2022 Taskforce on Climate-related Financial Disclosures (TCFD) Report

April 2023

volaris

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Introduction

As the leading airline in Mexico, and one of the fastest-growing airlines in the Americas, we strive to provide safe, reliable, and cost-effective air transportation while mitigating our impact on climate change, managing climate-related risks, and recognizing climate-related opportunities where present. To realize this vision, Volaris is analyzing the impact of climate change on our business, as well as disclosing the governance, risk management, strategy, and metrics and objectives, based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). In this inaugural TCFD report, which we adopted on a voluntary basis, we begin to align our climate strategy with the TCFD framework, providing insight into our approach to managing climate-related risks and opportunities.

About this Report

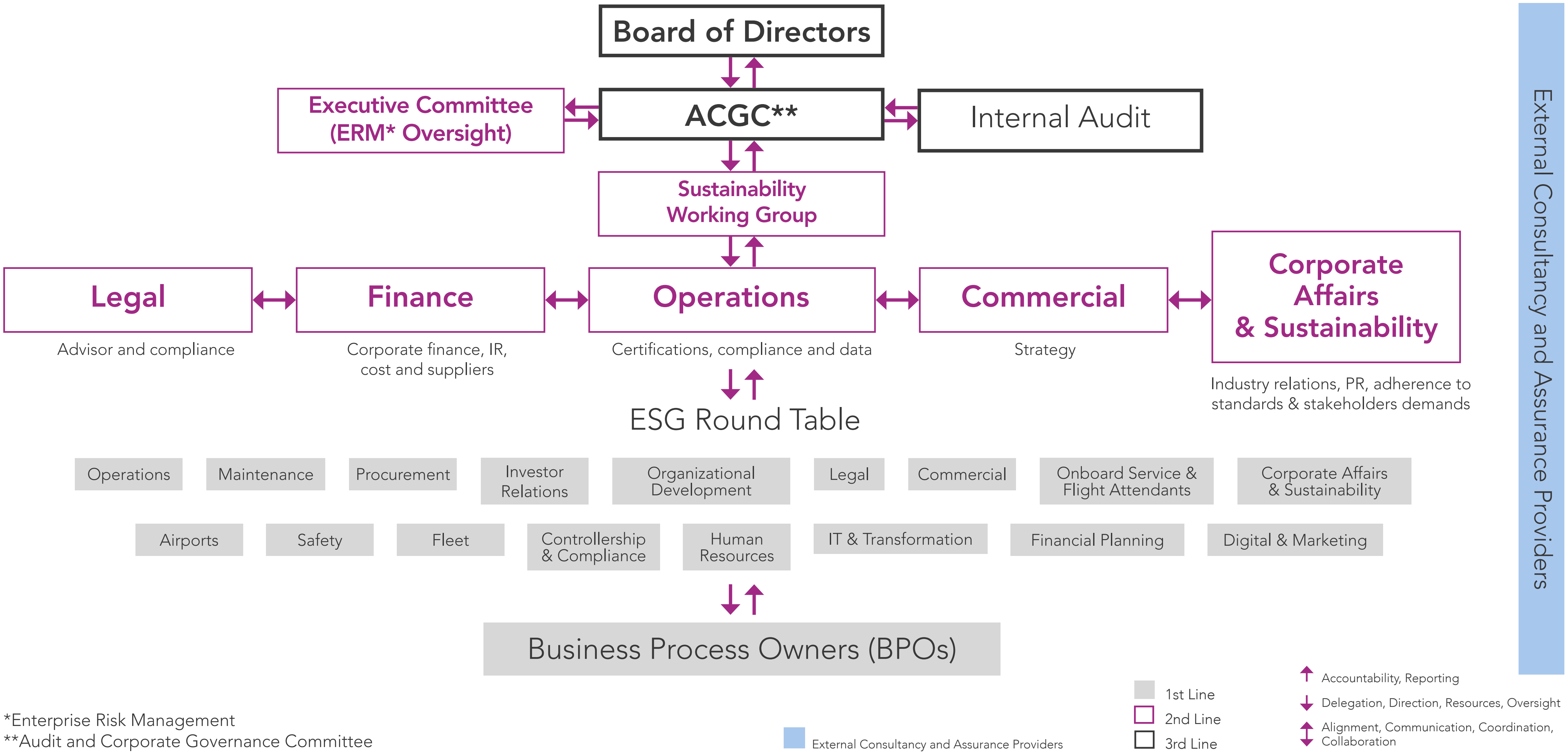
Unless otherwise explicitly stated in this report, the information reflected herein about Volaris corresponds to Fiscal year ending December 31st, 2022. It includes, but is not limited to, information previously disclosed elsewhere (e.g., in our 20-F, 2021 Integrated Annual Report, or other public documents). This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements may be identified by words such as "may," "will," "expect," "aim," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "hope," "likely," and "continue" and similar terms. Our actual performance or operational and financial results may vary materially from these statements or our projections due to a variety of reasons, including the Risk Factors identified in our Form 20-F and any subsequent quarterly reports on Form 6-K, as well as, with respect to our ESG targets, goals, and commitments outlined in this reporting or elsewhere, socio-demographic and economic trends; energy and fuel prices; our access to and the availability of energy sources; technological innovations; climate-related conditions and weather events; legislative and regulatory changes; our ability to gather and verify relevant information, including data regarding environmental impacts, and the challenges, assumptions and other methodological considerations associated with such information; our ability to successfully implement various initiatives throughout the company under expected time frames, costs, and complexity; the compliance of various third parties with our policies and procedures and with legal requirements; our dependency on certain third parties to perform; and other unforeseen events of conditions. These factors are not necessarily all of the important factors that could cause actual results to differ materially, and adversely, from those expressed in any of our forward-looking statements. Other factors could also have material adverse effects on our future results, including factors that are unknown to us. As such, readers should not place undue reliance on such forward-looking statements. We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. There may be other factors that may affect matters discussed in forward-looking statements set forth in this Report, which factors may also cause actual results to differ materially from those discussed. We assume no obligation to publicly update any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these statements other than as required by applicable law.

Additionally, this report contains ESG-related statements based on hypothetical scenarios and/or assumptions as well as estimates that are subject to a high level of inherent uncertainty, and these statements should not necessarily be viewed as being representative of current or actual risk or performance, or forecasts of expected risk or performance. In addition, historical, current, and forward-looking environmental and social-related statements may be based on standards and metrics for measuring progress, as well as standards for the preparation of any underlying data for those metrics, that are still developing and internal controls and processes that continue to evolve; while these are based on expectations and assumptions believed to be reasonable at the time of preparation, they should not be considered guarantees. Moreover, our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control. In addition, as standards are evolving, it is possible that certain of our approaches may, either currently or in future, be considered inconsistent with common or best practices, which may subject us to additional scrutiny, criticism, or stakeholder engagement or result in changes to our reporting or progression on targets. We may also rely on third-party information in certain of our disclosures, which involve certain important risks. For example, third-party information may change over time as methodologies and data availability and quality continue to evolve. These factors, as well as any inaccuracies in the third-party information we use, including in our estimates or assumptions, may cause results to differ materially, and adversely, from estimates and beliefs made by us or third parties, including regarding our ability to achieve our goals. While we are not aware of any materials flaws with the information we have used, except to the extent disclosed, we have not undertaken to independently verify this information or the assumptions or other methodological aspects underlying such information.

The events, scenarios, and efforts discussed in this report, including both forward-looking statements and other statements, may be significant; however, the inclusion of such statements is not an indication that these contents are necessarily material for the purposes of complying with or reporting pursuant to the U.S. federal securities laws and regulations or in other jurisdictions, even if we use the word "material" or "materiality" in this document in relation to those statements or in other materials that we may release from time to time in connection with the matters discussed herein. Moreover, given the uncertainties, estimates, and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance. In addition, given the inherent uncertainty of the estimates, assumptions, and timelines contained in this report, we may not be able to anticipate in advance whether or the degree to which we will or will not be able to meet our plans, targets, or goals. Website and document references throughout this document are provided for convenience only, and their content is not incorporated by reference into this document unless expressly stated.

Governance

Oversight of climate-related risks and opportunities at Volaris lies within the Board of Directors and management team, as discussed below.



*Enterprise Risk Management
**Audit and Corporate Governance Committee

Board Oversight

'Volaris' Board of Directors has ultimate oversight of climate-related risks and opportunities, including our progress against relevant goals and targets, via the Audit and Corporate Governance Committee ("ACGC"). The ACGC is comprised exclusively of independent directors, with a minimum of three members appointed or removed by the General Ordinary Shareholders Meeting.

Risk reports are presented to the ACGC quarterly. The resolutions adopted are submitted to the Board of Directors for acknowledgment or approval, as applicable.

In early 2023, our entire Board of Directors received additional Environmental, Social, and Governance (ESG) training which included a discussion of key ESG factors for Volaris, including climate change and related disclosure considerations, such as the TCFD framework.

To enhance the Board's ability to effectively oversee our ESG strategy and performance, pending shareholder and regulatory approval, we plan to split the Audit and Corporate Governance Committee into two separate committees in 2023. This will allow the new dedicated Corporate Governance Committee additional time and resources to focus on ESG oversight, including the effective management of climate-related risks and opportunities.

Management Oversight

As outlined in the diagram on page 7, Volaris management plays a prominent role in overseeing climate-related risks and opportunities. The ACGC has two lines of report from the management regarding climate-related risks and opportunities:

1. The Executive Committee (ERM oversight)
2. The Sustainability Working Group

Other leadership positions within Volaris aid in assessing and managing climate-related risks and opportunities.

Executive Committee

Our Executive Committee meets quarterly to review and assess, among others, the application of COSO ERM to identify, assess, treat, monitor, and report on the Company's business risks. We view climate risk primarily as impacting existing risk stripes, such as augmenting potential operational risks, and analyze climate impacts based on these existing risk categories. The findings and treatment proposals from that review are submitted for the approval of the Board of Directors, after review from the ACGC.

The Executive Committee comprises our President and Chief Executive Officer, Executive Vice-President of Airline Commercial and Operations, Chief Financial Officer, Chief Operating Officer, Chief Legal Officer, and Chief Corporate Affairs and Sustainability Officer.

Sustainability Working Group

Our **Sustainability Working Group** reports to the ACGC, which in turn reports to the Board of Directors, on the most relevant aspects of our sustainability strategy, including the targets and initiatives regarding climate-related risks and opportunities, for its knowledge and approval. This Working Group meets every quarter to:

- Assess the implementation of the corporate sustainability business strategy, approved by the Board of Directors
- Keep our management team informed in the recommendation of relevant decisions about ESG issues
- Integrate sustainability into 'Volaris' business strategy, seeking to make it transversal to all business and support areas
- Recommend decision-making, with the information provided by the ESG Round Table, that advances our sustainability strategy and agree on ESG goals for the future

The Sustainability Working Group comprises our President and Chief Executive Officer, Executive Vice-President of Airline Commercial and Operations, Chief Financial Officer, Chief Operating Officer, Chief Legal Officer, Chief Corporate Affairs and Sustainability Officer, Internal Audit Director and other guest directors presenting advances on their projects, such as the Human Resources Director, Talent and Organizational Development Director, Procurement Director, Operations Senior Director, Controllership and Compliance Director, Financial Planning and Controllership Senior Director, Airports Director, Maintenance Senior Director, and Technology and Transformation Senior Director.

ESG Round Table

This round table aims to execute the resolutions made by the Board of Directors through a collaborative space that designs, implements, and monitors Volaris' corporate sustainability strategy, to facilitate its integration into the business strategy and align it with the needs of our stakeholders. In addition, the ESG Round Table reports to the Sustainability Working Group any new findings regarding risks and opportunities related to ESG matters, including climate, which guide the Company's corporate sustainability strategy and recommends ESG objectives.

The ESG Round Table is comprised of our Chief Corporate Affairs and Sustainability Officer, Chief Financial Officer, Chief Legal Officer, Internal Audit Director, and directors, such as the Human Resources Director, Talent and Organizational Development Director, Procurement Director, Operations Senior Director, Controllership and Compliance Director, Financial Planning and Controllership Senior Director, Airports Director, Maintenance Senior Director, Technology and Transformation Senior Director, Financial Planning and Management Control Director, Corporate Finance and Investor Relations Senior Director, Investor Relations Director, Marketing and Digital Director, Corporate and Securities Compliance Legal Senior Manager, Operations Applications and Fuel Senior Manager, Engineering Operations Senior Manager, Compensations and Organizational Effectiveness Senior Manager, and Transformation Senior Manager. During 2023, we plan to implement specialized groups for the development of diverse projects regarding environmental, social, and governance matters.

Strategy

Climate change can impact our business, associated strategy, and ultimately our financial outlook through a combination of risks (including, but not limited to, acute physical risks, regulatory developments, or shifts in customer behavior) and opportunities (such as the implementation of more fuel-efficient technologies throughout our fleet). Below, we detail the key risks and opportunities linked to climate change that we have identified in the short- to long-term.

Climate-related Risks

We have identified the following as climate-related risks that have the potential to impact our business:

- **Fuel costs:** changes in fuel costs could affect our business and ability to maintain a cost-effective product.
- **External conditions:** air traffic congestion, weather conditions, natural disasters, and outbreaks of disease and pandemics could impact our ability to transport our customers reliably and on a consistent schedule.
- **Changes in the national and international regulatory landscape:** government regulation, changes in law, and its enforcement, may adversely impact our financial condition. Regulatory changes could include, but are not limited to, carbon taxes, mandates for the use of alternative fuel options, and enhanced emissions-reporting obligations such as the U.S. Security and Exchange Commission's proposed rule for The Enhancement and Standardization of Climate-Related Disclosures for Investors.

In addition, in 2022, Volaris, through the ESG Round Table, established a cross-functional group of leaders from across our operating groups at the process level, to identify climate-related risks and opportunities across short-, medium-, and long-term time horizons.

We have defined these timeframes as follows:

- Short-term: 0-2 years
- Medium-term: 3-6 years
- Long-term: 7+ years

The results of this exercise are illustrated in the tables below:

PHYSICAL				
RISK TYPE	**DRIVER**	**IMPACT**	**TIME FRAME**	**MITIGANTS**
Acute	Increase in frequency and severity of extreme weather events (e.g., floods, hurricanes, extreme winds, fog, etc.)	• Operational disruptions and flight cancelations could increase operating costs (from rebooking passengers, compensating, issuing vouchers, reducing efficiencies, etc.) and impact the passenger experience. • Capital expenditures could rise due to equipment and other infrastructure damage from extreme weather.	Short to long-term	• While extreme weather is beyond Volaris control, we closely monitor weather conditions to ensure flight safety and prevent our aircraft from suffering significant damage. • We are working to obtain the ILS II/III Certificate & RNP, which gives us operational advantages in adverse weather conditions. The RNP helps us to have safer and more accurate landings in these adverse conditions. • Volaris is further developing the existing integral contingency plan for operational disruptions, including weather conditions.
Chronic	Rising sea levels, rising and falling temperatures	Chronic physical risks include reduction of business due to loss of destinations and non-viability of stations. There is also the risk of global temperature changes affecting maximum takeoff weights, which could decrease capacity and profit margins.	Long-term	While Volaris has identified chronic physical risks for the long-term, we are still analyzing the impacts in our business and focusing on other short and medium-term risks, that directly or indirectly could mitigate chronic physical risks.

TRANSITION				
RISK TYPE	**DRIVER**	**IMPACT**	**TIME FRAME**	**MITIGANTS**
Market	Change in the demand and the value chain; an economic change due to the transition to a low-carbon economy.	• Supply constraints could limit business growth due to delayed deliveries and limited availability of fuel-efficient aircraft. • As a fossil fuel-dependent sector, we may face a higher cost of capital and less capital available overall. • Jet fuel costs may change, increasing operational costs and decreasing margins. • Demand may fluctuate as consumers begin to eschew commercial air travel in favor of other less carbon-intensive forms of travel.	Short to long-term	• We have invested in planned fleet renewal and expect to take delivery of 80 new A320neo family aircraft between 2023 and 2028. These aircraft will be outfitted with Pratt and Whitney GTF engines, which we anticipate will reduce fuel consumption. • We continue to explore avenues for capital to further our sustainability program, such as our first Sustainability-Linked Bond in 2021.
Reputation	Damage to brand image and sector stigmatization due to increased climate change awareness	• Customers may book with other airlines or choose other "greener" forms of transportation altogether. • Revenue from business travel may fall as companies choose to avoid negative publicity associated with carbon-intensive travel. • Carbon offsets may be seen as insufficient to neutralize the perceived environmental and climate impacts of our operations. • If our strategy is deemed insufficient, we may be accused of greenwashing, which may augment or result in additional risks.	Medium to long-term	• In addition to continually advancing our environmental programs, we offer an option for travelers to purchase carbon offsets to offset their travel. • We communicate externally and internally our performance regarding environmental programs and commitments to our climate-related goals. • We will monitor consumer trends, expectations, and perceptions of the Volaris brand. • We value transparency, so our Integrated Annual Report publishes our progress on climate-related goals.

TRANSITION				
RISK TYPE	**DRIVER**	**IMPACT**	**TIME FRAME**	**MITIGANTS**
Technology	Emerging technology and innovation that supports the transition to low-carbon technology	• The availability of high-quality and cost-viable Sustainable Aviation Fuel (SAF) may hamper our ability to lower our emissions promptly. • Some SAFs may require modifications or retrofits to our current fleet, resulting in increased capital expenditures. • New technologies require time and cost to implement (e.g., upskilling maintenance teams, and developing new policies), as happened with NEO engines.	Medium to long-term	• We continue to work with stakeholders to develop a supply of SAF. • Our all-Airbus fleet can fly with up to a 50% blend of SAF, and we will continue to monitor this research as higher SAF blends emerge. • Our fleet renewal plan contemplates 100% NEO technology. • We use software technology, including machine learning and data mining, as a current mitigant to exponentiate fuel saving on flight operations techniques. • In the long-term timeframe, we will analyze potential new propulsion technologies to reduce aviation's CO_2 emissions, such as hydrogen-powered fuel cell engines and others.
Policy and Litigation	Regulations that seek to favor the transition to a low-carbon economy	• Legal and compliance costs may rise due to increasingly stringent environmental regulations. • Regulatory changes, such as new disclosure requirements or required carbon offset purchases, e.g., CORSIA, could restrict business operations and decrease margins.	Short to long-term	• We proactively track and report our carbon emissions and are working continuously to integrate best practices in our climate-risk mitigation. • We monitor and comply with all applicable environmental regulations and several industry initiatives, including the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

Climate-related Opportunities

TYPE	DRIVER	OPPORTUNITY DESCRIPTION	TIME
Energy Source	Exploring Sustainable Aviation Fuel (SAF).	• In 2022, Volaris flew its first SAF-powered flight (5%). We continue to explore options to develop a supply of SAF. SAF is being relied on heavily to decarbonize aviation, but current SAF production is too low and expensive to meet demand and not economically feasible without government incentives.	Medium to long-term
Markets	Proactively committing to reducing carbon emissions.	• Volaris is actively working ahead of regulations to reduce its carbon emissions. Through our commitment to IATA's Fly Net Zero initiative, we are collaborating to decarbonize the airline industry by 2050.	Short to long-term
	Pursing Sustainability-Linked Bonds.	• In 2021, Volaris issued its first Sustainability-Linked securities for Ps.1.5 billion. These securities will partially finance our sustainable growth and are tied to achieving our carbon reduction goals, which include reducing our CO_2 emissions by 35.4% gCO_2 /RPK (CO_2 grams/Revenue Passenger Kilometer) by 2030 vs. 2015. Additionally, in 2022, a PDP credit line signed with Santander and Bancomext is linked to the same goals. • We believe recently we have had more access to capital, and we consider that we could be able to access capital at lower interest rates in the short term.	Short to long-term

TYPE	DRIVER	OPPORTUNITY DESCRIPTION	TIME
Products and services	Promoting our #Cielito-Limpio Carbon Emissions Offset Program	• Since 2015, we have allowed our customers to purchase carbon offsets to neutralize part of their trip's environmental footprint. Certified carbon credits are acquired from the Mexican Carbon Platform (MéxiCO2) and help develop ecological projects to offset carbon emissions in the atmosphere. In 2022, 2,382 of our passengers purchased the #CielitoLimpio product. This may help to improve our competitiveness as compared to other airlines that may not provide an option for customers to offset emissions associated with flights.	Short to long-term
Resource efficiency	Implementing waste reduction initiatives	• To reduce our environmental impact and meet the growing environmental consciousness of our consumers, we plan to review the opportunity to eliminate all plastics in our onboard service. 100% of the forks, napkins, and stirrers used onboard are made with biodegradable materials. 95% of the systems used for our marketing strategy are digital.	Short to medium-term

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TYPE	DRIVER	OPPORTUNITY DESCRIPTION	TIME
Resource efficiency	Optimizing our flight operations	• Our in-flight optimization helps reduce fuel consumption and generate fewer CO_2 emissions. We optimize flight plans to reduce navigation miles and use APPS with personalized feedback to our pilots about their performance in every route and every flight technique per flight phase. • Next step is ongoing to give pilots information in real time to adjust navigation profiles and speed. We aim to reduce our onboard weight through lighter seats and trolleys and eliminate unnecessary cabin items (e.g., magazines) to reduce fuel consumption and generate fewer CO_2 emissions.	Short to long-term
	Investing in a young, modern, and fuel-efficient fleet	• We have one of the Americas's youngest and most fuel-efficient fleets, comprised of AIRBUS A320 family aircraft. Our 117 aircraft have an average age of 5.4 years. • Our Fuel Saving Program drives further fuel efficiency, while our Pratt & Whitney GTF engines result in 15% less annual fuel consumption, 50% less NOx, and a 75% smaller sound footprint. • Planned fleet renewal presents a critical window of opportunity to reduce Volaris's emissions. By 2028, 100% of the fleet is expected to be NEO and equipped with fuel-saving sharklets.	Short to long-term

As we continue aligning with the TCFD framework, we will further explore the impacts of climate-related risks and opportunities on our business strategy and financial planning.

Risk Management

Enabling the COSO ERM framework, Volaris manages climate-related risks and opportunities, such as physical and transitional risks. Our approach requires that the Business Process Owners (BPOs) identify and assess the risks aggregated in a risk inventory to have a holistic view of all climate-related risks. The risk inventory is updated and reported quarterly to the Sustainability Working Group after the review of the ESG Round Table.

Through the ESG Round Table, we assess risks, define their treatment, and follow up on action plans to manage risks.

To identify, assess, treat, monitor and report climate-related risks, we maintain three lines of defense, with our ESG Round Table and BPOs as the First Line, the Executive Committee and the Sustainability Working Group as the Second Line, and Internal Audit, ACGC and Board of Directors as the Third Line. This structure is outlined in more detail below:

FIRST LINE	SECOND LINE	THIRD LINE	EXTERNAL CONSULTANTS & ASSURANCE PROVIDERS
The **Business Process Owners (BPOs)** lead and direct resource allocation to achieve Volaris's objectives. The BPOs establish and maintain organizational structures for risk management and are responsible for reporting on the planned and actual outcomes of our efforts to address climate-related risks. BPOs maintain a continuous dialogue with the ESG Round Table. With the guidance of the Corporate Affairs and Sustainability department, actively the **ESG Round Table** works to identify and address climate-related risks. Action plans are developed and implemented to reduce impacts and track key risk indicators. The ESG Round Table reports on our progress on its action plan and identifies business leaders to connect with in the Second Line as needed.	The **Executive Committee** reviews and assesses, among other, the application of COSO ERM to identify, assess, treat, monitor, and report on the Company's business risks. The findings and treatment proposals from that review are submitted for the approval of the Board of Directors, after review from the ACGC. The **Sustainability Working Group** assists the Board of Directors in proposing, defining, supervising, developing, and executing climate-related policies, initiatives, and strategies. The Working Group incorporates information from the ESG Round Table to provide recommendations on business decisions related to climate issues. The Sustainability Working Group seeks to make climate change strategy transversal to all business and support areas by incorporating it into Volaris's broader business objectives. The Sustainability Working Group reports climate-related risks and proposed management action plans to the ACGC.	For description about **Board of Directors** and **ACGC**, see page 8 "Board Oversight" of this Report. **Internal Audit** provides independent and objective assurance to management and the ACGC on the effectiveness of governance and risk management (including climate risks). This includes ensuring that the First- and Second Line's efforts are consistent with internal requirements and accomplish organizational objectives. The Internal Audit team is responsible for reporting deviations from sustainability frameworks (including climate change) to facilitate continuous improvement. Internal Audit answers directly to the organization's governing body and maintains independence from day-to-day management responsibilities.	Our **External Consultants & Assurance Providers** provide guidance and assurance to ensure we adhere to the current industry regulations and best practices to serve the stakeholder interests.

Volaris assesses the following when determining the potential size, scope, and materiality of potential risks:

- **Probability:** How often could the risk occur? Low, medium, high, or very high
- **Impact:** How does it affect the Company's ability to achieve its objectives? Weak, important, vital, or critical
- **Speed:** If materialized, how quickly does it affect the Company? Low, medium, high, or very high
- **Vulnerability:** How prepared is the Company to face these risks? Low, medium, high, or very high

As mentioned before, Volaris is further developing the existing integral contingency plan to mitigate the impacts of physical risk factors.

Regulatory Compliance

At Volaris, we are committed to complying with all domestic and international applicable laws, including climate-related ones. In addition to monitoring potential regulations that may impact our business through the strategic relationship and rapprochement with critical actors, such as regulators, government entities, legislators, and industry organizations, we seek to mitigate adverse effects of these potential regulations. The collaborations with these critical actors allow Volaris to position our needs and interests to benefit our Company's profitability and the industry.

Volaris is a member of the International Air Transport Association (IATA), which aims to lead, represent, and serve the airline industry globally by formulating policies on relevant issues. IATA objectives and leadership are aligned with the following Volaris' priorities: air transport efficiency, environmental protection, safety and security of operations, and involvement with government actors. Since 2021, our President and Chief Executive Officer has been a member of the IATA's governing body, the Board of Governors. Its members exercise an executive role and oversight on behalf of the membership in representing the association's interests.

In Mexico, we emphasize our compliance with the General Law on Climate Change (*Ley General de Cambio Climático*) on Scope 2, as well as the management of our hazardous waste, through the National Emissions Registry (*Registro Nacional de Emisiones*) of the Ministry of Environment and Natural Resources (*Secretaría de Medio Ambiente y Recursos Naturales*). Additionally, we comply with the requirements of the International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), which is intended to stabilize the industry's net Scope 1 emissions associated with international flights by reporting our international emissions to the Federal Civil Aviation Agency (*Agencia Federal de Aviación Civil*), which also verifies the reported figures.

We also are closely monitoring the U.S. Security and Exchange Commission's proposed rule for "The Enhancement and Standardization of Climate-Related Disclosures for Investors."

In 2022, we received no sanctions or fines related to non-compliance with environmental legislation.

Metrics & Targets

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Volaris understands that there are processes by which air transportation contributes to climate change, and we are taking steps to decrease our impact. Since 2015, we have measured our Scope 1 and 2 Greenhouse Gas (GHG) emissions in alignment with the GHG Protocol, as illustrated below. We are committed to measuring and auditing our GHG emissions annually to understand our footprint, the impact of our reduction efforts, and progress on our goals.

Direct carbon emissions (Scope 1 & 2)

	2019	2020	2021
Scope 1	2,464,765-ton CO_2	1,729,785-ton CO_2	2,684,278.35 ton CO_2
Scope 2	335.05-ton CO_2	286.00-ton CO_2	257.70-ton CO_2

Direct emissions – Flight operations (Scope 1)		
Process	**Source**	**2021 (ton CO_2 eq.)**
Jet fuel - flight operation	Mobile	2,644,018.75
TOTAL		**2,644,018.75 ton CO_2**

Direct emissions – Land operations (Scope 1)		
Process	**Source**	**2021 (ton CO_2 eq.)**
Jet fuel - land operation (APU)	Mobile	39,575.90
Operation of land vehicles (diesel)	Mobile	75.40
Operation of land vehicles (gasoline)	Mobile	608.30
TOTAL		**40,259.6 ton CO_2**

Indirect carbon emissions (Scope 2)

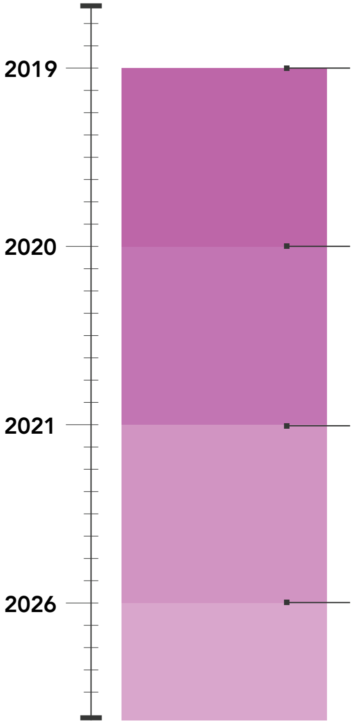
Indirect emissions (Scope 2)				
Source of electric energy	**Uses**	**2019 (ton CO_2 eq.)**	**2020 (ton CO_2 eq.)**	**2021 (ton CO_2 eq.)**
Electric energy consumed	Office	335.05	286	257.70
TOTAL		**335.05 ton CO_2**	**286 ton CO_2**	**257.70 ton CO_2**

Performance ratio of emissions generated (gCO_2/RPK)

	2019	2020	2021
Volaris Group	76.35	83.86	74.63

With this understanding of our GHG emissions, we have been able to set targets to reduce emissions associated with our primary emission sources. We are committed to the holders of our asset-backed trust notes linked to sustainability to reduce annually our Scope 1 annual CO_2 emissions until reaching 35.4% gCO_2/RPK by 2030 vs. 2015. The figures below illustrate our progress and projections.

Where we are headed - Emissions (Scope 1)



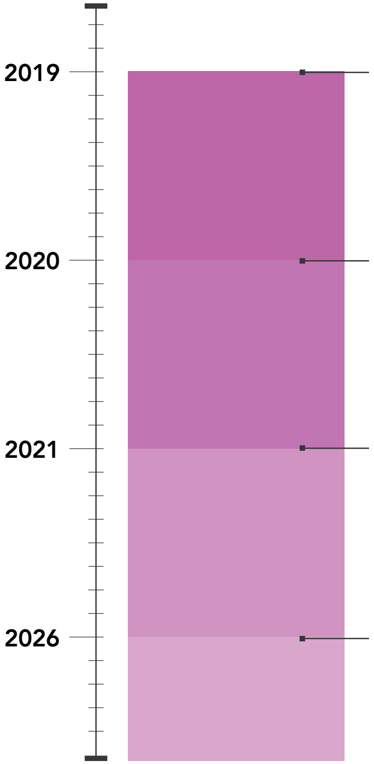
-13.5% reduction in gCO_2/RPK emissions in 2019 vs. 2015. 385,280-ton reduction in CO_2 emissions in 2019 vs. 2015*.

-12.5% reduction in gCO_2/RPK emissions in 2020 vs. 2015. 247,278-ton reduction in CO_2 emissions in 2020 vs. 2015*.

-14.8% reduction in gCO_2/RPK emissions in 2021 vs. 2015. 459,498-ton reduction in CO_2 emissions in 2021 vs. 2015*.

-30.2% reduction in gCO_2/RPK emissions in 2026 vs. 2015. 1,091,056-ton reduction in CO_2 emissions in 2026 vs. 2015*.

Where we are headed - fuel savings



-11.6% fuel savings (gal/ASM) in 2019 vs. 2015.
33 million gallons saved vs. 2015*.

-16.9% fuel savings (gal/ASM) in 2020 vs. 2015.
35.8 million gallons saved vs. 2015*.

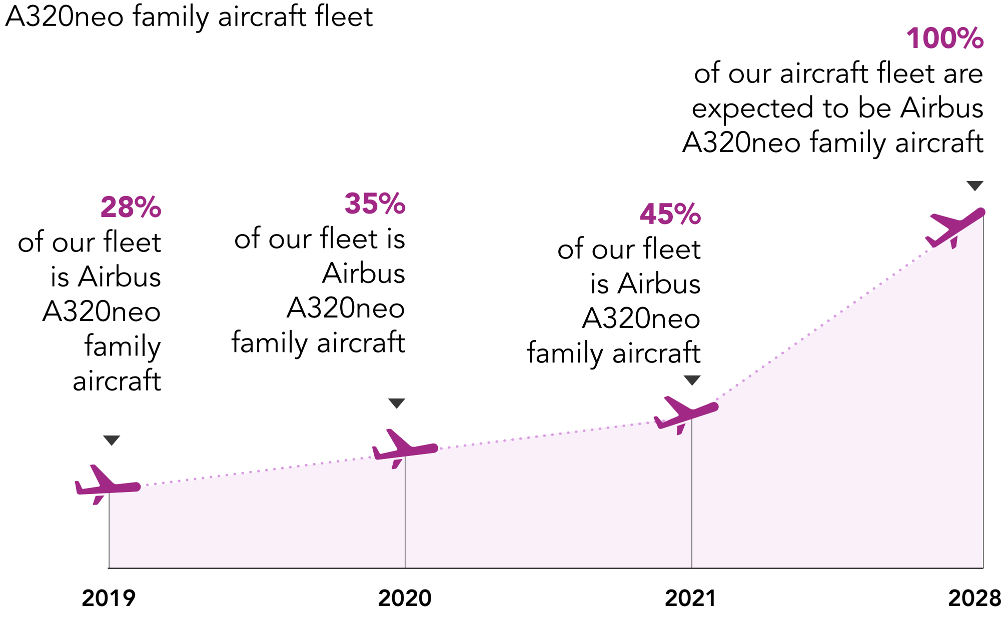
-15.9% fuel savings (gal/ASM) in 2021 vs. 2015.
51.7 million gallons saved vs. 2015*.

-22% fuel savings (gal/ASM) in 2026 vs. 2015.
126 million gallons saved vs. 2015*.

*It was from 2015 that we started to replace our fleet with Airbus A320neo and A321neo Family aircraft. Therefore, that year is used as the baseline.

Where we are headed - Aircraft fleet

A320neo family aircraft fleet



FLY NET ZERO

In 2021, we joined the global IATA initiative "Fly Net Zero," which aims for the entire aviation industry value chain to work together to decarbonize the industry by 2050. Our Climate Change Strategy consists of the following environmental programs:

1. **Fuel Saving Program.** Through this program, we promote actions that allow us to efficiently manage fuel consumption to reduce polluting emissions from our operations
2. ***#CielitoLimpio* Carbon Emissions Offset Program.** Our customers can voluntarily offset part of their flights environmental footprint through this program
3. **Reduction of Electricity Consumption Program.** Through this program, we carry out the necessary actions to reduce the consumption of electricity used in our workplaces

Overview Primary Targets

The challenge of global climate change remains at the top of the list of key ESG topics that the airline industry must address. Recognizing this, in 2021 we established a carbon emission reduction target and linked to the issuance of a sustainability-linked securities. Continuing to invest in a fleet of highly efficient aircraft is the backbone of our approach to meeting our emissions targets, in 2022, we added 16 new NEO aircraft to our fleet. With these additions, 54% of our fleet is now equipped with the ultra-efficient NEO engine and 86% of our planes are equipped with fuel-saving sharklets.

2028 -- We expect to have a fleet composed of 100% NEO aircraft. The realization of this target depends on our aircraft supplier, AIRBUS, delivering the contracted aircraft timely. However, due to factors such as the pandemic, weak supply chains, and a sudden spike in demand, AIRBUS is facing production and supply chain issues that result in delayed aircraft deliveries, which may result in a delay in this timing.

2030 -- We committed to reduce our CO_2 emissions by 35.4% gCO_2/RPK, by 2030 vs. 2015. Material changes to the market conditions, external benchmarks, fleet plan or the Company´s business may impact our ability to reach this goal. In particular, our ability to transition to the A320neo family aircraft is essential to this matter. While we remain committed to achieving our emission reduction targets, global supply chain challenges have and may continue to impact our ability to secure these aircraft and transition our fleet as planned. This, along with other factors, such as the downgrade of the International Aviation Safety Assessment (IASA) Program rating for Mexico from Category 1 to Category 2, that did not allow us to incorporate our new NEO aircraft (65% of our new engines fleet) on long routes to the USA, has impacted on our ability to meet our short-term emissions targets and may impact our ability to ultimately meet our long-term emissions goal. However, while we closely work with AIRBUS to overcome aircraft delays, we will continue to capitalize emission reduction opportunities through exploring and analyzing investments in other new technologies and fuel consumption optimization techniques.

2050 -- In 2021, we committed to collaborating in the decarbonization of the industry by 2050 by joining the IATA's "Fly Net Zero" initiative.

While our commitments to address the risk of climate change are ambitious, and our aspirations to meet them are genuine, achieving the industry's decarbonization goals depends on several conditions being met that are not necessary under Volaris's control. The current reality regarding the development, availability and feasibility of technological innovations, such as the supply and cost viable of SAF, new aircraft technologies, among others, does not allow us to accurately project into the future when and if we will be able to achieve these goals. Volaris is continuously searching for alternatives that will enable the Company to reach climate-related commitments, especially those related to carbon emissions reduction.