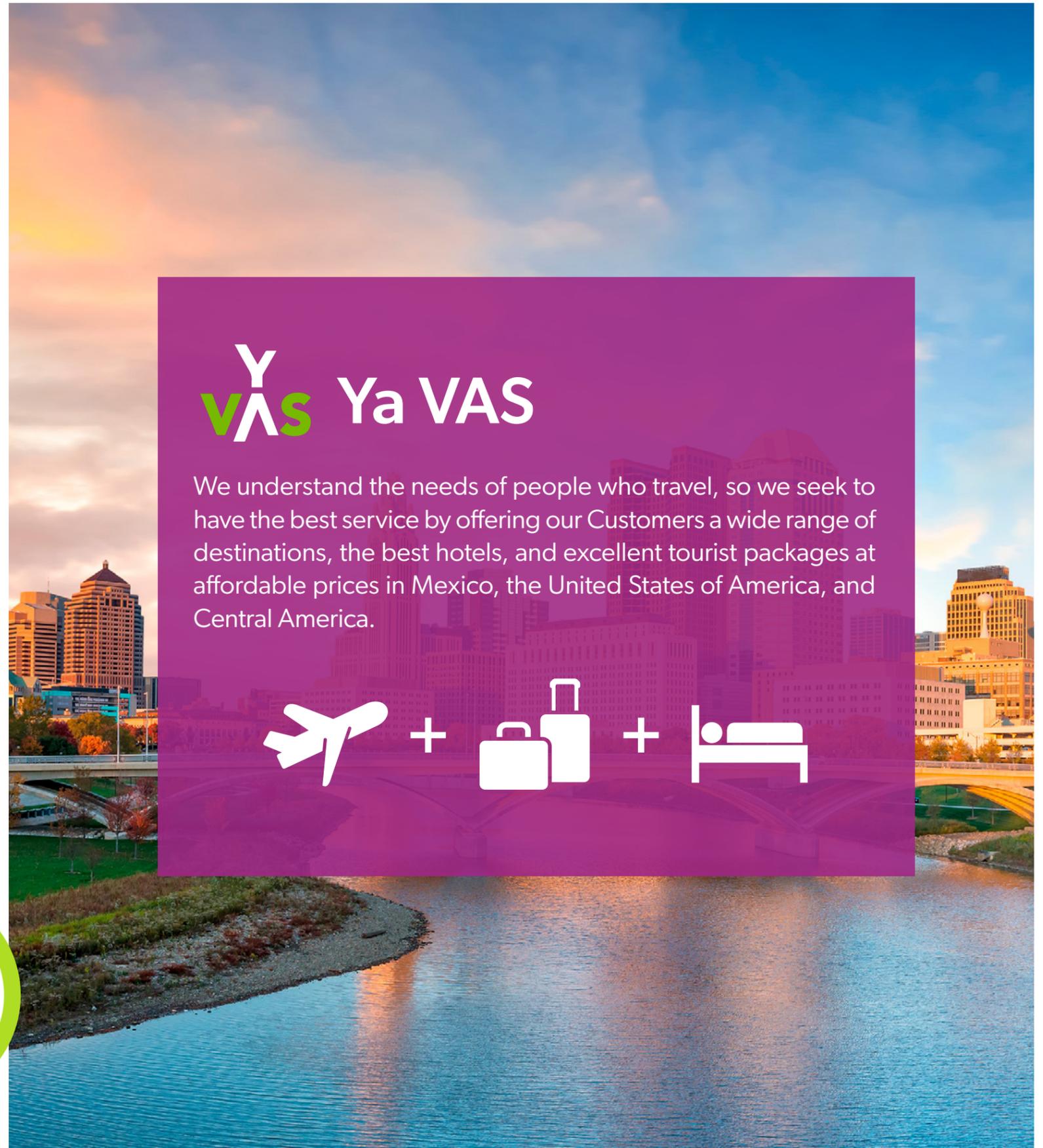
## VOLARIS'S EMERGING BUSINESS: YA VAS

GRI 102-2

In 2019, Volaris introduced **Ya Vas** (yavas.com), a digital platform to acquire air travel + hotel + other travel-experience services at the lowest price, in order to supplement the needs of people traveling in Mexico, the United States of America, and Central America. In addition, Ya Vas is aligned with the general concept of the **Sustainable Social Tourism Plan of the Mexican Government**, which aims to facilitate access to travel and tourism to all people.



We understand the needs of people who travel, so we seek to have the best service by offering our Customers a wide range of destinations, the best hotels, and excellent tourist packages at affordable prices in Mexico, the United States of America, and Central America.



# CORPORATE GOVERNANCE

GRI 102-13, 102-16, 102-17, 102-18, 102-25, 102-26



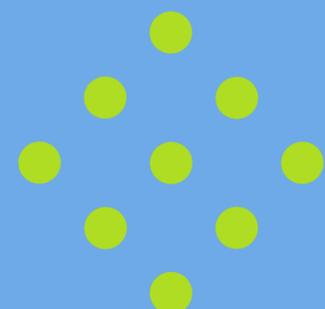
“Integrating sustainability into business strategy and corporate governance, as well as matching the SDGs (Sustainable Development Goals) with our key business functions, are crucial to meeting the goals of the 2030 United Nations (UN) Agenda.”

## Flying in Formation – ATAG, 2017

The Board of Directors and Committees of Volaris are committed to implementing and maintaining the highest standards of Corporate Governance in the Company. In 2013, we announced our public offering on the **Mexican Stock Exchange (BMV)** and the **New York Stock Exchange (NYSE)**. As a public company, we have the obligation to keep our investors informed of all our financial activities under required standards, thus ensuring full transparency.

Volaris's operations comply fully with the FCPA (Foreign Corrupt Practices Act), with the objective of ensuring transparent corporate practices and avoiding acts of corruption, such as fraud, bribery, extortion, and embezzlement. To achieve this objective, we have several internal policies that allow us to comply with this Act:

- **Antifraud Compliance Policy and the Fraud Prevention and Control Policy:** we manage and implement actions related to fraud, bribery, extortion, embezzlement, prohibition of facilitation payments, and restricted donations to political parties, pursuant to these policies.
- **Policy on managing gifts and benefits from suppliers and third-parties:** the policy sets forth the guidelines governing of Volaris's relationship with third parties, such as suppliers or public officers, avoiding the exchange of benefits for any preferential treatment or other activities that could lead to a conflict of interest.
- **Policy on managing gifts and benefits for suppliers and third-parties:** the guidelines for the granting of gifts to third parties by Volaris are determined in this Policy, with the purpose of creating good business relations or of acting in accordance with the customs of a certain location. The gifts may not be of considerable value. Likewise, the giving of gifts or benefits to suppliers or third parties for actions related to bribes, illicit payments, or improper commissions is forbidden.
- **Donations Policy:** This policy lays down the guidelines on giving, receiving, and managing donations that Volaris makes to support social assistance institutions, via the Company's social responsibility programs.



# BOARD OF DIRECTORS AND COMMITTEES

GRI 102-18, 102-22, 102-23, 102-24, 102-27

## BOARD OF DIRECTORS

The Board of Directors of Controladora Vuela Compañía de Aviación S.A.B. de C.V. (the "Company") is elected by the Annual Ordinary General Shareholders' Meeting. Company bylaws provide that the Board shall consist of a maximum of 21 Directors, of whom 25% must be Independent, pursuant to the Mexican Securities Market Law.

Our Board of Directors is comprised of qualified members with background and expertise in aviation, business, marketing, finance and economics, who meet the criteria for independence under Mexican law.

**The Board of Director is comprised of 14 Proprietary Members and 4 Alternate Members. Of them, 9 Proprietary Members and 2 Alternate Members are independent. 14.29% of our Board of Directors Members are women.**

During 2019, the Board of Directors met **five times for ordinary meetings, and on two occasions adopted unanimous resolutions taken outside the meetings**, to report on a wide range of relevant matters, such as approving the Company's consolidated financial results for fiscal year 2018, and quarterly results for fiscal year 2019; taking note of risk and contingency reports, and information on operational, financial, and legal matters; approving reports on management of the Company, including the report on strategic aspects; approving reports presented by the Audit and Corporate Practices Committee, and by the Compensation and Nominating Committee; approving operations and actions recommended by said Committees and management that were considered appropriate, among others; with **100% attendance**.

## DIRECTORS

Brian H. Franke  
CHAIRMAN OF THE BOARD AND MEMBER

Marco Baldocchi Kriete  
MEMBER

Enrique Javier Beltranena Mejicano  
MEMBER

William A. Franke  
MEMBER

Harry F. Krensky  
MEMBER

Mónica Aspe Bernal  
INDEPENDENT MEMBER

William Dean Donovan  
INDEPENDENT MEMBER

José Luis Fernández Fernández  
INDEPENDENT MEMBER

Alfonso González Migoya  
INDEPENDENT MEMBER

Ricardo Maldonado Yáñez  
INDEPENDENT MEMBER

Stanley L. Pace  
INDEPENDENT MEMBER

Joaquín Alberto Palomo Déneke  
INDEPENDENT MEMBER

Guadalupe Phillips Margain  
INDEPENDENT MEMBER

John Slowik  
INDEPENDENT MEMBER

Jaime Esteban Pous Fernández  
SECRETARY NON-MEMBER

Isela Cervantes Rodríguez  
PROSECRETARY NON-MEMBER

## ALTERNATE DIRECTORS

Andrew Broderick  
ALTERNATE MEMBER

Rodrigo Antonio Escobar Nottebohm  
ALTERNATE MEMBER

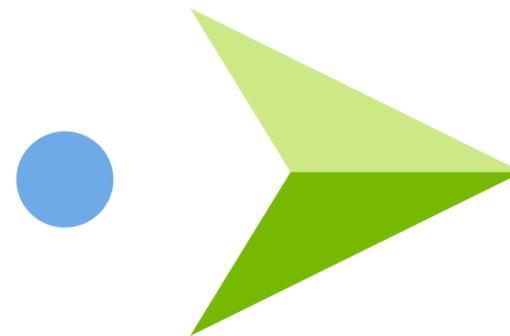
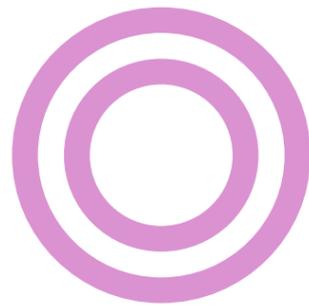
Andrew Broderick  
ALTERNATE MEMBER

José Carlos Silva Sánchez-Gavito  
ALTERNATE MEMBER

Eugenio Macouzet de León  
ALTERNATE MEMBER

José Carlos Silva Sánchez-Gavito  
ALTERNATE MEMBER

José Carlos Silva Sánchez-Gavito  
ALTERNATE MEMBER



## COMMITTEES

GRI 102-18, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-33, 102-35, 102-36

Our Board of Directors is supported by Committees, which are approved during the Annual Ordinary General Shareholders' Meeting. These are work groups that analyze specific matters and make recommendations to the Board of Directors.



### AUDIT AND CORPORATE PRACTICES COMMITTEE

#### The main duties are:

- Supervising and evaluating our external auditors and analyzing their reports
- Analyzing and supervising the preparation of our financial statements and making a recommendation to the Board of Directors on their approval
- Informing the Board of Directors of the status of our internal controls, our internal audit and their adequacy
- Supervising the execution of related- party transactions and transactions carried out pursuant to applicable law
- Requesting reports from our executive officers or independent experts whenever deemed appropriate
- Investigating and informing the Board of Directors of any irregularities that it may encounter,
- Calling shareholders' meetings

José Luis Fernández Fernández  
CHAIRMAN OF THE COMMITTEE

John A. Slowik  
Joaquín Alberto Palomo Déneke  
MEMBERS

Jaime Esteban Pous Fernández  
SECRETARY NON-MEMBER

Isela Cervantes Rodríguez  
PROSECRETARY NON-MEMBER

José Carlos Silva Sánchez-Gavito  
ALTERNATE MEMBER

### COMPENSATION AND NOMINATING COMMITTEE

#### Is responsible for, among other things:

- Submitting proposals to the Board of Directors relating to the removal of officers within the first two corporate levels
- Proposing the creation, amendment or termination of any incentive plan for officers
- Consulting with third-party experts in connection with any issues related to compensation, organizational development, and other related matters,
- Proposing compensation packages for officers within the first four corporate levels
- Proposing to our Board of Directors the entering into, amendment or termination of any collective bargaining agreements.
- Informing our Board of Directors of any material contingencies
- Submitting periodic reports to our Board of Directors.

Marco Baldocchi Kriete  
CHAIRMAN OF THE COMMITTEE

Harry F. Krensky  
Enrique Javier Beltranena M.  
Brian H. Franke  
MEMBERS

Ricardo Maldonado Yáñez  
SECRETARY NON-MEMBER

Eugenio Macouzet de León  
PROSECRETARY NON-MEMBER

Rodrigo Antonio Escobar  
Nottebohm  
ALTERNATE MEMBER

### MANAGEMENT TEAM

Enrique Javier Beltranena Mejicano  
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Sonia Jerez Burdeus  
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Holger Blankenstein  
EXECUTIVE VICE PRESIDENT AIRLINE  
COMMERCIAL AND OPERATIONS

Jaime E. Pous Fernández  
SENIOR VICE PRESIDENT CLO  
AND CORPORATE AFFAIRSS

José Luis Suárez Durán  
SENIOR VICE PRESIDENT AND  
CHIEF OPERATING OFFICER

Carolyn Prowse  
VICE PRESIDENT AND CHIEF COMMERCIAL OFFICER

## OTHER COMMITTEES

### ETHICS COMMITTEE

The Ethics Committee meets monthly, and its main functions are listed below:

- Ensure compliance with the Volaris Code of Ethics, solving any conflicts that arise through effective and timely decisions
- Drive the culture of ethics in the Company, and periodically review and update best practices and business management standards
- Ensure that all reports of malpractice, misconduct, or non-compliance with current standards and regulations that are sent through the means of communication indicated in the Whistle Blowing Line are received and addressed
- Assess disputes, conflicts, and misconduct related to the Code of Ethics
- Propose sanctions and action plans for cases related to breaching the Code of Ethics
- Review the operational guidelines that lead to the compliance with the Code of Ethics
- Supervise the existence and implementation of a training plan on the culture of ethics for all Ambassadors

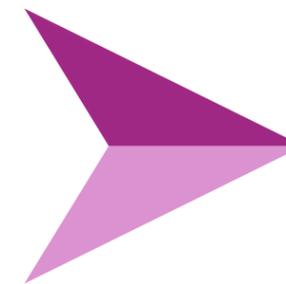
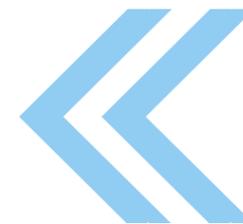
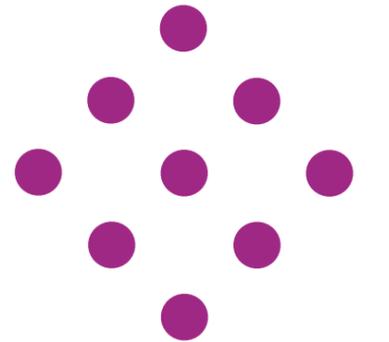
The Ethics Committee includes the Chief Executive Officer, the Senior Vice President CLO and Corporate Affairs, the Human Resources and Administrative Services Director, the Airports and Flight Attendant Director, the Internal Audit Director, the Corporate Control, Compliance and Administration Director; the Operational Safety Director; and the Organizational Development Director.

### SUSTAINABILITY COMMITTEE

As part of the redefinition of Volaris's sustainability strategy, a decision was reached to create the Sustainability Committee, which will start operations in 2020. This Committee will consist of the Executive Committee, and will be chaired by the CEO and the Corporate Affairs Director will serve as Secretary, who is responsible for Sustainable Management in the Company, and who reports to the Senior Vice President CLO and Corporate Affairs.

The Corporate Affairs Director reports once a year to the Board of Directors on the most relevant aspects of the Company's sustainability efforts.

The Sustainability Committee will aim to ensure the development of the business in a sustainable manner, and the integration of sustainability into Volaris's business strategy. This will be possible through the implementation of initiatives to achieve sustainability mainstreaming in all areas of the Company.



# RISK MANAGEMENT

GRI 201: 103-1, 103-2, 103-3  
GRI 102-11, 102-29, 102-30

For Volaris, a Mexican airline, to be listed on the **Mexican Stock Exchange (BMV)** and the **New York Stock Exchange (NYSE)** it must be in full compliance with the corresponding rules and regulations, of which risk management is of paramount importance. **Risk management** is a tool for achieving the Company's objectives, for decision making, as well as for generating confidence among the Company's investors in the short, medium and long terms.

That is why in Volaris we have established the best international practices for risk management, such as **COSO**, which is a reference standard consisting of a document that contains the main instructions for the implementation and management of a control system; **COSO ERM**, is an integrated framework for enterprise risk management; and **COBIT** is a reference framework aimed at the control and supervision of information technology. These practices help to identify the Company's risks in a timely manner, define indicators for monitoring purposes, and develop mitigation plans.

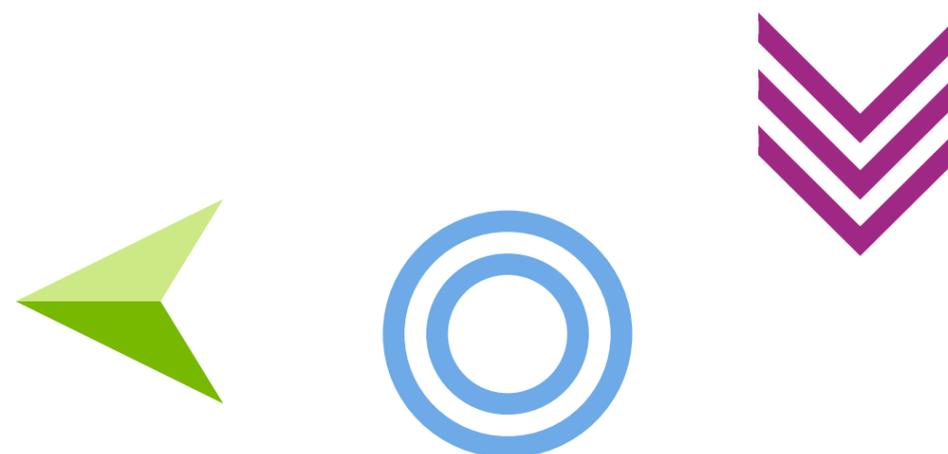
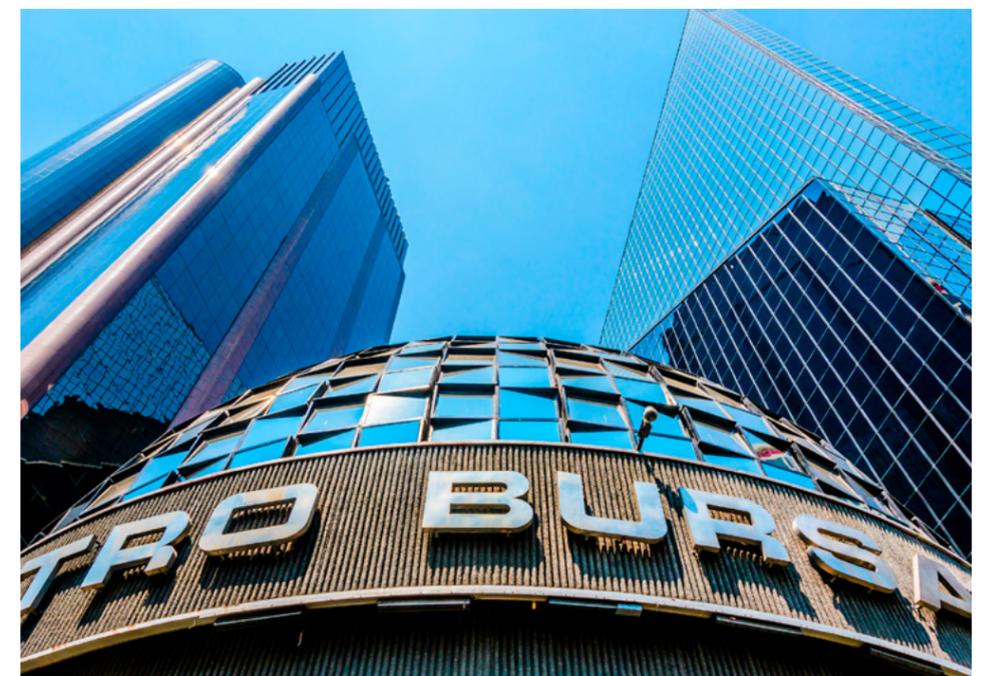
These systems include the implementation of the following aspects:

- a) Control environment
- b) Risk assessment
- c) Control activities
- d) Information and communication
- e) Monitoring

The control framework allows for enterprise risk management (**ERM**), internal control, and fraud detection, in compliance with regulations set forth by the United States of America **Securities and Exchange Commission (SEC)**, **Mexican Stock Exchange (MSE)**, and the **National Banking and Securities Commission (CNBV)**.

The meetings of the Board of Directors include as an item on the agenda the **Risk and Contingency Report**, which encompasses operational, financial, and legal risks and contingencies, to address and solve any such issues. Likewise, an Enterprise Risk Management (ERM) Report is presented to the Audit and Corporate Practices Committee. The resolutions adopted are submitted for approval to the Board of Directors.

The President and Chief Executive Officer, and the Vice President and Chief Financial Officer, are responsible for certifying the internal control system, which is submitted to the Board of Directors for approval with the prior opinion of the Audit and Corporate Practices Committee.



We have identified the risk factors that may adversely affect our operations and the sustainability of the company in the future. These risks are managed through different areas, in order to establish risk mitigation strategies that successfully affect business continuity. These risk factors are<sup>1</sup>:

### RISKS RELATED TO MEXICO

- Political and social events in Mexico as well as changes in Mexican federal governmental policies
- Adverse economic conditions
- Mexican antitrust provisions may affect the fares we are permitted to charge to customer
- Violent crime

### RISKS RELATED TO THE AIRLINE INDUSTRY

- Government regulation, changes in law and interpretation and supervision of compliance with applicable law
- Extremely competitive industry
- Price and availability of fuel
- Maintaining and renewing our permits and concessions
- Under Mexican law, our assets could be taken or seized by the Mexican government under certain circumstances
- Changes in economic conditions
- The airline industry is heavily regulated
- The airline industry is subject to increasingly stringent environmental regulations
- External conditions, including air traffic congestion, weather conditions and outbreak of disease
- Airline consolidations and reorganizations
- High fixed costs and relatively elastic revenues
- Terrorist attacks or war

### RISKS RELATED TO OUR BUSINESS

- Ability to execute our growth strategy
- Liquidity
- Dependence on cash balances and operating cash flows
- Fuel costs
- Maintenance costs
- Aircraft-related fixed obligations
- Obtain financing to acquire new aircraft
- Inability to obtain lease or debt financing
- Our limited lines of credit and borrowing facilities
- Indebtedness
- Highly dependent on four hubs
- Fleet Age
- Change in the availability or cost of air transport infrastructure and airport facilities
- Increases in landing charges and other airport access fees and restrictions
- Operational disruptions
- Emergency, accident or similar incident involving our aircraft
- Insurance costs
- A failure to comply with covenants contained in our aircraft or engine lease agreements
- Reliance on automated systems and the risks associated with changes made to those system
- Reliance on third-party vendors and partners
- Use of personal data
- Ability to generate non-ticket revenues
- Restrictions on or increased taxes applicable to fees or other charges for ancillary products and services paid by airlines passengers
- Changes in the Mexican and VFR (passengers who are visiting friends and relatives) markets
- Air travel substitutes
- Lack of marketing alliances
- Ability to maintain slots in the airports that we operate and service provided by airport operators
- Ability to operate through new airports that match our operative criteria
- Reliance on a single fuel provider in Mexico and few aircraft and engine providers
- Cyber-attacks
- Ability to attract and retain qualified personnel
- Loss of key personnel
- Labor disputes, employee strikes and other labor-related disruptions, including in connection with our negotiations with our union
- We do not have a control group
- Our results of operations will fluctuate
- Volaris is a holding company and does not have any material assets other than the shares of its subsidiaries

<sup>1</sup>For more information, see Report 20F published on our Investor Relations website. <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001520504/d3ec0f80-4793-4178-9b3b-fc6b6c09c18c.pdf>

# CODE OF ETHICS

GRI 402: 103-1, 103-2, 103-3  
GRI 102-16, 102-25

We are committed to abiding by the laws, standards and regulations that govern us, as well as adopting the highest ethical standards to conduct business. For this reason, we have a **Code of Ethics** in place, aimed at regulating Ambassador behavior so it is always ethical. In addition, Volaris's **Code of Ethics** is encompassed by **Volaris Culture** guidelines, which govern the behaviors that all Ambassadors must adopt to carry out their duties within the Company. Some of the behaviors promoted by this document are equal opportunities and non-discrimination, free and fair competition in the market, anti-corruption practices, compliance with standards, elements to offer the best customer service, among others.

As members of the Volaris institution, all Ambassadors have the obligation to know and comply with the provisions of the **Code of Ethics** of the Company. To achieve this objective, the Ambassadors familiarize themselves with this document from the beginning of the work relationship with the airline. Likewise, they must take an online course every year to reinforce their knowledge of the ethical conduct that must be followed in carrying out the tasks assigned to them.

**In 2019, 98% of our Ambassadors got certified in the Volaris Code of Ethics training.**

For Volaris, a culture of integrity is crucial to achieving the sustainable growth of the Company and to continue consolidating as the leading airline in Mexico for many years to come. The high levels of trust that the Company offers, and its solid business reputation, make it easier to operate successfully and open up new markets. Likewise, these factors enable us to attract and retain the best talent, Customers, Investors and Suppliers, to maintain a healthy relationship with the Union, as well as to contribute, within the framework of the law, to the well-being of the Communities where we operate, through social projects.

This is why we seek to have our Ambassadors familiarized with the ethical principles that govern the Company. In addition to training on the **Code of Ethics**, Ambassadors took more than **10,000 hours of training** in 2019 to reinforce their culture of integrity, ethics, and compliance, with the following courses:

- **FCPA:** Foreign Corrupt Practices Act (99% accomplishment).
- **LFPDPPP:** Federal Law of Personal Data Protection held by Individuals (96% accomplishment).
- **Key Control Policies:** The purpose of these policies is to endorse the knowledge and understanding of key control guidelines in Volaris, guaranteeing that mechanisms are in place that ensure that operational and financial information is reliable and that it complies with applicable regulations for risk prevention (94% accomplishment).

Likewise, we at Volaris have the following internal policies that reinforce, and allow us to comply with, the guidelines of the **Code of Ethics**:



## Policy of Immunity

- This policy is implemented through the Air Safety Area.
- It protects people who report safety violations.



## Policy on Conflict of Interest by Relationship

This policy lays down the procedures to be followed, thus avoiding and, if applicable, solving conflicts of interest that may arise within the Company.



## Child-Grandparent Policy

This policy allows all Ambassadors to hold discussions with their supervisor's supervisor for the following reasons:

- If the Ambassador feels intimidated by the supervisor.
- If the Ambassador finds out that the supervisor is violating the Code of Ethics guidelines.



## Whistle Blowing Line Policy

This policy allows Ambassadors, Directors, Suppliers, and the Union to report any non-compliance or suspected non-compliance with the **Code of Ethics**, through established communication channels.

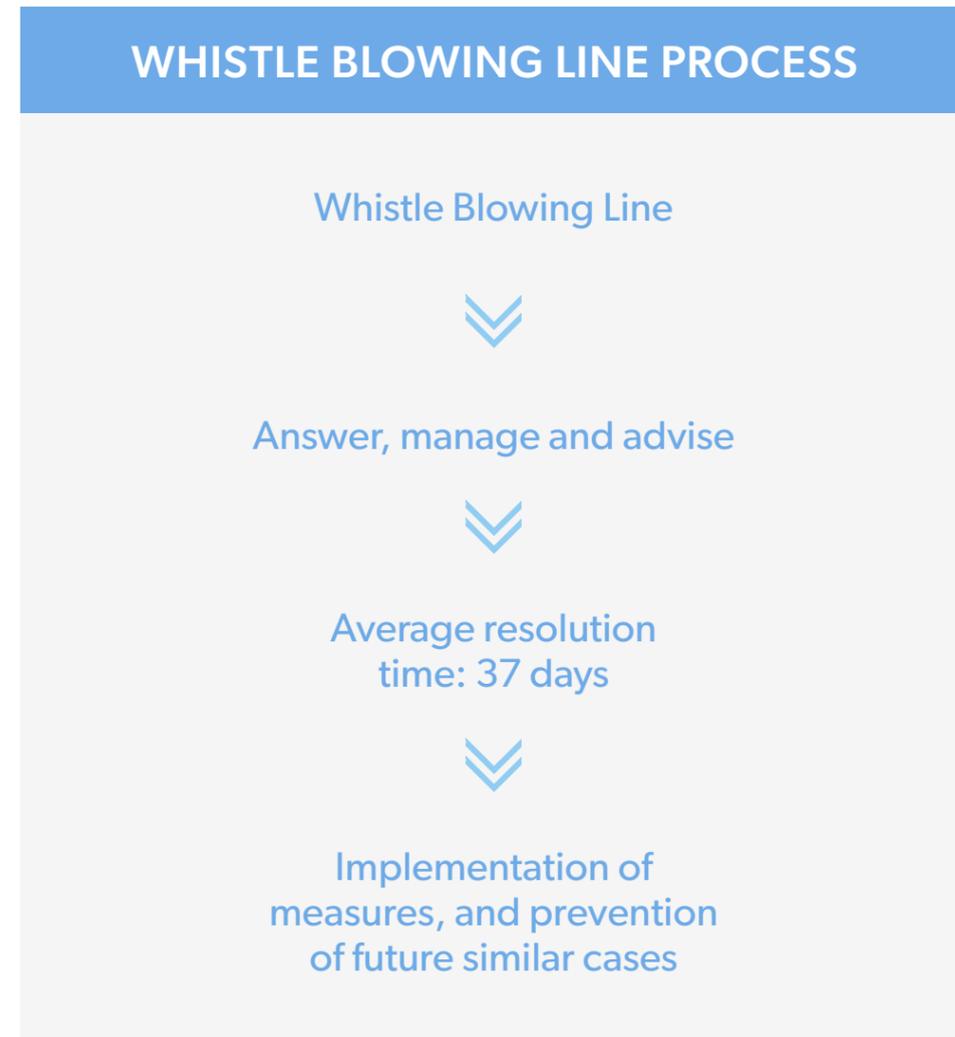


## CODE OF ETHICS AND WHISTLE BLOWING LINE

GRI 102-16, 102-17, 102-34

In 2019, it was six years since the implementation of the **Whistle Blowing Line Policy**, which makes communication tools available to be managed by Ethics Global, through which Volaris Ambassadors, Directors, Suppliers, and the Union can report any non-compliance or suspected non-compliance with the Company's **Code of Ethics**.

The process for reporting acts that are detrimental to the compliance with the **Code of Ethics** is as follows:



Volaris Ambassadors are provided with the following free communication channels, available 24/7 to send their reports on the Whistle Blowing Line: an email address, a telephone number, an online site, and a smart phone application.

- lineadeescuchavolaris.com
- 800 T Escucho (837 2824)
- reporte@lineadeescuchavolaris.com
- App EthicsGlobal

Once a report is received, an investigation into the case is conducted and a recommendation or advice is made. In some cases, it may be necessary for the Volaris **Ethics Committee** to hold a meeting to discuss the case and make the appropriate recommendations.

In 2019, **127 reports** were received, of which five were related to corruption issues, and the rest were primarily related to aspects of work environment, labor offenses, and misuse of assets. The **Ethics Committee** met on 10 occasions. All reports were reviewed and investigated by the corresponding areas, and action plans were implemented to resolve each case.

The benefits of the **Whistle Blowing Line** are listed below:

- Strengthen the culture of integrity and ethics in the Company
- Assure those reporting of the confidentiality of the process, since reports are managed by a third party
- Ensure proper and independent handling of cases reported
- Contribute to compliance with the guidelines of the Foreign Corrupt Practices Act (FCPA)
- Minimize risks of bribery, fraud and corruption
- Prevent financial losses
- Detect cases that affect the work climate
- Encourage a reduction in staff turnover
- Strengthen the sense of belonging in Volaris Ambassadors

 **Línea de escucha**



# INFORMATION PRIVACY AND CYBERSECURITY

GRI 102-11

Cyber-attacks or other breaches of network or information technology security may cause equipment failures or disruptions to our operations. Our inability to operate our networks as a result of such events, even for a limited period of time, may result in significant expenses or loss of market share to other airlines. Cyber-attacks, which include malware, computer viruses, denial of service and other means for disruption or unauthorized access to companies, have increased in frequency, scope and potential harm in recent years.

We take actions to reduce the risk of cyber-incidents, and to protect our information technology and digital networks. Mitigation actions are undertaken to reduce the risk of cyber-attacks.

- Enforce Information Security Awareness Program
- Enforce Information Security policies
- Implement cybersecurity controls and Security Operation Services
- Enhance insurance coverage
- Perform cyber risk management and vulnerabilities management
- Enforce incident response management processes

The costs associated with a cyber-attacks:

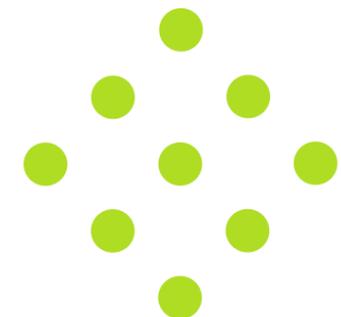
- Increased spending on cybersecurity measures
- Litigation processes for loss of privacy of information
- Damage to the Company's reputation
- Loss of income due to business interruption
- Loss of customers and business partners

In addition, failure to prevent violations to the privacy of Volaris information, such as financial, customer or Ambassador data, could adversely affect the confidence of our stakeholders in Volaris, which in turn becomes a risk to the sustainability of the business in the future.

In response to these threats, there has been heightened legislative and regulatory focus on data privacy and cybersecurity around the globe, particularly with respect to critical infrastructure providers, including those in the transportation sector. As a result, we must comply with a proliferating and fast-evolving set of legal requirements in this area, including substantive cybersecurity standards as well as requirements for notifying regulators and affected individuals in the event of a data security incident.

The regulatory environment is increasingly challenging and may present material obligations and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks. In May 2018, the European Union's new General Data Protection Regulation (GDPR) and in December 2019, California Consumer Privacy Act (CCPA) came into effect. These kind of regulations GDPR imposes data privacy and security requirements, imposing significant costs on us and carrying substantial penalties for non-compliance.

**At Volaris we are aware of the risk and costs of cyber-attacks. This is why we train and strengthen our cyber security measures to prevent, and act immediately upon, these types of attacks on information privacy, if they materialize.**





# CORPORATE AFFAIRS

GRI 102-13, 102-19, 102-32, 102-43

Aviation is one of the most regulated sectors in the world. Airlines are constantly faced with various standards set by government authorities or regulatory agencies to make the industry abide by global operational standards and best practices. The airline industry is part of a broad Value Chain, that encompasses the benefits and needs of the stakeholders involved. This is why Volaris considers that political, geopolitical and social risks –that generate strict regulatory requirements implying high adverse costs for the Company in the short, medium and long terms– are a priority. Likewise, Volaris carries out its operations under the corresponding permits granted by the country and the regulatory agencies in the Communities where we operate, so our influence on the decision making of these stakeholders is fundamental to the consolidation of a sustainable company in the future.

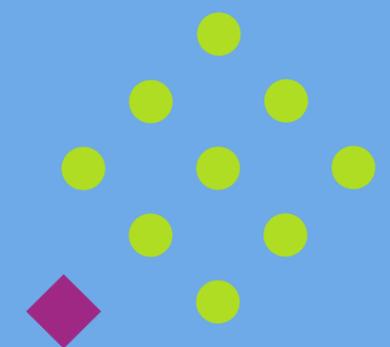
Through the Volaris's Corporate Affairs Department, strategies are developed and implemented to influence the decision-making processes of stakeholders, and to manage the impact of the following political and social risks.

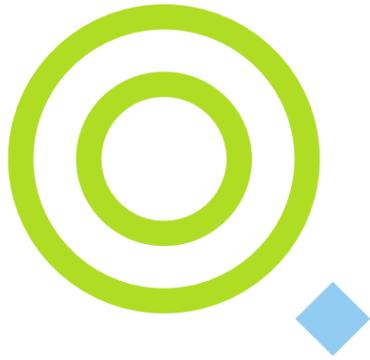


## HELPING BUILD PUBLIC POLICY

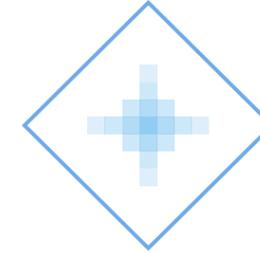
Volaris is subject to any regulation or change in public policy in the countries and Communities where we operate. That is why we strive to influence decision-making processes on regulations that directly or indirectly impact the industry in general, and Volaris in particular, by:

- **Developing strategic relationships:** we developed an agenda to approach and communicate with key players for Volaris, in order to represent the interests of the Company in the decision-making process of said players. This agenda considers the issues that interest the various stakeholders. The players that most influence the processes of Volaris Corporate Affairs are governments, regulators, and public policymakers; society and its organizations (Ambassadors, Customers and Communities); and the airline industry. Maintaining these relationships will allow Volaris to be a company with a high capacity to influence the Communities where it operates, thereby enabling us to generate the successful adaptation to new regulations at both local and federal levels.





### INFLUENCING DECISIONS IN THE AVIATION INDUSTRY



### STRENGTHENING CORPORATE REPUTATION

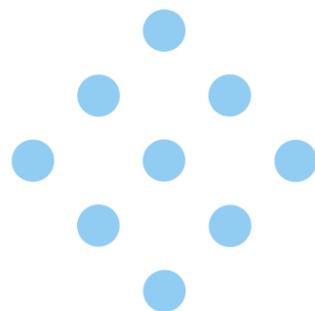
▪ **Approaching key players:** approaching key players, such as regulatory agencies, public policymakers, and government authorities, is a priority for the future sustainability of Volaris. This approach allows us to define and include in the public agenda the issues that are important to the Company.

Approach and negotiation activities with government agencies are carried out in abidance with the law, and are regulated in our compliance policies, such as the Volaris Code of Ethics and the FCPA, through which we promote the transparency and honesty of these relationships, and that they be conducted with the best anti-corruption practices.

Volaris recognizes the importance of being part of the decision-making process to be followed by the industry as a whole, and providing continuity to the air transportation business, by representing the interests of all airline stakeholders. Consequently, Volaris is a member of IATA (International Air Transport Association), an international association that aims to represent, lead and serve the airline industry, through policy making on relevant issues to the sector. In addition, IATA promotes understanding of air transportation among decision makers, and awareness of the benefits that aviation brings to national and global economies. It also generates relevant information for the industry and promotes best practices among its members worldwide. Volaris is a member of this Association because of the latter's leadership with stakeholders, and because there are objectives linked to Volaris's priorities, such as air transportation efficiency, the environment, security and protection of airline operations, involvement with government agencies, and other similar priorities.

The strengthening of Volaris's corporate reputation is based on the transparency of the actions that we carry out to approach and communicate with our stakeholders, aligning the interests of our Customers, and setting ourselves apart from our competitors. The importance of the correct implementation of corporate communication actions is that they allow Volaris to better approach and influence stakeholders more effectively, as a good corporate reputation provides confidence and certainty to these groups. In addition, an effective brand-positioning strategy strengthens and contributes to the implementation of a long-term vision of the Company.

Moreover, good reputation contributes to a more effective mitigation of the impact from the crises the Company may face in the short, medium and long terms.



# SUPPLY CHAIN MANAGEMENT

GRI 102-9, 102-10

Our Supply Chain is managed through an approach that prioritizes the strength of the business and the reliability we seek to convey to our Suppliers. We are committed to raising the levels of aviation safety and continuing to generate value, through safe and sustainable growth that promotes an operational infrastructure aligned with our objectives.

Our **Supply Chain** division comprises two areas:

- **General Procurement**
- **Technical Supply Chain** —focused on the maintenance and proper functioning of aircraft

As part of the continuous supervision that we carry out in all areas, a random evaluation of **General Procurement Suppliers** is conducted annually. They are for both goods and services, and they are evaluated in the following subjects:



For those Suppliers whose activities are related to aircraft maintenance, a comprehensive evaluation and audit process is carried out by the Quality Assurance and Operational Safety Department.

Likewise, these Suppliers are classified into five categories. With this, **suppliers under categories 1, 2, and 5** must adjust to the requirement sending any documentation requested by Volaris to ensure regulatory compliance and certification. In the case of **Suppliers under categories 3 and 4**, an evaluation and an on-site audit are carried out due to the direct contact they have with the aircraft.

All Suppliers who join our Supply Chain are previously evaluated and audited. Once they meet all requirements, they are satisfactorily included in the **Volaris Maintenance Suppliers** database.

For **repeat Suppliers** in the Supply Chain, evaluations and audits are scheduled in advance during the year.

**“We are aware of the great importance of having a Supply Chain Management Program and, as part of our 2020 Sustainability Strategy, we decided to assume the commitment of implementing this program. We are confident that it will strengthen our relationship with our Suppliers and contribute to generating greater economic, social, and environmental value for our stakeholders.”**

Mauricio Horcasitas  
Volaris Purchasing Director

Categories 1 and 2:  
Aircraft and engine spare parts manufacturers

Category 3:  
Authorized distributors

Category 4:  
Repair Suppliers

Category 5:  
Consumables distributors

Classification of Supply Chain Suppliers



# 03.

# PLANET CARE FOCUS

// Volaris's strategy aims to improve business performance while protecting the environment. As industry leaders, we have the responsibility of making Volaris the greenest airline in Mexico. To this end, all of our operations are aligned with the UN SDGs (United Nations Sustainable Development Goals)."

José Luis Suárez

Senior Vice President and Chief Operating Officer

## COMPREHENSIVE ENVIRONMENTAL PROTECTION POLICY #CIELITOLIMPIO

- EFFICIENT FUEL CONSUMPTION MANAGEMENT
- CARBON EMISSIONS OFFSET PROGRAM #CIELITOLIMPIO
- ECOLOGICAL INITIATIVES
- EFFORTS FOR BIODIVERSITY
- REGULATORY COMPLIANCE



# COMPREHENSIVE ENVIRONMENTAL PROTECTION POLICY #cielitolimpio



GRI 301, 304, 306, 307: 103-1, 103-2, 103-3

As Mexico's largest airline, we understand our great responsibility when conducting our operations. We ratify our commitment to protect the environment by creating awareness of our environmental impact and implementing actions to mitigate said impact and position ourselves as **the greenest airline in Mexico**.

Some years ago, the aviation sector agreed to establish strategies to reduce CO<sub>2</sub> emissions for the coming years and thus contribute to the sustainable growth and development of the industry. In 2016, the ICAO (International Civil Aviation Organization) of the United Nations set up CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) to enable the industry's shared objective on carbon-neutral growth. Also, the IATA (International Air Transport Association) set a target to cut net CO<sub>2</sub> emissions in half by 2050, using 2005 emissions as the base.

Mexico was one of the countries that during the COP21 in Paris, France, committed to implementing measures that mitigate greenhouse gas emissions.

This is why regulations were established in the country, such as the General Law on Climate Change, which came into effect in 2012, which establishes the creation of various public policy instruments. Among these instruments is the National Emissions Registry (*RENE*), which compiles information on emissions from the different productive sectors of the country, and through which, companies exceeding 25,000 tCO<sub>2</sub>e (tons of CO<sub>2</sub> equivalent) are obligated to report their direct and indirect greenhouse gas emissions.

**The Planet Care Focus**, which is one of the pillars of our Corporate Sustainability Program, establishes the actions Volaris must implement to comply with domestic and international environmental agreements and mitigate the effects of climate change, and to help achieve Sustainable Development Goals. By meeting these goals, we will be able to reduce the negative impact on the environment generated by the aviation industry, thereby guaranteeing the benefits of air transportation for future generations.



**EFFICIENT FUEL CONSUMPTION MANAGEMENT**



**CARBON EMISSIONS OFFSET PROGRAM #CIELITOLIMPIO**



**ECOLOGICAL INITIATIVES**



**EFFORTS FOR BIODIVERSITY**



**REGULATORY COMPLIANCE**



**FLEET RENEWAL**



**INVESTMENT IN THE BEST TECHNOLOGY**



**OTHER FUEL-SAVING TECHNIQUES**



**PAPER SAVING AND RECYCLING**



**REDUCTION IN ELECTRICITY USE**



**REFORESTATION**



**ECOLOGICAL PARTNERSHIPS**



**ENVIRONMENTAL AWARENESS CAMPAIGNS**



**EMISSIONS REPORTS**



**HAZARDOUS WASTE PROPER MANAGEMENT**



**WORKING GROUP GREEN TEAM - ISO 9001 AND 14001 CERTIFICATIONS**

# EFFICIENT FUEL CONSUMPTION MANAGEMENT

GRI 302: 103-1, 103-2, 103-3  
GRI 302-1, 302-3, 302-4, 302-5, 305-7

Volaris monitors fuel consumption very closely, not only because of the economic impact (which accounts for 38% of its costs), but also because it is through efficient fuel consumption that CO<sub>2</sub> emissions can be reduced.

The most concrete way in which Volaris protects the environment is by acquiring the best technology, having the youngest fleet, and implementing those practices that ensure efficient fuel consumption.

## FLEET RENEWAL AND INVESTMENT IN THE BEST TECHNOLOGY

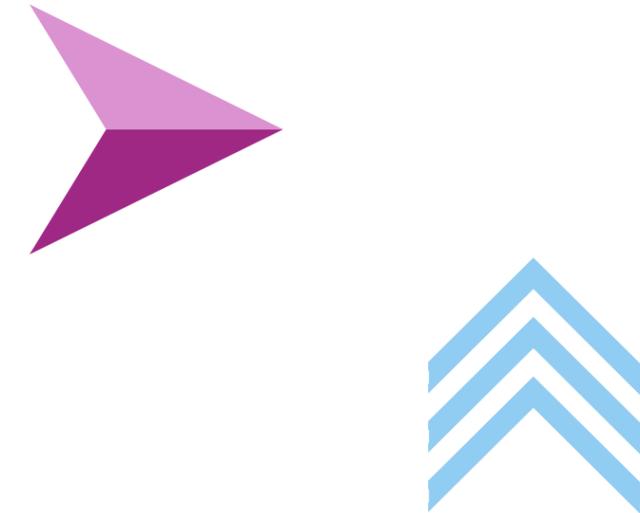
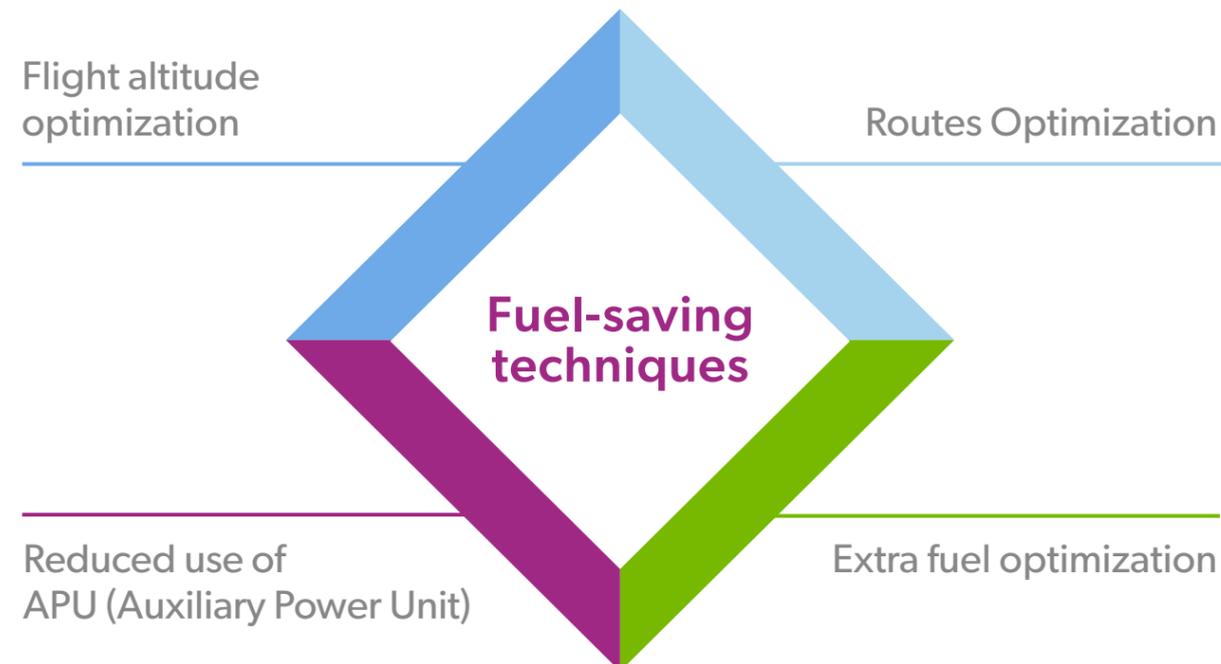
Volaris's fleet is composed of **82 aircraft averaging 5 years of age**. That is, we have one of the youngest fleets in Mexico. The newer the aircraft, the better the technology and the more efficient they are in terms of fuel consumption.

At the end of the year, we acquired five A320NEO and two A321NEO aircraft. With this, our fleet was comprised by 82 aircraft: eight A319, fifty-eight A320 and sixteen A321 aircraft with 186 seats per unit on average, 77% of which are fitted with sharklets, aerodynamic devices that reduce fuel consumption by approximately 4%. Volaris has the maximum seat configuration allowed by law, making it even more efficient in terms of costs and fuel burn.



## OTHER FUEL-SAVING TECHNIQUES

For the purpose of supplementing the fuel savings that we generate through the acquisition of a young fleet and the best technology, we carry out other fuel-saving techniques that have yielded great results.



## A320 NEO aircraft

These aircraft are fitted with state-of-the-art technology in environmental efficiency. They reduce annual fuel consumption by more than 15%. That is, they stop emitting 5,000 tons of CO<sub>2</sub> and 50% of NOx per aircraft a year.

Also, they reduce the sound footprint by 50% compared to aircraft of previous generations.



## Goals achieved by 2019

**-6%**  
fuel  
consumption  
vis-à-vis 2018 on ASM  
(Available Seat  
Miles), which is  
equivalent to 37.9 million  
gallons not consumed  
and to 370,575 tCO<sub>2</sub>

**-18.5%**  
fuel  
consumption  
2012: 23.6 GAL/RPK  
2019: 19.2 GAL/RPK

**-17%**  
CO<sub>2</sub> emissions  
2012: 88.0 g CO<sub>2</sub>/RPK  
2019: 73.3 g CO<sub>2</sub>/RPK

Volaris was the first  
NEO aircraft operator  
in North America

2019  
**28%**  
of the fleet is NEO

2022  
About  
**50%**  
of the fleet will  
be NEO

## Goals for 2025

**-4%**  
fuel  
consumption  
2019: 19.2 GAL/RPK  
2025: 18.43 GAL/RPK

**-4%**  
CO<sub>2</sub> emissions  
2019: 73.3g CO<sub>2</sub>/RPK  
2025: 70.4g CO<sub>2</sub>/RPK

# CARBON EMISSIONS OFFSET PROGRAM #cielitolimpio



GRI 305: 103-1, 103-2, 103-3



Volaris is the **first Mexican airline** to make a product available to its Customers to offset the environmental footprint generated by their trips.

As a consequence, we invite all of our Customers to purchase this product, so that in turn we can purchase carbon-emission reduction credits with their voluntary in-cash contributions, and thus offset part of the environmental footprint caused by their flights.

We use these voluntary in-cash contributions to purchase carbon-emission reduction credits certified by the Mexican Carbon Platform and by the UN

(United Nations), thus benefitting the project of bio-gas recovery, burning and use in Leon, Guanajuato, Mexico. This project promotes the sustainable development of the city by generating electricity with renewable fuel, while minimizing the harmful effects of waste. Also, it avoids the emission of 100,000 tons of CO<sub>2</sub> per year, which **is equivalent to the environmental impact of 20,000 cars and the electricity used by 3,000 households.**

In 2019, we purchased **898 carbon-emission reduction credits (tCO<sub>2</sub>)**, thus offsetting **100% of 20 flights** for the Mexico - Guadalajara route, and neutralizing the carbon footprint of **3,242 Customers.**



**Volaris is the first Mexican airline to create a partnership with the Mexican Carbon Platform (MéxiCO<sub>2</sub>) for the purchase of carbon-emission reduction credits.**



**Since 2015, we have purchased 32,467 carbon-emission reduction credits, thus offsetting 100% of 771 flights on the Mexico-Guadalajara route, and neutralizing the carbon footprint produced by 120,200 Customers.**

**The environmental projects that Volaris has supported through the Carbon Emissions Offset Program since 2015 have not only benefitted the environment, but also provided employment and technology implementation in areas with low economic development.**

# ECOLOGICAL INITIATIVES

GRI 301-2, 306-2



As an airline, fuel consumption is the main cause of CO<sub>2</sub> emissions. However, we have also implemented the following initiatives for the culture of environmental protection.

## PAPER SAVING AND RECYCLING

Our main paper-saving initiative is to promote Mobile Check-In with our Customers.

In 2019, the use of Mobile Check-In had a significant increase of **49%** over 2018, leading to **32 tons of paper** saved, equivalent to **saving 543 trees** and more than **862,000 liters of water**.

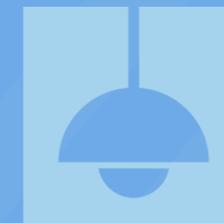
From 2017 to 2019, more than **12 million customers** have used Mobile Check-In, and in 3 years, we have saved more than **62 tons of paper**, equivalent to **saving 1,060 trees** and more than **1.6 million liters of water**.

Additionally, we implemented measures in our offices to reduce paper use, such as limiting the use of printers and implementing digital systems and/or platforms to eliminate the use of hard copies, and encouraged the recycling of the paper that is used. After these measures, we saved **6.4 tons of paper**, equivalent to **saving 109 trees** and more than **165,000 liters of water**, in 2019.

## REDUCTION OF ELECTRICITY CONSUMPTION

Saving electricity is equivalent to reducing the consumption of fuels used in the process of generating said electricity, and avoiding the emission of pollutant gases into the atmosphere. We are also committed to reducing our use of electricity.

We substituted conventional lamps with LED lights in office areas throughout the year.



We consumed **683,486 kWh** of electricity at Volaris facilities, representing a **reduction of 6.3%** versus 2018.

2019  
**38.4**  
tons of paper saved

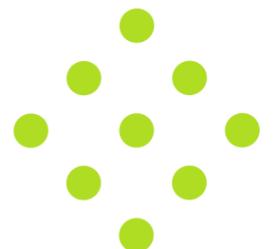
**652**  
trees saved



**+1**  
million liters of water saved



At Volaris we aim to become a paperless company, and thus will continue to work on the implementation of initiatives, systems, and platforms that serve this purpose.

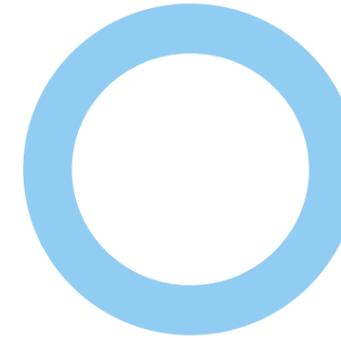


# EFFORTS FOR BIODIVERSITY

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

Biodiversity guarantees the balance of ecosystems and, without it, the world's species would be unable to survive.

At Volaris we have determined the following actions in our efforts for biodiversity:



## REFORESTATION

**Reforestation practices** are vital to our land ecosystems and to humanity's well-being, as this activity assists in the recovery of watersheds, protects crops, creates barriers, and mitigates soil erosion by preserving natural moisture and nutrients.

Moreover, carrying out such reforestation activities with volunteers, family members, and friends conveys an ecological awareness that impacts everyone's environmental behavior.

In 2019, Volaris participated in **two reforestation** activities along with **62 #VoluntariosVolaris** (Volaris volunteers); one was held in June, thanks to a Grupo Modelo initiative during World Environment Day, and the other in August, in collaboration with the ProMazahua Foundation.

## ECOLOGICAL PARTNERSHIPS

For several years now, we have collaborated with associations that work in favor of biodiversity. Specifically, we have worked with the organization **Amigos de Sian Ka'an** to strengthen the biodiversity project in the **Biosphere Reserve of Sian Ka'an, in Quintana Roo, Mexico**. We donated plane tickets to be used for meetings and fieldwork related to the project.

In turn, this organization carries out activities in the **Biosphere Reserve**, with the participation of Volaris volunteers.

These activities generate **shared value** for both parties, which is important for Volaris because of the positive environmental impact generated in one of the cities where Volaris has a significant percentage of operations.

## ENVIRONMENTAL AWARENESS CAMPAIGNS

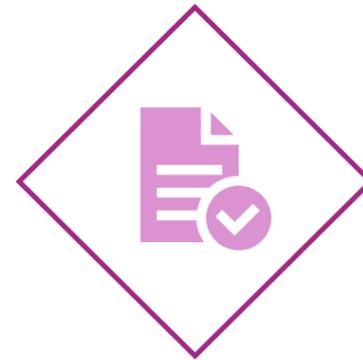
By assuming the commitment to protect the planet, Volaris seeks to **generate awareness** on climate change and the importance of environmental protection.

As part of this commitment, Volaris supported the creation and broadcasting of a feature film **Serpiente Emplumada** (Feathered Serpent), produced by Ricky López Bruni, which explores the significance and symbolism of the quetzal and its natural habitat: the cloud forests in Mexico and Central America. Also, this film encourages the conservation of this bird and its environment.

In 2019, Volaris was granted a **Boscar award** in the **Communication for the Forests** category by **Reforestamos México, A.C.**, after its valuable effort to communicate and broadcast this feature film.

# REGULATORY COMPLIANCE

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



## EMISSIONS REPORTS

GHG (greenhouse gas) emissions from aviation operations account for about 2% of the total generated by human activities, according to the IPCC (Intergovernmental Panel on Climate Change). This percentage is low when compared to other industries, even more when taking into consideration that 80% of the sector's emissions are produced by flights which distances are over 1,500 kilometers. (Air Transport Action Group, ATAG; Aviation: Benefits Beyond Borders, 2018).

However, emissions are the sector's main environmental impact and are therefore the subject of collective efforts. As mentioned on page 43, all sectors of the aviation industry agreed, through CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation), to establish strategies aimed at reducing CO<sub>2</sub> emissions for

the coming years. Moreover, in Mexico, through the General Law on Climate Change and its instrument *RENE* (National Emissions Registry), companies exceeding 25,000 tCO<sub>2</sub>e (tons of CO<sub>2</sub> equivalent) are obligated to report their direct and indirect greenhouse gas emissions.

Reporting leads to disclosure specific data on the amount of emissions generated, detecting areas of opportunity to establish actions and initiatives to reduce them, to support decision-making processes for environmental protection issues, to contribute to the development of environmental criteria and policies, and making projections on pollution volumes for the next reporting period.

It is through these two mechanisms that we report our CO<sub>2</sub> emissions.

### Volaris Mexico Y4

National Emissions (*RENE*) 2018<sup>1</sup>

Scope 1	Scope 2
1,535,911.33 tons CO <sub>2</sub> e	360.2 tons CO <sub>2</sub> e

International Emissions (CORSIA) 2019

Scope 1
606,060 tons CO <sub>2</sub> e

### Volaris Costa Rica Q6

National Emissions 2019

Scope 1
46 tons CO <sub>2</sub> e

International Emissions 2019

Scope 1
92,379 tons CO <sub>2</sub> e



<sup>1</sup>In 2019, we presented the National Emissions Registry Report (*RENE*) before the Environment and Natural Resources Ministry (*SEMARNAT*), in which we reported our operations' results for 2018.



## HAZARDOUS WASTE MANAGEMENT

GRI 301: 103-1, 103-2, 103-3  
GRI 301-1  
GRI 306: 103-1, 103,2, 103-3  
GRI 306-2

Furthermore, we report our proper management of hazardous waste through *RENE*. In 2018<sup>1</sup>, we ensured the proper disposal of 45 tons of hazardous waste that had been generated from aircraft maintenance and medical service activities, by hiring the services of SEMARNAT's (Ministry of Environment and Natural Resources) authorized suppliers.

## WORKING GROUP GREEN TEAM - ISO 9001 AND 14001 CERTIFICATIONS

In 2014, we obtained ISO 9001 and 14001 certification for the first time for some of our operational areas thanks to the creation of the Working Group Green Team, which is responsible for monitoring and supervising the maintenance and improvement of the systems certified under ISO 9001 and 14001, and for promoting a culture of quality and care for the environment.

This multidisciplinary group is coordinated by the Operations Engineering area and integrated by the areas of Dispatch, Crisis Management, Fuel, Industrial Safety, Corporate Affairs, Flight Operations, Cargo Operations, Flight Operations Engineering, Procedures and Standards Engineering, Real Estate Planning, and Crew Control.

## MAIN OBJECTIVES OF THE WORKING GROUP GREEN TEAM



### Identify and evaluate

The significant environmental aspects of Volaris



### Define

Environmental objectives, goals, and programs that allow Volaris to comply with its Integral Policy



### Find

The resources needed for environmental programs that contribute to improving environmental conditions



### Monitor

The degree of progress or performance of monitoring and measurement programs



### Participate

In reviewing the results of environmental programs, as well as proposing improvements for their implementation

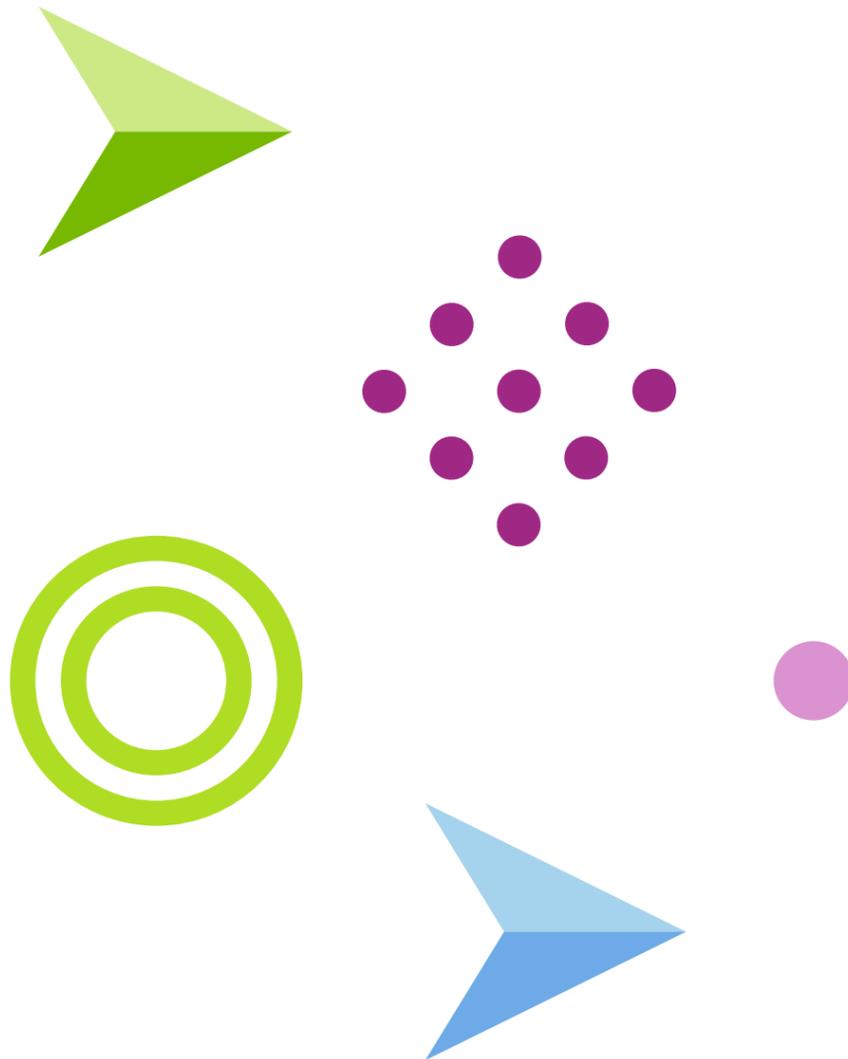
## Scope of the ISO 9001/14001 certifications

Due to the excellent management of the Cargo Operations, Crew Planning and Operations Engineering processes, Volaris extended the scope of the ISO9001/14001 certifications in 2019, after being evaluated for the second time by the surveillance audit in charge of *NORMEX* (Mexican Society of Standardization and Certification).

- We maintain the certification of the Integrated Management System according to ISO 9001:2015 for the processes of the Operations Control Center (OCC) and the Crisis Management Department, as well as the administrative procedures of the flight attendant organization and the fuel saving program.
- We complied with standard ISO 14001:2015 in the processes of the fuel saving program and administrative activities at Volaris headquarter office.
- We increased the scope of certification by incorporating Cargo Operations, Crew Planning, and Operations Engineering processes, pursuant to that set forth standard ISO 9001:2015.

<sup>1</sup>In 2019, we presented the National Emissions Registry Report (*RENE*) before the Environment and Natural Resources Ministry (*SEMARNAT*), in which we reported our operations' results for 2018.

The regulatory policy for the Working Group Green Team is the IAMS (Integrated Aviation Management System) or Comprehensive Policy.



## Comprehensive Policy

As an international air transportation carrier, the Volaris Executive Team sets forth a commitment to all Customers and Stakeholders to comply with all applicable regulations of the aviation industry, including those regarding safety and health in work, environmental policies, and all standards established or adopted by the organization as an essential priority to guarantee: quality, air safety, corporate security, prevention of any unsafe actions and conditions, Ambassador health promotion, and the prevention of environmental pollution.

Attaining a culture where quality, aviation safety, aviation security, emergency response, occupational safety and health, and environmental care are core operational priorities, Volaris commits to provide the resources to achieve this policy and encourage continuous improvement.

At Volaris we accept errors as a human condition, but under no circumstances we accept negligence. Consequently, we have an immunity policy in place, detailed in our Operational Safety Manual.



# 04.

# PEOPLE CARE FOCUS

“We are currently reinforcing our commitment to the future of the new generations more than ever, creating the ideal context for the ultra-low-cost aviation business to remain a source of development and employment for many years to come. That is why we aligned our business objectives with the UN SDGs (United Nations Sustainable Development Goals) to strengthen our profile as a sustainable airline through programs, partnerships, and participations in forums, involving the Communities where we operate and our Customers in the virtuous circle of sustainable behavior.”

José Alfonso Lozano  
Volaris Corporate Affairs Director

AMBASSADORS' RELATIONS, PRACTICES AND WELLBEING

HUMAN RIGHTS AND COMMUNITY RELATIONS

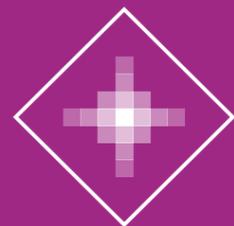
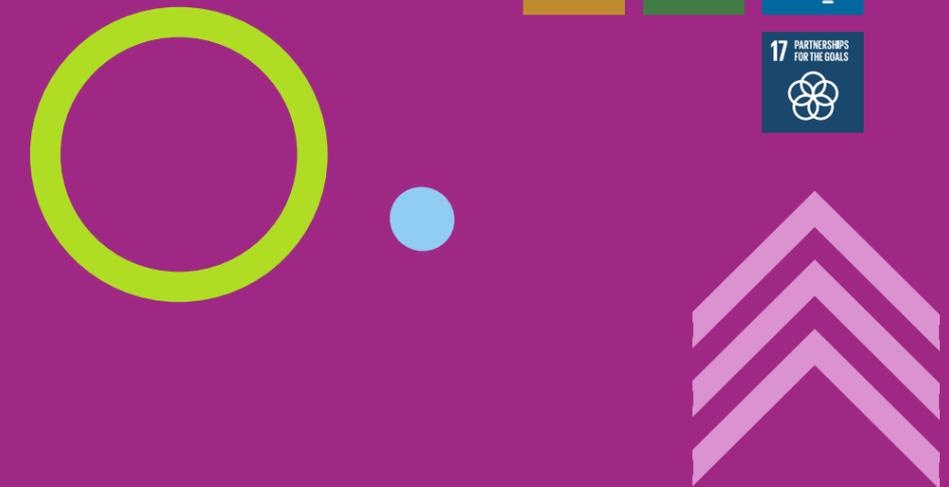
CUSTOMERS' WELFARE, PRIVACY AND PERSONAL DATA PROTECION



# AMBASSADORS' \* RELATIONS, PRACTICES AND WELLBEING

We are aware of the impact that our operations have within the sector, just as the IATA (International Air Transport Association) pointed it out: "Air transportation offers important social benefits, contributing to sustainable development. By facilitating tourism and trade, it generates economic growth, provides jobs, improves living standards, alleviates poverty and increases tax revenues." Volaris implements initiatives that promote the development of a healthy and productive society. Therefore, within its organization, it fosters a Person-centered organizational culture; that is, it promotes

actions aimed at honoring Human Rights and non-discrimination; talent attraction, retention and promotion mechanisms; wages and benefits that surpass the minimum established by law. In addition, it provides operational health and safety plans that ensure the wellbeing of all Volaris Ambassadors. By identifying convergences between our initiatives and the Sustainable Development Goals (SDGs) we are sure that we directly contribute to achieving the goals set by the international community.



VOLARIS CULTURE



EQUAL OPPORTUNITIES AND NON-DISCRIMINATION



VOLARIS FAMILY



VOLARIS COMPETENCY MODEL AND TALENT CYCLE



WAGES AND BENEFITS



OCCUPATIONAL HEALTH AND SAFETY

-  EQUAL OPPORTUNITIES AND NON-DISCRIMINATION
-  FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

-  HEALTH PROGRAMS
-  INDUSTRIAL SAFETY AND CIVIL PROTECTION
-  ACCIDENT MONITORING AND WORK-RELATED RISKS MANAGEMENT

\* Men and women who work at Volaris.

# VOLARIS CULTURE

GRI 402: 103-1, 103-2

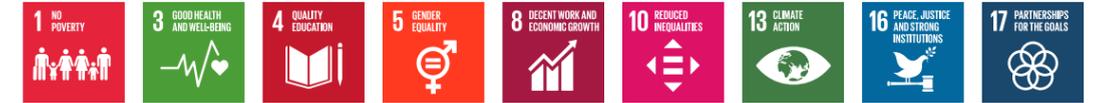
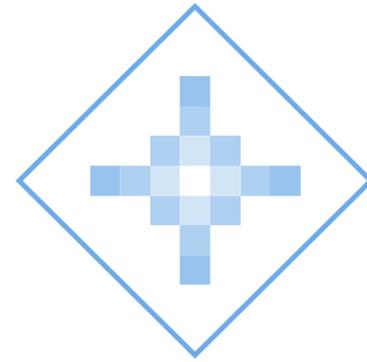
The Volaris Culture is the DNA that sets us apart from our competitors. It is a Person-centered culture, with which we see each Ambassador\* in a comprehensive manner, considering five pillars: Health, Family, Social Commitment, Development and Spirit.

For Volaris, the wellbeing as well as the personal and professional development of its employees is of great importance.

**“We seek to promote the experience of a Person-Centered Culture through actions aligned with our values, generating a sense of belonging and pride in Volaris, so that together we can transcend by creating and living the best travel experiences.”**

Juliana Angarita

Volaris Organizational Development Director



## ELEMENTS THAT MAKE UP THE VOLARIS CULTURE



### Mission

With the best people and lowest costs, we enable more people to travel... well!



### Vision

Transcend by creating and living the best travel experiences.



### Behaviors

Credibility, Respect, Fairness, Fellowship and Pride.



### Pillars

Safety, Customer Service, and Sustained Profitability.



\*Men and women who work at Volaris.

# EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

GRI 102-16, 102-17, 102-25  
GRI 402: 103-3

## EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

**“The gap between the opportunities available to men and women in the aviation industry is closing. At the present time, we see society is transforming from the family nucleus to the corporate world, where more and more women are performing outstandingly and where there are more opportunities for their personal and professional growth.”**

Sonia Jerez  
Volaris Vice President and Chief Financial Officer

We strive to generate a highly productive community that promotes equal opportunities and non-discrimination for all people. We are committed to preventing, addressing and sanctioning any type of practice that goes against our philosophy.

The internal regulations that govern our behavior in terms of equal opportunities and non-discrimination are listed as follows:

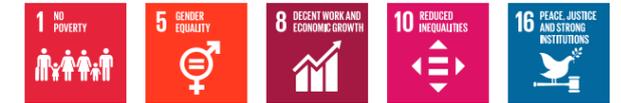
- Organizational Culture
- Code of Ethics, Ethics Committee, and Whistle Blowing Line
- Diversity and Equal Opportunities Policy
- Compensation Policy
- Maternity Policy, Use of Breastfeeding Rooms, and Daycare Agreements

Through these internal regulations, we protect the Human Rights of our Ambassadors, promote work environments conducive to the comprehensive development of our people, both personally and professionally, fight discrimination, and promote violence-free work environments. With this, we generate scenarios that are conducive to the free development and wellbeing of our Ambassadors.

We are a company with a diverse workforce that ensures that both men and women achieve their full potential, and exercise their rights equally by having a well-paid, discrimination-free formal job.

**“Our Company makes selections based on soft and hard skills, experience and studies, promoting equal opportunities throughout all its processes.”**

Juliana Angarita  
Volaris Organizational Development Director



## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

At Volaris, we respect the right to freedom of association and collective bargaining, so one of our challenges is to continue working with union representation to benefit our business model’s productivity and to improve Ambassadors’ wellbeing. Volaris workers have a union called *Sindicato de Trabajadores de la Industria Aeronáutica, Similares y Conexos de la República Mexicana (STIA*, for its Spanish acronym).

We have a team of Human Resources Business Partners (HRBPs), or Human Resources representatives, in our hubs (cities where we have the largest number of operations) dedicated to serving the labor needs of unionized Ambassadors. In addition, we have a team of experts in the Labor Relations areas responsible for maintaining the link and management with union representation and operating areas to reconcile labor and business needs.

For Volaris, the *STIA* and its affiliates in the Volaris company, 2019 was a year of great challenges and achievements to **improve the satisfaction of the different unionized work groups: Pilots, Flight Attendants, Maintenance Personnel, Traffic Agents and Operations.**

In 2019, STIA carried out the following actions:

- Maintained follow-ups so that all Crew members had their **payment balance**, in order to have clarity and an easy explanation of flight and service hours
- Worked together with the Company to grant **death benefits** to unionized Ambassadors from all work groups, who unfortunately lost a beloved family member
- In collaboration with Volaris, obtained several **discount agreements** for Ambassadors in the different hubs, in order for them to acquire goods and services at preferential prices
- **Sports promotion**, such as the FutVolaris-STIA tournament, as well as the execution of various **campaigns to promote union members' health and safety**. Nearly 40 teams, both male and female, joined the tournament, and almost 500 Ambassadors from the different unionized work groups participated
- Worked with the Company so that our "Traffic Agents" received **seasonal bonuses for Easter and summer**
- Achieved an agreement between Volaris and a **transport company** from the Cancun International Airport in order to transport Traffic Agents who work at the Cancun hub to the city center, given the shortage of local transport

- Through coordinated work, they were able to grant **family passes, buddy passes, and union passes** (airline tickets that may or may not have restrictions for tax payment or seasonal limitations) for the Ambassadors and their families
- Achieved that the Company granted a **buddy pass** to recognize outstanding Ambassadors, through the **"Ambassador of the Month" program**
- Accomplished that the Company held a **maintenance category promotion contest** for Ambassadors from all hubs, by applying theoretical and practical exams. These contests allowed our maintenance members to demonstrate their capabilities. The Ambassadors who passed the exam were promoted and improved their salary compensation
- Participated in **advancement ceremonies** for our maintenance members; over 30 members of the Cancun, Monterrey, Mexico City, Guadalajara and Tijuana hubs were promoted to higher categories: such as Mechanic Technician and Specialized Mechanic Technician
- Together with the Company, it carried out the **first Visual Health Fair** in the Monterrey hub
- Finally, it achieved that a large part of Aviators and Flight Attendants enjoy **growth opportunities** within the Company with multiple promotions and salary rate changes. STIA remains committed to continue working with Volaris, so that this positive growth trend continues for the benefit of union Ambassadors

## Unionized Ambassadors by work groups



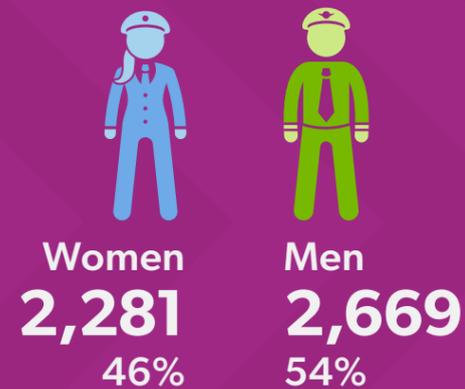
# VOLARIS FAMILY

GRI 102-7, 102-8, 102-41  
GRI 402: 103-1, 103-2

We believe that men and women who are part of Volaris are more than employees, as we share a dream and represent the Company with pride. Therefore, we are Ambassadors of the brand, and as its representatives, we form a family, the Volaris Family.

Volaris is made up of a team of professionals who have the skills to provide the best service and the best travel experience for our Customers.

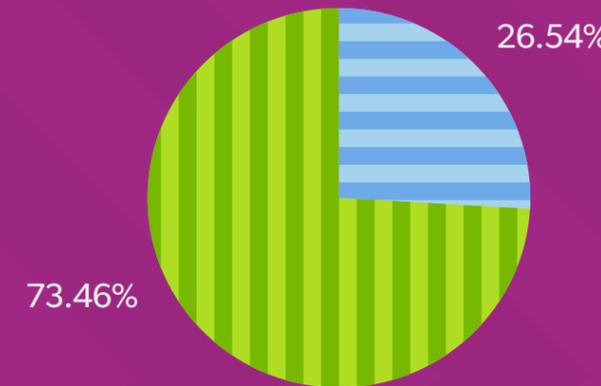
## 4,950 Ambassadors in Mexico and Central America



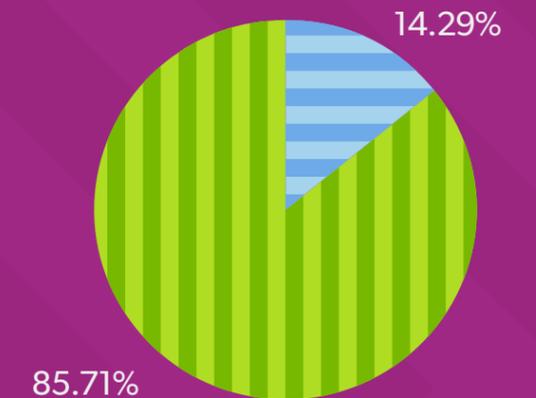
Staff by gender and country



## Managers and Directors Gender Diversity



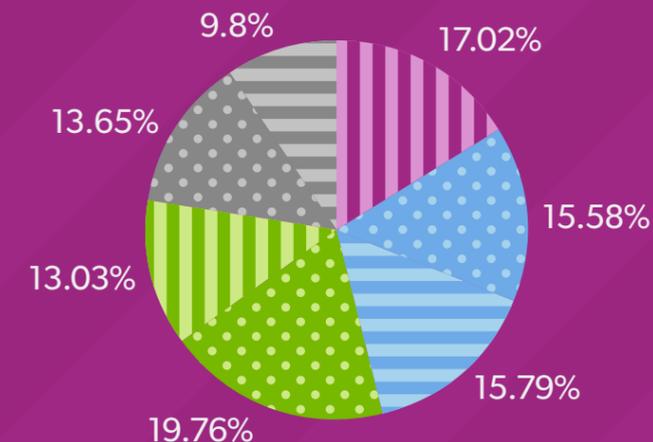
## Board of Directors Gender Diversity



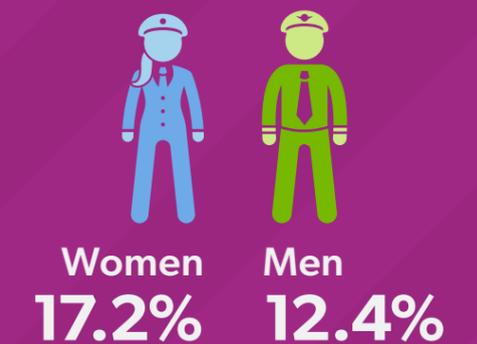
## Turnover rate 2019 TOTAL TURNOVER

**14.9%** -4.1 vs 2018

- Mexico
- Cancun
- Guadalajara
- Monterrey
- Tijuana
- Corporate Offices
- Others



## Turnover rate by gender



# VOLARIS COMPETENCY MODEL AND TALENT CYCLE

GRI 402: 103-3



## VOLARIS COMPETENCY MODEL

The **Volaris Competency Model** is a set of behaviors that Volaris expects that each of its Ambassadors to develop and to permeate into daily work activities. This Model is based on the profile and needs of the Company to achieve success and business continuity, ensuring the leadership development of its Ambassadors.

The competencies that make up the Model are the following:

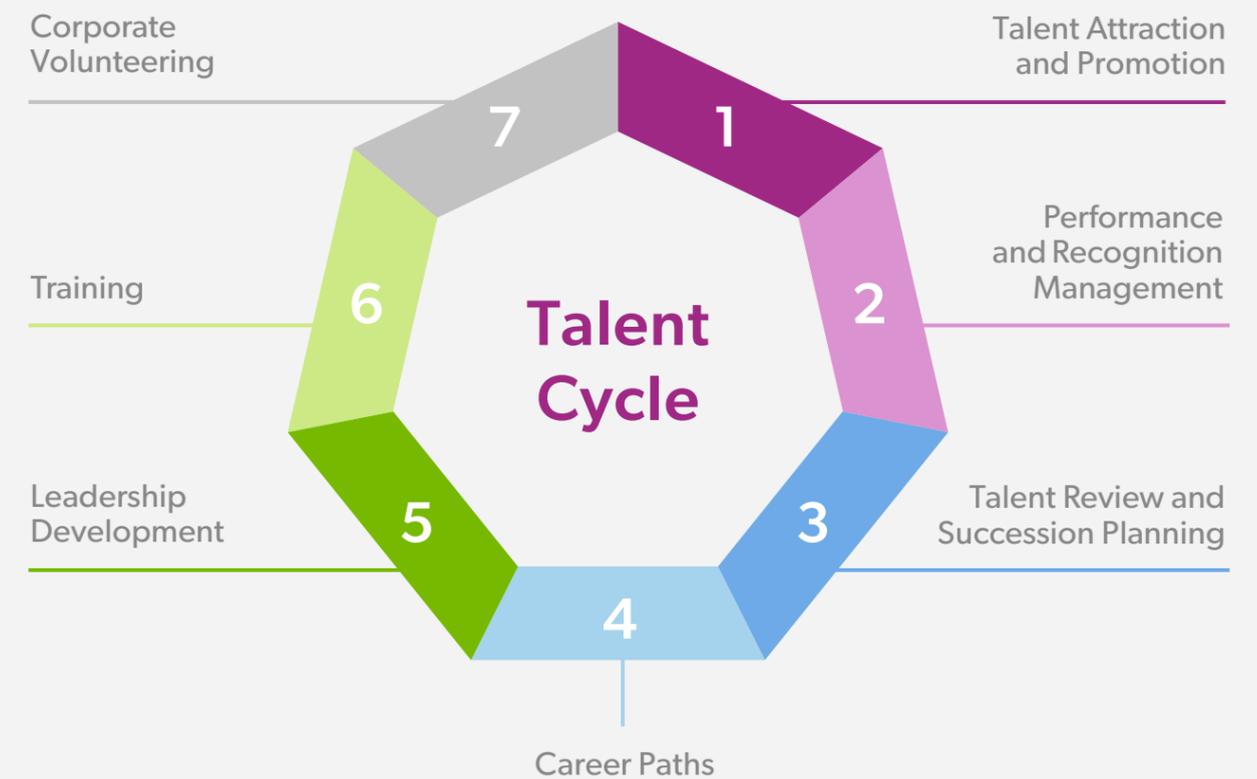


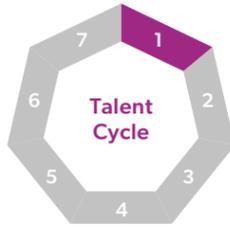
In addition, the Model serves as a framework to standardize the language and objectives of each of the stages that make up the **Volaris Talent Cycle**.

## VOLARIS TALENT CYCLE

The **Volaris Talent Cycle** is that set of stages that Volaris Ambassadors must go through during their time in the Company, from a Talent and Development perspective.

Each of the seven stages that make up this Cycle have different programs and processes, which are explained throughout the Report.





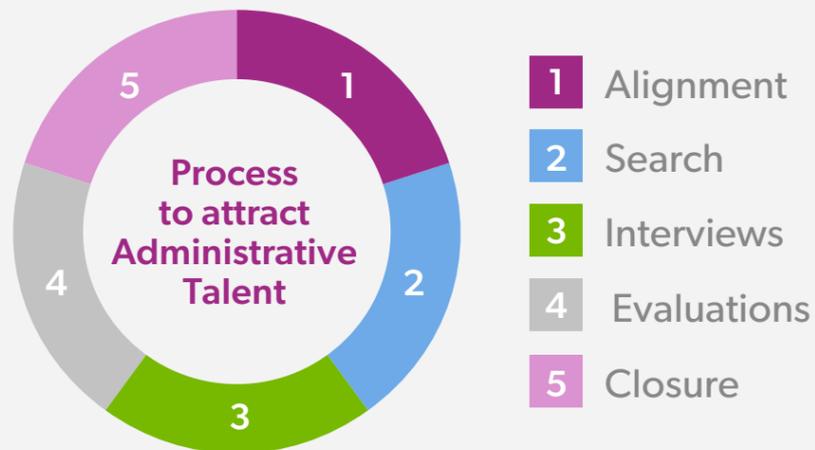
## TALENT ATTRACTION AND PROMOTION

GRI 402: 103-3



### TALENT ATTRACTION

We strive to attract and retain the most competent and professional talent in order to guarantee safety throughout all our operations and the profitability of the Company.



**“We attract the best talent by developing and implementing effective recruitment strategies through a soft-skills based interview model, to find out if the candidate is a fit with the Volaris Culture values and has the necessary skills for the position.”**

Ruth Leyra  
Volaris Talent Attraction Manager

### ATTRACTING YOUNG TALENT

At Volaris, we recognize the importance of providing job opportunities for young people to generate sustainable economic growth in the countries where we operate. That is why we have talent seedbed programs under the umbrella of what we call **Galaxy of Development**, which focuses on training and giving experience to people who are joining the professional world for the first time.

In 2019, we yielded the following results from the programs that make up **Galaxy of Development**:

#### **COMETAS - Program intended for Ambassadors' family members**

This program was designed to last five weeks in the summer, for Ambassadors' family members who are high school students or college freshmen and wish to have a glimpse of our business by working on a project assigned to them. **Out of 13 students, 2 of them participated in this program for the second consecutive year, and three ended up hired by the Company.**

#### **NOVAS - Program for college students**

This program was designed to last 1 to 2 years for college students skilled enough to perform well in administrative and operational areas (specialized in Aeronautical Engineering). In addition, they may have the opportunity to participate in the talent seedbed for future vacancies. **Out of 20 interns, 8 were hired by the Company.**

#### **SATÉLITES/TRAINEES - Program to attract and develop college graduates**

This program was designed to last a year and a half, and to focus on attracting and developing college graduates with high potential who can fill mid-level positions within the Company. **Out of the 3 trainees in the second generation, 2 were hired by the Company.**

# 1,152

Hirings during 2019



Women  
**591**

Men  
**561**



## 546

Crew Members

Women  
**309**

Men  
**237**

## 426

Airport Personnel

Women  
**205**

Men  
**221**

## 180

Administrative Positions

Women  
**77**

Men  
**103**

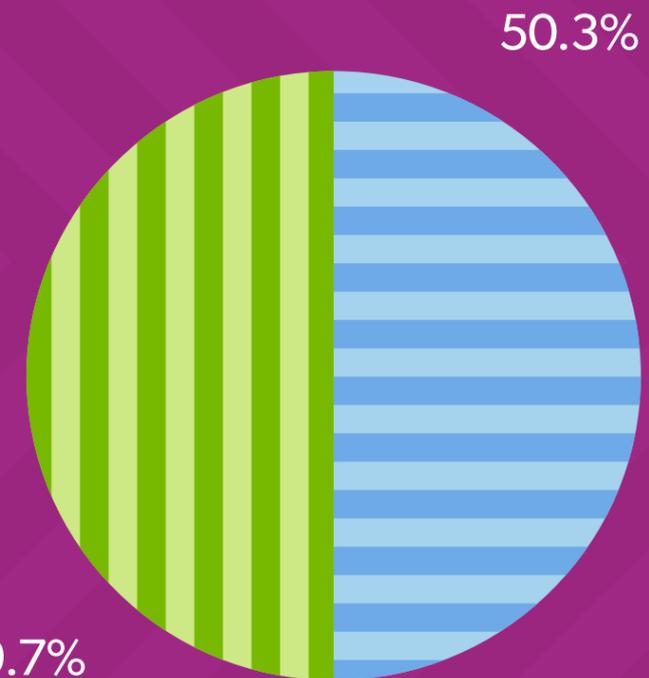
### SOI (INTERNAL OPPORTUNITIES SYSTEM)

The SOI program allows Ambassadors to apply for open positions, thus increasing their opportunities. We strive to offer optimal internal development that encourages productivity, improves the quality of the service that we provide our Customers, and favors the creation of excellent travel experiences.

During 2019, we had:

# 187

promotions

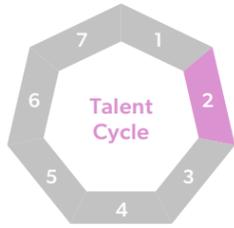


94 Women

93 Men

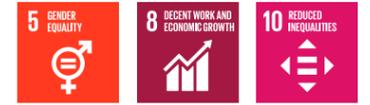
49.7%

50.3%



## PERFORMANCE MANAGEMENT

GRI 402: 103-3



We are aware of the dynamic and competitive environment where we live and therefore, we have designed our performance evaluation process in keeping with corporate strategy and needs, allowing us to have clear and challenging goals on a quarterly basis.

We are convinced that, in order to be the best airline, we must align our short, medium and long term objectives with the Company's strategy, as well as measure and evaluate our efforts to meet our objectives.

At **Performance Management**, we evaluate two important components:

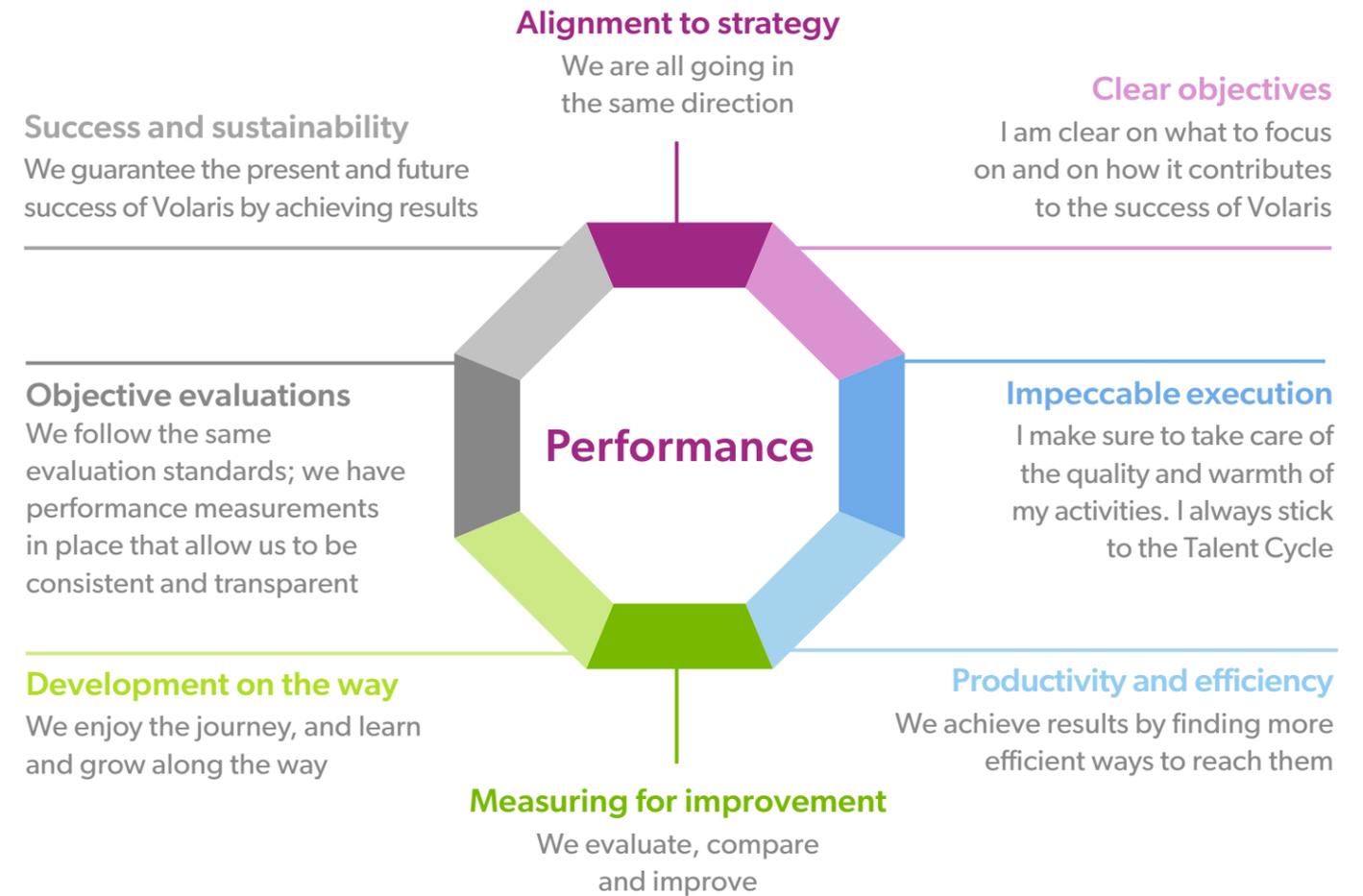
- Business outcome (what)
- How we achieve such outcome by living our values (how)

We have clear measurements in place to consistently and transparently evaluate performance. With this, we identify and recognize those Ambassadors with exemplary achievements.

Every quarter, each Ambassador meets with his or her Leader to have a conversation and define his objectives and goals. During such meetings, Ambassadors receive feedback on their performance, strengths, and areas of opportunity, and if necessary, both parties discuss about actions to help achieve better results.

Quarterly performance scores earned by Ambassadors are averaged to get their final yearly score. With this, it is possible to identify those Ambassadors standing out after their individual contributions, and to reward them with tangible benefits that directly improve their quality of life.

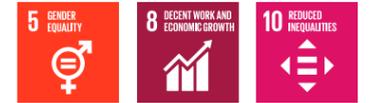
**More than 85% of the administrative Ambassadors set up objectives and completed performance evaluations with their Leaders. This allows us to stay focused on the company's strategic objectives.**



**“We provide the necessary tools for the fulfillment of results by defining clear objectives and by being aligned with the Volaris strategy.”**

Stephanie Amor  
Volaris Talent Management and Leadership Development Manager

As part of the **Performance Management**, the **360° Leadership Competency Evaluation** was carried out in 2019 to include the perception of the Area Leader, Direct Reports, Peers and Internal Customers. For the first time, 100% of our Managers, Senior Managers, Directors and Vice Presidents both evaluated and were evaluated, and received a report with relevant information to identify strengths and areas of opportunity to generate individual development plans. As a company, this process allowed us to identify those competencies on which we are strong, and those which we have to continue developing to ensure business continuity.



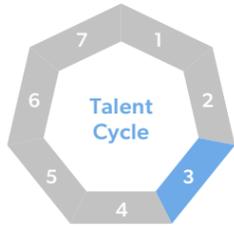
## RECOGNITION PROGRAMS

GRI 402: 103-3

Recognition is a management tool that strengthens the Company's relationship with workers, promotes employee satisfaction, serves as a mechanism to encourage motivation, reinforces positive actions and behaviors, and improves productivity.

For Volaris, it is of great relevance to recognize its Ambassadors, as it is a way to promote the importance of outstanding work and years of service within the Company.





## TALENT REVIEW AND SUCCESSION PLANNING

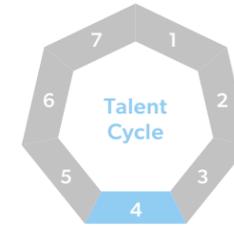
GRI 402: 103-3

One of the main objectives of the Organizational Development Department is to make sure that we have the necessary talent at all times to meet the business objectives, guaranteeing its continuity. Therefore, we completed the Annual Talent Review during 2018 and 2019, considering all middle and high levels (with the participation of more than 310 Ambassadors) through a clear and consistent methodology that allowed us to identify:

- The talent category under which each Ambassador belonged, based on his profile
- Development needs of each Ambassador
- Key Ambassadors to be considered in succession benches for critical positions
- Clarity about how we should focus our efforts, ensuring the personal orientation process, retention and development of our future Leaders

**“We are an enabler in talent management because we identify and develop our future leaders through our processes, thus ensuring that we have the right person in the right position. With this, it is possible to guarantee the continuity of the business, while generating growth experiences for our Ambassadors.”**

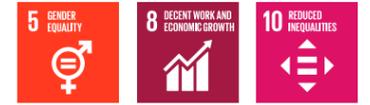
Stephanie Amor  
Volaris Talent Management and  
Leadership Development Manager



## CAREER PATHS

GRI 402: 103-3

The **Career Paths** program is dedicated to our operational staff as a development tool to show our operational Ambassadors the various alternatives they can have for growth during their professional career at Volaris.



### Your career, your development

This program offers the necessary information and tools to guide our Ambassadors in defining the professional goals they wish to achieve.



## LEADERSHIP DEVELOPMENT

GRI 402: 103-3

The detection, retention and development of Leading Ambassadors is of great importance for Volaris, since they are the people who will grow within the Company, filling positions of greater responsibility and ensuring the success of the business.

As part of the **Leadership Development** program, the following actions were carried out in 2019:

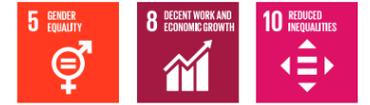
**Personal Orientation Program for new Leaders**, designed to provide tools for people who have been promoted or who were assigned to a different work team, with the purpose of streamlining the learning curve and ensuring that the way of working and the work environment are suitable to meeting the expected results.



### Leadership Development through coaching, mentoring and shadowing



### Special Certificate Courses focused on the development of technical and managerial skills



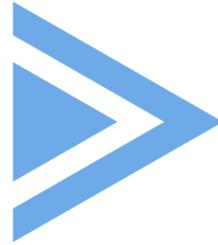
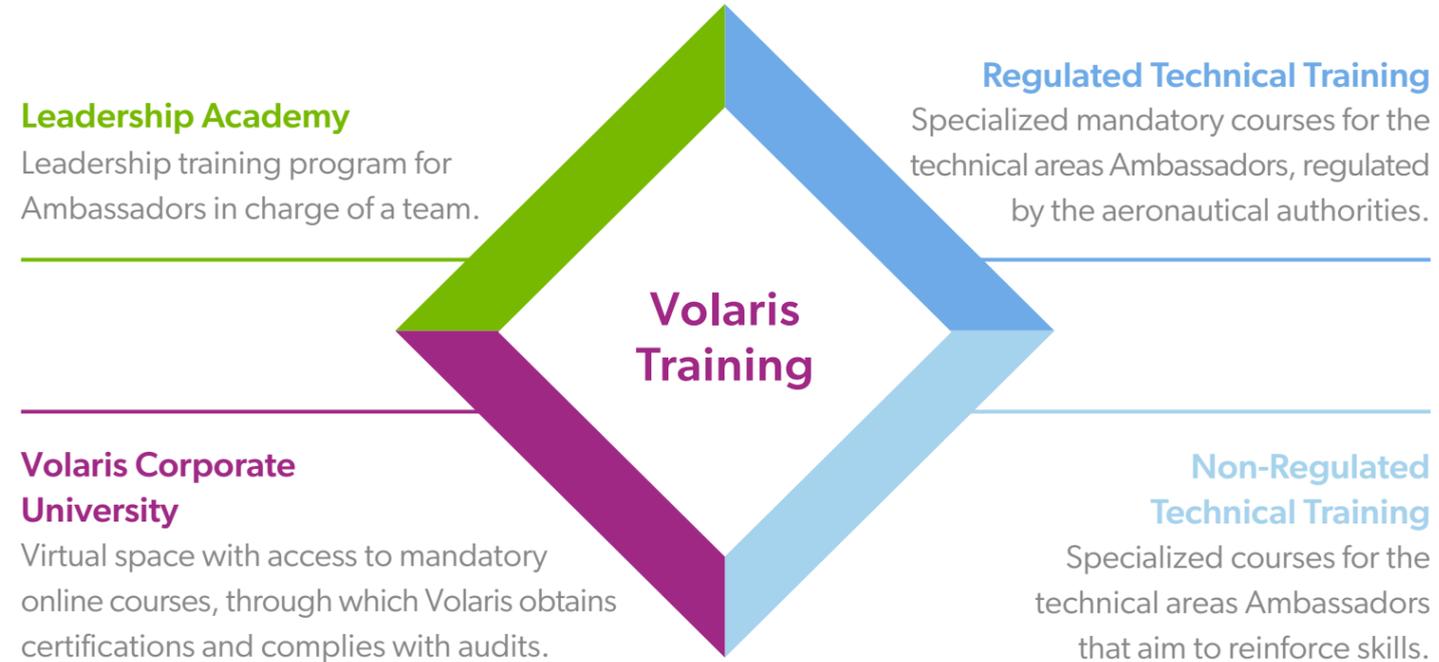


## TRAINING

GRI 402: 103-3  
GRI 412-2

We are convinced that a person who receives training, is a person that will have the possibility of getting opportunities in the future that will guarantee his/her wellbeing. That is why we offer our Ambassadors various classroom and online courses, the latter provided by means of an e-learning platform, through which they can acquire knowledge and strengthen skills for their professional development. All courses are designed according to the needs of the business and aligned for the different profiles.

Training at Volaris is divided into four areas:



	REGULATED TECHNICAL TRAINING	NON-REGULATED TECHNICAL TRAINING
Courses offered	537	1,122
Training hours	14,479	11,619
Participants	7,019 2,178 women 4,841 men	10,675 6,954 women 3,721 men

\*Some Ambassadors take more than one course a year



## VOLARIS CORPORATE UNIVERSITY

2019 mandatory courses	Trained Ambassadors	Participants completing the course (%)	Women	Men
<b>SMS:</b> Safety Management System	6,128*	99%	2,707	3,421
<b>FCPA:</b> Foreign Corrupt Practices Act	552	99%	196	356
<b>ECPAT:</b> End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes	3,681	98%	1,912	1,769
<b>LFPDPPP:</b> Federal Law of Personal Data Protection held by Individuals	4,595	96%	2,123	2,472
<b>COEV:</b> Volaris Code of Ethics	4,791	98%	2,209	2,582
Key Control Policies	716	94%	291	425

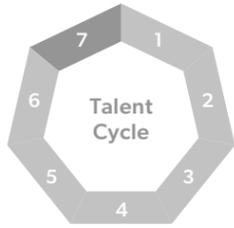
## COURSES OFFERED IN 2019 THROUGH THE LEADERSHIP ACADEMY

Course	Population	Participants	Courses (#)	Hours	Men	Women
Orientation	Total Company	929	23	12,805	327	348
Leadership Course to Be Promoted to Captain	Pilots	74	8	1,184	72	2
Leadership Academy for Airport Managers	Airports	76	22	796	33	43
Leadership Academy for Volaris Leads and Coordinators	Airports	79	14	754	43	36
Leadership Academy for Leads Outsourcing	Airports	76	14	485	30	46
Team Resource Management	Operational Leaders	49	441	9	39	10
Team Integration and Work	Airports	12	1	348	8	4
Special Certificate Course for Managers (Modules 6 and 7)	Managers	44	2	704	31	13
Executive English	Administrative People	2	2	240	1	1

Training is of great importance to reinforce knowledge, skills and competencies that our Ambassadors will use in meeting business objectives. Training also contributes to the professional development of the Ambassadors and their long-term wellbeing.

**+61,000**  
hours of training delivered in 2019

\*Some Ambassadors take more than one course a year

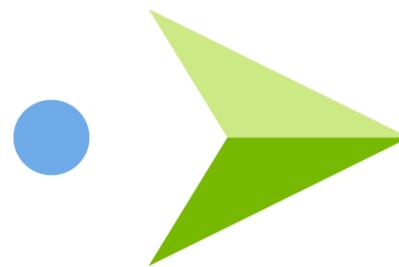


## CORPORATE VOLUNTEERING

*#VoluntariosVolaris* (Volaris Volunteers) aims to promote the **culture of volunteering** among our Ambassadors, since we are convinced that through these activities, not only is the community benefitted, but also the **sense of belonging and pride in being part of the Volaris Family** is reinforced.

In 2019, **513 #VoluntariosVolaris** participated with their time to offer vulnerable children, teenagers, and adults an enriching experience with the various activities conducted throughout the year, thus benefitting **1,973 people directly**.

At Volaris are aware of our greater challenge for 2020, since we, as the Volaris Family, want to share our values with those most in need, and have a positive impact on our planet with actions that protect the environment.



# WAGES AND BENEFITS

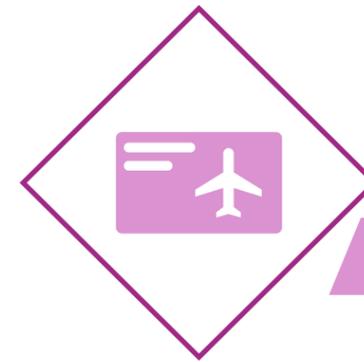
GRI 201, 419: 103-1, 103-2  
GRI 201-1

We have a competitive wages and benefits plan in place that surpasses the minimum established by law. Through these efforts, we strive to attract and retain the best talent, as we contribute to improving their quality of life. The almost 5,000 Ambassadors who work at Volaris receive these benefits, and this leads to driving sustainable economic development in the Communities where we operate.

As part of Volaris's strategy to promote **equal opportunities for all people**, we maintain a balanced

rate of wages paid to men and women for the same work. That is, the ratio of the base salary and total remuneration for men and women working in Volaris is **1 to 1**.

It is also important for us to maintain the balance of the starting wage for men and women. Our lowest wage amounts to \$7,020.72 Mexican pesos, which is **1.9 times the minimum wage established by law in Mexico** of \$3,696.60 Mexican pesos per month.



**Our purpose is to guarantee that our Ambassadors have a comprehensive working-life experience, through a personalized, warm, competitive service of the highest quality. To achieve this, compensation is a fundamental element, for which we continuously conduct market assessments with specialized consultants, in order to maintain high competitiveness at all levels."**

Martín González  
Human Resources Director

**"The air transportation industry is a major global employer that supports a total of 65.5 million jobs worldwide and provides 10.2 million direct jobs, and 10.8 million indirect jobs."**

Aviation Benefits Beyond Borders, ATAG, 2018

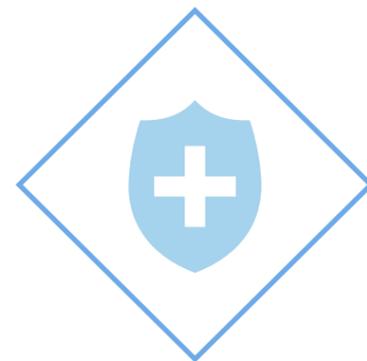
## BENEFITS

- Benefits surpassing the minimum established by law
- Major medical expense insurance
- Life insurance for natural or accidental death
- Variable compensation and food coupons for unionized Ambassadors
- December Overnight Program for Crew Members<sup>1</sup>
- Maternity and paternity leave<sup>2</sup>, special breastfeeding hours, use of breastfeeding rooms, and agreements with daycare centers
- Passes for administrative or unionized Ambassadors<sup>3</sup>
- Home Office and flexible working arrangements for administrative Ambassadors

**+\$3.6**  
billion Mexican pesos in wages and benefits for Ambassadors, in 2019

<sup>1</sup> On December 24th and 31st, Crew Members have the right to travel with a companion on the assigned flights in which they have to spend the night. In 2019, 125 Ambassadors used this benefit.  
<sup>2</sup> In 2019, there were four paternity leave and 101 maternity leave cases. All four men are still active in the Company, while 82 of the women are still active.  
<sup>3</sup> These airplane tickets are neither season nor tax payment restrictive.

# OCCUPATIONAL HEALTH AND SAFETY



Health and Safety of all our Ambassadors are one of the top priorities at Volaris. We know that the excellence in our service depends largely on the conditions in which our Ambassadors work to provide impeccable quality in their daily work. Therefore, we believe that it is of utmost importance to concentrate efforts on the good physical and emotional health through a series of initiatives that respond to their needs.

## + HEALTH PLANS

The health of our Ambassadors plays an important role in our Culture. As part of our efforts to create a culture of prevention to keep good health and to safeguard the integrity of our Ambassadors, we implemented the following actions in 2019:



<p>NUTRITION TALK AND CONSULTATION AT OUR HEADQUARTER OFFICES</p> <hr/> <p><b>82 participants</b></p>	<p>TALK ON DIABETES MELLITUS</p> <hr/> <p><b>20 participants</b></p>	<p>TALKS BY SLEEP SPECIALISTS</p> <hr/> <p><b>32 participants</b></p>
<p>DENTAL AND VISUAL HEALTH CAMPAIGN IN MONTERREY</p> <hr/> <p><b>19 participants</b></p>	<p>CAMPAIGN FOR THE PREVENTION OF CERVICAL, BREAST, AND PROSTATE CANCER</p> <hr/> <p><b>Almost 100 participants</b></p>	<p>DERMATOLOGICAL CONSULTATIONS TO PREVENT OR DETECT PROBLEMS</p> <hr/> <p><b>18 participants</b></p>
<p>2019-2020 INFLUENZA VACCINATION CAMPAIGN</p> <hr/> <p><b>1,118 vaccines applied</b></p>	<p>MEDICAL EVALUATIONS FOR WORKSHOP, MEXICO MAINTENANCE, APPEARANCE, AST, AND QUALITY PERSONNEL</p> <hr/> <p><b>179 people served</b></p>	<p>SLEEP MEDICINE</p> <hr/> <p><b>32 pilots and 75 maintenance Ambassadors</b></p>
<p>ALTRUISTIC BLOOD DONATION CAMPAIGN AT OUR CORPORATE OFFICES</p> <hr/> <p><b>21 donors 63 beneficiaries</b></p>	<p>HOME MEDICAL VISITS FOR CREW MEMBERS</p> <hr/> <p><b>150 visits</b></p>	<p><b>MEDICAL GUARDS WERE IMPLEMENTED ON WEEKENDS</b></p>

## INDUSTRIAL SAFETY AND CIVIL PROTECTION

As part of our commitment to guarantee safe working spaces for protecting our Ambassador wellbeing and to comply with official regulations in this area, we have 40 Health and Safety Commissions in charge of making periodic visits to our facilities for checking purposes and in order to find possible omissions to the established standards, as well as to identify areas of opportunity to implement

corrective measures, and as a consequence, prevent work-related accidents.

In order to maintain a civil protection culture at Volaris and implement best practices, we actively collaborate with the National Coordination for Civil Protection of the Ministry of the Interior, as well as with airport authorities.

**480**  
monthly fire  
extinguisher  
checks

**120**  
quarterly  
reviews to  
electrical  
installations

**80**  
semi-annual  
checks  
for smoke  
detectors

Twenty courses were given to the emergency brigades, training 200 Brigade Members and Ambassadors on First Aids, Fire Fighting, Evacuation, Search and Rescue.

We participated in the Macro Drill on September 19th, with five simultaneous drills in the following workplaces: Corporate Offices, Mexico City Marriot Offices, Mexico Workshop, Distribution Center, Mexico City International Airport, and Corporate Offices in Costa Rica, from which 837 people were evacuated by 93 Brigade Members.



 **ACCIDENT MONITORING AND WORK-RELATED RISKS MANAGEMENT**

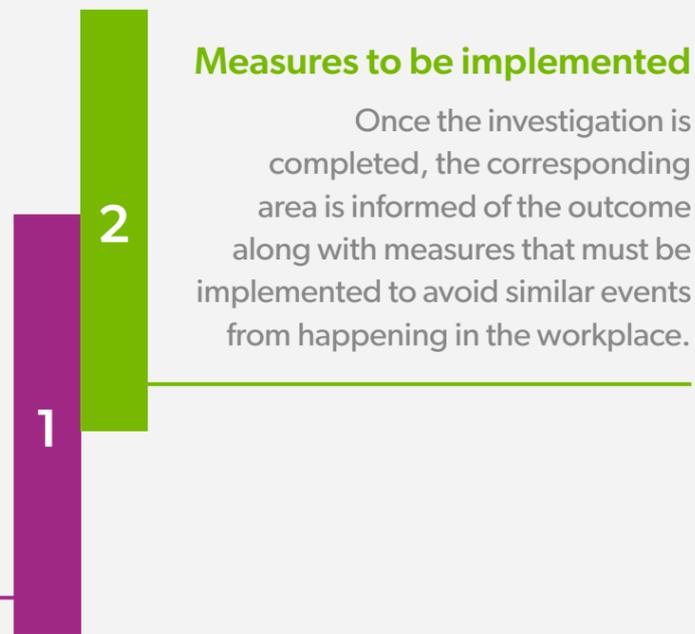
We constantly monitor all operations to avoid possible incidents, and to create a culture of prevention in all our Ambassadors with respect to their work areas. For this reason, we carry out a series of activities to mitigate risks and activate the necessary actions for control and follow-up actions whenever we have a case of long-term disability.



**WORK INCIDENT INVESTIGATION PROCESS**

**Accident investigation**

The Accident/Incident Investigation form is used to gather information about the Ambassadors, Leaders, Supervisors, Medical Service and Industrial Safety for the identification of events and determination of corrective measures.



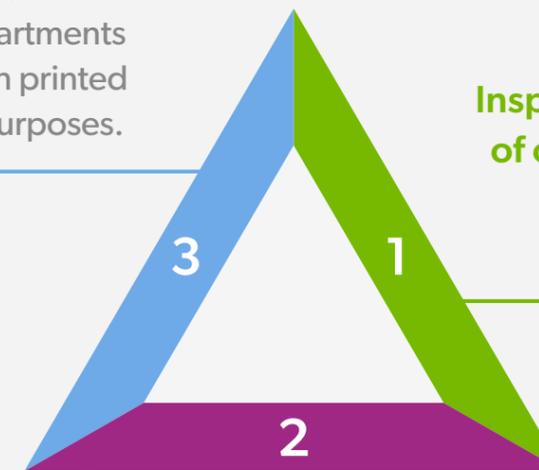
**Measures to be implemented**

Once the investigation is completed, the corresponding area is informed of the outcome along with measures that must be implemented to avoid similar events from happening in the workplace.

**MONITORING PROCESS FOR WORK ACCIDENTS**

**Accident evaluation**

The information received is channeled to the Occupational Health and Industrial Safety departments via e-mail, and later in printed form, for follow-up purposes.

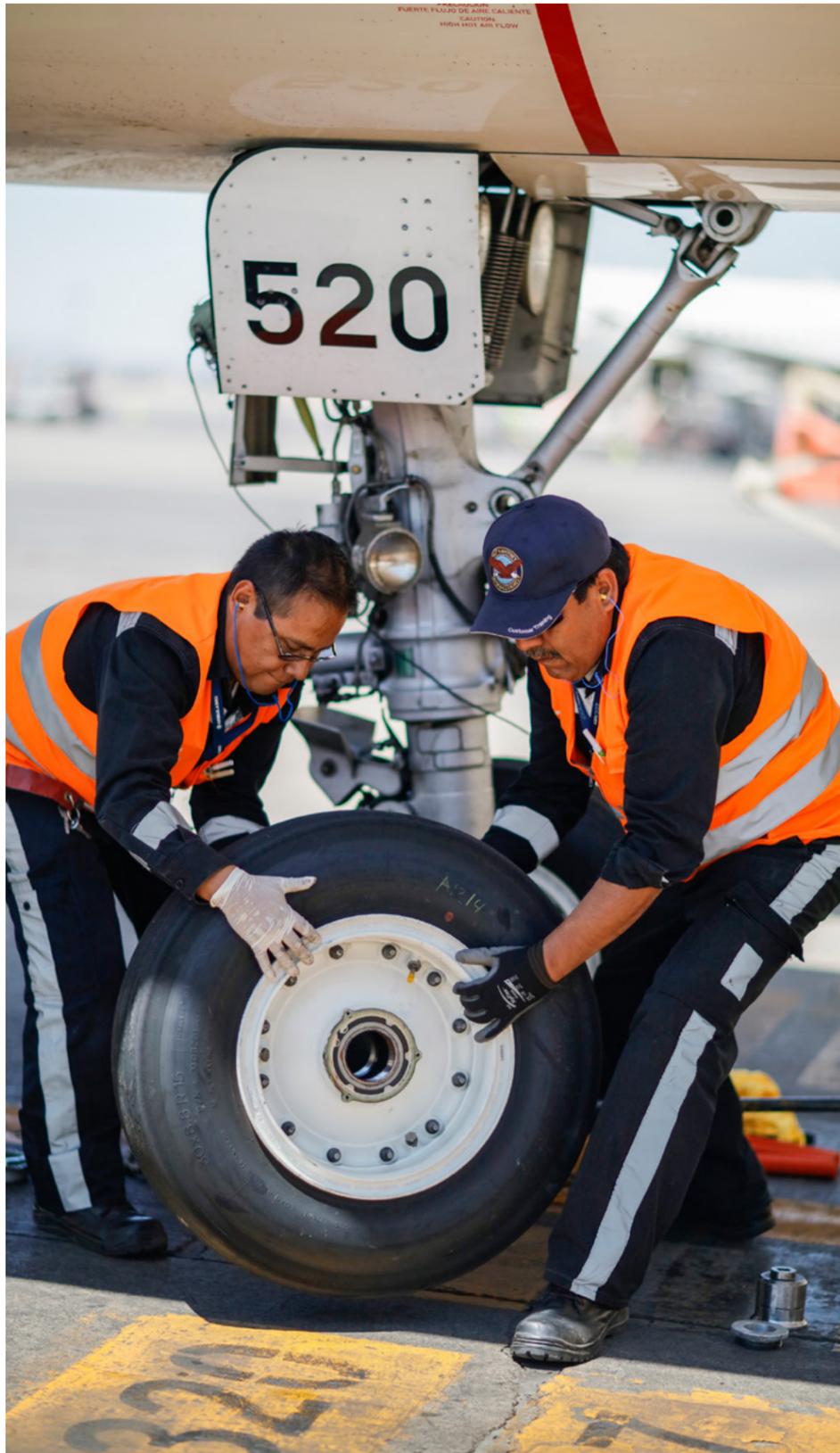


**Inspection and monitoring of occupational accidents**

Human Resources staff receives the information.

**Accident mitigation efforts**

After the Human Resources staff has been informed, they fill out the ST-7 form to send it to the IMSS (Mexican Institute of Social Security).



## MEXICAN SAFETY, HEALTH AND PSYCHOSOCIAL RISK FACTORS AT WORK IDENTIFICATION STANDARDS

Volaris abides by these [Mexican Official Standards of the STPS \(Ministry of Labor and Social Welfare\)](#) to determine the necessary safety, health and work environment conditions for our Ambassadors, and the mechanisms that offer an immediate response when a risk is detected, in order to prevent possible accidents, occupational diseases and psychosocial disorders. With this, we foster a favorable organizational environment that increases productivity and the sense of belonging to the company.



### MEXICAN OFFICIAL STANDARD NOM-030-STPS-2009

Every year, we align with the requirements to diagnose safety at work, in compliance with [Mexican Official Standard NOM-030-STPS-2009](#), Preventive Services of Health and Safety at Work, at each and every workplace, which in turn enables identifying the following issues:

- Dangerous physical conditions that constitute risks within our facilities, processes, machinery, equipment, tools, means of transportation, materials, and energy
- Physical, chemical, and biological agents capable of altering the environmental conditions of the workplace and causing harm to the health of Ambassadors due to a combination of properties, concentration, and exposure extent and time
- Latent risks that may affect the workplace
- Regulatory requirements on occupational health and safety that may be applicable

### MEXICAN OFFICIAL STANDARD NOM-035-STPS-2018

In 2019, [Mexican Official Standard NOM-035-STPS-2018](#), Psychosocial Risk Factors in the Workplace, came into effect.

This standard establishes the elements for companies to identify, analyze and prevent psychosocial risk factors: those that can cause non-organic anxiety disorders of the sleep-wake cycle and serious and adaptive stress, derived from the nature and functions of the job, the type of work schedule, and employee exposure to severe traumatic events or acts of on-the-job violence, due to the work performed.

It is of great importance for Volaris to create/promote a favorable organizational environment, where the health, productivity, performance, and safety of our Ambassadors are preserved, and where harassment, mobbing, and on-the-job violence are prevented.

In order to comply with [Mexican Official Standard NOM-035-STPS-2018](#), we created a work group headed by the Human Resources and Organizational Development departments in 2019. We also carried out an information campaign on this Standard, and created the Psychosocial Risk Prevention Policy.

# HUMAN RIGHTS AND COMMUNITY RELATIONS



“Our relations with the Communities where we operate are the foundations for identifying and adopting the social causes that offer a profound sense of transcendence to our operations. With our People Care Focus, we contribute to maintaining peace, justice, and wellbeing for our people; to reducing poverty and inequality; to maintaining sustainable cities, and to creating alliances that help us meet these objectives.”

José Alfonso Lozano  
Volaris Corporate Affairs Director

For Volaris, our relations with Communities, and specifically, with the Communities where we operate, are a fundamental pillar of our **People Care Focus**. It is through these relations that we can generate value for society and contribute to the well-being of people, especially those who are in a situation of vulnerability. Since its foundation 14 years ago, Volaris has been concerned with being a company responsible to society. That is why, through strategic partnerships, we have implemented programs that have positioned us as an **SRE** (Socially Responsible Enterprise) with the **CEMEFI** (Mexican Center for Philanthropy) for ten consecutive years. These Social Responsibility programs, which are aligned with our business strategy, allow us to contribute to the sustainable development of the Communities where we operate.



**HUMAN RIGHTS PROTECTION PROGRAM**



**"AVIÓN AYUDA VOLARIS" PROGRAM**



# HUMAN RIGHTS PROTECTION PROGRAM



GRI 102-9  
GRI 412: 103-1, 103-2, 103-3  
GRI 412-2, 412-3

In an increasingly globalized world, protecting the rights of children and adolescents in air transportation is critical. At Volaris we assume this social commitment, and thus implement a strategy for the protection of this segment of the population:

## THE CODE-ECPAT

By means of our partnership with **The Code-ECPAT**, and our membership as a **Top Member** in this organization, we developed a protocol in all our operations that allows us to identify possible situations of trafficking and smuggling of minors for sexual exploitation, and to alert the authorities of cases where the integrity of any minor is compromised.

## NATIONAL INSTITUTE OF IMMIGRATION

In coordination with the **National Institute of Immigration**, we implemented a protocol in Volaris to Validate the Identity of Unaccompanied Minors to preserve their safety when traveling unaccompanied, especially after the migration phenomenon experienced in Mexico and in other countries throughout the region.

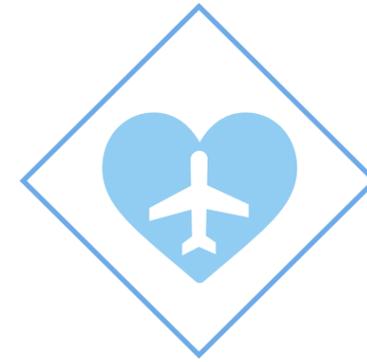
The work of the Volaris Ambassadors to consolidate the ethical development of the **VFR (Visiting Friends and Relatives)** segment with sustainable tourism is fundamental. In 2019, we trained **961 new Ambassadors** in **The Code-ECPAT** protocol, and reinforced the training of 3,681 Ambassadors through orientation and e-learning courses. In addition, in recent years we have managed to position our commitment to the wellbeing of all girls, boys, and adolescents in our **Supply Chain**. During this year, we included the clause on **Obligations to The Code-ECPAT Guidelines in 100% of our accommodation and charter agreements** (237 agreements). This enables our Suppliers to undertake measures for the protection of minors against sexual exploitation in the context of travel and tourism in Mexico and the region, and **in 2020, we are going for more!** We will continue to endorse our commitment to implement mechanisms that allow us to protect **Human Rights** of people throughout all our operations, by means of continuous training, the involvement of our Suppliers and Customers in this commitment, and the strengthening of our partnerships with institutions.

**The protection of Human Rights is a key pillar of the Volaris Corporate Sustainability Program.**

**We are committed to the consolidation of sustainable tourism, and to the protection of the rights of children and teenagers, which is why, in each of our operations, we activate the "ECPAT" and the "Identity Validation of Unaccompanied Minors" protocols. With this strategy, we strive to avoid possible cases of trafficking of minors for sexual exploitation.**

**For the seventh consecutive year, we have been Top Members of The Code-ECPAT organization to implement the protocol that protects the rights of all minors in every one of our operations.**

# "AVIÓN AYUDA VOLARIS" PROGRAM



The "Avión Ayuda Volaris" Program is intended to provide support to people who are vulnerable in some way, such as emergencies due to natural disasters, humanitarian/migratory crises, medical emergencies and treatments, the fulfillment of dreams, among others. We use the airline's operations to transport organs and tissues for transplant purposes, medical personnel, patients, rescuers, volunteers, humanitarian aid, and other items.

The following pillars make up the "Avión Ayuda Volaris" Program:

- 
**Pillar 1**  
 Natural Disasters / Civil Protection
- 
**Pillar 2**  
 Transportation of Organs and Tissues for Transplant Purposes
- 
**Pillar 3**  
 Medical Treatments
- 
**Pillar 4**  
 Dream Fulfillment
- 
**Pillar 5**  
 Reuniendo Familias



We donate **265**  airplane tickets by means of our "Avión Ayuda Volaris" Program, with a commercial value of \$941,000 Mexican pesos.



- We donated 54 airplane tickets that were used to transport 58 organs and tissues for transplant purposes in coordination with the **CENATRA (National Transplant Center)**.
- We donated 52 tickets to the **Cinépolis Foundation** for its "Del Amor Nace la Vista" Program. Out of these tickets, 38 were used by patients who are vulnerable in some way, to fulfill their dream of going to the sea after an eye surgery. In addition, 14 tickets were donated to transport the doctors who performed eye surgery under this program.
- We donated 16 airplane tickets to the organization **CADENA A.C.**, which in turn supported Communities affected by natural disasters and humanitarian crises through its volunteers, rescuers, medical personnel, and humanitarian aid.
- We donated 2 airplane tickets to **Airlink** organization, which in turn assisted Communities in emergency situations from natural disasters.
- We donated 7 airplane tickets to the organization **Amigos de Sian Ka'an** to contribute to the strengthening of the Biosphere Reserve project in Quintana Roo.
- We donated 18 airplane tickets to the **Palace Foundation** to fulfill the dream of visiting Disneyland for 12 children and teenagers with serious health conditions.
- We donated 116 airplane tickets to the **Dr. Sonrisas Foundation**, to fulfill the dream of going to the sea and Disneyland for 56 children and teenagers with serious health conditions.
- We sold tickets at \$1 US dollar to those **migrants** who wanted to return voluntarily and safely to their places of origin, in the context of migratory waves, as part of the *Reuniendo Familias* Program.

# CUSTOMERS' WELFARE

One of the absolute priorities for Volaris is the safety and welfare of our Customers. That is why we rigorously comply with the existing domestic and international regulations in this area, as well as with the highest standards of aviation security and safety, and customer service in the aviation industry.



**Through our People Care Focus, we are committed to our Customers, making sure that their welfare and safety are a priority for the development of the Company.”**

Mario Cantón  
Volaris Customer Service Director



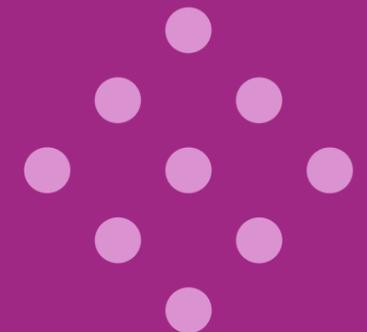
AVIATION  
SECURITY  
AND SAFETY



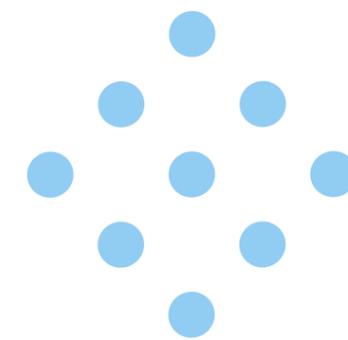
PRIVACY AND  
PERSONAL DATA  
PROTECTION



CUSTOMER  
RESOLUTION



# AVIATION SECURITY AND SAFETY



GRI 102-13  
GRI 410, 419: 103-1, 103-2, 103-3  
GRI 410-1

We have two pillars in place to guarantee the safety of our Customers throughout all our operations:

## 1. AVIATION SECURITY

We guarantee the transportation of our Customers free of any illicit interference.

At Volaris we strive to have the highest security quality standards to provide our Customers with welfare and reliability in each of our operations. Likewise, we guarantee the fulfillment of the requirements of the aeronautical authorities in this regard. For this reason, we train our Ambassadors and the personnel who provide us with service in the following security measures:

- 1 Terrorism and illicit interference of bomb threat
- 2 Kidnapping threat
- 3 Contingencies or emergencies

Likewise, the main topics that we address in this type of training are the following:

- 1 Domestic and international Human Rights
- 2 Treatment of Customers
- 3 Baggage check
- 4 Customer check
- 5 Complaints
- 6 Personal information

**10,642**  
persons trained

**4,009**  
Ambassadors

**6,633**  
Suppliers

Ever since our foundation, 14 years ago, we have defined security as one of our pillars. The alcohol, drugs, and substance abuse prevention and control program is a practice that Volaris has implemented as a measure to preserve security at work and in all its operations.

Volaris has been recognized for the thirteenth consecutive year as an **Addiction-Free Company.**

## 2. SAFETY

Volaris has adopted a series of certifications that meet the highest operational safety and quality standards worldwide through the implementation of effective and specialized controls by specific flight stage and functional area, under Article 17 of the Civil Aviation Law, which states that airlines must implement the necessary measures to ensure maximum safety of aircraft and their operation in order to protect the physical integrity of their users.

### Volaris Mexico IOSA Certification

The **IOSA (IATA [International Air Transport Association] Operational Safety Audit)** certification, which is an internationally recognized and accepted system of assessment designed to evaluate an airline's operational management and control systems, was renewed in 2019 for the seventh consecutive year, ensuring that Volaris operates under the highest safety standards worldwide.

### Volaris Costa Rica IOSA Certification

The **IOSA Certification** will be renewed for Volaris Costa Rica in 2020 to ratify that our operational safety standards are among the highest in the industry.

### SMS Certification

In 2019, Volaris renewed its **SMS (Safety Management System) certification**, which guarantees the implementation of reactive, proactive and predictive methods of hazard identification to avoid aviation accidents. This certification

requires the approval of the AFAC (Federal Civil Aviation Agency) in Mexico.

### LOSA (Line Operations Safety Audit)

In addition to **IOSA**, **LOSA** is a valuable tool for proactively detecting hazards and risks during flight stages, with the intention of preventing aviation accidents. Of the resulting risk mitigation plan, there is 100% compliance with respect to the last LOSA completed.

### WEFA (Wireless Extension for Aircraft Condition Monitoring System)

In 2019, Volaris increased its 3G wireless flight data transmission technology to 46 aircraft. With this, the monitoring of the performance of pilots is ensured in a more efficient way, and this leads to a high performance of operational safety.



**We strive to implement the best practices of the aviation industry. We are part of the Flight Safety Foundation, an organization that strives the active participation of the various elements of global professional aviation. The Foundation, as a catalyst of the best practices of the industry, anticipates, analyzes and identifies operational safety issues, and also implements effective communication on safety among its members.**

**According to Airlines Ratings, in 2019, Volaris was among the Top 10 safest low-cost airlines in the world; the only Mexican airline within this classification!**



# PRIVACY AND PERSONAL DATA PROTECTION

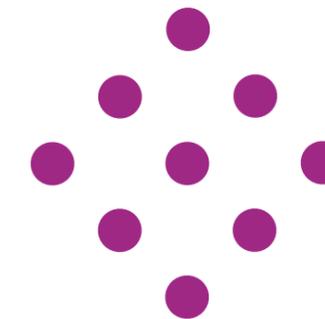


For Volaris, it is a priority to protect the **rights of its Customers**, including their right to **privacy and personal data protection**. That is why we have security measures in place to safeguard our Customers' information and to comply with existing regulations, such as the **LFPDPPP (Law on Protection of Personal Data held by Individuals)**, its regulation, and the provisions of the **INAI (National Institute of Transparency, Access to Information and Protection of Personal Data)**.

Likewise, the company keeps up to date, and has taken the necessary actions to comply, with new legislation on privacy issues, such as the United States of America **CCPA (California Consumer Privacy Act)**.

Within the company, we have **personal data protection policies** and **training courses** on this subject, which are reinforced annually for all the Ambassadors.

**We are constantly reviewing updates of applicable privacy and protection of personal data provisions to reinforce our internal policies and procedures, in order to adequately address the requests of our Customers regarding their ARCO (access, rectification, cancellation and objection) rights when exercising control over their personal data.**



# CUSTOMER RESOLUTION



In 2019, Volaris positioned itself as **Mexico's Largest Airline**. One of the fundamental factors in the company's sustained growth is, without a doubt, the **customer service** we provide every day. The quality of our service is based on the vocation to serve of our Ambassadors and call center staff, which they obtain through various trainings. We constantly strive to innovate and find the best tools in order to provide solutions for our Customers, thereby offering them the best travel experience by means of professional service.

During 2019, these tools were key to achieving our customer service and resolution goals. Their execution brought about a more efficient service, decreasing waiting times and increasing satisfaction levels. For Volaris, it is of great importance to keep its regular Customers and attract new ones, thanks to the quality and professionalism it imprints on its operations. Therefore, we train our Ambassadors in the competencies needed to provide the most effective customer service, by means of the following programs:

## SatisfAcción Service Model

The *SatisfAction* Service Model is composed of eight competencies:

1. Emotional intelligence
  2. Communication
  3. Teamwork
  4. Empowerment
  5. Customer orientation
  6. Collaborative negotiation
  7. Conflict management
  8. Quality and warm service
- In 2019, we were able to train 60% of our Ambassadors who provide customer service in the main airports where we operate.

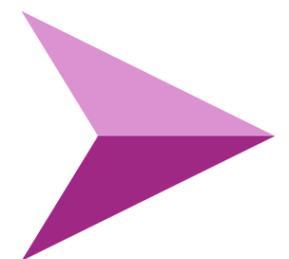
## SOS Agent

In 2019, the SOS Agent Program was created with the purpose of training a network of Ambassadors, called SOS Agents, who provide customer service in the various airports where we operate, to assist Customers and offer them immediate solutions for whatever issue they may have during their transit in the airport.

- As of today, we have a network of 60 SOS Agents who have received training in topics such as customer service and resolution, and Volaris service standards.

## Nonstop

This program specializes in training on baggage management at airports, with the aim of reducing the number of issues that occur due to delays, lootings, losses and/or damages.



# Remote mechanisms for Volaris Customer Service and Resolution

## Call Center

- Service over the phone
- Sales channel
- Complaints and solutions channel

**We periodically train our Ambassadors and Call Center staff to ensure that communication mechanisms and channels address our Customers' needs satisfactorily.**

## Command Center

We seek to offer the best service to our Customers by means of social media. Our Command Center operates as follows:

- A command center that services Customers via social media
- Social listening tools
- Direct communication with operational teams
- Customer Satisfaction KPI's

**In 2019, we received +52% messages through this channel, versus 2018.**

**We are continuously improving our communication processes with our customer service teams in order to make our resources more efficient.**

**Volaris implementation of its Conversocial platform was presented as a case study during the F8 Facebook conference of May 2019.**

## Customer Journey Omnichannel

This is a customer service mechanism that drives follow-up processes for our Customers through the following communication channels:

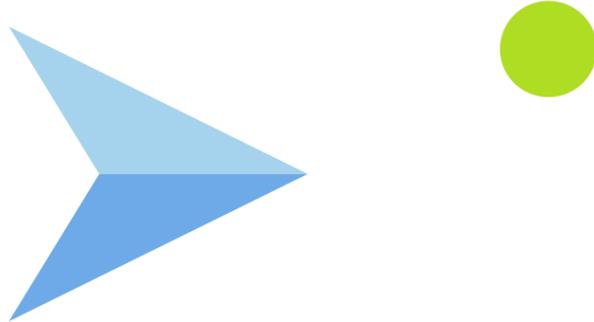
- E-mail
- Chat
- Telephone
- Social media

**In Mexico, we were recognized by the PROFECO (Consumer Protection Agency) for having settled 97% of complaints filed with this institution.**

**In the United States of America, we earned an AAA, the highest score granted by the BCA (Business Consumer Alliance), and an A+ from the Better Business Bureau, for solving 100% of complaints.**

**Customer service offered through digital media reduces costs and provides faster solutions to our Customers.**

**A high percentage of people are currently using smartphones and digital applications worldwide, opening the doors for companies to have a more efficient approach with Customers. In 2019, we focused on the development of digital empowerment strategies for our Customers, with the aim of providing faster service that adapts to their present and future needs. This is paramount for our business strategy.**



For the purpose of facilitating our services to our Customers so they consider airplane transportation as their first option, the customer service and resolution personnel offer benefits designed to provide them with the best travel experience, such as the following:

Promotions and three different travel modalities, including the lowest fare	Purchase of optional services, including extra luggage, seat assignment, travel insurance and car rental
Online service and solutions	QR-Mobile application for flight information
Chat-Help Center: information, frequently asked questions and clarifications	Automated sending and receiving of messages
Immediate service through social media	Luggage tracking through NetTracer



**The NPS (Net Promoter Score) is a tool used to measure customer loyalty to a specific brand. In 2019, Volaris's NPS was 28.9%.**

**We are grateful to the more than 120 million Volaris Customers who, for 14 years, have chosen to fly with us as their best option for transportation, and to live the best travel experiences.**

# 05.

# ABOUT THIS REPORT

GRI 102-1, 102-12, 102-45, 102-46,  
102-48, 102-49, 102-50, 102-54

## OUR COMPANY

*Controladora Vuela Compañía de Aviación SAB de CV* ("Volaris" or the "Company") is the controlling company of the group, which controls *Concesionaria Vuela Compañía de Aviación, SAPI de CV*, an ultra-low-cost carrier with point-to-point service that operates in Mexico, the United States of America and Central America.

## SCOPE OF THE REPORT

Since 2012, the publication of our Social Responsibility reports has been a key tool for strengthening ties and loyalty with our Stakeholders, as well as for reporting our non-financial results and positioning ourselves as a company committed to sustainable development.

For the eighth consecutive year, Volaris is reinforcing its commitment to transparency and reporting by presenting its 2019 Annual Sustainability Report, and this time, from a sustainability approach, expanding the criteria of comprehensiveness and impact of the ESG (environmental, social, and governance) aspects, the link with the Sustainable Development Goals (SDGs), and the creation of value for the Stakeholders.

## LIMIT AND PERIOD OF THE REPORT

The information reported covers the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2019. It was compiled based on the data analyzed from our operations in the countries and regions where we operate (Mexico, the United States of America and Central America).

## ALIGNMENT WITH GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

This Report was prepared in accordance with the Global Reporting Initiative (GRI) Standards: essential option. The contents used for this report were defined based on our 2018 Materiality Study. The information provided was not restated in any way.

We used the Global Reporting Initiative (GRI) Standards to obtain key inputs in planning our sustainability management and annual results accountability, to measure the objectives we set each year in terms of our strategy, industry goals, and the 2030 United Nations (UN) Agenda.

## CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

As a Company that has embraced sustainability as part of its business strategy, we reinforce our commitment of meeting the mobility and connectivity needs of present and future generations, creating the ideal context so our ultra-low-cost aviation business may remain a driver of sustainable development.

We are committed to meeting the Sustainable Development Goals (SDGs) of the 2030 United Nations (UN) Agenda as pertains to identifying opportunities under a single language and purpose within corporate sustainability. As part of the restatement process of the Volaris Corporate Sustainability Program, we found direct points of convergence that contribute to the goals of 11 SDGs related to our sector.

We take into consideration the great value of SDGs and recognize the work that must be completed in the coming years so that, as part of humanity, we can achieve the established goals. We also uphold our commitment to continue developing initiatives and executing concrete actions that generate value for our Stakeholders, providing continuity through our daily operations.



# 06.

# MATERIALITY AND DIALOGUE WITH STAKEHOLDERS

GRI 102-40, 102-42, 102-43,  
102-44, 102-46, 102-47

At Volaris we conduct a materiality study every two years. This tool has allowed us to identify relevant issues that impact our Stakeholders, to prioritize and map areas of opportunity, and set goals that help us achieve our business objectives and contribute to the 2030 United Nations (UN) Agenda.

In line with the dialogue with Stakeholders, we strive to strengthen our communication channels, and incorporate strategies for the execution of good practices within the sector and points of mutual consent for the Company and our Stakeholders.

Therefore, the Materiality exercise and the Stakeholder Dialogue that we conducted in 2018, and

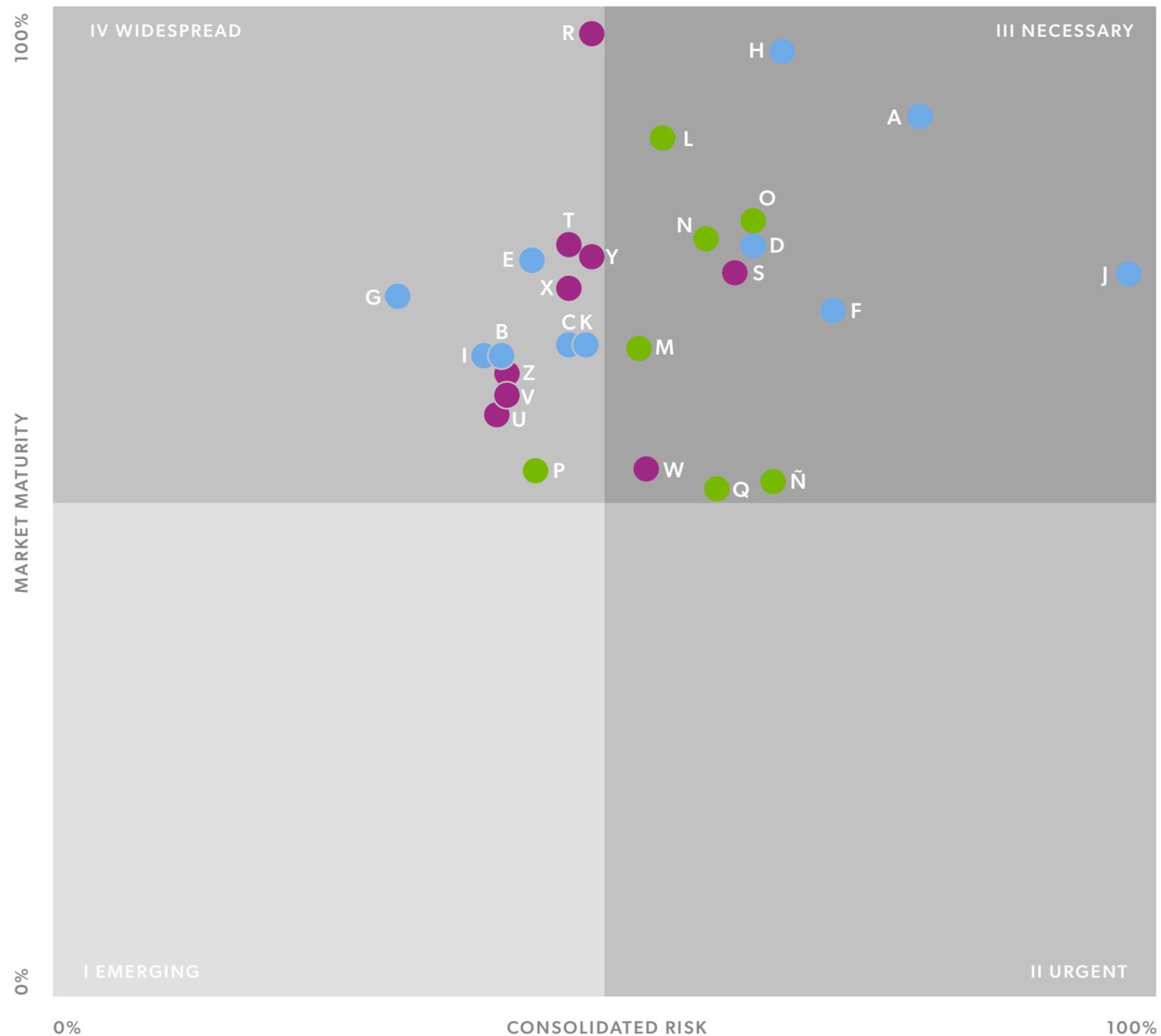
the True Value exercise conducted with KPMG in 2019, were essential in our restatement of the Volaris Corporate Sustainability Program and the Volaris Value Creation Model presented in this Report.

They were also essential for the identification of risks, opportunities, performance indicators, and strategic goals regarding our impact in the aviation industry.

We supplemented this methodology to obtain comparable results on issues of interest according to the updates made under the Global Reporting Initiative (GRI) Standards, and taking into account the Dow Jones Sustainability Index (DJSI) items addressed to the aviation industry.

**It is expected that the identification of material issues of greater relevance will capture the attention of all Stakeholders with respect to Sustainability practices. A materiality study investigation aims to provide more information on the identification of material issues by sector, by analyzing current GRI sustainability practices. Herein lies the importance of presenting reports that include the contribution to the worldwide strengthening of, and material focus on, the coverage of key issues."**

**Defining Materiality, Global Reporting Initiative**



CONSOLIDATED RISK (X)	ADJUSTED TO 100%
J. Research, development and innovation	100%
A. Corporate social responsibility (CSR) management	80%
F. Brand management	72%
H. Operations	67%
Ñ. Biodiversity	66%
O. Climate change and other atmospheric emissions	65%
D. Ethics and integrity	64%
S. Employee satisfaction	63%
Q. Waste management	61%
N. Energy	60%
L. Environmental policies/management	57%
W. Human rights	55%
M. Materials	54%
R. Talent attraction and retention	50%
Y. Stakeholder relations	50%
K. Customer relation management	49%
C. Risk management	48%
X. Social impacts on Communities	48%
T. Human capital development	47%
P. Water resource management	45%
E. Corruption/transparency	44%
V. Occupational health and safety	42%
Z. Standards with Suppliers	42%
B. Corporate governance	41%
U. Labor practices	41%
I. Service Responsibility	40%
G. Financial issues	32%



# STAKEHOLDER COMMUNICATION STRATEGIES

STAKEHOLDERS	KEY ISSUES	COMMUNICATION CHANNELS	RESULTS
<b>Customers</b>	<ul style="list-style-type: none"> <li>Low rates</li> <li>Service quality</li> <li>Security</li> <li>Customer experience and satisfaction</li> <li>Customer service</li> <li>Environmental impact</li> <li>Carbon offsetting mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Digital platform (website, app, and social media)</li> <li>Call Center</li> <li>Volaris points of sale</li> <li>Airports</li> <li>On-board service and magazine</li> <li>Net Promoter Score (NPS)</li> <li>External/means of communication, marketing campaigns, and corporate brand management strategies</li> </ul>	<ul style="list-style-type: none"> <li>Accessibility and connectivity</li> <li>Low prices</li> <li>Security</li> <li>Travel experience</li> <li>Corporate reputation</li> <li>Opportunity to compensate part of the pollution footprint</li> <li>Alignment with Sustainable Development Goals (SDGs)</li> </ul>
<b>Ambassadors</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Job security</li> <li>Experience and Ambassadors' engagement</li> <li>Equal opportunities and non-discrimination</li> <li>Training and development</li> <li>Career and growth paths</li> <li>Corporate volunteering</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Volaris Whistle Blowing Line</li> <li>Human resources team in the main airports where we operate</li> <li>Institutional communication</li> <li>Surveys</li> <li>Quarterly reports from the CEO</li> <li>Special messages from the CEO</li> </ul>	<ul style="list-style-type: none"> <li>Ethics cases reported to be investigated</li> <li>A great place to work (Volaris Family)</li> <li>Equal opportunities and non-discrimination practices</li> <li>Competitive compensation</li> <li>Sense of pride and belonging</li> <li>Safety and wellbeing</li> <li>Union relations</li> <li>Awareness of environmental protection</li> <li>Alignment with Sustainable Development Goals (SDGs)</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Economic and social development of the Communities and regions where we operate</li> <li>Strategic partnerships to achieve goals</li> <li>Support for civil organizations</li> <li>Corporate Volunteering</li> <li>Donations</li> <li>Environmental impact</li> <li>Carbon offsetting mechanism</li> </ul>	<ul style="list-style-type: none"> <li>On-board magazine</li> <li>Semi-annual reports issued by foundations</li> <li>Annual Sustainability Report</li> <li>Corporate volunteering activities</li> <li>External/means of communication, marketing campaigns and corporate brand management strategies</li> </ul>	<ul style="list-style-type: none"> <li>Pollution footprint reduction</li> <li>Human Rights protection</li> <li>Positive Impact on Communities where we operate</li> <li>Awareness of environmental protection</li> <li>Strategic alliances to achieve goals</li> <li>Corporate volunteering</li> <li>Alignment with Sustainable Development Goals (SDGs)</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Medium and long-term agreements</li> <li>Fair trade conditions</li> <li>Economic performance of the company</li> <li>Human Rights protection</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and phone calls</li> <li>Institutional mail</li> <li>Informative circulars</li> <li>Annual evaluation</li> <li>Audits</li> </ul>	<ul style="list-style-type: none"> <li>Reliable customer</li> <li>Long-term relationships</li> <li>Sustainable Supply Chain</li> <li>Human Rights protection</li> <li>Reduction of pollution footprint</li> <li>Environmental protection</li> <li>Alignment with Sustainable Development Goals (SDGs)</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Economic performance of the company</li> <li>Corporate Governance</li> <li>Risk Management</li> <li>Corporate Affairs</li> <li>Economic consequences due to environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Committee and Board of Directors meetings</li> <li>Annual Shareholders' Meeting</li> <li>Financial Reports</li> <li>Annual Sustainability Report</li> <li>Relevant events broadcast</li> </ul>	<ul style="list-style-type: none"> <li>Short, medium and long-term business plan</li> <li>Return on investment</li> <li>Generation of income</li> <li>Cost reduction</li> <li>Resources optimization</li> <li>Strict risk control</li> <li>Ethics and transparency</li> <li>Alignment with Sustainable Development Goals (SDGs)</li> </ul>
<b>Authorities/Industry</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Contribution to the economic development of the countries where we operate</li> <li>Job creation</li> <li>Employee health and safety</li> <li>Environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Direct communication with strategic partnerships</li> <li>Participation in chambers and discussion forums</li> <li>Events and conferences</li> <li>Meetings</li> <li>Lobbying</li> <li>Annual Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>Law enforcement</li> <li>Employment generation and economic development</li> <li>Collaboration and communication with the government and its agencies</li> <li>Tax payment</li> <li>Obtainment and renewal of operational certifications</li> <li>Reduction and offsetting of the pollution footprint</li> <li>Alignment with Sustainable Development Goals (SDGs)</li> </ul>

07.

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	103-2	68, 77	
	103-3	77	
<b>GRI 419: Socio economic compliance 2016</b>	419-1	We received no fines for socioeconomic regulations' non-compliance in 2018.	

# 08.

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VOLAR



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