

volaris

SOCIAL
RESPONSIBILITY
REPORT 2017



BEYOND
Flying

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Message from

 *our CFO*



 In **2017 Volaris demonstrated the resilience** and solid position of its **ULCC business model and strategy.**



We transported 16.4 million Clients, a 9.5% increase vs 2016

The airline industry faced a challenging year with factors ranging from geopolitical and macro events to softer demand environment in the trans-border market; volatility in fuel prices and exchange rates. However, Volaris has shown a strong ULCC business model to face and overcome these challenges.

Our lowest fares allowed us to stimulate passenger demand; we transported 16.4 million Clients, a 9.5% increase against 2016. Our total operating revenues for the year were Ps. 24,845 million, increasing 5.7% compared to last year. It is important to highlight that 28% of these revenues came from our ancillaries' line; non-ticket revenues increased 23.3% against 2016. As one of our greatest competitive advantages, we continued strengthening our Clean Base Fare strategy; we expanded our ancillaries portfolio to offer an extensive variety of additional services for Clients to supplement their flight. We aim to provide our Clients not only a flight, but the best travel experience.

We focused on cost control and driving unit costs down to continue offering the lowest fares in the market. Our operating cost per available seat mile excluding fuel (CASM ex-fuel) increased only 3.5% against 2016, reaching US\$ 4.7 cents. Despite volatility, we strengthened our balance sheet; we closed 2017 with a solid balance sheet, a healthy leverage ratio and a solid cash position.

We innovate to reduce costs further and drive efficiencies; thus, we continue investing on fleet with state-of-the-art technology. In 2017, our fleet was comprised of 71 aircraft with an average age of 4.6 years, the youngest fleet in Mexico. During the year, we restructured our current fleet cost and signed an agreement with Airbus for the future procurement of 80 new aircraft to be delivered from 2022 to 2026, ensuring an extremely competitive cost. Furthermore, we received four new A320 Neo and 10 A321. These aircraft have the most modern technology; eco-efficient engines and sharklets decrease fuel consumption and CO₂ emissions, thus minimizing environmental impact and increasing our efficiency so we can make more people fly at the best fares.

An important milestone during 2017 was the expansion of operations of Volaris Costa Rican affiliate to several Mexican cities. We continue our diversifica-

tion and growth trend in the domestic, US and Central American markets, striving to offer a diversified point-to-point route network. Currently, Volaris Costa Rica is the first ultra-low-cost carrier in the region, thus enabling us to connect more families and provide the best experiences.

Moreover, our organizational Culture and values guide our Social Responsibility initiatives; seeking to transcend and improve people's quality of life in the communities where we operate. We are proudly part of the Mexican Stock Exchange Sustainability Index for the third consecutive year, demonstrating our commitment with the community and transparency in all our operations.

Throughout the year we confirmed our strength to overcome adversities and to continue generating value for our shareholders and Clients. My most sincere gratitude to our shareholders, Clients and Ambassadors for their confidence, loyalty and dedication. In the process of achieving continuous growth and added value, Volaris will above all, put in endless efforts to deliver the best travel experiences with the lowest fares in the market.



Volaris Costa Rica is the first ultra-low-cost carrier in the region

Sincerely,
Fernando Suárez Gerard
Chief Financial Officer



volaris

✈ Snapshot

.....✈
We go beyond just flying, we provide unforgettable experiences. **At Volaris, Clients do not fly, they travel!**

Our + Achievements

Members of the **Sustainability Index** of the Mexican Stock Exchange for the **3rd consecutive year**

Positioning of the **VFundación** membership in Mexico

Socially Responsible Company (ESR) distinction for the **8th consecutive year**

Top Member in the implementation of **The Code** (ECPAT) for the **5th consecutive year**

Certification in Environmental and Quality Management Systems ISO 14001:2015 and ISO 9001:2016

Transport of 213 organs and tissues with **CENATRA** since 2009

Fundraising of **Ps. 499,698** through our **"Volemos Juntos"** campaign jointly with **Un Kilo de Ayuda**

29,086 certified carbon credits procured since 2015

Ps. 3'879,750 invested to **donate 976 plane tickets**

Collection of **Ps. 4'541,398** through our **#ForACleanSky** campaign since 2011

193 fulfilled dreams for girls, boys and teenagers with chronic or advanced illnesses

6,643 volunteering hours, with **2,531 volunteers** participating in **110 activities**

volaris

✈️ in Numbers

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



 **16.4**
MILLION
CLIENTS
9.5% INCREASE VS 2016

 **108,060**
DEPARTURES
+6.1% VS 2016

 **71**
AIRCRAFT

 **4,916**
AMBASSADORS*
*WOMEN AND MEN WHO WORK AT VOLARIS

\$\$ OPERATING REVENUE
PS.24,845
MILLION

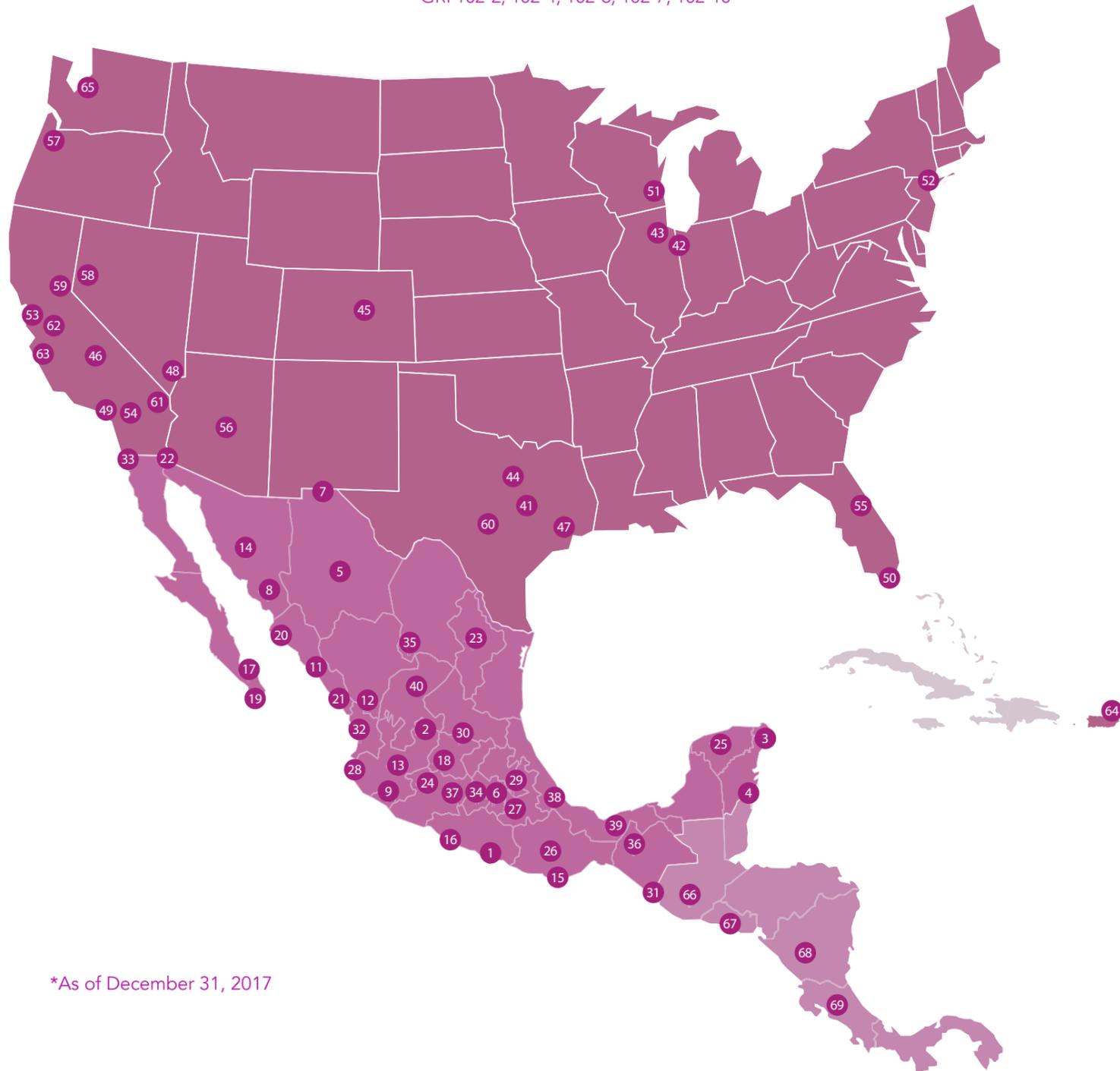
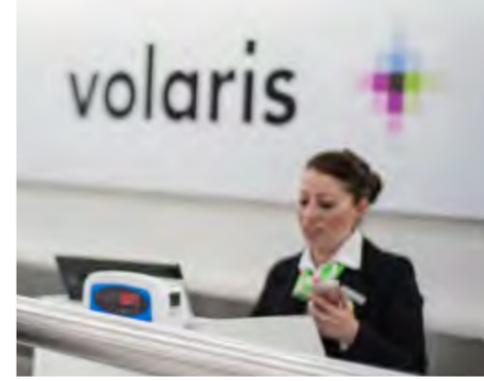
 **174**
ROUTES

Volaris is an ultra-low cost, point-to-point service airline operating in Mexico, the United States and Central America.

Best Airline in Driving Revenue & Mobile granted by SimpliFlying Awards 2017

More ✈ Routes

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



MEXICO

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

VERACRUZ

38. VERACRUZ
39. VILLAHERMOSA
40. ZACATECAS

UNITED STATES

41. AUSTIN
42. CHICAGO (MIDWAY)
43. CHICAGO (O'HARE)
44. DALLAS - FORT WORTH
45. DENVER
46. FRESNO
47. HOUSTON
48. LAS VEGAS
49. LOS ANGELES
50. MIAMI
51. MILWAUKEE
52. NEW YORK (JFK)
53. OAKLAND (SAN FRANCISCO)
54. ONTARIO
55. ORLANDO
56. PHOENIX
57. PORTLAND
58. RENO
59. SACRAMENTO
60. SAN ANTONIO
61. SAN BERNARDINO
62. SAN FRANCISCO
63. SAN JOSE, CALIFORNIA
64. SAN JUAN, PUERTO RICO
65. SEATTLE

CENTRAL AMERICA

66. GUATEMALA CITY, GUATEMALA
67. SAN SALVADOR, EL SALVADOR
68. MANAGUA, NICARAGUA
69. SAN JOSE, COSTA RICA

Volaris Voices...

“For me, the greatest motivation of working at Volaris is being able to serve Mexico; by joining families, fulfilling dreams and democratizing the sky, enabling more people to travel, and travel well... it is what drives me to rise every morning and go to work with a purpose.”

María Elena Rodríguez Asiain,
Corporate Finance Director

174
ROUTES

7
NEW DOMESTIC
ROUTES

24
NEW INTERNATIONAL
ROUTES

69 Destinations

40 Mexico

29 United States and
Central America

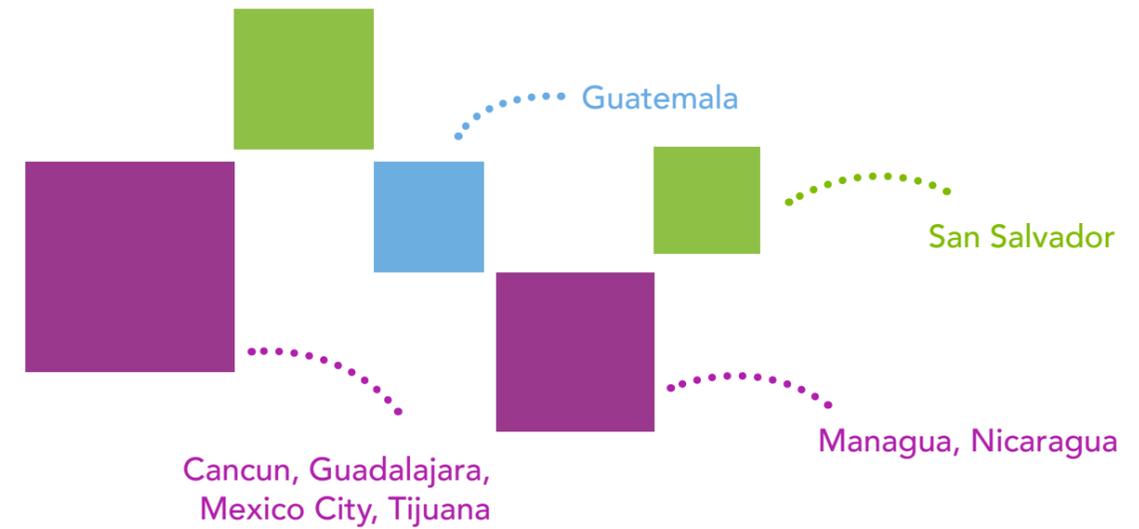
*As of December 31, 2017

Hello ✈️ Costa Rica!

GRI 102-4, 102-7, 102-10



2017 SAN JOSE ROUTES:



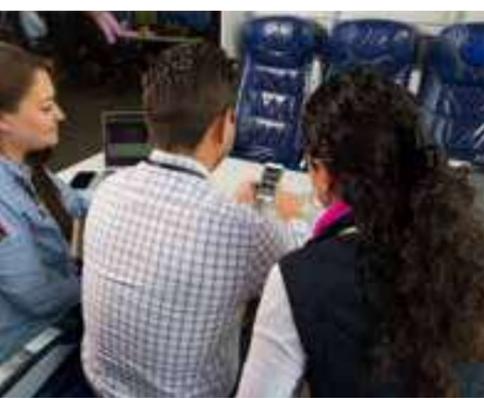
✈️
Volaris Costa Rica became the first ultra-low-cost operator in Central America.

On November 2016, Volaris celebrated its inaugural flight from Juan Santamaria International Airport at San Jose, Costa Rica to Guatemala City. During 2017, we diversified our routes from this country to Mexican cities: Cancun, Guadalajara, Mexico City and Tijuana. With this expansion, we seek to connect Clients from these countries with the most competitive rates in the market. Furthermore, on December 2017, Volaris Costa Rica was granted by the Department of Transportation of the United States a Foreign Air Carrier Permit to provide transportation between these two countries; operations will begin in the first quarter of 2018.

Volaris Voices...

“Our growing point-to-point routes offer at highly competitive prices positions Volaris Costa Rica as the best option to travel within and outside Central America, thus corroborating our mission to enable more people to travel... and travel well! We strive to provide the best travel experiences for our passengers; with Volaris they can choose exactly what they need to travel, besides enjoying completely safe operations and an outstanding service.”

Fernando Naranjo
Volaris Costa Rica General Manager



We Reduce Costs So

+ More People Travel, Well!

GRI 102-2, 102-7, 102-10

Volaris Voices...

“Our aim, besides providing the best service, is to always give the extra mile.”

Holger Blankenstein
Commercial Director

TRAVELS

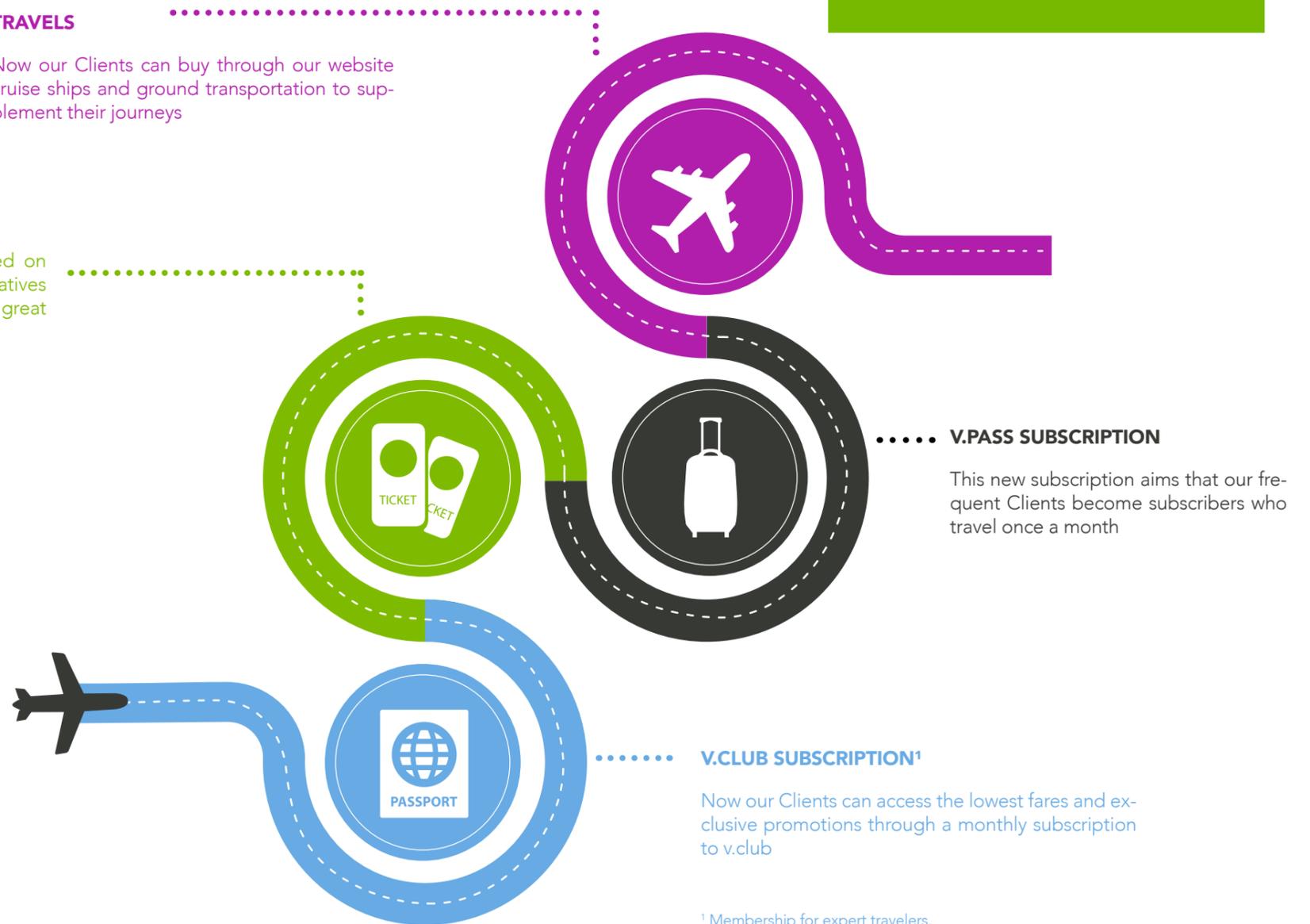
Now our Clients can buy through our website cruise ships and ground transportation to supplement their journeys

VOLARIS INVEX 0 CARD

This new Classic Visa credit card is focused on the Client segment who visit friends and relatives abroad; it has no annual payment and grants great benefits while traveling

During 2017, we continued strengthening our “Clean Base Fare”; currently our Clients have the option of traveling without checked baggage throughout all our route network, if they decide so.

Furthermore, we remained focused on our “You decide” strategy, through which Clients may supplement their flight with the additional services they need. We continue offering a wide variety of supplementary services and, during the last year, we expanded our portfolio with the following services.



We Create

Experiences with Value

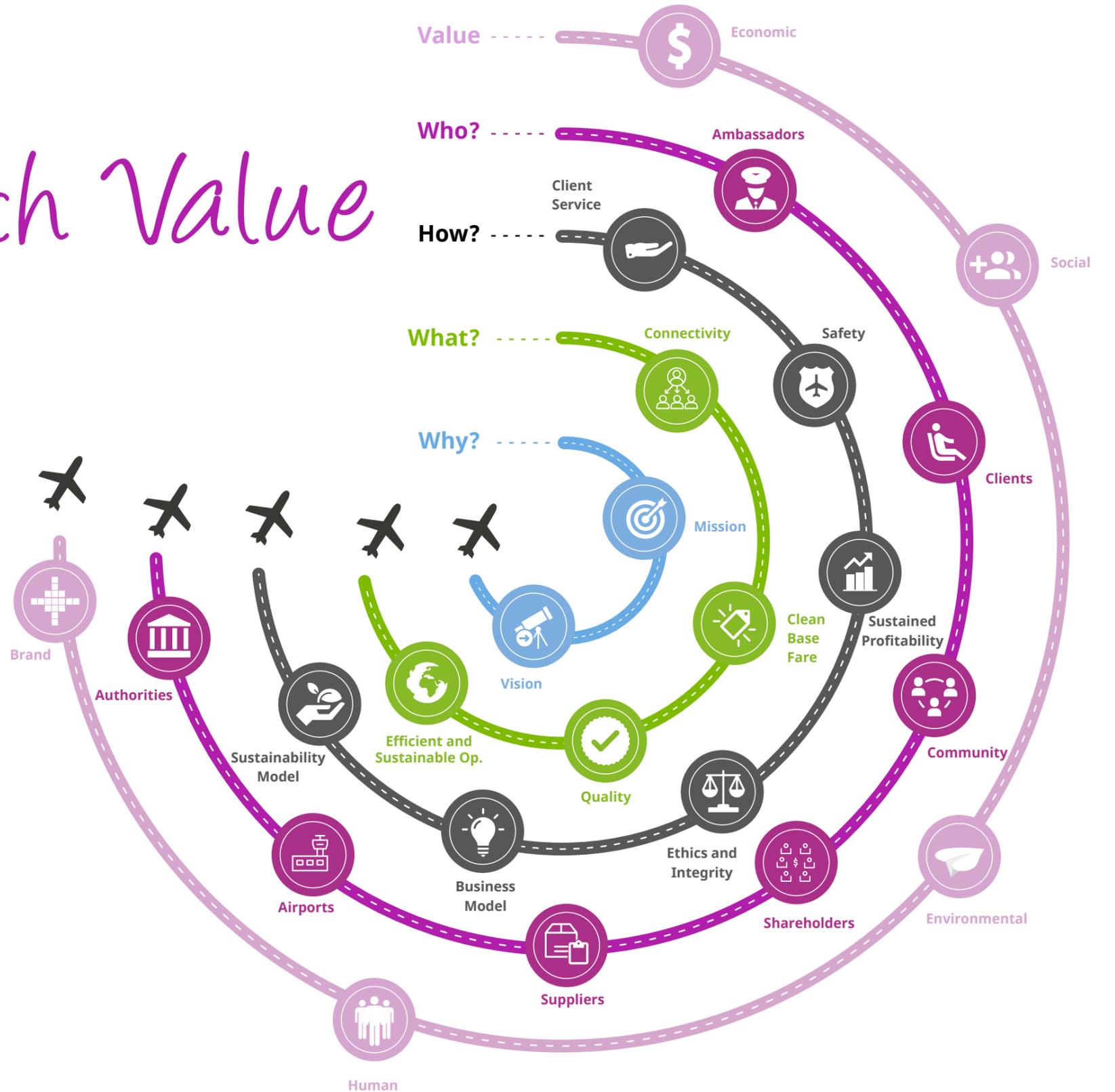


For the eighth consecutive year, we obtained the **Socially Responsible Company (ESR) distinction**

Volaris Voices...

“At Volaris we are different; we break the mold. Thus, we aim to connect with our Clients depending on their current needs, in a creative, personal and innovative way.”

Leslie Melville,
Leadership and Culture
Development Manager





GRI 102-16, 102-20, 102-26, 102-29, 102-32, 102-40

WHY?



Mission

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



Vision

Transcend by creating and living the best travel experiences.

WHAT?



Connectivity

Development of a diversified and flexible point-to-point route network in order to connect Clients who visit friends and relatives (VFR) and attract bus travelers.



Clean Base Fare

The lowest prices with additional optional services so everyone can fly.



Quality

The highest quality to provide the best travel experiences.



Efficient and sustainable operations

Efficient operations to preserve the environment and reduce our environmental footprint.

HOW?

PILLARS



Client Service

Ambassadors in constant training to offer the best attention and experience to all our Clients.



Safety

Focus on Clients and Ambassadors' safety.



Sustained Profitability

Efficient and ideal use of resources, in every sense.



Ethics and integrity

- Person-centered Culture, characterized by ethical values and behaviors, as well as Human Rights protection.
- Volaris Conducts:
 - Credibility
 - Respect
 - Fairness
 - Camaraderie
 - Pride



Business Model

Ultra-low-cost model with best-in-class cost structure within the aviation market.



Sustainability Model

Assurance of our commitment with society, the environment and the communities where we operate, aligned to our Business Model.



- Social Responsibility Committee comprised by Directors and Ambassadors in charge of managing all Social Responsibility activities.
- "Let's Fly Together" Social Responsibility permanent campaign with four action principles: Leadership, Health and Life, Sustainability and Corporate Volunteering.



Volaris Course

As part of the Leadership Principle, in 2017 our Directors and Managers gave 16 lectures to 42 students from the Management and Direction Degree at the *Universidad Panamericana*, Santa Fe Campus. These lectures' goal was to teach the students a holistic vision of Volaris trajectory. Hence, they learned first-hand about the challenges involved in successfully founding and scaling a business, as well as to develop critical thinking and to apply theoretical knowledge to real business scenarios.

WHO?



Open and continuous communication channels to obtain feedback and meet their expectations



VALUE



Economic

- Market share increase
- Cost reduction
- Revenue increase
- Higher return on investment



Social

- Social and economic development in communities
- Support of marginalized populations
- Donations and volunteering
- Contribution to the UN's 2030 Agenda through the Sustainable Development Goals (SDG)



Environmental

- Operations' environmental footprint reduction
- Contribution to the UN's 2030 Agenda through the Sustainable Development Goals (SDG)



Human

- Creation of an inclusive and suitable work environment for personal and professional development
- Qualified and trained Ambassadors
- Diversity and Human Right's defense
- Safe working conditions

Brand



- Positive reputation increase
- Clients' loyalty
- Guarantee of the best travel experience

For more information about our Sustainability Model and Social Responsibility actions, please visit: <https://cms.volaris.com/es/viajando-con-volaris/responsabilidad-social-esr/modelo-de-sustentabilidad-volaris/>



We are part of the **Sustainability Index of the Mexican Stock Exchange** for the third consecutive year



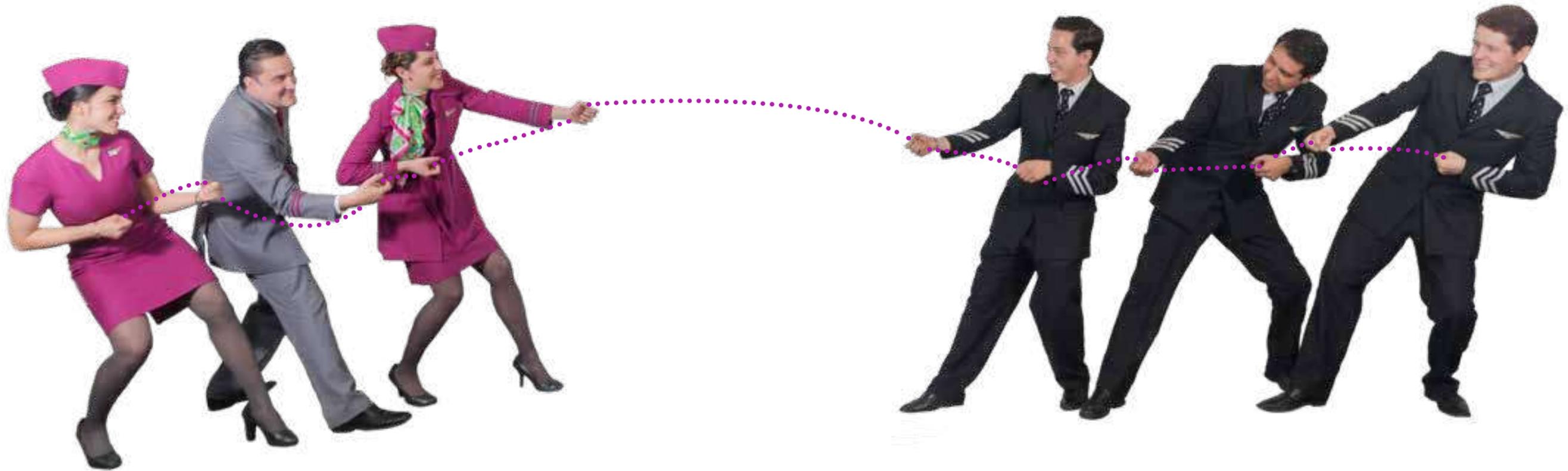
GRI 415: 103-1, 103-2, 103-3
GRI 102-12, 102-13

We participate in several national and international organizations and chambers aiming to update our processes in the best international practices.

- **IATA / International Air Transport Association**, since February 24, 2009.
- **ALTA / Latin American Air Transport Association**, since 2006.
- **CANAERO / Cámara Nacional de Aerotransportes**, since 2006. We participate in the Management Board and several committees, so we can identify common concerns and explore alternative solutions to the industry's problems.
- **Flight Safety Foundation** / Non-profit organization whose purpose is to provide unbiased and independent orientation and security resources for the aeronautic aviation industry, since 2014.

Volaris

✈ Family



✈
We do not employ people, **we share an ideal and we represent the same Institution**; we are Volaris Ambassadors.

Committed Ambassadors

GRI 401, 407: 103-1, 103-2, 103-3



volaris



We promote talent, commitment and motivation among our Ambassadors, as well as a sense of belonging and pride to be a part of the **Volaris Family**. We live our Culture and values, therefore we encourage an outstanding work environment, where every Ambassador has the opportunity to boost their professional and personal development.

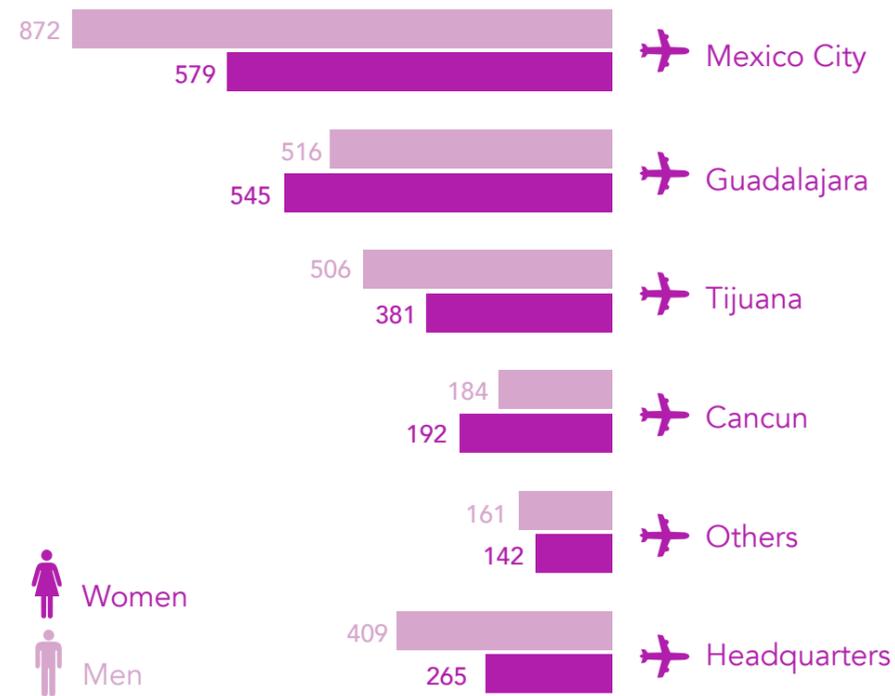


Volaris Voices...

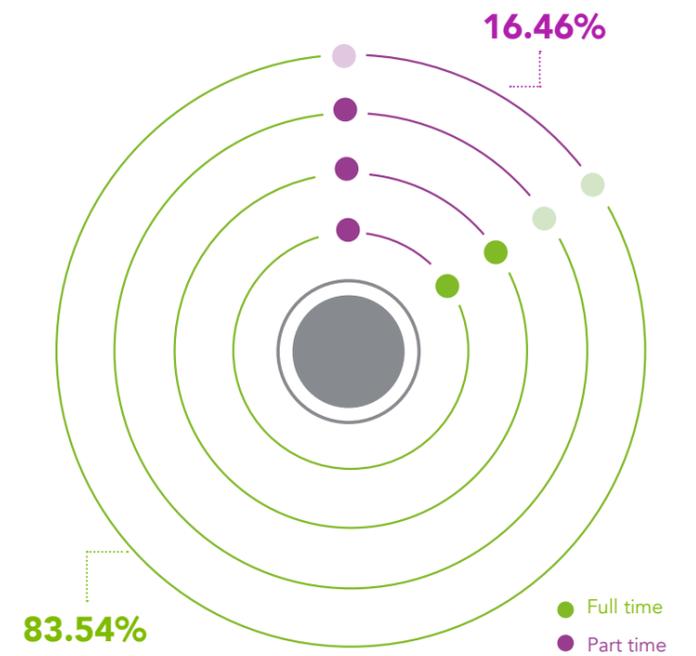
“Volaris means receiving constant support from my work team.”

Raúl Fernando Alvarez
Captain

Workforce by gender and region



Employment type

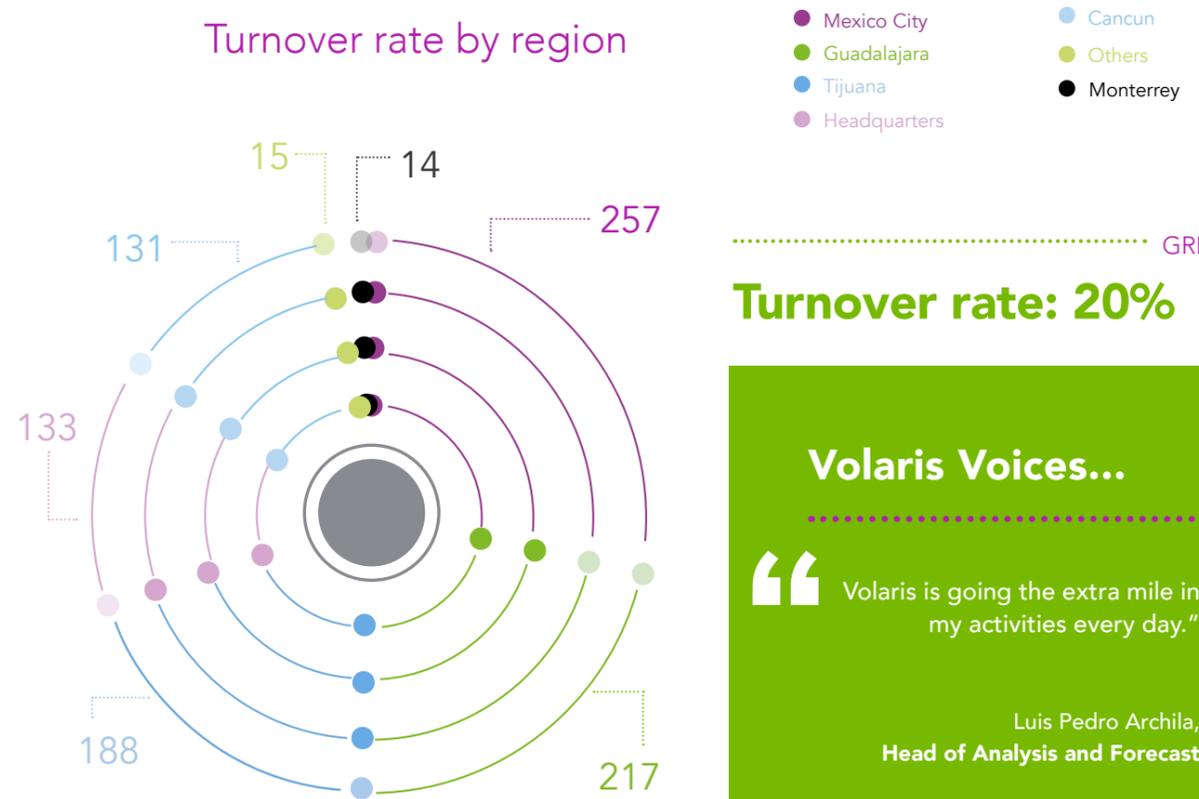




Turnover rate by gender



Turnover rate by region





We Recognize Volaris Family's Value



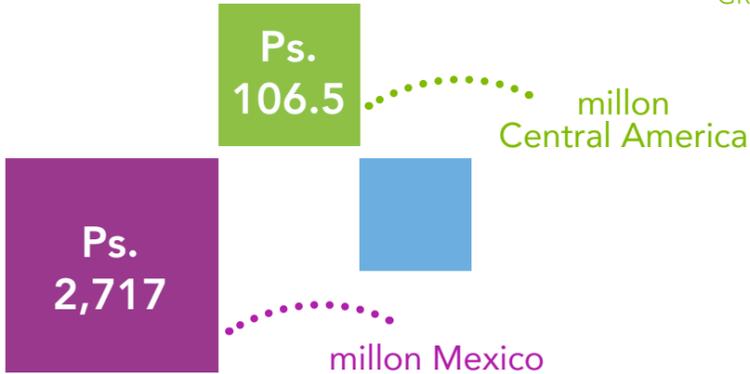
GRI 201, 419: 103-1, 103-2, 103-3
GRI 401-2, 401-3

We provide competitive benefits, well beyond the law's requirements, aiming to retain the best talent and contribute to the improvement of their quality of life. We offer our Ambassadors benefits such as life insurance for natural and accidental death, mayor medical expenses insurance, administrative or union passes, variable compensation and groceries coupons for union staff. Furthermore, all our Ambassadors have the right to maternity and paternity leaves. In 2017, 96 women Ambassadors used this benefit.

Additional benefits for Ambassadors whose functions allow it include flextime policy, home-office policy, breastfeeding schedule and accommodation –these spaces located in our headquarters were remodeled in 2017– and an agreement with daycare and child care services.

2017 investment in benefits for Ambassadors:

GRI 201-1





Internal Opportunities System (SOI)

Ambassadors who have the best professional development opportunities and help us to provide the best experiences for our Clients.

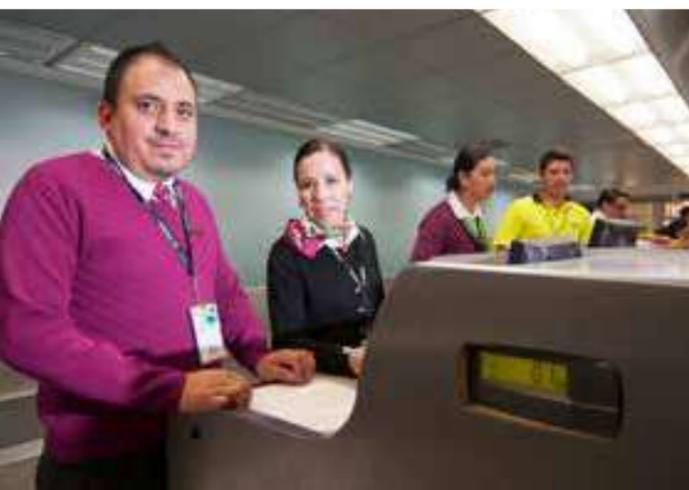
134 PROMOTED AMBASSADORS



ReconoSER

Ambassadors congratulate and recognize their peers who practice our pillars, conducts and social responsibility actions, all which help create a healthy work environment and teamwork.

52 AMBASSADORS RECOGNIZED

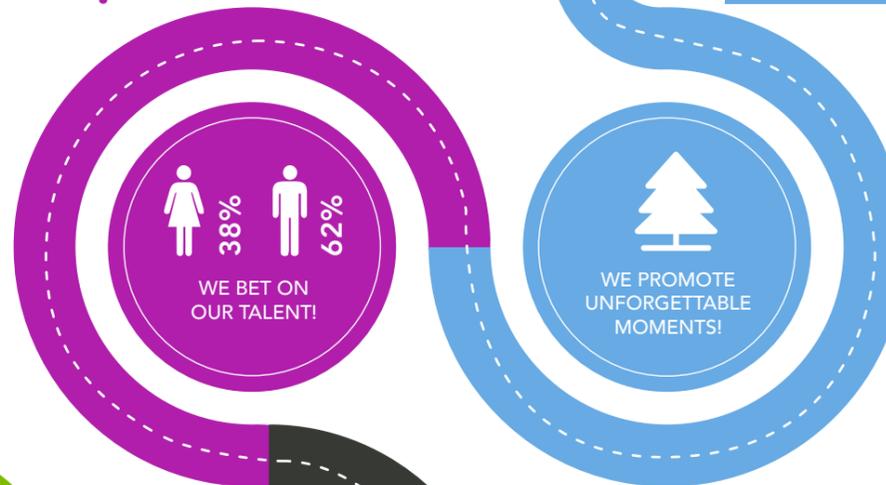


Christmas Overnight Stay Program

Ambassadors who work on December 24 and 31st can enjoy these special dates with a family member or friend on the flight and destination they spend the nights.

30 PILOTS

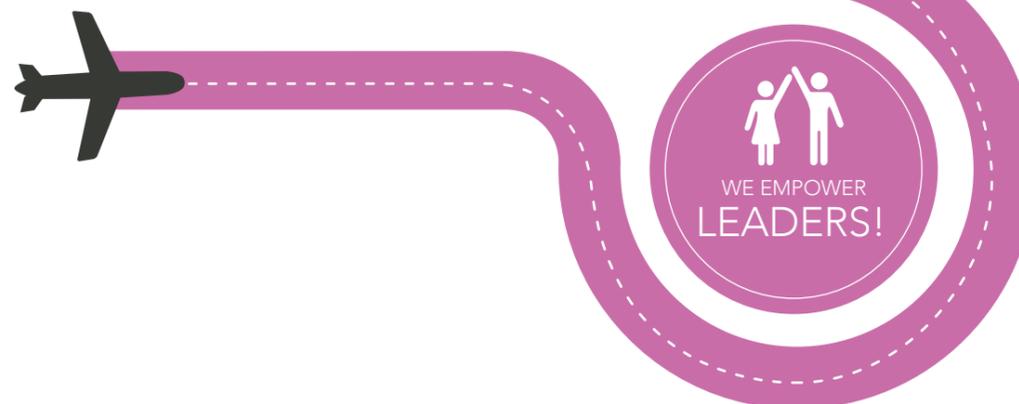
77 FLIGHT ATTENDANTS



Service Stars

We recognize Ambassadors who, through their stories, show an extra effort with our internal and external Clients, hence providing them an exceptional travel experience.

105 AWARDS



trASCIENDE

Allows Leaders to recognize their most outstanding peers for achieving excellent operational results, innovative ideas or for generating efficient processes and demonstrating an exceptional commitment with Volaris.

247 AWARDS



Equal Opportunities

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



Since our Culture is Person-center, we especially promote diversity and Human Rights. Also, we reject every form of discrimination throughout all our processes and operations.

Our Gender Equality Policy, Compensation Policy and Diversity and Equal Opportunities Policy ensure equal employment and ethical behaviors, as well as establish the criteria for equal opportunities for personal, labor and financial development for all our Ambassadors. **Furthermore, we continue aligning our operations to achieve the certification in the Mexican Regulation NMX-R-025-SCFI-2015 of Labor Equality and Non-Discrimination.**

Volaris Voices...

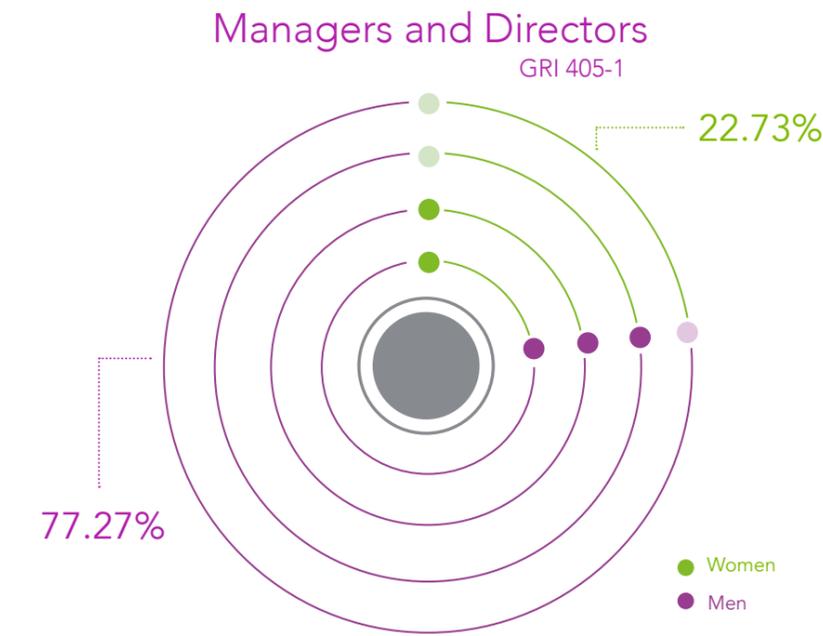
“At Volaris we consider talent, not gender. Before working with women and men, we work with human beings.”

Juliana Angarita,
Talent and Organizational
Development Director

In 2016, we hired **nine new Ambassadors with disabilities** to work as Traffic Agents at the International Airport of Mexico City. During 2017 we carried out an **Empowerment Program** specifically for this group, where Ambassadors learned to develop and strengthen their abilities, emotions, thoughts and personal relations.

With our Ambassadors' support and through our internal campaign "Jeans con Causa", we made a donation for the hearing aids of a disabled Ambassador.

Through an outsourcing agency, we hired **eight senior citizens** as **Ambassadors**, who we contacted by the *Instituto Nacional de las Personas Adultas Mayores (INAPAM)*. We are planning to include them as Volaris Ambassadors in 2018.





We Drive Talent



GRI 404: 103-1, 103-2, 103-3

We aim to encourage our Ambassadors' continuous learning and professional and personal development; thus, we have several training programs. We offer a wide variety of courses –whether in person or through our E-learning platform– focused on improving our Ambassadors skills and knowledge.

GRI 404-1

	Trained Ambassadors	Hours	Courses
Flight Attendants	2,072	7,063	132
Pilots	859	10,049	750
Maintenance*	579	3,050	248
Dispatch Operation Control Center	572	1,008	33
Airports' Operation	5,707	13,998	957
Total	9,789	35,168	2,120

*Of these 579, 184 men were external personnel.
 **The number of trained Ambassadors exceeds the total number of Volaris Ambassadors, since several of them took different training courses.

Volaris Voices...

“ Volaris means working on something that inspires me and encourages me to be better, such as aviation does.”

Alejandro Barrera,
 Flight Attendant

Training by gender



Volaris Corporate University

GRI 404-2

Training	Trained Ambassadors	Percentage of Ambassadors who finished the applicable course
Volaris Code of Ethics	4,742	97%
ECPAT ¹	3,742	94%
Federal Law on the Protection on Personal Data	3,773	97%
FCPA, Prevention and Orientation against Corruption Practices Program	377	94%
Volaris Policies	811	97%
Information security	3,838	91%
KM for Life: workshop for Flight Attendants focused on: <ul style="list-style-type: none"> • Human development • Nutrition • Health • Image protocol • Hair and makeup 	304	100%

¹End Child Prostitution and Trafficking.

Organizational Development Direction

GRI 404-2

Accelerated development for internal talent program

We support the accelerated development of leadership competencies, business knowledge and help Ambassadors focus their careers and make better decisions for their personal and professional lives.



Identification of Ambassadors with high analyst and specialist levels potential to participate in:

1

2

Intensive week of courses and workshops taught by Directors and Managers, where they solve business cases to increase their knowledge on strategic issues

Development program with mentoring sessions, leadership talks, career and critical business issues



Career routes

As part of our strategy, we have the goal to develop Career Routes for all our operational areas and understandable development guides for our administrative staff.

Leader's development

INTRANET

- Launch of a training and mentoring platform for the Company's leaders

+ development + talent

- Coaching program
- Mentoring
- Leadership degrees
- Mentoring program for either new entry or promotion managers

Our aim is to develop and manage several programs that drive our Ambassadors' talent.

Training strategy for the development of leadership skills

We developed a training strategy on communication skills, team development, influence and stress management for all Ambassadors responsible for others. This initiative focuses mainly on our administrative and operative talent, adjusting the contents for each of the items.



Volaris Development Galaxy

Talent and training attraction model = sustainability and Volaris growth



Intensive development program for young graduates with high potential. For 18 months we provide the necessary tools to transform them into Volaris leaders.



We reformulate internships that students carry out during their final college years, gaining knowledge from strategic areas.



We look for young people between sixth semester and the first year of college who seek their first approach to work. We offer summer projects that will help them understand how a company works and are able to grow within any area of their interest.



Successful first-generation **Satellites-trainees** program, creating and achieving projects to support business strategies.

Alliance with *Fundación Politécnico* within the **No-vas-interns** program. Thus, we attracted the best talent from the Aeronautical Engineering Bachelor's Degree from the *Instituto Politécnico Nacional*. The students participate in a year-round rotation program to acquire knowledge from our operations area.



We Increase

Safety



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

An extraordinary flight experience begins with healthy Ambassadors and secure operations. Therefore, we are committed with their Health and Safety and develop policies, initiatives and programs to avoid any risk to their integrity, both physically and emotionally.

.....✈️
11th consecutive year with the Addiction Free Company Certification



Healthy Volaris Family

- Hearing and respiratory protection program: 357 annual evaluations (spirometry and audiometry) to Ambassadors from maintenance, quality control, appearance, warehouse, ramp and workshop operation areas.
- Environmental studies at Tijuana to ensure Ambassadors' working conditions are within the law's permissible limits. The applied studies were:
 - 60 in noise dose
 - 58 in lighting measurement
 - 77 in substance identification
- Breast cancer prevention internal campaign, with the *Asociación Mexicana de Lucha contra el Cáncer de Mama*; breast ultrasounds applied to Ambassadors and their families; 41 in headquarters and 25 in Mexico's Base.
- 1,650 national influenza vaccines applied, 250 vaccines donated to two companies and 20 additional doses applied to workers from the Union group of the International Airport of Mexico City.
- 427 Ambassadors from the maintenance area trained on work-related risks.
- Free medical house visits for crews, so they receive a timely medical diagnosis and treatment.

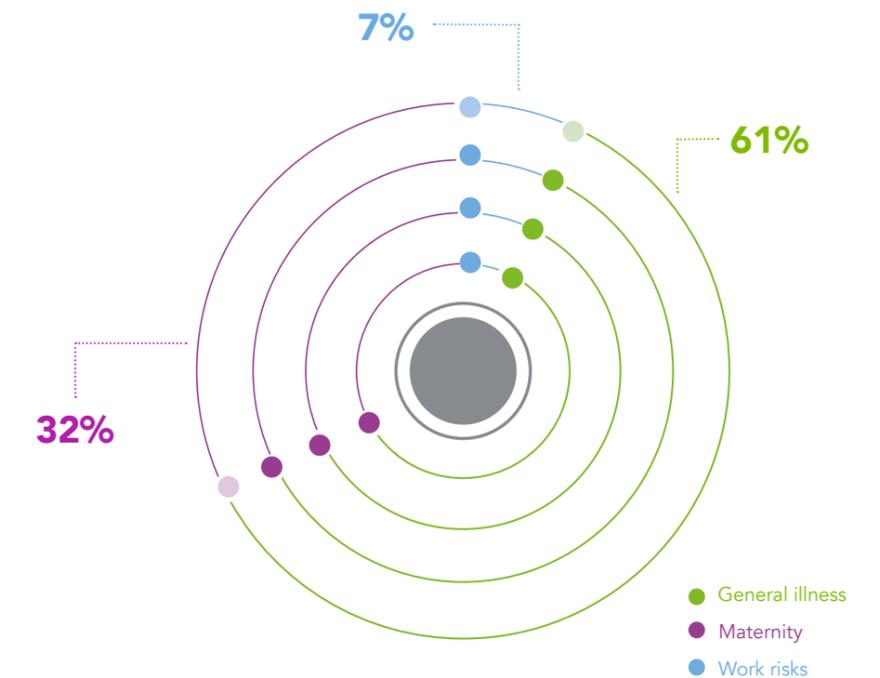


Safe and Protected Volaris Family

- 15 courses for emergency brigade participants about first aid, firefighting, evacuation and search and rescue; 283 brigade members trained for emergencies at headquarters and Bases.
- Implementation and distribution in over 35 airports of three infographics with safety measures in case of hurricanes and volcanic ash fall jointly with the *Coordinación Nacional de Protección Civil* of the *Secretaría de Gobernación*.
- Production and distribution of a video about safety measures for emergency situations in our headquarters.
- Assessments of fire extinguishers, electrical installations and smoke detectors as part of our fire prevention program.
- 61 brigade members participated in the Macro Drill commemorating the September 19th earthquake at our headquarters, evacuating 537 Ambassadors. At the time of the earthquake in Mexico City on the same day, they activated emergency protocols and accomplished a successful evacuation.
- Four posttraumatic stress talks given to 44 brigade members.
- Five rescuers from Costa Rica transported to aid in search and rescue activities, after the September 19th earthquake.

2017 Incapacity days

GRI 403-2



GRI 403-1



We have **42 Health and Safety Commissions**, which represent all our Ambassadors. They carry out frequent facilities' assessments to identify unsafe acts and conditions and implement corrective measures.



We Protect

Human Rights

GRI 102-12



We are **the only airline in Latin America** and the second worldwide which contributes to end children and adolescents' prostitution, pornography and trafficking for sexual purposes, through **ECPAT and The Code**.

Throughout 2017, we reinforced our ECPAT training via E-learning to reach 94% of our population in airports and crews (Pilots and Flight Attendants); we also maintain the declaration in charter and lodging contracts to ensure that they align to the criteria of ECPAT.

Volaris Voices...

“Our Clients' preference inspires and compels us to maintain a constant fight against this problem.”

Ana Cristina Pacheco,
Social Responsibility Specialist



866 new Ambassadors trained on The Code and ECPAT during 2017; reinforcement for 3,742 Ambassadors, reaching 4,427 trained Ambassadors since 2013

The Best

✈️ Travel Experiences



.....✈️
We do not have passengers, we serve Clients and we strive to provide them the best travel experience, thus gaining their preference and loyalty.



Safety & Security

GRI 416, 419: 103-1, 103-2, 103-3
GRI 102-11, 416-1

We must maintain an exceptional standard at all airports where we operate to constantly improve our Clients' experience. We developed manuals approved by the aeronautical authorities, which are given to the Ambassadors at the induction courses. In this way, we guarantee compliance with all applicable guidelines to conduct our operations.

In 2016, we began developing a unique manual for Ambassadors' training. During 2017, we continue this important process, which will allow all Ambassadors who interact with Clients to know firsthand the history, mission, vision, values, behaviors, image, products, policies and processes.

In addition, to guarantee the safety of our Clients, we comply with numerous regulations, mainly in two significant topics of the industry.

Volaris Voices...

“Volaris is flying high in everything you do.”

Wendy Hernández,
Traffic Agent



Aviation security

Guarantee the transportation of Clients avoiding any illegal interference.

Safety

Ensure our Clients' safety throughout all our operations, innovating methods to identify, anticipate and mitigate the reasons of aviation accidents.



GRI 404-2, 416-1

AVSEC Training; Aviation Security



We pay particular attention to security in our travel experiences. Through this program we train people in safety measures, terrorism and illicit interferences in bombs threats, kidnapping threats and contingencies / emergencies. The main subjects of this training are national and international Human Rights, Client treatment, baggage screening, Client screening, grievances and personal data.

Safety 2017



Renewal of the IOSA certificate –provided by IATA–, valid through August 2019

Line Operations Safety Audit (LOSA), focused on cockpit operation on the flight

Renewal of the SMS Certificate –Safety Management System–, derived from maintaining an Operational Safety Management System (SMS)

29 aircraft have the WEFA tool –device that stores all flight information, ensuring a correct performance evaluation for Pilots in all flights–. This technology has 3G transmission that allows to monitor the operation from our Operations Control Center (CCO) and take immediate decisions in case of incidents

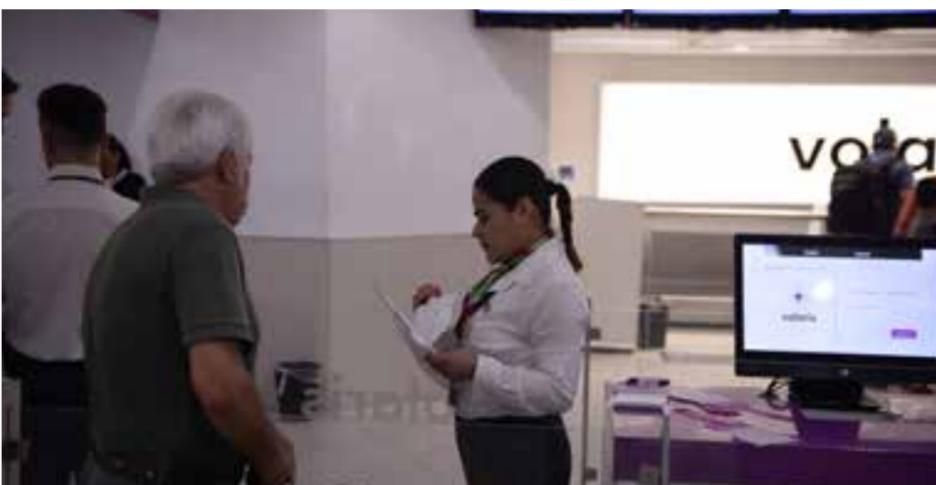


Tijuana Immigrant Program

In 2017, we executed two agreements to support migrants with preferential rates, so they return to their home cities in a dignified and safe way.

• **Coalición Pro Defensa del Migrante de Tijuana**; Ps. 1.5 million invested; **478 transported Clients**

• **Desarrollo Social Municipal de Tijuana**; Ps. 150,000 invested; **16 transported Clients**



Passion

✈️ to Serve!

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

We aim to always provide the best travel experiences for our Clients; therefore, we ensure an adequate and truthful communication of our products, services and promotions. We have documented processes and clear information about the terms and conditions pre-validated by our Legal area for each service, whether it is a permanent product or a temporary promotion.

All our services' terms, conditions and relevant information can be accessed at our website and airport kiosks, as well as through social networks and emails.

In 2017, we implemented the option of checking flights' status in our website or IOS / Android App. With this new section, Clients can check all their flights' details, and share them in their social networks. Furthermore, we automatized the compensation process due to flights' delay, to assure all Clients receive the proper reparation according to the Civil Aviation Law.

Additionally, we seek that our Clients are pleased and relaxed prior to their flights. Hence, during 2017 we continued modernizing and standardizing our signals at airports to make them clearer and easier to identify. Also, we transformed documentation areas so processes are faster; we reduced waiting times by more than 60%. We are the first airline in Mexico to incorporate the "home printed bag tag" to speed up documentation processes and we invite our Clients to return their bags to reuse them.

Volaris Voices...

“ We believe that a trip is not only visiting a new destination, traveling means union, fun, meeting again that long-lost friend and reconnecting with oneself.”

Héctor Espinosa,
Content Manager



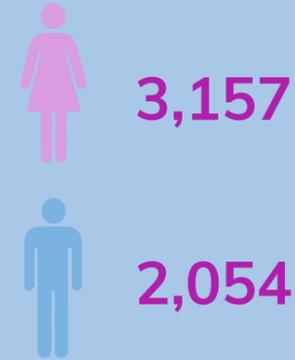
We have **Braille security instructions and macro-type flyers to ensure that our blind and visually impaired Clients have all necessary services to enjoy their flight.** Moreover, our Flight Attendants assign them a special seat and give them a personalized briefing, as long as the Client requests prior aid.



Besides, we train our Client Service Ambassadors on our 360° vision, where we prioritize the Clients, aiming for their complete satisfaction and comfort during their flight.

Passion to serve!

We strengthened our Ambassadors' service skills. Through emotional intelligence, we built effective relations through communication and teamwork, achieving real empowerment so our Ambassadors can transcend, both with our Clients and at Volaris.



5,211 trained Ambassadors from airports, Flight Attendants and Call Center

We innovate to offer the best service! We created the SOS Agent, who guarantees solutions for Clients at first approach. We trained **130 Ambassadors** with Client service skills.

Service Clinics at Central America. We trained **40 Ambassadors** on Client Attention, focusing on Boarding, Cancellations and delays and Contingencies.

387 Ambassadors from our Call Center were trained on clarification processes and standards reinforcement to provide the best experience.

We have a monthly survey to assess Client satisfaction. The Net Promoter Score evaluates our products and services' quality, beginning with the purchase process up to the flight's ending, through our Clients' perspective. In 2017, we improved this questionnaire to obtain an objective score and come closer to our Clients.

GRI 418: 103-1, 103-2, 103-3

Furthermore, we want to offer the best travel experience in every way, so our Clients' personal data security is of the utmost importance. We have safety measures in accordance the Federal Law on the Protection on Personal Data –LFPDPPP–, its regulations and the National Institute for Transparency, Access to Information and Personal Data Protection (INAI) dispositions. We constantly analyze updates to the applicable provisions to reinforce our internal procedures and policies to meet Clients' requests regarding their Access, Rectification, Cancellation and Opposition (ARCO) rights.



Actions that

✈ *Make Us Take Off*

.....✈
We strive to transcend, leave a mark and make a difference by positively impacting other human beings' lives at the communities where we operate.



2017 ACTIONS

GRI 201: 103-1, 103-2



Through our Sustainability Model we promote social actions, which generate a positive impact in the communities where we operate. Our Corporate Volunteering and Donations Policies establish all guidelines for the programs we support.

GRI 201-1

Ps. 5'953,396 

invested in social actions during 2017

OVER
34 TONS 

of supplies delivered with our cargo system for those affected by the earthquakes

PS. 1 MILLION

collected through *Jeans con Causa* campaign for over 30 Ambassadors who were affected by the earthquakes

+250 TOYS 

donated by our headquarters to children from several institutions for Three Wise Men Day

 AROUND
3,000 trees

planted with support of the community and *Fundación Pro Mazahua*

FUNDRAISING OF
PS. 499,698

through our *"Volemos Juntos"* fundraiser campaign with *Un Kilo de Ayuda*

400 SEA TURTLES freed in alliance with *Fundación Palace*

+400 TOYS 

donated to children from the "Dr. Carlos Saenz Herrera" Hospital at Costa Rica

 **30** wheelchairs donated

 **976** plane tickets donated

 Allied with *Dr. Sonrisas*, *México Sonríe* and *Fundación Palace*, **162 children** with chronic or advanced illnesses fulfilled their dream to fly and see the ocean, their favorite artist or team and **31 to visit and amusement park in the US**



4 COUNTRIES

143
BENEFITED
FOUNDATIONS

178,873
INDIRECT
BENEFICIARIES

9,316
DIRECT
BENEFICIARIES

+3,000 girls and boys benefited

FECHAC

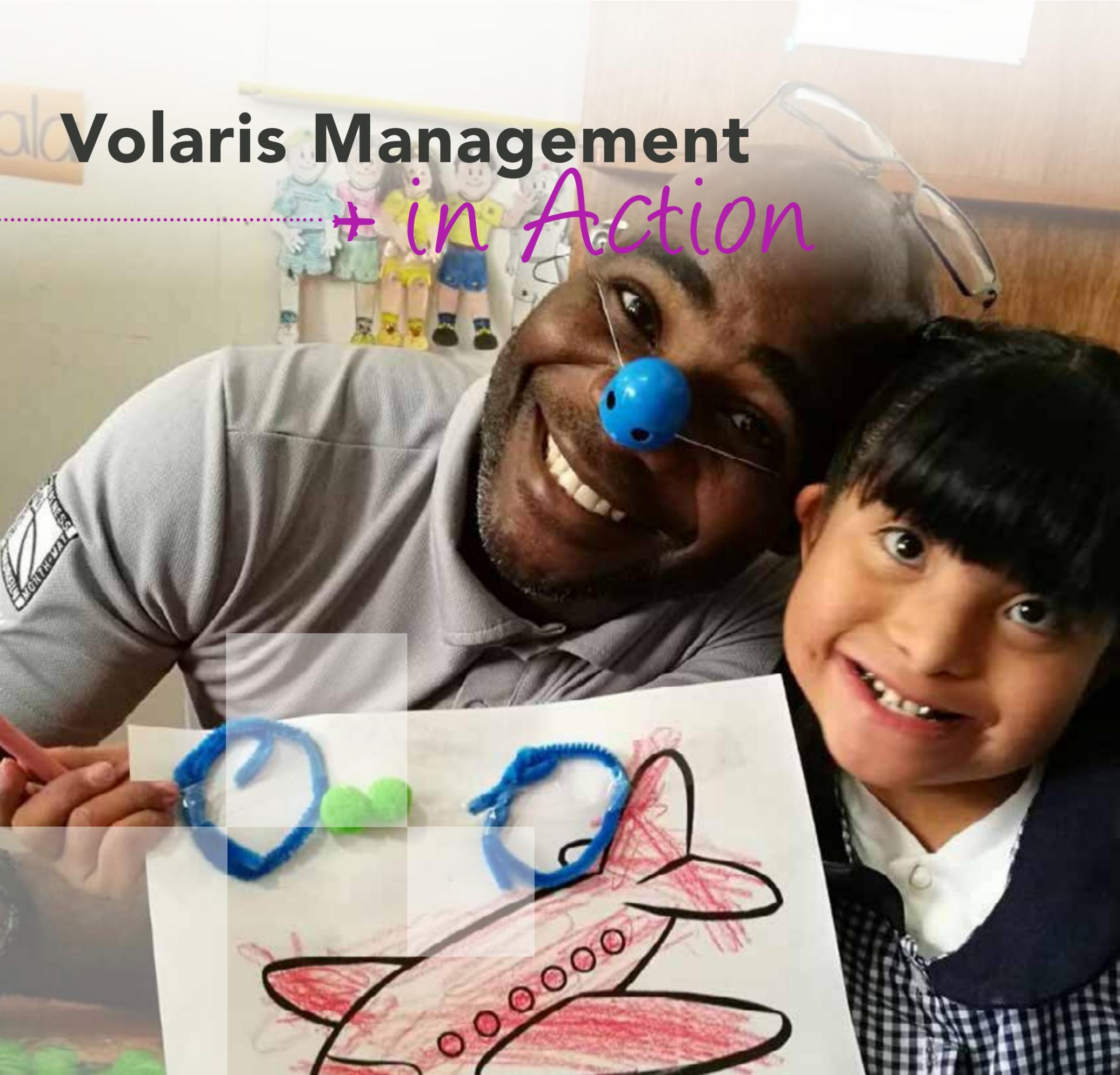
In 2017, we ventured and shared a travel experience with allies and donors from the *Fundación del Emprendariado Chihuahuense: FECHAC*, to support and back education in the Tarahumara Mountain Range by building school shelters; hence, 14 foundations and companies reaffirmed their commitment.

VFundación Membership*

This initiative aims to directly impact the budgets of Mexican foundations and institutions and thus enable their projects and operations to fly and help more people. Among its benefits are 30% discount on flights, five complimentary round tickets when purchased and a 30% discount on any Combo: More Baggage, Faster or More Flexible, as well as the right to a name change per reservation without cost up to four hours before the flight.

*Corresponding terms and conditions apply.

98 ✈️
memberships
since 2015



Volaris Management

+ in Action



In 2017, we achieved to move more Clients, and additionally, we managed to initiate a high-impact program for Volaris heart and culture: **Volaris Management in Action.**

This program is born from the restlessness to further our organizational Culture's living and convey it through actions in favor of the communities where we operate.

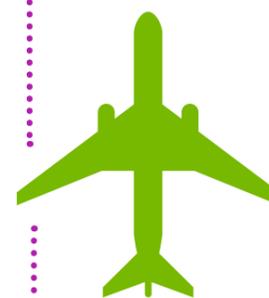
Through this program, Volaris' 16 Directions strove to participate in several corporate volunteering activities and thus, experience and spread our business Culture. Each Direction, together with a representative team, got down to work with all their heart to spend time and give quality moments to people who need it the most.

We carried out 16 different activities, among them: we delivered over 1,000 dinners outside several hospitals to families and friends who were expecting news from their loved ones; we fulfilled Juan Carlos' dream to see a white horse, and the dream of Camila, Ariel, Perlita and Valentina to become princesses for a day. We also celebrated birthdays and not birthdays with children from several foundations, and in addition, we gave away countless smiles to children hospitalized for oncological treatments at different hospitals in Mexico City and San Jose, Costa Rica.



Over 330 volunteers were involved; they were convinced that these actions are the ones that make us take off as an airline, as well as **reinforce our sense of belonging and pride in Volaris.**

The result? A big smile on every benefited person and volunteer involved.



In 2018 we will keep flying together towards new experiences and carrying out actions that make us take off!

Volaris Voices...

“I believe the most significant thing for us, as Volaris Ambassadors, is to contribute with a fraction of the things we have and what life and our company have given us.”

Omar Carrera
Prices and Revenue
Management Director



Assistance

→ Plane*

Last September several natural disasters occurred in Mexico; thus, we joined efforts and allies to support those in dire need at disaster areas.

1. To assist those affected by Hurricane Lidia that hit Baja California Sur, together with CADENA (*Comité de Ayuda a Desastres y Emergencias Nacionales*) we sent volunteers, doctors and psychologists to help during the emergency by providing accompaniment or medical attention, and in addition, we delivered over 1,000 provisions and hygiene kits and water purifier envelopes to various families affected.

2. We provided help and support to those affected by the earthquakes in the states of Oaxaca, Chiapas, Morelos, Puebla and Mexico City, on September 7 and 19th:

- Our aircraft were used at the time of the disaster to transport more than 200 brigade members, firefighters, rescuers, doctors and psychologists from different parts of the Mexican Republic to the affected areas, as well as to transport a group of firefighters from El Salvador.

*It is our activation program in case of a natural disaster or contingency, through which we transport supplies and brigade members.

Volaris Voices...

“Volaris pride means to help our fellow Mexicans when they need it the most.”

Rodrigo Uribe Hernández
Institutional Communications Leader

- With our Ambassadors' support, we enabled each counter in our Mexican network of airports as collection centers for food and medicines, and through our cargo system we managed to send and distribute with our allies more than 34 tons of aid for the victims.
- With our ally in disaster situations –CADENA– we managed to transport 66 trained volunteers to install 365 temporary shelters in Oaxaca and Chiapas and 20 school classrooms, also temporary, in Chiapas; they also provided 448 medical assessments and 498 psychological ones.

+11,425 benefited people directly through CADENA ✈️

- We worked together with the *Anáhuac* Universities Network to transport 28 brigade volunteers to Chiapas and support several affected communities. They also delivered supplies in many communities of Oaxaca.



- We channeled donations of toys, clothing and supplies from the families of *Colegio Northridge*, *Colegio Monteverde* and the Parent Association of the *Liceo Franco Mexicano* to different shelters in Mexico City and Morelos.
- Over 50 Ambassadors donated blood in different hospitals in Mexico City and other states.
- With the Volaris Family donations, psychological kits were made for girls and boys in shelters at the state of Morelos. Likewise, donations were given to animal shelters and some of our volunteers visited the Jantetelco community in this same state to aid in cleaning duties and victims' assistance.
- During October, our Ambassadors in Mexico, the United States and Central America, as well as members of Lufthansa Technik, carried out more than 35 internal fundraising activities to support the 30 Ambassadors who suffered some loss due to the earthquake. They achieved the collection of over Ps. 1 million.
- As a recognition to all those who joined to provide humanitarian aid to Mexico, we dressed one of our planes with an image of Frida, the rescue dog that became a symbol of solidarity and hope for all Mexicans: Together we take off!

Innovative

+ Supplier Experiences

GRI 102-9



Transformation is
part of our essence

Being consistent with past years, we carried out our supplier assessment regarding quality, reliability, response time, operational risks and communication.

We seek to maintain and strengthen long-term relations with our suppliers; therefore, we began implementing an innovative procurement system –SAP Ariba–. This software will allow us to execute transactions electronically, besides helping improve and optimize procurement, supplies and accounts payable processes. The platform is expected to be fully operational in 2018.

Environmentally



✈️ Friendly Experiences



✈️
**The best travel experiences
are sustainable**

#ForACleanSky

2017

GRI 307: 103-1, 103-2, 103-3

We focus on delivering the best travel experience in every sense. Hence, we raise awareness among our stakeholders about the importance of protecting and preserving the environment.

Through #ForACleanSky –our ecological campaign– we implement programs and actions to reduce our environmental footprint. Besides, we have a Comprehensive Policy; in which we establish our commitment to offset our environmental footprint. In addition, our operations are aligned to the “PRC-iAMS-IRL-01 Identification and Access to Legal Requirements and Other Requirements” procedure standards, whose objective is to guarantee compliance with environmental regulations in the establishment, implementation and maintenance of our processes and aircraft.

We maintained the **Certifications in Quality** –ISO 9001:2015– and **Environmental** –ISO 14001:2016– **Management Systems**



First volunteering with *Amigos de Sian Ka'an* to build 15 Ecotechnologies at Quintana Roo state in order to promote sustainable development in the area

Recycling program for expired magazines on board and recycling at headquarters: +31 tons of paper recycled, which equals 533 trees and +845,910 liters of water saved¹

32% reduction of CO₂ emissions generated from printed paper at Airports' training (Client Service)

We ensured the correct disposal of 38.49 tons of hazardous waste from aircraft maintenance and medical activities with suppliers authorized by SEMARNAT

Due to our initiative to invite Clients to use mobile Check-in, we prevented the use of almost 13 tons of paper, which equals 220 trees and +348,740 liters of water saved¹

We maintained a proper waste disposal at our headquarters; with this we add financial resources to support social responsibility campaigns

+29,000 certified carbon credits procured since 2015, achieving to offset the environmental footprint of 696 flights of the Mexico-Guadalajara route

¹Equivalence calculated internally.



Furthermore, as part of our strategy and commitment with sustainability, we actively participate in several committees, reaffirming our effort to generate a positive impact in communities where we operate and the environment.

- Environmental Committee of the *Cámara Nacional de Aerotransportes (CANAERO)*, with the goal of promoting best practices' implementation to increase the operational efficiency of airlines and service providers by optimizing fuel consumption and reducing greenhouse gas emissions.
- Environmental Committee for Aviation of the *Dirección General de Aeronáutica Civil (DGAC)*, seeking to mitigate noise and greenhouse gas emissions generated by Mexican aviation, as well as to develop activities that promote greater energy efficiency and renewable energies
- Environmental committees and forums of the International Air Transport Association (IATA) and the Air Transport Association of Latin America and the Caribbean (ALTA), to follow up on the development of new standards for the global emissions trading scheme of international civil aviation.
- First Ibero-American Symposium on the Environment, Civil Aviation and Climate Change "Flying towards Sustainability" of the *Comisión Latinoamericana de Aviación Civil (CLAC)*, carried out jointly with the Alliance for Sustainable Aviation Initiative (ALAS), the *Dirección General de Aeronáutica Civil* of Guatemala (DGAC), the Federal Aviation Administration of the United States (FAA) and the *Agencia Estatal de Seguridad Aérea* of the Government of Spain (AESA); in order to standardize the vision to reach a balance in environmental, economic and social topics.
- Meetings and workshops of the *Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT)*, the Mexican Carbon Platform (MexiCO₂), the Environmental Defense Fund (EDF) and the Mexican Carbon Exchange, to develop a trading system of greenhouse gas emissions in Mexico.

Eco-efficient + Operations

GRI 302, 305: 103-1, 103-2, 103-3

Due to our business' nature, we concentrate on reducing our fuel consumption and emissions to the atmosphere, thus fighting global warming.

Our aircraft are our main source of pollution, so we strive to maintain them in the best conditions possible, as well as to own the most sustainable technology in the market. Currently, our fleet is composed of 71 aircraft and, with an average age of 4.6 years, is one of the youngest fleets in the country.

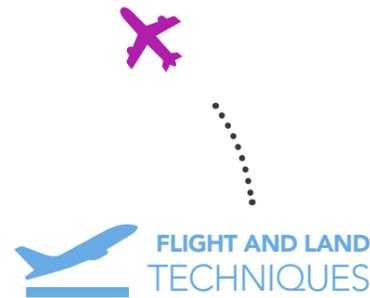
In 2017, we acquired **four new A320 NEO aircraft**, which have state-of-the-art technology. This aircraft allows us to reduce our annual fuel consumption by more than 15% per seat; therefore, it reduces the emission of 5,000 tons of CO₂ and 50% of NOx per year, besides decreasing our acoustic footprint by 50%.

GRI 302-5

Moreover, 62% of our aircraft have Sharklets, aerodynamic devices which reduce fuel consumption by approximately 4% and prevent around 18,000 tons of annual CO₂ emissions.

We invested Ps. 68.9 million in Sharklets implementation

In addition, in 2017 we implemented several initiatives and actions to make our operations and processes more efficient.



GRI 302-3, 305-4

- Idle reverse in 73.5% of the determined operations where this technique is viable, reducing fuel and noise levels.
- One engine shutdown during taxi operations to obtain the greatest fuel burn reduction and environmental benefit in 94% of our arrival operations and 47% of our determined exit operations viable.
- 10% more use of Flaps 3 in landing vs 2016.
- Substitution of APU (Auxiliary Power Unit) by GPU (Ground Power Unit) use –energy plants–, maintaining a fuel consumption of 61 gallons per cycle.

FLIGHT PLANNING



We increased 1.8% the efficiency of our fuel consumption per transported Client, reaching 0.023 kg of fuel/ Client, which equals 0.072 kg of CO₂/ Client.

- We reduced the fuel's extra weight by keeping a difference of half a ton of fuel loaded vs planned.
- We improved 5% vs 2016 the choice of alternative airports closer to the destination, reducing, in turn, the fuel's extra weight.



We hired Airbus to train us on efficiency and the best practices to lower our fuel consumption. Investment: Ps. 2.6 million



We renovated our Flight Plans system's platform to find ideal routes and standardize criteria regarding the necessary fuel for each flight to reduce our consumption. Investment: Ps. 7.5 million

GRI 302-1, 305-1, 305-2

Furthermore, during 2017 we completed the atmospheric emission report in compliance with the National Emission Registry (RENE) before SEMARNAT, in which we reported all emissions for 2016. In order to comply with the Climate Change General Law, a Verifying Body carried out an assurance of all reported data and calculations, obtaining a positive outcome for our corporate inventory report of particles and greenhouse gas emissions.

- 1'363,449.40 ton of fuel consumption in aircraft of national flights (turbosine)
- 203,967.99 L of gasoline and 148,382.83 L of diesel for automotive equipment's fuel (cars, vans, etc.)
- 771,021 kWh of electrical energy consumption in our headquarters
- Direct emissions: 1'368,433.56 ton CO₂eq + Indirect emissions: 353.13 ton CO₂eq = Total emissions: 1'368,786.68 ton CO₂eq

Carbon

✈️ Offset

Through the purchase of certified carbon credits, we support different programs that contribute to environmental care and development of eco-efficient technologies, some of them are:

Recovery, burning and use of biogas in the landfill of Leon, Guanajuato

It stimulates the city's sustainable development by generating electricity with a renewable source while minimizing the harmful effects of waste. It also helps reduce 100,000 tons of CO₂ annually, equal to the climate change effect of 20,000 cars and the electric consumption of 3,000 families.

Solar plant in Baja California: Aura Solar

It promotes the sustainable development of Baja California Sur and contributes to reduce greenhouse gas emissions by producing approximately 24,402 carbon credits. In addition, it generates a socio-economic benefit by creating jobs for the plant's operation.

Wind farms in Oaxaca

The four wind farms, Oaxaca I, Oaxaca II, Oaxaca III and Oaxaca IV, have the capacity to produce 102 MW, preventing the annual emission of 230,000 tons of CO₂ per farm.



✈️
Since 2015, we signed a collaboration agreement with the **Mexican Carbon Platform (MéxiCO₂)** to procure certified carbon credits and offset part of our flights' CO₂ emissions.

Leadership that

✈ Inspires and Transcends



.....✈
We do not hire bosses; we shape leaders with values who inspire through example, whose goal is to contribute to our Ambassadors' development and growth.

Board of Directors

+ and Committees

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

Our Corporate Governance complies with the best international practices, as well as those suggested by institutions like the Mexican Stock Exchange.

The members of our Board are elected at our General Annual Shareholders Ordinary Meeting. Our by-laws stipulate that the Board must be comprised of no more than 25 members, in which at least 25% are required to be independent, pursuant to the Mexican Securities Market Law.

During 2017, our Board of Directors was comprised of 11 Proprietary Members, of which five are independent. All members are professionals with wide experience and knowledge in sectors such as aviation, business, marketing, finance and economy.

Board of Directors

Chairman of the Board and Independent Member

Alfonso González Migoya

Proprietary Members

Brian H. Franke

William A. Franke

Harry F. Krensky

Roberto José Kriete Ávila

Enrique Javier Beltranena Mejicano

William Dean Donovan

Independent Members

Stan L. Pace

José Luis Fernández Fernández

Joaquín Alberto Palomo Déneke

John A. Slowik

Executives

Enrique Javier Beltranena Mejicano
Chief Executive Officer

Fernando Suárez Gerard
Chief Financial Officer

Holger Blankenstein
Chief Commercial Officer

José Luis Suárez Durán
Chief Operating Officer

Jaime E. Pous Fernández
Chief Legal Counsel



Audit and Corporate Governance Committee

This committee oversees the results of the corruption prevention program based on Mexico and the United States of America's regulation, including the Foreign Corrupt Practices Act, and it also reviews all complaints from the Whistleblowing Line. In addition, it is responsible of developing audits and corporate practices' processes conferred by the Securities Market Law to support the Board of Directors.

Independent Chairman

José Luis Fernández Fernández

Independent Members

John A. Slowik
Joaquín Alberto Palomo Déneke

Compensation and Nominations Committee

GRI 102-28, 102-36

This Committee's main function is to advise on compensation schemes for Directors and Ambassadors, as well as to review their performance.

Additionally, it is accountable for establishing processes to plan succession for key positions and reviewing and recommending incentives plans and programs, for approval by the Board.

Chairman

Roberto José Kriete Ávila

Members

Brian H. Franke
Harry F. Krensky
Rodolfo Montemayor Garza

Risk

✈️ Management

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



At Volaris we are proud to be the **first Mexican airline to be listed in the New York Stock Exchange (NYSE)** and successfully meet its demanding standards.

Our foundation for business risk management is the international control framework “COSO Enterprise Risk Management” (ERM), which facilitates management through the development of a systematic program that allows timely risk identification, as well as development of mitigation plans and indicators for accurate monitoring.

Code of Ethics



+ Ethics

4,742 Ambassadors were certified on our Code of Ethics

GRI 205, 419: 103-1, 103-2, 103-3
GRI 205-1, 205-2

Anticorruption

All our operations are aligned to the Foreign Corrupt Practices Act (FCPA) requirements to ensure the Company's transparency and avoid corruption. We constantly raise awareness in all population sensitive to corruption; all these Ambassadors must take an annual online course to prevent cases of this nature.

Additionally, we have the Antifraud Compliance Policy and the Fraud Prevention and Control Policy, both of which state that anticorruption activities include bribery, fraud, extortion and embezzlement; restrict facilitation payments and ban donations to political parties, among others. Likewise, the Gifts and Benefits to Third Parties Management Policy and the Gifts and Benefits from Suppliers or Third Parties Management Policy help us avoid potential cases of corruption and bribery.

GRI 206, 405: 103-1, 103-2, 103-3
GRI 102-16, 102-25

Our Code of Ethics includes all Volaris' values, standards, behaviors and Culture that guide the daily behavior of all Ambassadors. The main topics addressed are the defense of Human Rights, non-discrimination, promotion of equal opportunities, Client service, free market competition and regulatory compliance.

Furthermore, we have implemented several policies that ensure all our operations' integrity:

- Conflict of interest by kinship Policy, which dictates the procedures to follow to prevent these situations.
- "Son-Grandparent" Policy, which guarantees immunity for Ambassadors who report any situation that goes against our Culture or principles.
- Whistle Blowing Policy

For more information about our Code of Ethics, please visit:
http://s21.q4cdn.com/752131891/files/doc_downloads/Codigo-de-Etica-Volaris_codeOfEthics.pdf



Whistle

→ Blowing Line

GRI 102-17, 205-2



Our Whistle Blowing Line is a set of tools –managed by Ethics Global– that allows us to stay in touch with our stakeholders and receive reports of conditions or conducts that violate Volaris Code of Ethics. Simultaneously, with this line we comply with FCPA regulations and minimize corruption risks. Such tools are comprised by:

 **INTERNET**
CHAT:
[HTTPS://LINEADEESCUHAVOLARIS.COM/](https://lineadeescuchavolaris.com/)

 **E-MAIL**
REPORTE@LINEADEESCUHAVOLARIS.COM

 **PHONE NUMBER**
01800-T-ESCUCHO (837-2824)

 **APP ANDROID / IOS:**
ETHICS GLOBAL

During 2017, we received 194 cases related to work climate, employment affronts and inappropriate use of Company’s assets.



About this

✈ Report



GRI 102-46, 102-48, 102-49, 102-50, 102-54

In accordance with our commitment to Social Responsibility, we publish our sixth Social Responsibility Report, which outlines our performance on economic, social and environmental topics during the period between January 1st and December 31, 2017, for all Volaris operations.

This report has been prepared in accordance with the GRI Standards: Core option. All contents used were defined from our 2017 Materiality Assessment. The information provided did not suffer any restatements; however, starting in 2017, we expanded our scope and now report operations from Costa Rica.

GRI 102-12

The 2030 Agenda and the Sustainable Development Goals (SDG) have established a new route to follow for the following years. Approved in September 2015 by heads of state and member countries of the United Nations, the 2030 Agenda explicitly calls on the business sector to align its operations to ensure sustainable and inclusive development. The 169 goals set for 2030 are the guide so that our sustainability strategy really has a positive impact on our stakeholders. Throughout the report, the specific actions of Volaris in contributing to the SDGs are emphasized.

Materiality Assessment and Stakeholder Engagement

GRI 102-46

During 2017, we renewed our materiality assessment with milenio3genera, a sustainability consultancy, aiming to identify material topics to report, as well as tendencies, risks and opportunities. We followed the same methodology used for the previous report in order to obtain comparable results and improve opportunity areas. Hence, we identified relevant subjects through a qualitative and quantitative analysis of the industry's maturity, sector risks and social risks.

GRI 102-21, 102-40, 102-42, 102-43, 102-44

Subsequently, we presented such topics to our critical stakeholders –Ambassadors, Clients, Suppliers and Airports– to obtain their feedback and fulfill their expectations, as well as to validate material aspects. The most significant topics for each group are:

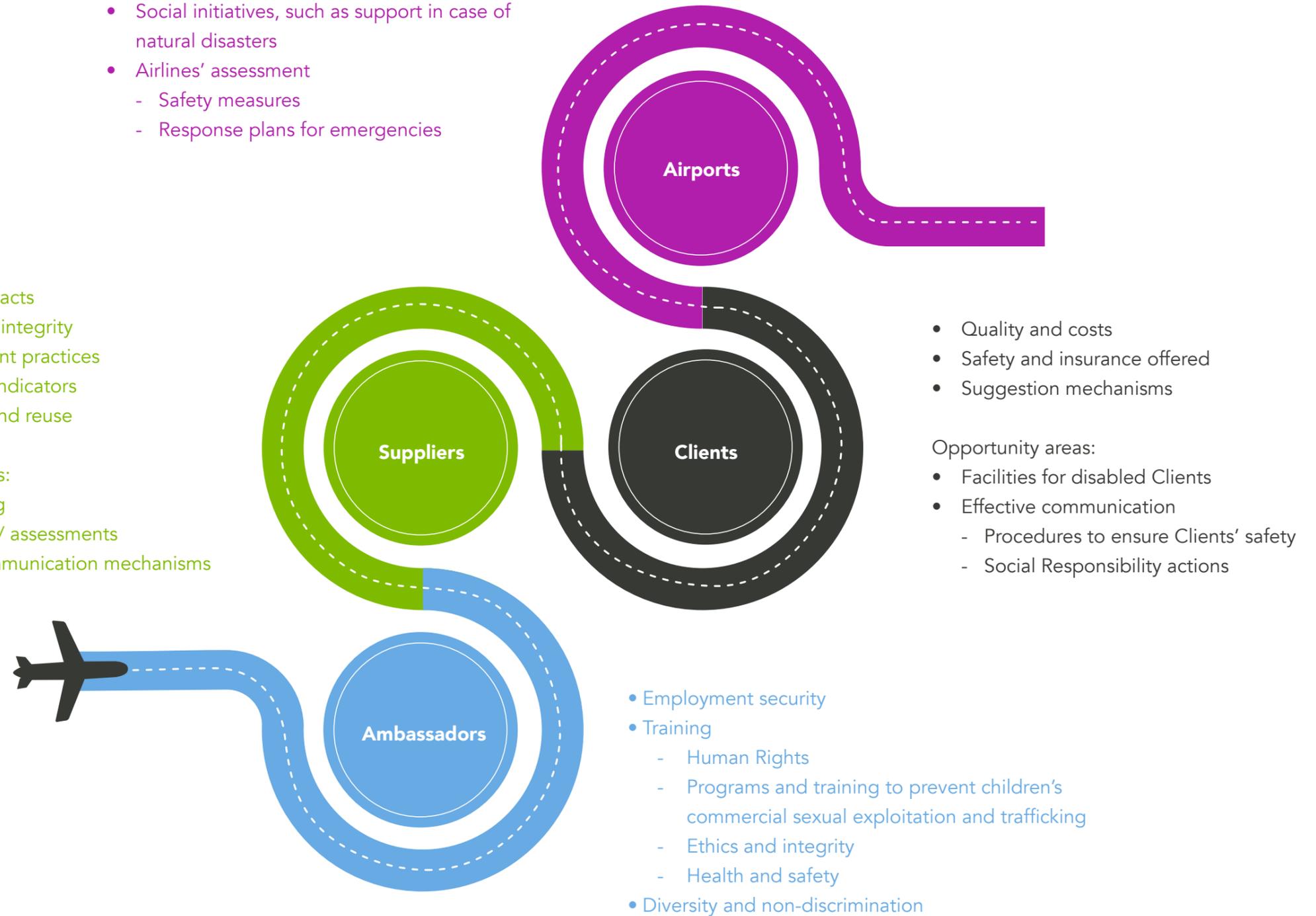


- Environmental policies and initiatives
- Social initiatives, such as support in case of natural disasters
- Airlines' assessment
 - Safety measures
 - Response plans for emergencies

- Clauses in contracts
 - Ethics and integrity
 - Employment practices
- Environmental indicators
- Materials' use and reuse

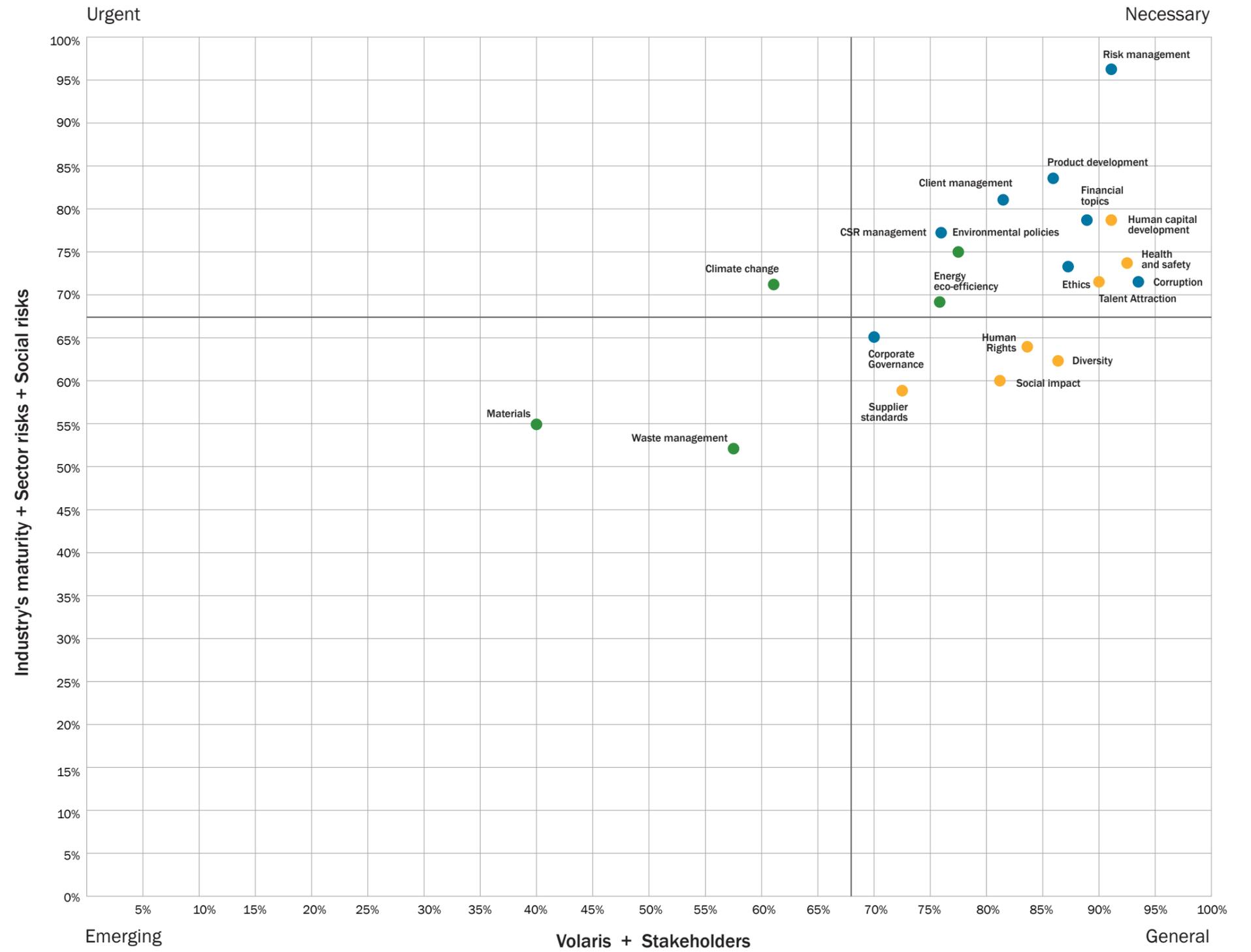
Opportunity areas:

- Supplier training
- Supplier audits / assessments
- Training on communication mechanisms





With the results obtained from the assessment and stakeholder engagement, we got the material aspects to report, which are portrayed below





GRI 102-47

Lastly, all material topics were translated to Topic-Specific GRI Standards.



Material Aspect	Topic-Specific GRI Standard
Social Responsibility management	GRI 102: General Disclosures. Strategy GRI 102: General Disclosures. Organizational profile GRI 102: General Disclosures. Governance GRI 419: Socio economic compliance
Risk management	GRI 102: General Disclosures. Strategy GRI 102: General Disclosures. Organizational profile GRI 102: General Disclosures. Governance GRI 201: Economic performance
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Product and service development	GRI 416: Customer health and safety GRI 417: Marketing and labeling
Client relations management	GRI 416: Customer health and safety GRI 417: Marketing and labeling GRI 418: Customer privacy GRI 102: General Disclosures. Stakeholder engagement
Environmental policies	GRI 307: Environmental compliance
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Talent attraction and retention	GRI 102: General Disclosures. Organizational profile GRI 401: Employment GRI 405: Diversity and equal opportunity GRI 407: Freedom of association and collective bargaining
Human capital development	GRI 404: Training and education
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	102-56	This report has no external assurance.		

TOPIC-SPECIFIC STANDARDS			
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GRI 200: ECONOMIC STANDARDS			
GRI 103: Management approach 2016	103-1	19,36,52	
	103-2	19,36,52	
	103-3	19,36,52	
GRI 201: Economic Performance 2016	201-1	7,19,36	
	201-3	Retirement plans are granted according to regulation and through the IMSS.	
	201-4	We collaborate with Tourism Secretariats of the Federal Entities to promote new routes' destinations, through several advertising media, such as the website, social networks and aircraft advertising.	
GRI 205: ANTICORRUPTION STANDARDS			
GRI 103: Management approach 2016	103-1	53	
	103-2	53	
	103-3	53	
GRI 205: Anticorruption 2016	205-1	53	
	205-2	53,54	
	205-3	There were no cases of corruption in 2017. All contracts with Government Entities or parties affiliated with it have anticorruption clauses.	
GRI 206: ANTI-COMPETITIVE BEHAVIOR STANDARDS			
GRI 103: Management approach 2016	103-1	53	
	103-2	53	
	103-3	53	
GRI 206: Anti-competitive behavior 2016	206-1	On January 18, 2018, the Federal Economic Competition Commission ("COFECE") notified Volaris of a Probable Liability Report (the "Opinion") through which the COFECE Investigating Authority presumptively imputes to several national airlines, among which is Volaris, the possible existence of absolute monopolistic practices in the market of services to the public of air transport of passengers in domestic territory during the period from April 2008 to February 2010. It does not constitute a determination of definitive liability against the Company. Since the practices that according to the Opinion are allegedly imputed to the various airlines were verified within the framework of the Federal Economic Competition Law in force in 2010, any fine that could be imposed would have to be subject to said law. The maximum fine established in accordance with section IV of the aforementioned Law is one million five hundred thousand times the minimum wage in effect in Mexico City during 2010. Therefore, if the final decision establishes a fine on Volaris, we believe that it would not have an adverse effect on the financial performance of the Company. Notwithstanding the foregoing, it is impossible for Volaris to predict the final resolution of the COFECE, since the procedure before said authority is in process.	

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GRI 300: ENVIRONMENTAL STANDARDS			
GRI 103: Management approach 2016	103-1	46	
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GRI 302: Energy 2016	302-1	47	
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GRI 103: Management approach 2016	103-1	46	
	103-2	46	
	103-3	46	
GRI 305: Emissions 2016	305-1	47	
	305-2	47	
	305-4	47	
GRI 103: Management approach 2016	103-1	44	
	103-2	44	
	103-3	44	
GRI 307: Environmental compliance 2016	307-1	We received no fines for environmental regulation non-compliance in 2017.	
GRI 400: SOCIAL STANDARDS			
GRI 103: Management approach 2016	103-1	16	
	103-2	16	
	103-3	16	

GRI Standard	Disclosure	Page / Direct response	Omissions and explanation
GRI 401: Employment 2016	401-1	18 Mexico's operations: 1,088 new hires 529 women 559 men	Information not available. Central America's information is not reported since we only began operations in 2017.
	401-2	19	
	401-3	19	Information not available. The number of Ambassadors who returned to work after parental leave is not verified.
GRI 103: Management approach 2016	103-1	26	
	103-2	26	
	103-3	26	
GRI 403: Occupational health and safety 2016	403-1	27	
	403-2	27	Information not available. We do not report types and rates of injury, absenteeism and work-related fatalities, since it is not calculated this way.
	403-3	27	
	403-4	Agreements cover health and safety topics according to the Federal Labor Law.	
GRI 103: Management approach 2016	103-1	22	
	103-2	22	
	103-3	22	
GRI 404: Training and education 2016	404-1	22	
	404-2	23,24,31	Not applicable. Transition assistance programs are not reported since Volaris does not offer them.
	404-3	100% of Ambassadors receive performance development reviews twice a year.	
GRI 103: Management approach 2016	103-1	21,53	
	103-2	21,53	
	103-3	21,53	

GRI Standard	Disclosure	Page / Direct response	Omissions and explanation
GRI 405: Diversity and equal opportunity 2016	405-1	17,21	
GRI 103: Management approach 2016	103-1	16	
	103-2	16	
	103-3	16	
GRI 407: Freedom of association and collective bargaining 2016	407-1	We have not identified any operations or supplier where employees' freedom of association might be at risk.	
GRI 103: Management approach 2016	103-1	14	
	103-2	14	
	103-3	14	
GRI 415: Public policy 2016	415-1	Volaris has no political or party affiliations, it encourages civic participation in professional associations and citizens' organisms, while stimulating the responsible exercise of political rights.	
GRI 103: Management approach 2016	103-1	30	
	103-2	30	
	103-3	30	
GRI 416: Customer health and safety 2016	416-1	30,31	
	416-2	There were no incidents of non-compliance with regulations related to the health and safety of our services in 2017.	
GRI 103: Management approach 2016	103-1	32	
	103-2	32	
	103-3	32	

GRI Standard	Disclosure	Page / Direct response	Omissions and explanation
GRI 417: Marketing and labeling 2016	417-1	32	
	417-2, 417-3	<p>Because of the changes in the Civil Aviation Law and the Federal Consumer Protection Law, the rights of Clients have been strengthened by having more information available for the knowledge of their rights in full compliance with the current Law.</p> <p>We have collaborated with the authority so that our messages comply with the provisions of the Law before they are issued. During 2017 there were no cases of non-compliance related to the information of our services or marketing communications.</p>	
GRI 103: Management approach 2016	103-1	34	
	103-2	34	
	103-3	34	
GRI 418: Customer privacy 2016	418-1	<p>There are requests to exercise the ARCO rights (access, rectification, cancelation and opposition); however, no complaint is regarding the leaks or breaches of personal data. All contracts of suppliers who handle our Clients' personal data have clauses regarding personal data protection.</p>	
GRI 103: Management approach 2016	103-1	19,30	
	103-2	19,30	
	103-3	19,30	
GRI 419: Socio economic compliance 2016	419-1	<p>Derived from the cases with Profeco, we have pending resolutions for fines amounting to Ps. 53,000.</p>	

CONTACT

GRI 102-3, 102-53

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