

THE ROUTE FORWARD



2013
SOCIAL
RESPONSIBILITY
REPORT



volaris





CONTENTS



KEY MILESTONES



Global Initial Public Offering of US\$398 million on the Mexican Stock Exchange (BMV) and the New York Stock Exchange (NYSE).



Launch of 14 new routes, 11 domestic and 3 international. Started operations to Phoenix, San Antonio and Chicago – O’Hare in the United States.



We received 7 new A320 and returned 4 A319s, maintaining the youngest fleet in Mexico.



Re-launch of our new webpage and new baggage policy.



Launch of our new strategy “Among Clouds”, which provides Clients the opportunity to purchase food and beverages on the flight.



Socially Responsible Company certification (ESR) for the fourth consecutive year, Gender Equity Certification (MEG), and The Code – ECPAT Certification against children and teenagers’ sexual exploitation.



Collection of Ps.1 million with our Carbon Offset Program since it started, to support the Sierra Gorda’s biosphere reserve in Queretaro.



Successful transportation of 56 organs and tissues for transplants.



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MESSAGE FROM OUR CEO

2013 was a crucial year for Volaris. We continued building our market in Mexico and the US, expanding our margins and growing revenues. Our Ultra-Low-Cost Carrier Model was developed with both our long term opportunity and Mexico's short term volatility in mind; it competes most successfully in this environment, creating sustainable value.

The airline industry keeps growing and getting more competitive. For this reason, at Volaris we strive to continue offering low costs and quality services. Our comprehensive strategy "Tú decides" has placed us in a situation of greater competitiveness, given that we have stayed focused on providing low fares and a high quality flying experience; enabling our Clients to decide and pay for a range of optional products and services for additional fees. In 2013, we migrated to our new reservations system, which will enable us to further develop our non-ticket revenues and helped us re-launch our new purchase friendly web page.

This year we had a successful Global Initial Public Offering of US\$398 million on the Mexican Stock Exchange (BMV) and the New York Stock Exchange (NYSE), becoming the first Mexican airline to trade simultaneously on both exchanges. Thus, we reaffirm our long term growth opportunity, and our ability to surpass challenges the market has, such as a slower economy in Mexico and a rapid growth in the air travel market.

We continue our substantial expansions to renew our commitment to offer the best traveling experiences for our Clients. We achieved successful results for our operational network, adding a significant amount of departures and ASMs. Furthermore, we launched 14 new routes, 11 domestic and three international, and started operations to Phoenix, San Antonio and Chicago – O'Hare in the United States. Despite our

focus on the domestic market, we have maintained our number two position in international markets among Mexican carriers, offering us significant expansion opportunities.

We closed the year with 80 routes, connecting 33 cities in Mexico and 13 in the United States, with an average of over 200 daily flight segments. We transported over 8'942,000 Clients, showing a 20.7% increase over 2012. In consequence, we generated 43% of the passenger volume growth in 2013 and increased our market shares to 23%, becoming the second largest operator among Mexican carriers.

We maintain the youngest fleet in Mexico, with an average age of 4.2 years. On 2013 we received seven new Airbus A320 aircraft, six of them with sharklets. The latter ones will help us achieve fuel, CO₂ and cost savings. As of December, 2013 our fleet was comprised of 44 aircraft.

At Volaris, we are aware that our permanence as a company is based on the creation of value for our stakeholders in Mexico and abroad, in a steady, consistent, balanced and responsible manner. Therefore, we strive to have a positive and sustainable impact on the development of the country, society, environment and the communities where we operate. Through our "Flying Together" campaign, we execute concrete actions to support causes which reinforce our social commitment.

On 2013, our most important ones were:

- Socially Responsible Company certification (ESR) for the fourth consecutive year, Gender Equity

// Global Initial Public Offering of US\$398 million on the Mexican Stock Exchange (BMV) and the New York Stock Exchange (NYSE) //

Certification (MEG), and The Code – ECPAT Certification against children and teenagers' sexual exploitation.

- Successful transportation of 56 organs and tissues for transplants.
- Collection of Ps.1 million with our Carbon Offset Program since it started, to support the Sierra Gorda's biosphere reserve in Queretaro.

On 2013 we proved our business model is successful, not only with our modern fleet and expansion on routes, but also with the strengthening of our unbundled fare strateg. This year we proved we are capable of creating and living the best travel experiences, through firm commitment, effort and the highest levels of business ethics, personal integrity and compliance. I want to thank all our Ambassadors, investors, Clients and each person involved in making Volaris a success; if we continue along this path, I'm sure 2014 will continue to bring remarkable success for us.



ENRIQUE BELTRANENA
Chief Executive Officer



COMPANY OVERVIEW



NET INCOME
Ps.379
million



AMBASSADORS
2,692

Who we are

Controladora Vuela Compania de Aviacion, S.A.B. de C.V. ("Volaris" or the "Company"), is an ultra-low-cost carrier (ULCC), with "point to point" service, serving Mexico and the US. With the "The Volaris Ultra-Low-Cost Carrier Model" we offer low base fares to build our market, providing quality service and extensive customer choice. We offer more than 200 daily flight segments on routes that connect 33 cities in Mexico and 13 cities in the United States with the youngest aircraft fleet in Mexico. Volaris, proudly Mexican, is recognized as one of the leading new companies in the country.



OPERATING REVENUE
Ps.13,002
million



volaris



TOTAL CAPITALIZATION
Ps.4'024,320
thousand



FLEET
24
A320 aircraft

FLEET
20
A319 aircraft

204
Daily operations

8'942,000
customers reserved



INTERNATIONAL ROUTES
13

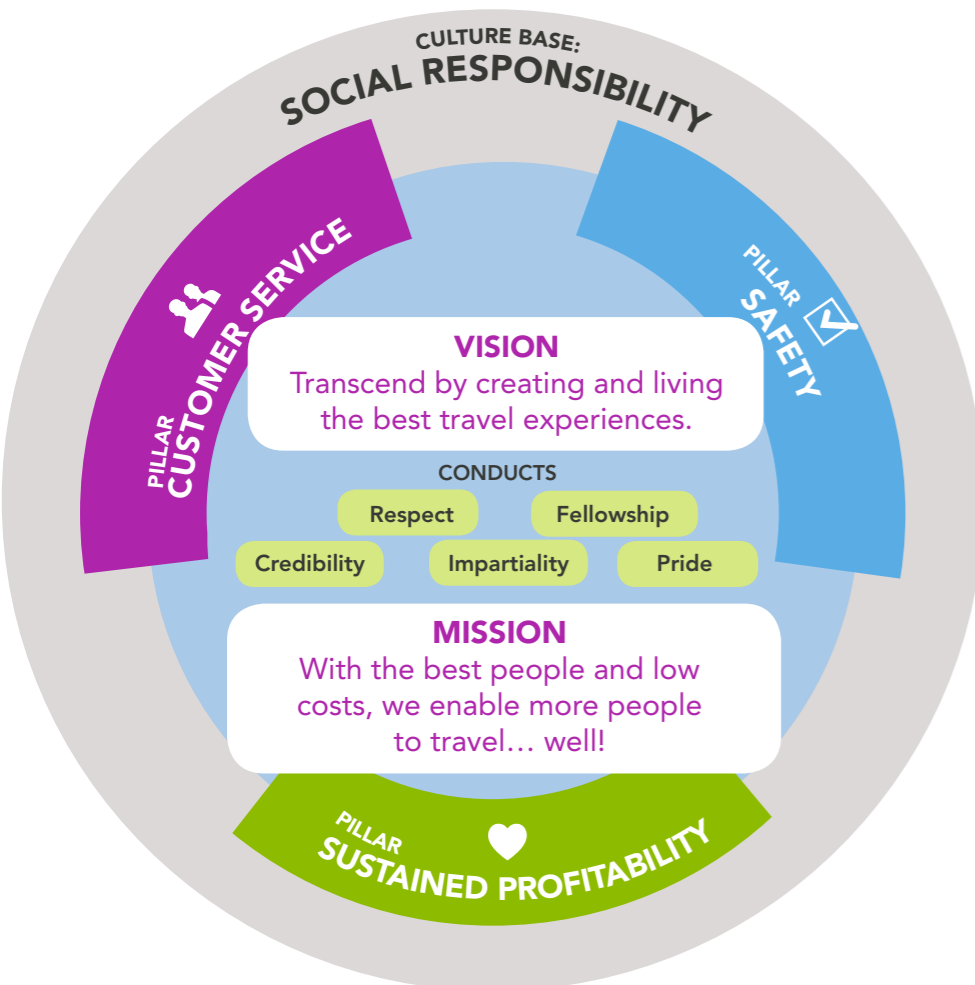


DOMESTIC ROUTES
33

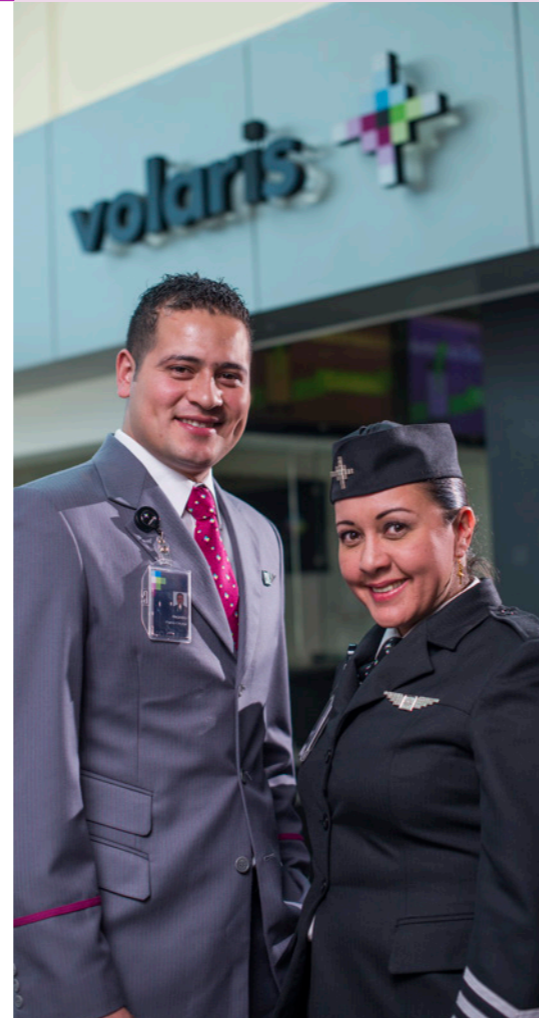
Mission, Vision, Pillars

2013 was our Culture Year. We reinforced all qualities which make us different. With them, we transcend every day to consolidate a growing organization.

Reaching further heights



Volaris Culture



Our Organizational Culture is comprised by all our values, traditions and behaviors. It sets the standards by which we operate, granting us a distinguishing quality. We have a person-centered culture and we encourage activities for an integral development based on five dimensions: Health, Family, Professional Development, Spirit and Social Commitment.

CULTURE
Code of Ethics + Mission + Vision + Pillars + Conducts

PERSON-CENTERED



SPIRIT
Human beings are comprised of body and soul. Reason why at Volaris we procure the spiritual growth of our Ambassadors through values and human development talks, respecting everyone's beliefs.



FAMILY
At Volaris we are all a grand family. Therefore we seek that our Ambassadors find a proper balance between work and family.



HEALTH
We are a pro-life Company. It is very important our Ambassadors and their families can develop a healthy lifestyle.



PROFESSIONAL DEVELOPMENT
We seek that our people are the best people! This is why we drive the professional development of all our Volaris' family.



SOCIAL COMMITMENT
We promote volunteering among our Ambassadors and their families to consolidate an authentic social consciousness and achieve a wider benefit for human beings and society.

ULCC Business model

We strive to deliver on-time performance

and a positive traveling experience to all our Clients. We have developed a strategy focused on providing low fares and enabling our passengers to decide and pay

for a range of optional products and services for additional fees. Our unbundled strategy "Tú decides" – You decide – offers a wide selection of additional services (ancillary products) throughout the complete cycle of flying with us.



2013 additions to our Tú Decides strategy:

- Renovated Baggage Policy
- On board food and beverage sales



Low fares + high quality flying experience

Our Network



We continue our substantial expansions to provide more Clients the best traveling experience.

NEW ROUTES

- Resume flights to Merida
- Tuxtla Gutierrez, Chiapas – Mexico City
- Tijuana - Cancun
- Ciudad Juarez – Mexico City and Ciudad Juarez – Guadalajara
- Mazatlan – Mexico City
- Manzanillo – Tijuana
- Phoenix – Guadalajara / 11th US destination
- San Luis Potosi
- San Antonio – Guadalajara / 12th US destination
- Chicago O'Hare / 13th US destination



Our Fleet

44 aircraft

Average age of 4.2 years

Seven new Airbus A320 aircraft, six of them with sharklets

Creation of a retrofit program with our A320's to further increase density from 174 to 179 seats

- Switch from A319 to A320
- Sharklet technology
- Maintain high utilization



Fleet – 24 A320 aircraft and 20 A319 aircraft

Market Presence

Over 200 daily flight segments connecting 33 cities in Mexico and 13 cities in the United States.

We have expanded our routes from five to 80.



Operations:

- Top five airports in Mexico, based on number of passengers, comprising Cancun, Guadalajara, Mexico City, Monterrey and Tijuana.
- Thirteen cities of the United States with some of the most populous Mexican communities.

We target passengers who are visiting friends and relatives, or VFR, cost-conscious business people and leisure travelers in Mexico and select destinations in the United States. Our low fares allow us to additionally target executive and luxury bus passengers who travel more than five hours and have successfully stimulated demand for our services among them.



CORPORATE GOVERNANCE

At Volaris we follow the best international practices of Corporate Governance. All members of our governance team are professionals and have vast experience and knowledge in several sectors such as aviation, business services, marketing, finance and economics.



Board of Directors

Our Board of Directors is comprised by eleven members, four of them are independent.

The members of our Board are elected annually at our ordinary general meeting of shareholders. All of them hold their positions for one year and may be reelected.

Our Board is required to approve transactions and establish guidelines involving conflicts of interest based upon the opinion of our corporate governance committee and may request the opinion of a third party expert.

Name	Title	Alternate
Gilberto Perezalonso Cifuentes	Independent Director and Chairman of the Board	
Carlos Miguel Mendoza Valencia	Director	
Brian H. Franke	Director	Andrew Broderick
William A. Franke	Director	John R. Wilson
Harry F. Krensky	Director	Alberto Moreno Ruiz Esparza
Roberto José Kriete Ávila	Director	Rodrigo Salcedo Moore
Rodolfo Montemayor Garza	Director	Dean Donovan
Jorge Antonio Vargas Diez Barroso	Director	Marco Baldocchi Kriete
José Luis Fernández Fernández	Independent Director	
Joaquín Alberto Palomo Déneke	Independent Director	
John A. Slowik	Independent Director	



Management Team

Name	Position
Enrique Beltranena Mejicano	Chief Executive Officer
Fernando Suárez Gerard	Chief Financial
Holger Blankenstein	Chief Commercial Officer
James Nides	Chief Operating Officer
Jaime Pous	General Counsel

Committees

In compliance with the Mexican Securities Market Law we have established two committees to assist our Board of Directors and Management Team with their obligations.

They are: Audit and Corporate Governance Committee and Compensation and Nominations Committee.

Code of Ethics

We have adopted a Code of Ethics, which has been accepted by all our Directors, Executive Officers and Ambassadors. In it we establish our foremost values, standards and the Volaris Culture, all of which regulate our daily operations.

In our Code, we declare our views concerning no discrimination, equal opportunities, customer service, among others.

We firmly believe in creating a satisfactory and decent work place for our Ambassadors. Therefore, they will deliver a more favorable performance and we'll provide a premium quality service for our Clients.



Each person is our most significant concern, and respecting their dignity is our foremost priority



91% of our Ambassadors were certified in our Code of Ethics through E-learning on 2013.

We establish in our Code our priority regarding health and safety in the work place, which help us comply with the highest standards of safety in all operations. We reinforce this commitment with our Immunity Policy, through which every Ambassador has the right and responsibility to report any safety hazard without fear of disciplinary

actions. Our Code of Ethics establishes our commitment to uphold a free and responsible market competition, disregarding anti-competitive and anti-trust practices. Additionally, we abide by applicable regulations, which help our competitiveness and profitability in the industry.



Whistle Blowing Line



To assure compliance to our Code and to report any neglect or conflicts, we created an Ethics Committee, comprised by our CEO, Legal, Talent, Internal Audit, Accounting and Operational Safety Directions, and our Culture and Social Responsibility Management, which is in charge of resolving all reports filed to our new Whistle Blowing Line.

We receive here reports regarding Human Resources, work environment, health and safety, fraud, information breaches, bribes, corruption, human rights, among others. Most of 2013 received reports were related to work environment. Other cases were in regards to lack of procedure follow-ups, assets or resource misuse, client services and external processes' complaints.

For more information about our Code of Ethics, please visit our site: http://ir.volaris.com/files/doc_downloads/Codigo%20de%20Etica%20Volaris_codeOfEthics.pdf



100% of received cases have completed investigations

Risk management

Due to the fact that we operate in an extremely competitive industry, we have identified business and industry risks that may affect us.

We established an Internal Control Methodology which focuses on risk identification, planning and evaluation. Furthermore, all our Managers, Directors, CEO and CFO have been trained on this new control system.

In addition, all our operations are subject to FCPA requirements to ensure transparency and no corruption at Volaris.





SOCIAL RESPONSIBILITY

Stakeholder Management

We maintain a constant relationship with our stakeholders, based on solid principles, mutual benefit, responsibility and integral value generation.

At Volaris we have identified our stakeholders through a thorough process where we recognize those who have impact or are impacted by our operations, both internal as external. We are fully aware of our responsibilities towards them, and try to promote their development as well as to fulfill their expectations.



Interest Group	Means of communication	Frequency of contact	Expectations
Clients	<ul style="list-style-type: none"> Website and e-mail Satisfaction survey Magazines and printed advertising Net Promoter Score (satisfaction surveys) Clients Committee Volaris TV Social Media Client Service Call Center 	<ul style="list-style-type: none"> Daily Weekly Monthly Yearly 	<ul style="list-style-type: none"> Obtain information that allows us to understand the situation in order to provide an adequate response for the Client Identify areas of opportunity beyond Client Satisfaction Increase sales
Ambassadors	<ul style="list-style-type: none"> Internal communication screens Internal magazine Direct mailings Segmented Newsletters Chats Lunch among Executives and Ambassadors Whistle blowing line Work Environment Survey Performance Evaluation E-learning system Volaris University Monthly Cultural Events 	<ul style="list-style-type: none"> Daily Weekly Monthly Yearly 	<ul style="list-style-type: none"> Keep people informed of the day to day news High level of participation in corporate events Family/Work balance Development of skills Detect and attend non ethical acts Feedback and development progress in our activities Find what we can do better to increase wellness Create a link between the management and the operation
Investors	<ul style="list-style-type: none"> Meetings Financial and operational reports 	<ul style="list-style-type: none"> Monthly Annual 	<ul style="list-style-type: none"> Profitability, sustainability and transparency
Suppliers	<ul style="list-style-type: none"> Meetings Auctions E-mail Institutional mailings Phone calls 	<ul style="list-style-type: none"> Daily Weekly Monthly 	<ul style="list-style-type: none"> Development Fair treatment Timely communication
Authorities	<ul style="list-style-type: none"> Meetings 	<ul style="list-style-type: none"> Periodic 	<ul style="list-style-type: none"> Compliance with applicable regulations in the areas of operation for the granting of permits and certifications
Community	<ul style="list-style-type: none"> Phone calls E-mail Magazines and printed advertising Volaris TV Social Media 	<ul style="list-style-type: none"> Daily Monthly 	<ul style="list-style-type: none"> Social support and environmental care

Strategy



At Volaris, Social Responsibility is the basis of our Culture.

It's our voluntary commitment with society, who represents our reason for being, who we owe ourselves to and who we work for

We respond effectively to this commitment by supporting our daily attitudes, principles, values and policies' management, procedures and programs, which have a positive and sustainable impact on the development of the country, society, environment and the communities where we operate. All our Social Responsibility results are presented to the Board and ratified at the Assembly annually.

We have a Corporate Social Responsibility working group, comprised by some of our Ambassadors. They have the important duty of regulating and managing all Social Responsibility subjects within our Company, as well as coordinating and selecting programs, projects and volunteering campaigns in which we participate.





FLYING TOGETHER

We're not an airline, we're a family

Our people and the communities

Our family

An essential concept on our day-to-day labor is to create a workspace with outstanding physical and emotional integrity for our Ambassadors.

Our Gender Equity declaration states our defense for human rights, views against discrimination, equal opportunities and treatment, and our pledge for a violence free environment.

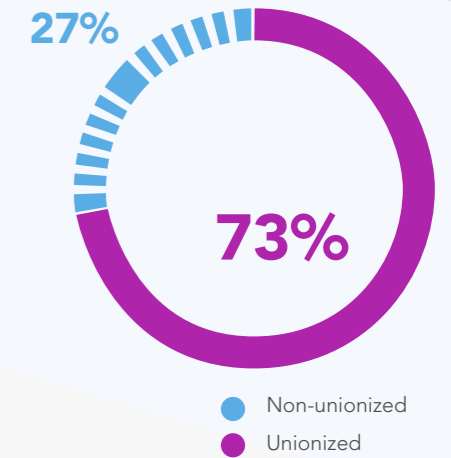
In addition, our Compensation Policy declares the critical factors established for remunerations and that gender is not one of them.



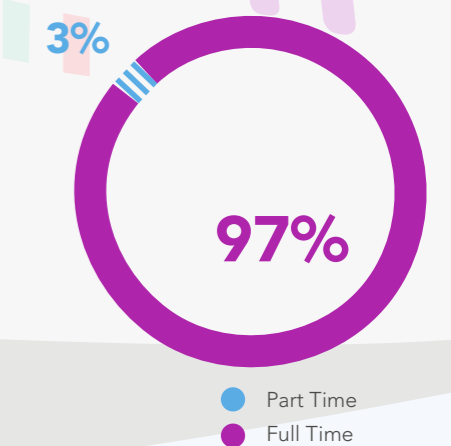
On 2013, we received the Gender Equity Model (MEG) certification from the Inmujeres Institute.



EMPLOYMENT CONTRACT



EMPLOYMENT TYPE



412 new Ambassadors joined our family, 32 of them left their positions before the year ended.

1,154
Feminine

1,538
Masculine



2,692
Ambassadors on 2013

Position	Men	Women	Total	% of men	% of women
General Personal	1,490	1,146	2,636	57%	43%
Managers and Directors	48	8	56	86%	14%

To ensure the comprehensive progress and growth of our Ambassadors, we have developed a series of policies that ensure they can reach higher positions depending on their performance and contributions to Volaris. Among them are:

TALENT ATTRACTION FOR MANAGEMENT POSITIONS

Establishes the procedure to follow in order to identify the Ambassador with the precise set of skills and competences for the position to fill.

TALENT ATTRACTION

Provides guidelines to assure the proper hiring based on Volaris' corporate criteria.

INTERNAL OPPORTUNITIES SYSTEM (SOI)

Stimulates growth mechanisms and internal development for our Ambassadors through promotions.

Gender	Number of movements due to SOI
Women	45
Men	91
Total	136



Ps.\$1,563.00
million invested on salaries and benefits for our Ambassadors



Benefits and compensations

Since we strive to provide the best life quality for our Ambassadors, we have a series of policies and agreements to create a positive work experience for all of them.

Administrative personnel

These policies can be found in our intranet and are available to our Ambassadors.

- Flextime Policy
- Home-office Policy
- Breastfeeding schedule and accommodation
- Agreement with daycare and child care services

All Ambassadors

- Christmas bonus
- Vacations
- Vacation pay
- Food coupons
- Transportation help



- Natural death life insurance
- Accidental death life insurance
- Mayor medical expenses insurance
- Annual tickets
- Performance trip
- Variable compensation
- Parking
- Launch of Recognition Program "ReconoSer" – we encourage Ambassadors to nominate peers they feel had an outstanding demonstration of our Culture, Pillars and Social Responsibility commitment. These nominations have to be supported on concrete actions, which can be seen and/or measured.

Health and Safety

We are working on the implementation and crediting of a Health and Safety Work Commission.

Actions:

- An exhaustive appraisal of our new headquarters, to certify no harm could come to our Ambassadors. Measures and solutions were taken to address any concern found
- Prevention and Fire Fighting Civil Protection Internal Unit
- First Aid Civil Protection Internal Unit

Campaigns:

HEALTH WEEKS

- Informative talks in Mexico, Guadalajara and Tijuana about the threat of cervical cancer and the advantages of the

vaccine, training and assistance to flight attendants to recognize the symptoms and get treatment in time.

- Periodic medical exams for our operations staff, focused on the risks they're exposed to such as noise, chemicals, hazardous substances. Tests applied: [Audiograms](#), [spirometry](#) and [biological analysis](#).

HEALTH FAIRS

Collaboration with IMSS to organize health fairs where our Ambassadors undergo medical studies. [477 participants](#)

VACCINATION CAMPAIGNS

Two applied, [Influenza](#) and [Tetanus](#), to [1,800 Ambassadors](#)

HEALTH CAMPAIGNS

[1,000 glucose, cholesterol and blood pressure screenings](#)

ADDICTION FREE COMPANY

periodical audits to achieve this distinction

KIDNEY DAMAGE PREVENTION CAMPAIGN

[234 national test applications](#)



Training

We aim to constantly improve our Ambassadors' skills, knowledge and competences

The training topics are diverse; we cover customer service, safety measures, technical skills for operational Ambassadors and ethics. We dedicate a section of every induction to discussion and training on human rights.

Moreover, all our Ambassadors receive quarterly performance evaluations.



14.9% increase in trained personnel, 96.8% of Volaris total Ambassadors

Area	Trained Ambassadors	Number of training hours
Flight Attendants	569	2,024
Pilots	445	6,751
Operations	208	9,082
Maintenance	1,385	17,470
TOTAL	2,607	35,327



Additionally, 465 security Ambassadors were trained on Human Rights topics

Special Training Sessions



VOLARIS CORPORATE UNIVERSITY CATEGORIES:

Technic training, virtual training, face-to-face training and collaboration

agreements with universities such as TEC Milenio, UVM, UNID, UIC, UP, ITESO and Xochicalco University.

- Leaders Tour, 88 hours on our Code of Ethics, Volaris Culture and leadership skills
 - 296 assistants, 96% participation rate
- E-learning course on our "Volaris Key Control Policies". Our goal for 2014 is to certify all administrative Ambassadors with this course.
- E-learning course "Prevention and Orientation against Corruption Practices Program" under FCPA guidelines.
 - 290 Ambassadors, 281 finished, 97% compliance
- KM for Life, a workshop for all new flight attendant groups to help improve their life quality by reflecting about their life and what they want to achieve.
 - 186 flight attendants in 13 groups

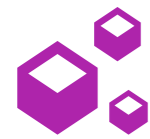
End Child Prostitution and Trafficking Certification



On April 2013 we received the ECPAT Certification. This reaffirms our commitment towards human rights and against children and teenagers' sexual exploitation. We're working on a policy to establish ECPAT security protocols and appropriate detection of suspicious conducts.

In addition, a representative of ECPAT Mexico trained 12 Ambassadors on the program "For a responsible tourism. Code of conduct for the protection of children and teenagers against sexual exploitation in the travel and tourism industry", consisting of four modules for a total of 26 training hours. To date, we have trained 876 Ambassadors on ECPAT protocols and have established a 2014 calendar to continue this task.

Besides, we managed to establish a clause in suppliers' contracts to ensure ECPAT protocols are followed. It has been included in 100% of shipping and lodging contracts. Our goal for 2014 is that all contracts which are renewed have this clause.



Communities

We strive to help and strengthen communities promoting volunteering and donations – economic or in-kind - among our Ambassadors to create genuine social consciousness.

Our Corporate Volunteering and Donations Policies outline the guidelines for all Ambassadors who want to contribute to society.

Achievements

- Successful transportation of 56 organs for transplant in alliance with the National Transplant Center (CENATRA), they were two livers, four kidneys and 50 corneas. We provide as well transport for all the medical personnel involved in the procedure
- Support to *Un Kilo de Ayuda* foundation to eradicate malnutrition in Mexico, collecting \$541 K, 15% more than in 2012
- Support to *Obra Mercedaria*, along with ALTA (Latin American and Caribbean Air Transport Association)
 - 1,200 families and 800 children and elders benefitted
- Support of organizations that care for the environment such as Sian Ka'an (*Reserva de la Biósfera en Quintana Roo*)
- 10 university conferences and workshops (VOI Leaders)
- 13 wheelchairs donated
- 20 children's with illnesses dreams fulfilled
- 383 donated airline round trip tickets
- Over 1 ton of unclaimed baggage donated
- Transportation to children in rehabilitation

30 activities and social projects in Corporate Offices and Airports



20 foundations / institutions supported



FLYING HIGHER

We don't sell plane tickets, we create traveling experiences

Our Clients and Suppliers

Our strategy focuses on delivering the best travel experience at a low cost for our Clients.

Call center

Part of our effort to always provide the best service for our Clients, is to be in constant contact with them. We manage over four million interactions a year through different channels such as telephone, e-mail, chat and social networks.

VOLARIS CALL CENTER

- Supplier - ATENTO / Awarded Best Place to Work
- Two Customer Call Centers – Toluca and Mexico City
- 2013 new features:
 - Social networks - Facebook and Twitter 24/7 attention
 - Travel desk - hotel, flight and performance trips' support for our Ambassadors

Furthermore, all our marketing and communication campaigns are based on an internal manifest so we can deliver our Clients accurate and complete information about our products and services. We had no complaints regarding breaches of customer privacy or fines for non-compliance with regulations concerning the provision and use of products and services on the reporting period.



We transported over 8'942,000 Clients, showing a 20.7% increase

12% of our Clients prefer this option



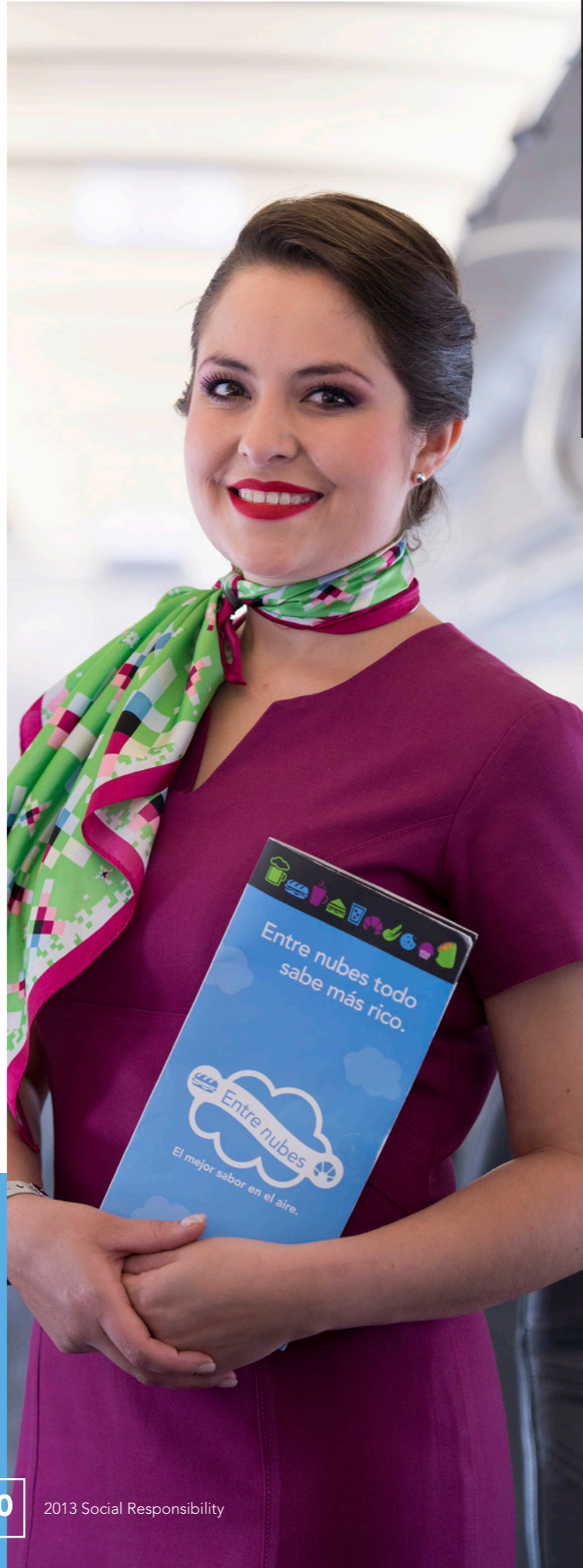
Among Clouds

As part of our *Tú decides* scheme, we launched a catering service in our flights where our Clients can purchase food and beverages at an affordable prize. Also available, are a kids' kit, "Fun Among Clouds" and a relaxing kit "Rest Among Clouds".

We changed our operations to a new booking system, Navitaire and launched our new website - <http://volaris.com/> - so we can offer faster and friendlier online purchases.

SafetyPay

We introduced a new payment option, bank transfer via SafetyPay. Through it our Clients can purchase their tickets in our website via a bank transfer to make their experience more comfortable.



Suppliers

Transparent, equitable and lasting business relationships with our Suppliers

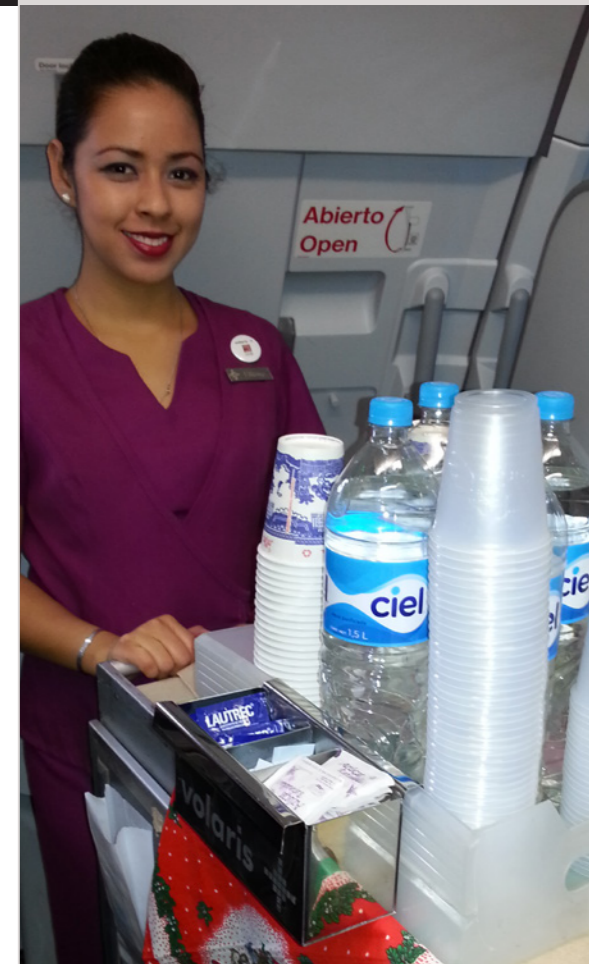
We seek to strengthen the development and wellbeing of all our Suppliers. Therefore, we build long term relationships with them, generating shared value and fomenting the quality of our services through the best practices.

Our suppliers' policies help us select and control them, giving priority to those who offer the best service, price and their values are similar to ours.

Some of the principles our policies define for the selection of Suppliers are Socially Responsible Company certification (ESR), declaration of contracts and benefits for all employees, quality and price, national and international coverage, among others. These help us build a stronger value chain and create partnerships and competitive value for society.

2013 Suppliers	
Local	87%
Foreign	13%
TOTAL	416

As an additional measure, we started a certification process for Suppliers with DUN&BRANDSTREET. One of the most important points in this project is to guarantee that they are regulated to satisfy our Company's needs and avoid practices that go against our values and policies.



Sustainable Flying

We fly towards a healthier planet

We have raised over Ps.1 million since the program started

For a Blue Sky

Its purpose is generating action projects to raise awareness and promote an eco-conscious culture. All Ambassadors who wish to participate can do so voluntarily.

Materials and waste

Last year we transitioned to a paperless company, so our material usage has decreased considerably.

We decreased our PET consumption by selling plastic reusable thermos to our Ambassadors and installing water filters in our offices at Samara Living Center, thus avoiding the use of disposable PET water bottles.

We continue separating our waste on different containers for its external recycling or disposal.

In our operations, packaging materials for technical components are constantly recycled. This year, we terminated our scrap components inventory, and managed to reuse all their containers and packaging materials. All these containers belong to Lufthansa so we aren't authorized for their destruction.

We generate hazardous waste result of aircraft maintenance; these are recollected by a SEMARNAT approved supplier and are recycled, crushed or confined depending on their type.



Biodiversity

Carbon Offset Program

Through this program, our Ambassadors and Clients have the opportunity to make a financial donation to the forest and species conservation of the Sierra Gorda's biosphere reserve in Queretaro.

The biosphere lodges over 2,300 plant species and 603 animal ones. Among them are protected species like jaguars, American black bears and guacamayas. With these donations we help the community:

- Taking care of the environment through sustainable practices
- Workshops and training for the local communities, where they learn how to support themselves sustainably
- Eradicate extreme poverty
- Avoid family disintegration due to members having to look elsewhere for work

For more information on our Carbon Offset Program: <http://sierragorda.net/>

SalBalam Contest

In alliance with several institutions and universities we held an audiovisual contest to save the jaguar – protected species – in the Selva Lacandona, Chiapas. We donated plane tickets to Chiapas for the winners to film a video to raise awareness among all sponsors, customers and personnel.



We planted over 7,000 trees with university students

3,000 thermos sold to our Ambassadors

Ps.102,555.60 investment

Between 19,240 and 20,800 kg of materials used on Samara Living Center



392.35
ton of fuel consumed
on operations



1,813
ton of fuel saved



0.027 Kg of
fuel per passenger
transported Km

Energy and Emissions

Our energy consumption is primarily from oil derivatives, like LP Gas, fuel, diesel and jet fuel.

We aim to reduce our consumption implementing several initiatives:

- Aircrafts earth movements with engine switched off (except takeoff and landing)
- Reduced flap tracks use
- Reduced reverse use
- Incorporation of more efficient, new technologies as sharklets
- Increased use of auxiliary power units for land
- Better flight planning

We measure our CO₂ emissions through the methodology provided by the International Civil Aviation Organization (ICAO). On 2013, we produced 1'177,059 ton of CO₂. We are currently working on initiatives to reduce these emissions.



Carpooling

This program is focused on the 482 Ambassadors who work in the Samara Living Center and share an automobile when transporting to/from work. For every three persons, the Carpooling Program will offer them a parking card. The advantages are:

- Reduced fuel expenditure
- Less pollution and emissions
- Increased security by not being alone

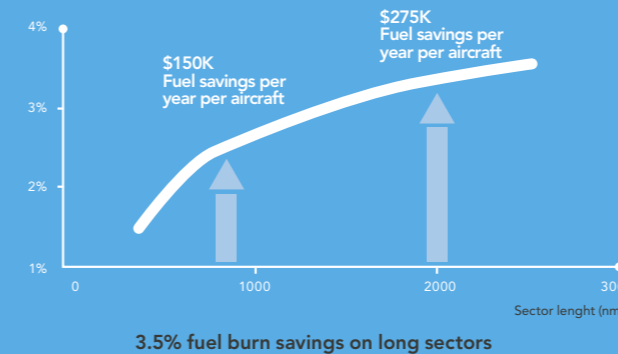
Over 150 Ambassadors benefitted

Sharklet Aircraft

BENEFITS:

3.5% fuel savings, equivalent to an annual reduction of over 700 ton of CO₂.

A320 BLOCK FUEL IMPROVEMENT vs current wingtip fences



Purchase of Pratt & Whitney Engines

On 2013, we announced the purchase of 95 engines from P&W, which also includes maintenance for 12 years. These will be installed in the 44 Airbus A320 aircrafts that we will receive between 2015 and 2020. They are high technology engines, with minor operational costs, more efficient and allow fuel savings. This will translate in lower emissions, savings and lowers costs for our Clients.

PurePower engines: 16% approximate fuel savings, 50% less NOx emissions and 75% less aircraft sound footprint*

*According to manufacturers



Water

All water we use for our operations comes from the local distribution network and airports.

Regarding waste water from aircrafts, all of it is drained in each transit and sent to the airport's water treatment plants.





AWARDS AND RECOGNITIONS

- **AIRBUS Operational Excellence** / AIRBUS Industries
- **IOSA Certification** / for the fourth consecutive year, we achieved this through an audit which evaluates the airline's operational safety in areas such as organization and corporate management, aircrafts operation, flight dispatch, engineering and maintenance, cabin operation, loads and every activity related to operational safety.
- **World Airline Awards** / Fifth place as best low-cost airline in North America. Through a satisfaction survey, travellers from all around the world rate services and experiences of over 200 airlines.
- **Totem Award for marketing campaign in billboards** / first place for Mustache billboard and third place for Bikini billboard in the Tourism – Billboards category
- **First place in Socially Devoted study by Socialbakers** / the European company awarded us first place due to our fast and effective attention in social networks like Facebook and Twitter.
- **Socially Responsible Company certification (ESR)** / Mexican Center for Philanthropy
- **ECPAT Certification** / End Child Prostitution and Trafficking
- **Addiction Free Company**
- **Gender Equity Model certification (MEG)** / Inmujeres Institute

Participation in Chambers and Associations

At Volaris we seek to adhere to the best practices and meet the highest standards of operations. Consequently, we participate and endorse several national and international organizations and certifications.

Memberships:

IATA

International Air Transport Association / since February 24, 2009

ALTA

Latin American Air Transport Association / since 2006

CANAERO

Camara Nacional de Aerotransportes
We are actively involved in this chamber since 2006, with participation in the Management Board and several committees so we can identify common concerns and explore alternative solutions to our problems.



ABOUT THIS REPORT

Volaris 2013 Social Responsibility Report outlines our economic, social and environmental performance and practices for the period January 1st to December 31, 2013.

This is our second report published following the Guide G3.1 guidelines of the Global Reporting Initiative (GRI), covering 72 indicators fully and 30 partially; and has not been externally verified.

Material aspects for this report were defined by the collaboration of each area involved. All data was compiled through files based on the G3.1 Guide technical protocols.

All information reported covers all our operative centers, unless otherwise stated. Our measurement techniques in environmental matters for engine fuel are invoices. Regarding aircrafts fuel we utilize special software A, for Flight Data Analysis (FDA).

A very significant change on the report's period is our IPO on September 2013. For this reason, re-statements of information and changes in our scope and boundaries might exist, compared to last year's report.

GRI INDEX

GRI Indicators		Level of reporting	Page
Strategy and Analysis			
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Fully	02
1.2	Description of key impacts, risks, and opportunities.	Partially	02, 17
Organizational profile			
2.1	Name of the organization.	Fully	04
2.2	Primary brands, products, and/or services.	Fully	08
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	11
2.4	Location of organization's headquarters.	Fully	47
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	11
2.6	Nature of ownership and legal form.	Fully	04
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	11
2.8	Scale of the reporting organization (Number of employees, operations, net sales, total capitalization, etc.).	Fully	05, 10, 11
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	01, 09, 10, 37
2.10	Awards received in the reporting period.	Fully	36
Report parameters			
Report profile			
3.1	Reporting period for information provided.	Fully	37
3.2	Date of most recent previous report.	Fully	37
3.3	Reporting cycle (annual, biennial, etc.).	Fully	Annual
3.4	Contact point for questions regarding the report or its contents.	Fully	37
Report scope and boundary			
3.5	Process for defining report content (determining materiality, prioritizing topics within the report; and identifying stakeholders the organization expects to use the report).	Fully	37, 19

GRI Indicators		Level of reporting	Page
3.6	Boundary of the report.	Fully	37
3.7	State any specific limitations on the scope or boundary of the report.	Fully	37
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Fully	37
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Fully	37
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	37
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	37
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	38
Assurance			
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	37
Governance, commitments and Engagement			
Governance			
4.1	Governance structure of the organization.	Partially	12-14
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	12-14
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	12-14
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Partially	12-14, 19
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	12-14, 15
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees.	Partially	12-14
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	06, 15, 16
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	15, 17
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Fully	15, 17

GRI Indicators		Level of reporting	Page
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Fully	28, 33
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; Provides substantive funding beyond routine membership dues; or views membership as strategic.	Fully	36
Stakeholder Engagement			
4.14	List of stakeholder groups engaged by the organization.	Fully	19
4.15	Basis for identification and selection of stakeholders with whom to engage.	Partially	19
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	19
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Fully	19
Economic Performance Indicators			
Aspect: Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	05
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partially	17
EC3	Coverage of the organization's defined benefit plan obligations	Fully	Volaris does not have retirement plans / 25
EC4	Significant financial assistance received from government.	Fully	Volaris does not receive any assistance from government
Aspect: Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Fully	Volaris does not base its salaries on M.W., no salary is subject to it

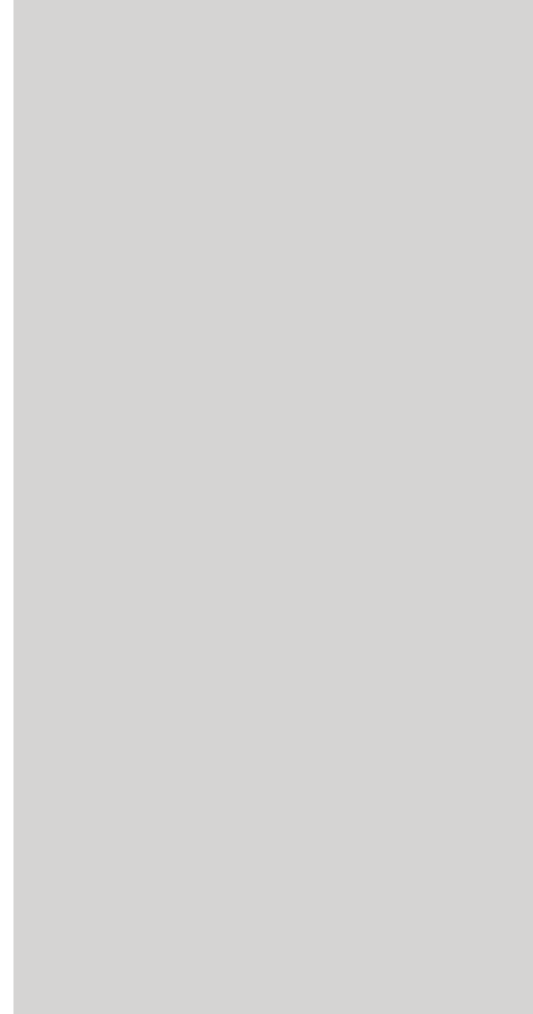
GRI Indicators		Level of reporting	Page
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	31
Aspect: Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Fully	28
Environmental performance indicators			
Aspect: Materials			
EN1	Materials used by weight or volume.	Partially	32
EN2	Percentage of materials used that are recycled input materials.	Partially	32
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.	Fully	34
EN5	Energy saved due to conservation and efficiency improvements.	Fully	34
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	34
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	35
Aspect: Water			
EN8	Total water withdrawal by source.	Partially	35
EN10	Percentage and total volume of water recycled and reused.	Partially	35
Aspect: Biodiversity			
EN13	Habitats protected or restored.	Fully	33
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	33
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Partially	33
Aspect: Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Partially	34
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	33, 34
EN22	Total weight of waste by type and disposal method.	Partially	32
EN23	Total number and volume of significant spills.	Fully	There were no significant spills
Aspect: Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	32, 34
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Partially	32

GRI Indicators		Level of reporting	Page
Aspect: Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Fully	There were no sanctions
Aspect: Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Partially	35
Aspect: Overall			
EN30	Total environmental protection expenditures and investments by type.	Partially	32
Labor practices and decent work performance indicators			
Aspect: Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Partially	22
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Fully	23
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Fully	24
Aspect: Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	22
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Fully	Volaris does not have minimum notice periods
Aspect: Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	Partially	25
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	25
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	They are not covered in formal agreements
Aspect: Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	26
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	24
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	26

GRI Indicators		Level of reporting	Page
Aspect: Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	22
Aspect: Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Partially	22
Human rights performance indicators			
Aspect: Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	27
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	Fully	27, 31
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partially	15, 26
Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and corrective actions taken.	Partially	16
Aspect: Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Fully	31
Aspect: Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	27
Aspect: Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	15, 27
Aspect: Security practices			
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Partially	26
Aspect: Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	There have been no incidents
Aspect: Corrective Actions			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Partially	16

GRI Indicators		Level of reporting	Page
Society performance indicators			
Aspect: Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Fully	17
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	17, 26
SO4	Actions taken in response to incidents of corruption.	Partially	16
Aspect: Public policy			
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	We are against direct lobbying as a tool consistent with our principles and values in the form of promoting and defending our interests. / 36
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Fully	Volaris does not contribute to political parties
Aspect: Anti-competitive behavior			
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	15
Aspect: Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Fully	Volaris has no fines or sanctions for noncompliance
Product responsibility performance indicators			
Aspect: Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Fully	10
Aspect: Product and service labeling			
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partially	29
Aspect: Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	29
Aspect: Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Fully	29

GRI Indicators		Level of reporting	Page
Aspect: Compliance			
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	Fully	29



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2013
SOCIAL
RESPONSIBILITY
REPORT

