

Sustainability Report | 2017





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Letter from the CEO





Letter from our CEO

More than 80 years after it was founded, Aeromexico continues to play a fundamental role in developing national aviation and remains one of the main ambassadors for the industry in Mexico and around the world.

Every single day, thanks to our 15,300 employees, we connect Mexico to 43 domestic and 49 international destinations. Our commitment is the base of all our daily activities, and the Aeromexico family always aims to offer the best.

That is why, in a ever changing world, we strive to remain at the cutting edge, ensuring that what we do has a tangible benefit for our passengers. Together, we will lay the foundations for the national aviation industry of the future. Our goal is to define a strategy that puts our customers at the center of everything we do, helping us understand, prioritize and anticipate their needs in order to offer them a tailor-made, comprehensive service and an easier, faster and safer experience.

The standardization of our aircraft has enabled us to offer our passengers one of the most modern fleets in the world, driving fuel savings, emission reductions and less noise pollution, ensuring we have no negative impact on the areas we fly through. Throughout the year, we have adhered

to our Environmental Assessment Program, which seeks to establish global environmental management standards for airlines and service providers within the aviation industry.

We are also committed to our country and our people. After the earthquakes that hit Mexico in September 2017, we focused our efforts on a number of areas: we transported more than 400 tons of humanitarian aid, we created a fund for Aeromexico's employees, and we opened an account for employees to raise money for those affected, in addition to the donations made by Aeromexico, Delta and the Red Cross.

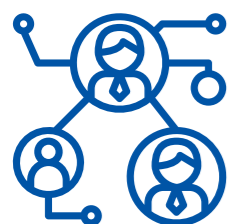
Without a doubt 2018 will be a year full of challenges, but I feel confident that, thanks to the hard work and dedication of everyone who works at this amazing company, we will continue flying high. I would like to take this opportunity to thank our customers for helping us create an airline that connects Mexicans and Mexico with the world.

Andrés Conesa
CEO



Corporate Profile





Thanks to

the SkyTeam alliance, we have access to

1,074

destinations around the world.

Corporate Profile

We are Grupo Aeromexico, S.A.B. de C.V., a leading commercial aviation holding company in Mexico. As Mexico's global airline, Aeromexico's operations center is located in Terminal 2 of Mexico City International Airport (AICM).

Around

580



flights
every day

3



continents

92



destinations

131



aircraft

Grupo Aeromexico has six subsidiaries, each a leader in their specific areas, including domestic and international passenger transport, air cargo transport, aircraft assistance, and professional training for the aviation industry.





Through Aeromexico, we offer integrated transportation services in Mexico, including:



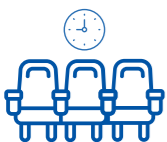
Three different types of seat.



Self-check in system at major airports throughout the country.



On-board services for each cabin type.



Exclusive lounges at a number of domestic and international airports



Reliable baggage handling.



We comply

with world-class standards through a modern and efficient fleet.





Business Model

At Aeromexico, we operate a 'Hub and Spoke' business model, thanks to which we have excelled in the civil aviation industry in Mexico, unlike other airlines who have a point-to-point system.

The main advantages of our model include:



Services for a range of local markets. We connect regions and destinations that, otherwise, would have no flight options.



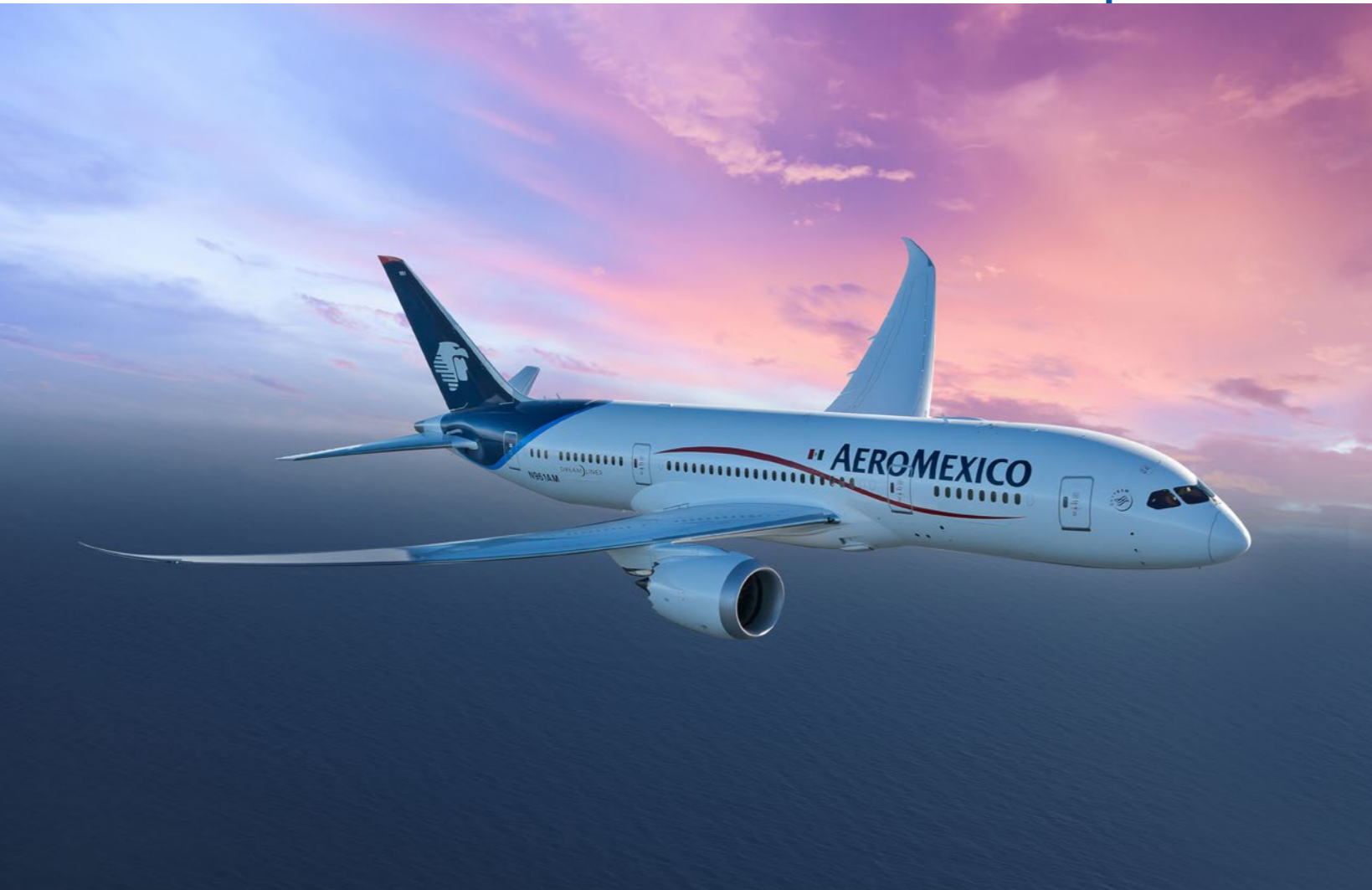
High levels of connectivity and multiple options at national and international destinations.



Wide range of benefits for passengers, including time and cost savings, among others.



Aggregate demand from several markets.





Connectivity in Mexico

No matter the size of the city, at Aeromexico we offer a range of mobility and connection possibilities.





International Connectivity

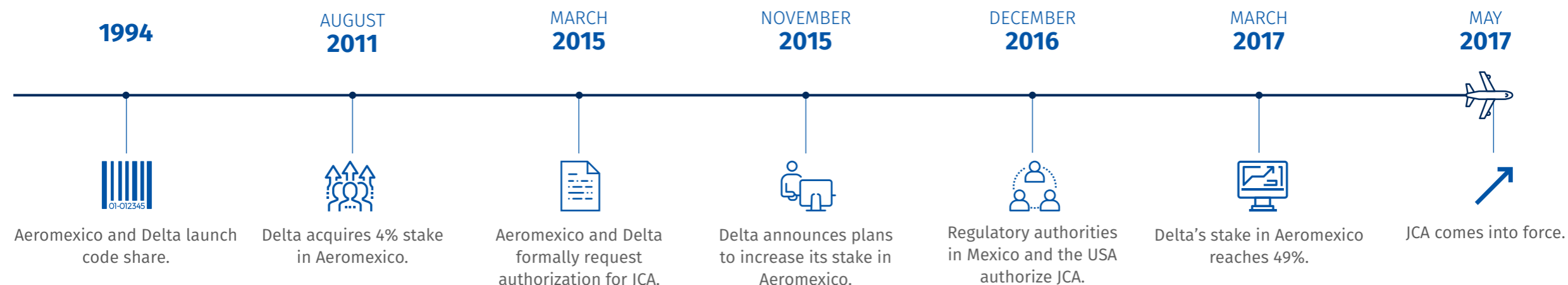
Thanks to our 'Hub and Spoke' model, we save our passengers time and money.





Mexico-North America

Delta Airlines Joint Cooperation Agreement



52 cities. — 73 routes.



129 routes. — 40 cities.



1,100 flights per week.



The Joint Cooperation Agreement (JCA) between Aeromexico and Delta came into force in May 2017 after receiving antitrust immunity from the US Department of Transportation and the Mexico's Federal Economic Competition Commission (COFECE).

The goal of this agreement is to develop a customer-centric strategy, which is why we have focused our efforts on the products and services we offer, allowing us to complement the experience of every type of passenger.

JCA Benefits for Customers:



More connectivity and flight frequency between Mexico and the United States.



Access to frequent flyer programs to accumulate air miles.



Access to lounges that offer personalized assistance.



More competitive airfares.



More destinations and flexibility in flight schedules between Mexico and the United States.

We have relocated our operations at terminals in Mexico City International Airport (AICM), Los Angeles (LAX) and John F. Kennedy (JFK) to continue offering our customers:



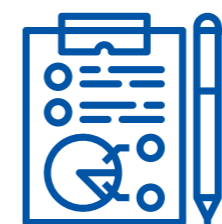
More efficiency and flexibility for flight connections.



Shorter waiting times and improved connectivity for passengers.



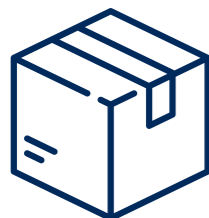
More flexible immigration and customs processes.



In 2017, Delta Air Lines acquired a further 12.8% to increase its stake to

49%

in Grupo Aeromexico.



10

co-located cargo warehouses: BOS, DTW, IAH, JFK, LAS, MCO, MEX, MIA, ORD and SFO.

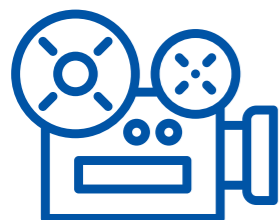


45%

increase in customers connecting between Delta and Aeromexico through MEX and MTY.



Aeromexico and Delta are the
official airlines
of the Mexican National Soccer Team.



10

emerging film-makers have been sponsored by Aeromexico and Delta, in partnership with the leading Latin America media brand and its mentorship program: Mitú.



12

different co-located airports: GDL, MEX and MTY in Mexico, and ATL, AUS, DTW, JFK, LAX, MIA, SAT, SEA and SLC in the United States.



64

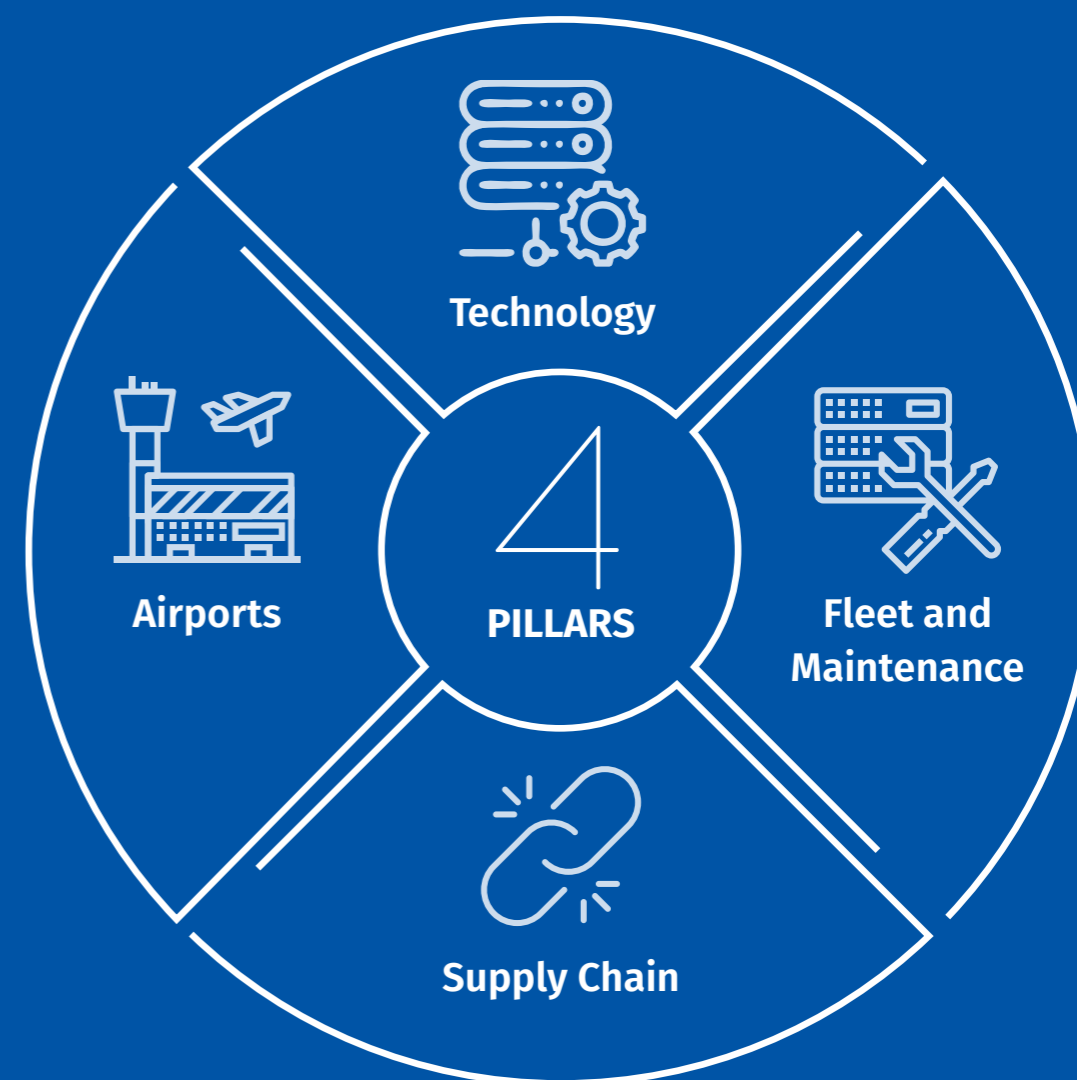
routes between 10 cities in Mexico and 33 cities in the United States.



83

Aeromexico and Delta employees have taken part in an exchange program, in order to drive team integration and share best practices.

The base for the Aeromexico-Delta partnership is the creation of synergies, through which both airlines seek to achieve better results, focusing on 4 main pillars:





Mexico-United States

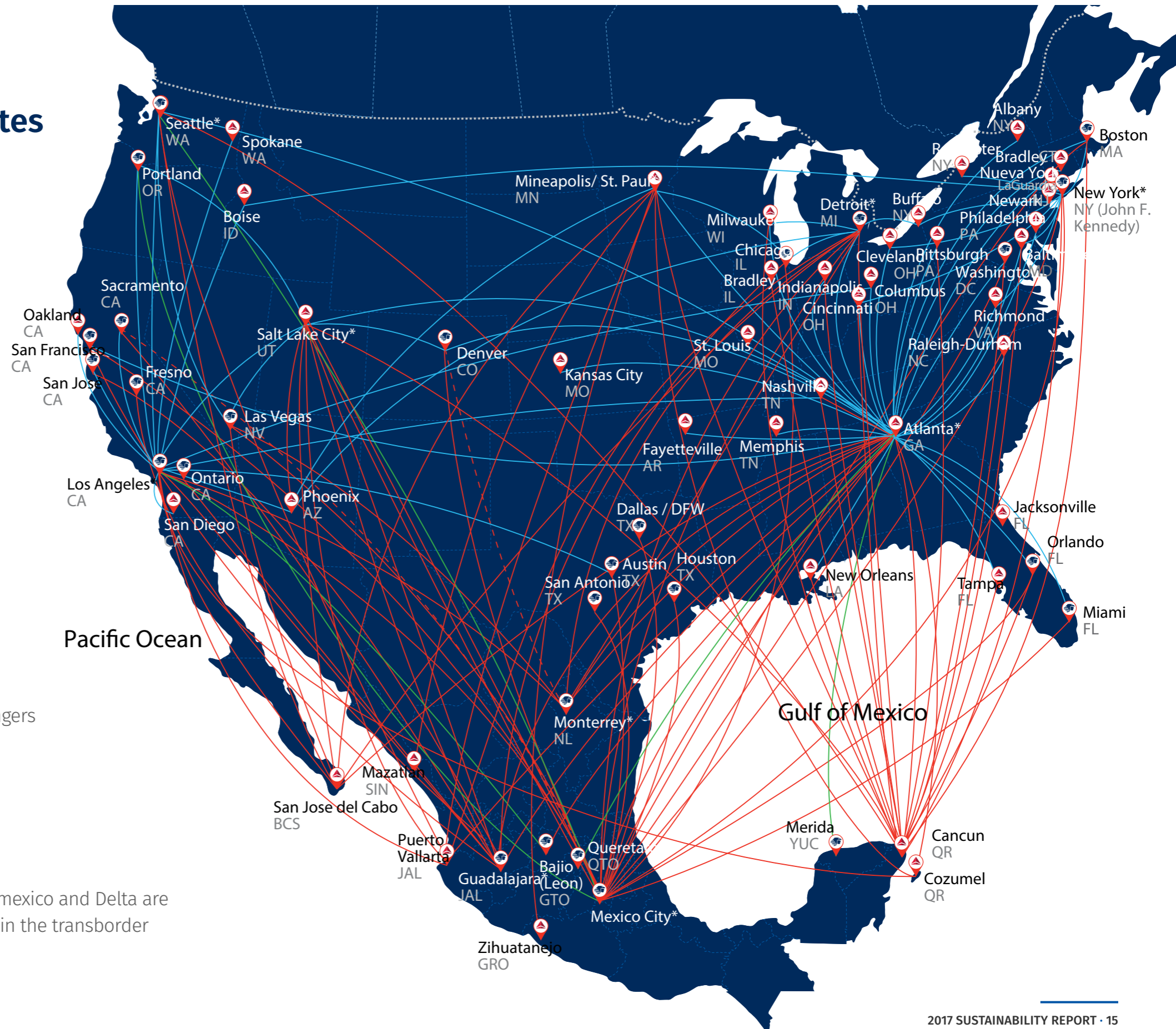


7
million passengers



#1

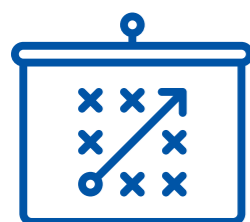
Together, Aeromexico and Delta are
the #1 airlines in the transborder
market.





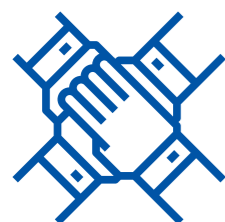
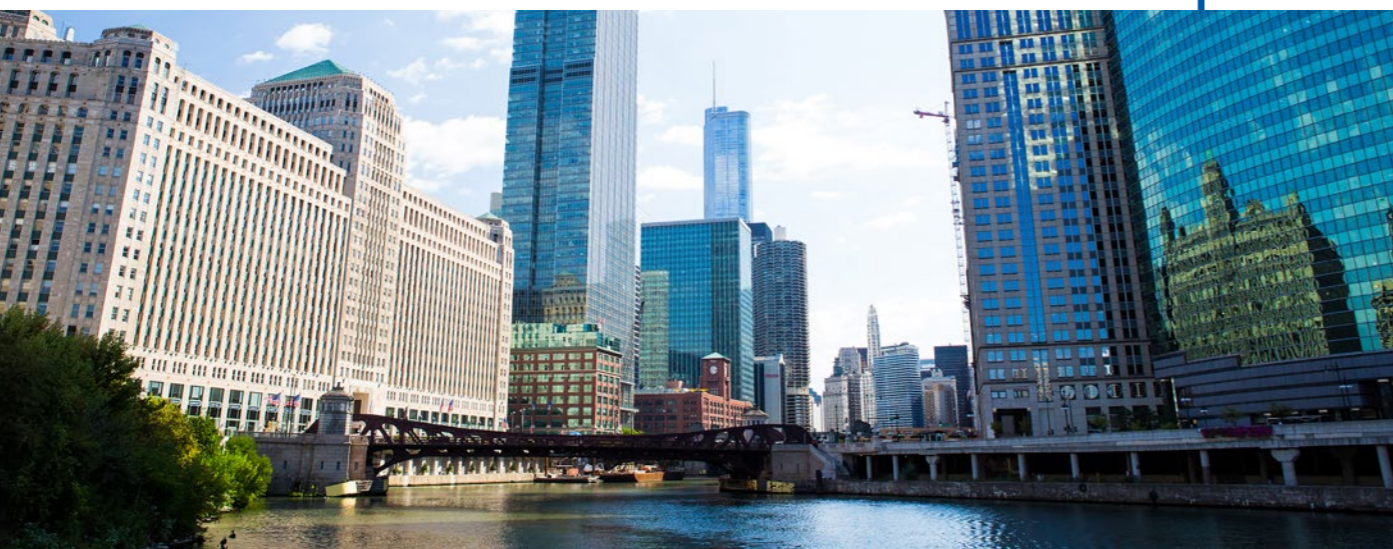
Market Share

We constantly analyze the needs of the domestic and international market to ensure we offer our customers a more personalized service.



Our strategy

focuses on the customers' needs and it has positioned us as the airline with the largest share of the regular market.



In 2017, our total share of the domestic and international regular commercial passenger market was

29%

In 2017, we transported 20.7 million passengers,

a **4.9%** YOY increase

Passengers

2017

Difference vs. 2016



International

7,472,000

+12.3%



Domestic

13,194,000

+1.1%

Total

20,666,000 +4.9%



Global Destinations





Domestic Market Share

From January to December 2017, we had a 29% domestic market share, in addition to achieving average monthly growth in domestic passenger traffic of 0.94%.



Skyscanner

named us the best airline in Mexico given the number of destinations we offer and our high standards of customer service.



Skyscanner is global leader in travel searches, offering users the opportunity to directly plan and reserve millions of travel options at the best prices.



We are

the domestic airline with the **largest share of the international market.**



International Market Share

We reached a total of





16.8%



Economic Performance

During 2017, total operating income reached MXN \$61.481 billion, a 14% increase in a year-on-year comparison.

Operating Income (millions of Mexican pesos)

	2016	2017	VAR
 Domestic	20,893	21,929	5%
 International	26,455	30,184	14.1%
 Passenger	47,347.9	52,113.3	10.1%
 Freight	3,360	4,345.8	29.3%
Other	3,216.8	5,022	56.1%
Total Operations	53,924.7	61,481.2	14%

Gross and Net Profit (millions of Mexican pesos)

	2016	2017
Yearly Gross Profit	1,483.5	(49.9)
Yearly Net Profit	1,111.8	18.2





Market Environment

Given the ever changing and dynamic environment in which we operate, we continually monitor the market to identify the opportunities and risks facing the industry in Mexico and around the world. This enables us to develop proper strategies and make assertive decisions. More detailed information can be found in our annual financial report.

Fleet

To the end of 2017, our fleet comprised 131 aircraft, 72 covering Aeromexico's operations and 59 for Aeromexico Connect.



To the end of 2017, the average age of our fleet was

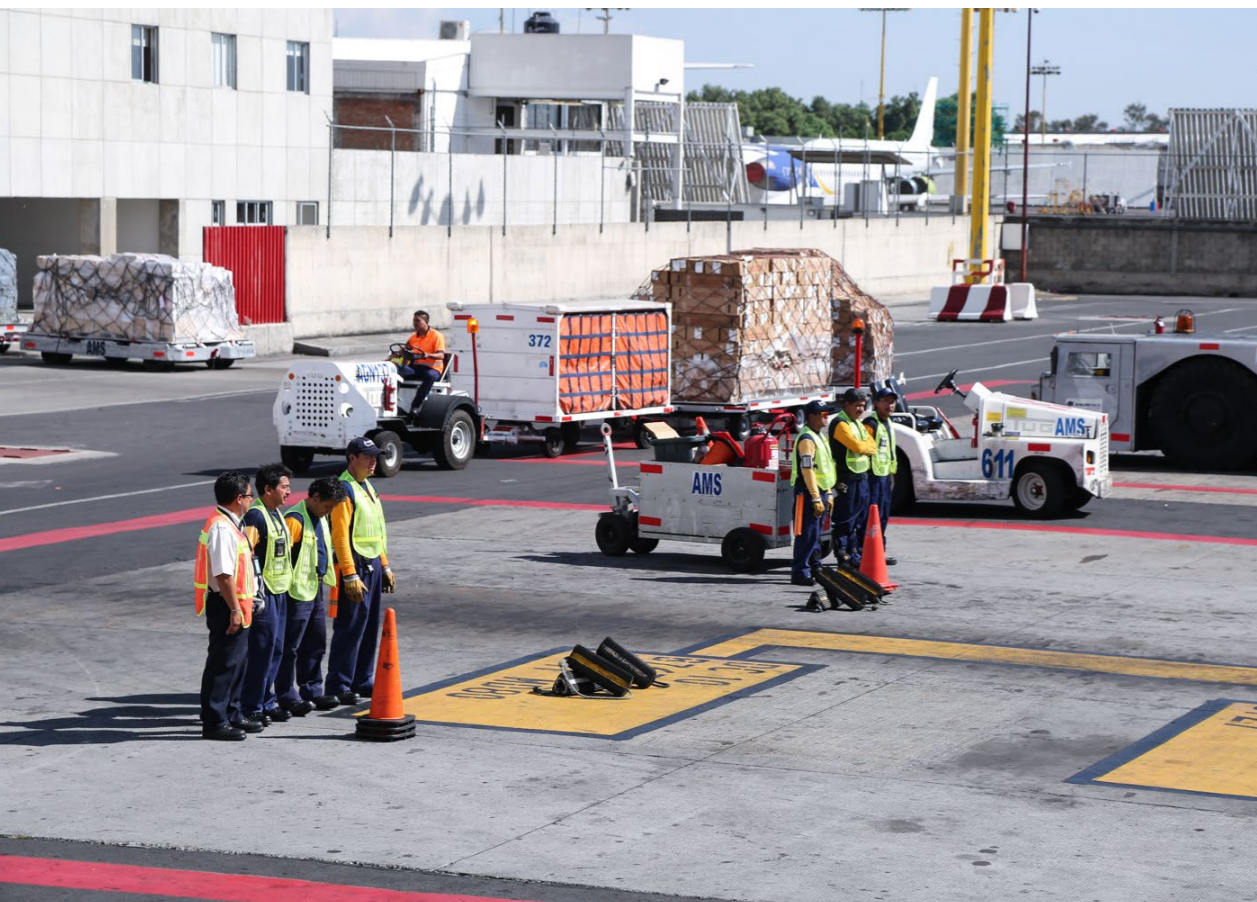
8.4 years.

Alliances

Fully aware of the importance of working alongside other airlines, we have forged strategic alliances to offer our customers the best possible routes, destinations, fares and schedules.

We are also a member and founding partner of SkyTeam, an alliance of 20 airlines offering 1,074 destinations around the world, not to mention more flights and connections, helping make travel easier and more convenient.





We also have a range of codeshare partnerships. In 2017, we forged a collaboration agreement with EL AL.

To the end of 2017, we had codeshares covering 433 unique city pairs, achieving a global coverage of 20 airlines from around the world.



Suppliers

To maintain our position as market leader, we need to ensure the highest levels of quality throughout our operations, including in our supply chain. To achieve this, we forge mutually beneficial relationships and drive the development of our suppliers.



Aircraft Manufacturer.



Aircraft Manufacturer.



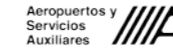
Airport Infrastructure.



Aircraft Maintenance.



Fuel.



Operational Support for Telecommunications Infrastructure.



Commissary.



Accounting, Human Resources, Payroll, Procurement and Planning.

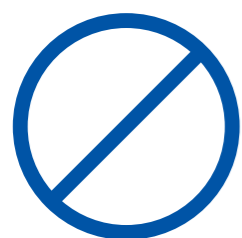


Digital Business Information System.



Supplier Certification

Through our Supplier Relations and Conflict of Interest Policy, we assess and select companies to form part of our value chain, ensuring that they operate in accordance with our ethical principles.



At Aeromexico

we oppose any form of forced or compulsory employment, child labor, corporal punishment, and mental or physical coercion.

To ensure transparency in the operations of our value chain and promote collaboration with quality companies, we follow our supplier certification process, which consists of 5 steps:



We select suppliers and send out a letter to commence the certification process.



The supplier, in accordance with the information contained in the letter, prepares the documentation required and sends the report to Dun & Bradstreet.



We visit the supplier's facilities.



The supplier sends the necessary documentation.



We review the documentation and inform the supplier of our decision.

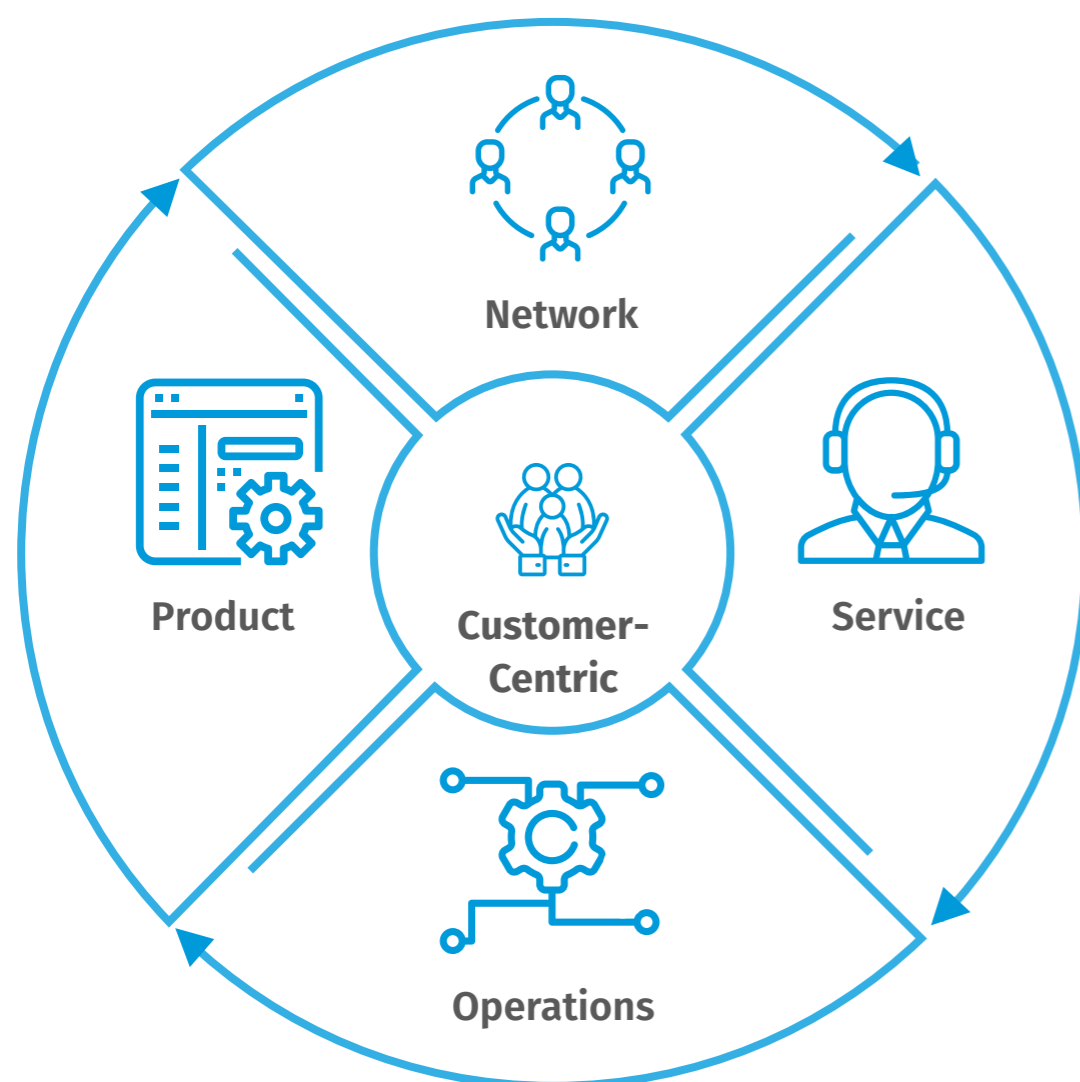


Customer Experience

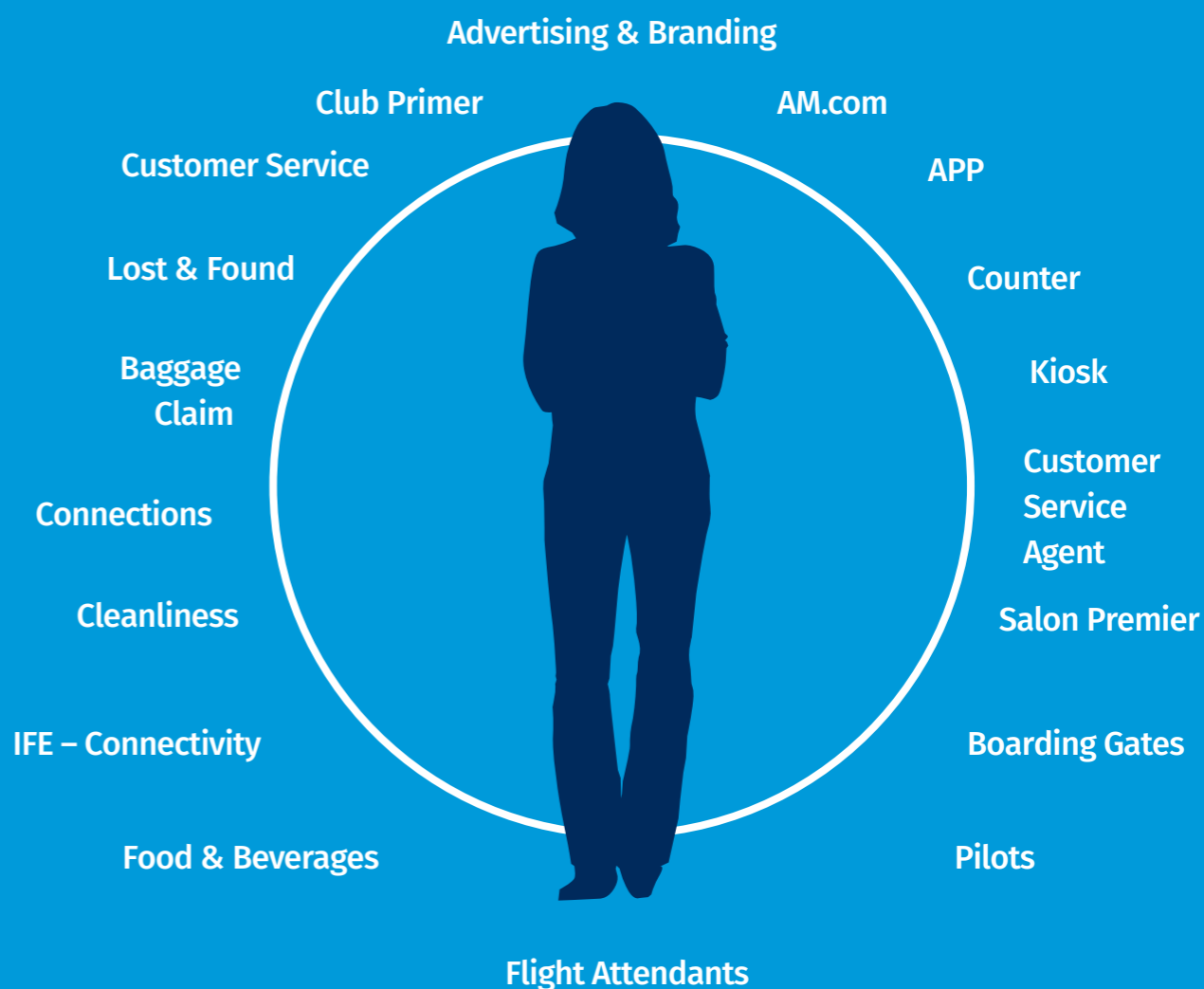




We place our customers at the heart of our decision-making process through products designed for all passenger types. We have created a concept to highlight our strengths and flexibility, helping us adapt our service to the needs of the market and differentiating our operations from those of other airlines.



Based on this concept, we developed our 2017 plan to promote a customer-centric approach, ensuring that Aeromexico generates real value for them and, as such, for the company.





We strive

everyday to provide our customers with outstanding service and a unique experience.

We achieve this through a multi-tiered model that helps us understand and analyze customer perception, drive synergies, and offer best-in-class, tailor-made service that leverages cutting-edge technology.

We also focus on offering our customers the best possible experience even before they board their flight, making check-in easier, offering more pleasant pre-boarding experiences, and improving our fleet to achieve a more comfortable flight. In addition to offering the best customer service and specially prepared meals, all with the goal of driving long-term relationships with our customers.



Look



Brand awareness and perception.



Book & Manage



Customer consideration set.



Capturing demand through digital channels.



Check-in



Golden window.



Pre & Boarding



Getting ready for the trip.



OBS



On board experience.



Loyalty



Building long term relationships with our customers. Big Data & targeted marketing.



Mundo Premier

Driving on-going improvements to our products is something that distinguishes Aeromexico from the competition. We recently launched Mundo Premier, which comprises 5 Aeromexico products: Salones Premier, Clase Premier, Terraza Premier by Heineken, Espacio Premier y Club Premier.

Thanks to Mundo Premier, we can now offer our customers a unique pre-flight, in-flight and post-flight experience.

Digital Experience

We have invested in technological tools to help improve our travel experience, including e-kiosks and our new flight monitoring and reservation app.

We have also launched Aerobot, an automated chat feature via Facebook and WhatsApp.

In-Flight Experience

Our in-flight service, ranging from snacks to complete food and drinks menus (depending on the route, flight time and cabin), as well as in-flight entertainment, are another reason why we are the leader of the domestic aviation market.



All of this

in addition to the competitive fares we offer, providing our customers with the perfect cost-benefit balance, ensuring that we remain the market's #1 option.





The first airline

in Mexico to successfully complete the IATA Operational Safety audit, considered to be the highest industry standard for operational safety.



Safety

Our operational safety must be the perfect combination of:



A young and modern fleet.



Safety protocols and procedures that are strictly adhered to.



Quality maintenance.



Collaboration and coordination with Mexican authorities and international bodies.



Training for all employees.



We are a member of the Safety Management System, recommended by the International Civil Aviation Organization (ICAO) of the United Nations.

We also participate in programs coordinated by the US government to prevent acts of unlawful interference and terrorism. We chair the IATA Security Focus Group, the aim of which is to improve security throughout the Americas.

We are also certified operators by the Mexican Operational Safety Management System (SMS):



First process



Third process



Emergency Response

We have a committed and highly-trained emergency response team that embodies best international practices and the strictest family assistance standards. It provides support tools, establishes procedures to be followed, and coordinates the emergency teams.

Our five strategic teams comprise employees from different areas within the company who have been selected and duly trained:



Centro Director de la
Emergencia



Notificación
Telefónica



Go
Team



Care
Team



Comunicación
En crisis



Our Emergency Response Plan

is aligned with that of our partner, Delta Air Lines, and with industry best practices.



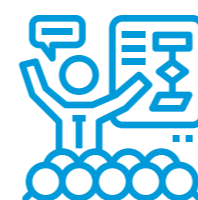
Station Training

Another key factor in responding to emergencies is our staff at the airports involved, as it is they who are first on the scene after the activation of the Local Plan. In 2017, our milestones included:



36

stations (including 8 new stations opened).



1,400

people trained.



5,600

average training hours.

In 2018, our Emergency Response training goal, in accordance with NOM-64-SCT3-2012*, is to reach a minimum of 70% of the total employees at each station.

*Official Mexican Standard



Checklist Updates

The Emergency Response team met with the areas comprising the Emergency Coordination Center to update the checklists contained in our company's Emergency Response Plan. The key stakeholders in each area are responsible for taking strategic decisions during a crisis, in addition to ensuring that the support teams implement the measures contained in their checklists.

Care Team Volunteer Manual

One of the fundamental pillars of our Emergency Response plan is the support we offer any passengers and families affected by a crisis. In 2017, we developed the Care Team Volunteer Manual, which outlines the procedures to be followed when volunteers are assigned to positions in which they have direct contact with our customers or their loved ones.

We comply with the guidelines established by the National Transportation Safety Board, an independent body of the US government that determines the probable cause of transportation accidents, promotes safety, and helps victims of transportation accidents and their families.



We have developed

the manual based on IATA procedures and best national and international practices.



Training for Crisis Communications Team

The teams comprising the Crisis Communications Committee (Corporate Communications, Customer Service, Social Networks and Digital Marketing) took part in a Crisis Communication Seminar presented by Miles Kotay from Boeing. The goal of this seminar was to adopt best industry practices and consolidate our crisis communication procedures.



Awards and Certifications





ORGANIZATION	AWARD
WORLD AIRLINE RANKINGS Best airline rankings voted for by customers in different aviation categories.	<ul style="list-style-type: none">• Third largest airline in Latin America in terms of revenue.• Fourth largest airline in Latin America in terms of passenger traffic.
PROFEPA Procuraduría Federal de Protección al Ambiente. PROFEPA's goal is to drive compliance with environmental standards.	<ul style="list-style-type: none">• Industria Limpia certification. Level 1 in Environmental Quality.
THE WORLD AIRLINE AWARDS Best airline rankings voted for by customers in different aviation categories.	<ul style="list-style-type: none">• One of the Top 100 airlines in the world.• One of the Top 10 airlines in the category of "Best Economy Class Seats".• Only airline in Mexico to be classified as a benchmark of excellence in the sector.• Best economy class.
COUNCIL OF THE AMERICAS An organization whose goal is to promote free trade, democracy and the opening of markets in the Americas.	<ul style="list-style-type: none">• 2017 Bravo Business Award.
PAX INTERNATIONAL MAGAZINE A leading voice in news and analysis of passenger services, interiors, and in-flight entertainment and communication.	<ul style="list-style-type: none">• Best in-flight food service.• Best in-flight amenity kits in the Americas.



Sponsors

of the World Travel Awards (WTA) Latin America, an event that recognizes, rewards and celebrates excellence in all sectors of the travel industry.



Thanks

to our on-going efforts to be a better company every single day, we are recognized in Mexico and around the world for our quality and the results of our social and environmental programs.



ENTIDAD

RECONOCIMIENTO

WORLD TRAVEL AWARDS LATIN AMERICA

Recognizes and rewards excellence in all sectors of the travel and tourism industry in Latin America.

- Best airline in Mexico and Central America.

WORLD TRAVEL AWARDS

Recognizes and rewards excellence in all sectors of the travel and tourism industry.

- Leading airline brand in Mexico and Central America.

GLOBAL TRAVELLER MAGAZINE

A publication that offers unique daily content focusing on lifestyle and premium travel.

- Best airline in Mexico (7th award).

SIMPLIFYING AWARDS

A leading global company in airline marketing strategies.

- Best airline in Latin America.

GRUPO EXCELENCIAS

A company specializing in products and services for different world segments of communication.

- Excelencia Award.



ORGANIZATION

AWARD

IATA

International Air Transport Association, an organization that helps airlines from around the world develop industrial policies regarding critical aviation issues.

- IEnvA Stage 1 Certificate.

64th CANNES LIONS FESTIVAL

Global festival that celebrates creativity in communication and marketing.

- Golden Lion for the “Fronteras” campaign.

LLOYD'S REGISTER

An institution that classifies and ranks risk analysis.

- We registered and certified our Environmental Management System (EMS).

SEMARNAT

Secretary of Environment and Natural Resources, an institution tasked with formulating, executing and evaluating government policies in the areas of conservation, biodiversity and environmental protection.

- Positive result for the 2016 Corporate Inventory of Greenhouse Gases and Compounds Report.





Corporate Governance





Corporate Governance

We act in compliance with all applicable legislation and under the management of a Board of Directors, which is the Group's legal representative. Our operations are divided in the following manner:



Board of Directors Committees:

Their main functions include designating tasks and appointing the members and chairs of each Committee.



Audit and Corporate Practices Committee:

Composed of six independent members.

-Audit: To supervise external auditors; request, supervise and analyze different reports, among other functions.

-Corporate Practices : To provide opinions relating to administrative operations, convene shareholder assemblies, and draft the annual report.



Nomination and Compensation Committee:

It nominates candidates to the Board of Directors and its Committees, or, if applicable, to the Shareholders' Assembly. It also supervises the compensation and removal of members of the Board of Directors, in addition to presenting a report detailing its activities.



Executive Committee:

Its main functions include coordinating, managing and executing our businesses and subsidiaries in accordance with the strategies, policies and guidelines that have been stipulated and approved by our Board of Directors.



Board of Directors

Our Board of Directors can be made up of a minimum of 5 and a maximum of 21 members and their respective alternates, as determined by the General Ordinary Shareholders' Assembly. The Board of Directors currently has 15 members.



 15 Members.

We also have a Corporate Social Responsibility Department and a Corporate Compliance area, which, alongside our Occupational Safety, Operations and General Services areas, implement a range of programs to drive our Group's sustainability.

Our shareholders' major partners include:



Investors



Board Members



Stakeholders



Minority Shareholders



Delta

Further information about Corporate Governance can be found in our annual financial report.



The largest responsibility

of all those who work in or for Grupo Aeromexico is doing the right thing at all times.

Ethics and Integrity

Code of Conduct

It is vitally important that all of us who work at Grupo Aeromexico have the same vision regarding the goals and objectives of the Company. We ensure that, in our efforts to achieve these goals, we always adhere to ethical standards and principles.

Our Code encompasses, among others, the following areas:



1. Being an inclusive company that complies with social standards.



2. Being upright and responsible.



3. Being loyal.



4. Complying with laws, regulations and standards.



5. Working as part of a team and being a socially responsible company.

We ensure compliance with this Code through our Labor Relations area, in addition to our Ethics Committee. Our helpline is coordinated by an independent third party.



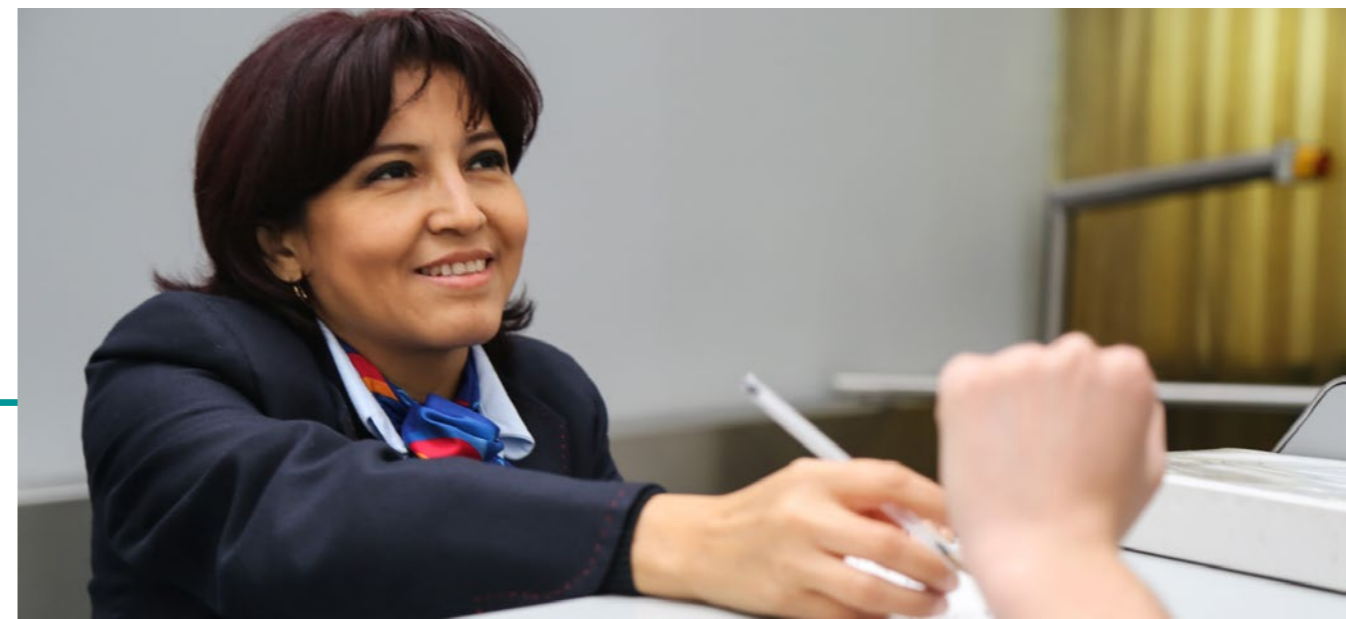
Anti-Corruption

No matter their post or location, all our employees are governed by our Anti-Corruption Policy, which is based on the legal framework of the United States Foreign Corrupt Practices Act (FCPA). We operate within a strict international framework of transparency and legality.

This policy covers both our employees and those people involved in our operations, including: subsidiaries, affiliates and joint ventures, agents, consultants, representatives, service providers, and commercial partners who work under the Aeromexico name.

Furthermore, we comply with the domestic and international laws in the countries in which we operate, in addition to that stipulated in the Convention on Combatting the Bribery of Foreign Public Officials in International Business Transactions of the Organization for Economic Co-operation and Development (OECD).

We implemented our first online and face-to-face training session, during which we reviewed the leading global regulations to tackle corruption in business, the precautions that should be taken when dealing with government officials, their families and representatives, in addition to other elements that should be taken into consideration, such as gifts, donations, trips and hospitality.



As a measure to strengthen compliance, we established anti-corruption regulations in the Code of Conduct, such as:



Employees are prohibited from receiving gifts from customers or suppliers that could compromise their business judgement.



Employees must not offer any gifts that could be deemed to constitute a bribe, especially when dealing with government officials, in order to influence a decision.



Good Customer Service Practices

At Aeromexico, we are committed to fulfilling our responsibility to:



Offer services and products with no discrimination based on ethnicity, nationality, gender, age, disability, social circumstances, health, religion, opinions, sexual preference, marital status, or for any other reason.



Provide clear and opportune information about the services we offer.



Protect the personal information of our customers, in compliance with applicable legislation.



Safeguard the rights of our passengers at all times, in compliance with applicable legislation.



Best Responsible Business Practices

We are committed to:



Being a source of employment and economic development for the communities in which we operate.



Promoting equal opportunities among suppliers and partners, based on their performance and their ability to do the job.

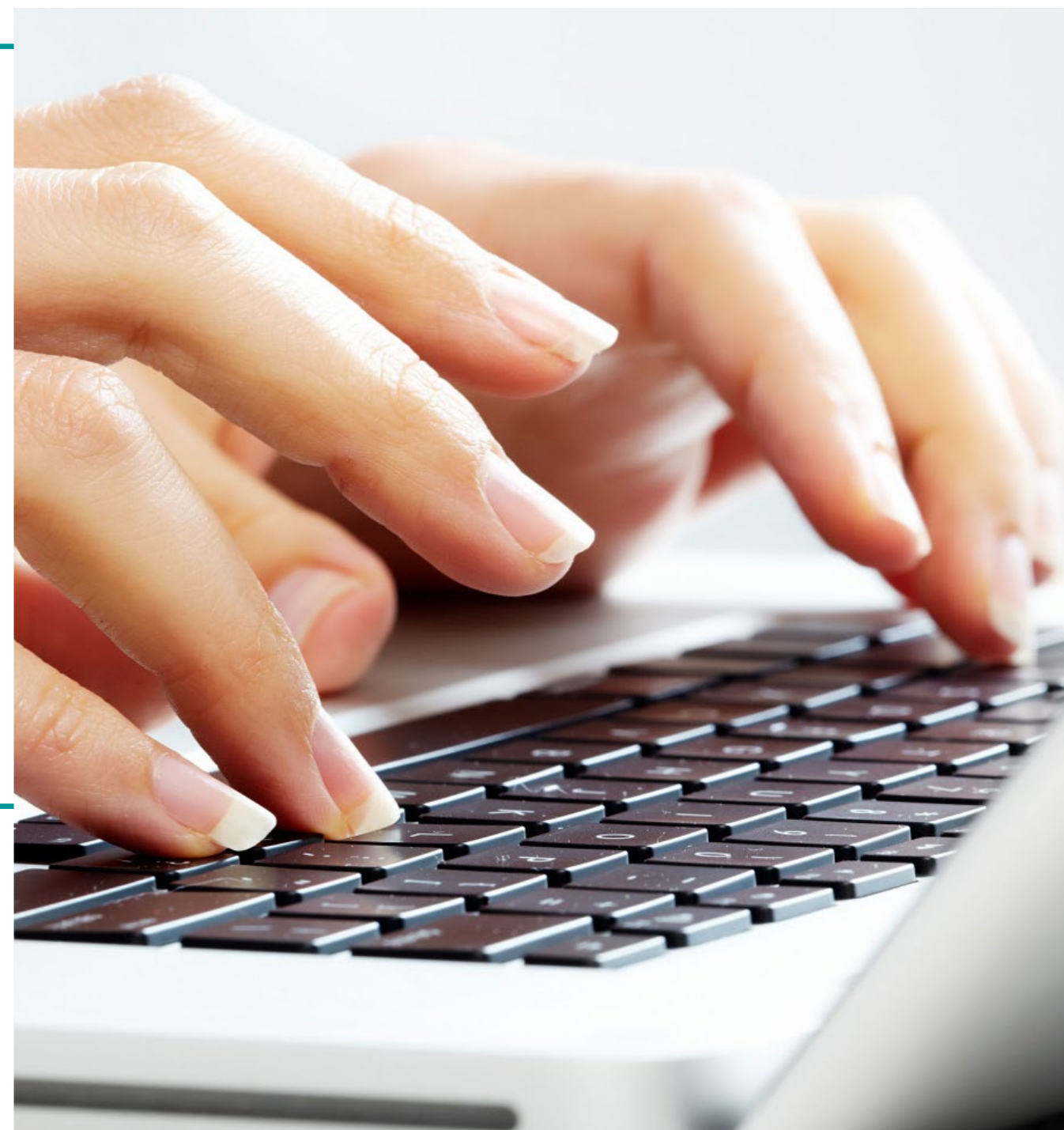


Offering our employees the opportunity for professional development, in addition to a safe and healthy working environment.

Anonymous Reporting

Through our anonymous reporting procedure, all employees who have identified any non-compliance with the Code of Conduct or a practice that violates the company's values, perpetrated by any employee, supplier or customer, can report it anonymously via our helpline or the internet.

We stringently monitor every report and take all measures necessary to ensure that, at Aeromexico, we continue operating within a culture of respect and integrity.





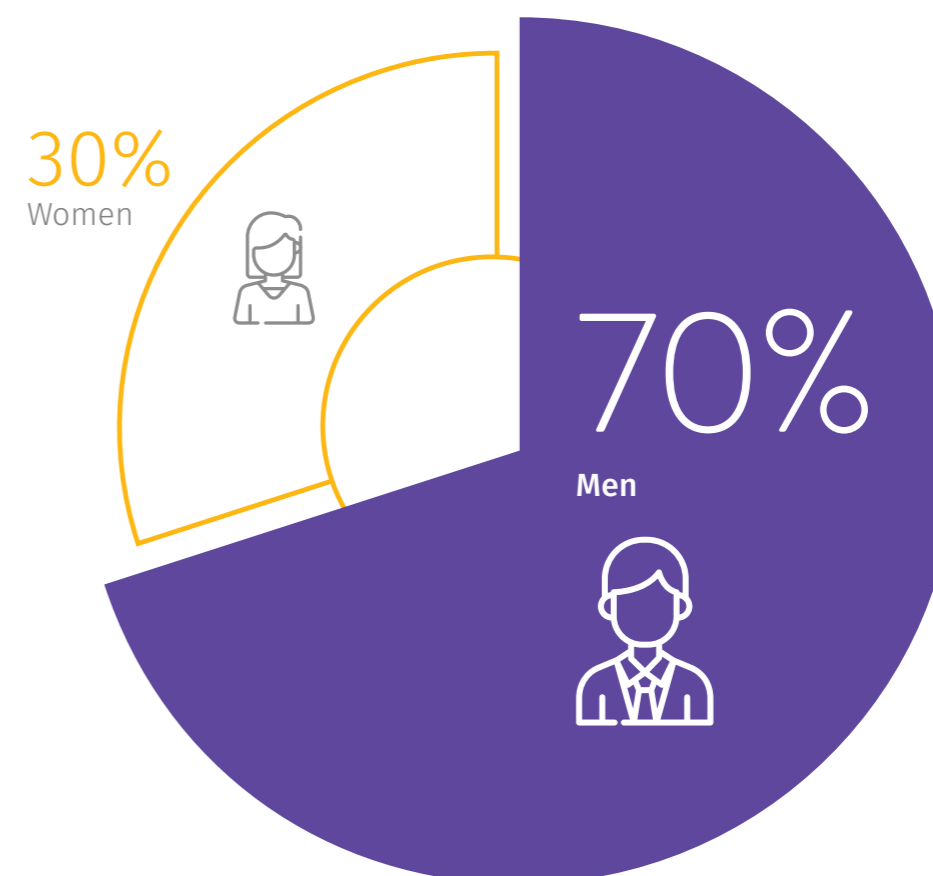
Employees

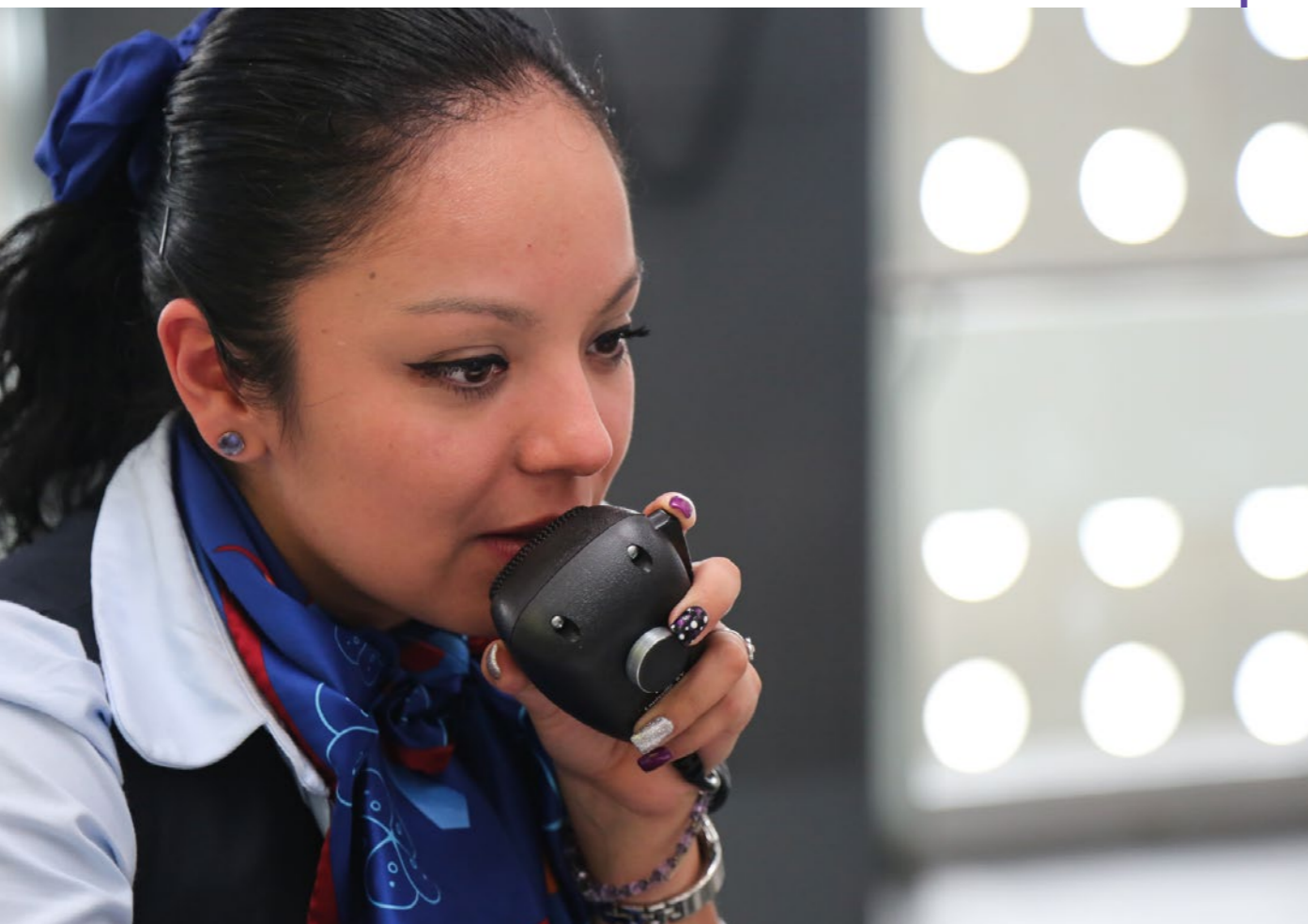




We drive the development of the communities in which we operate by creating jobs, offering safe working environments and practices, providing a range of benefits, and helping our employees develop their skills. This leads to a better quality of life and an appropriate working environment.

 **15,300** employees





Job Creation

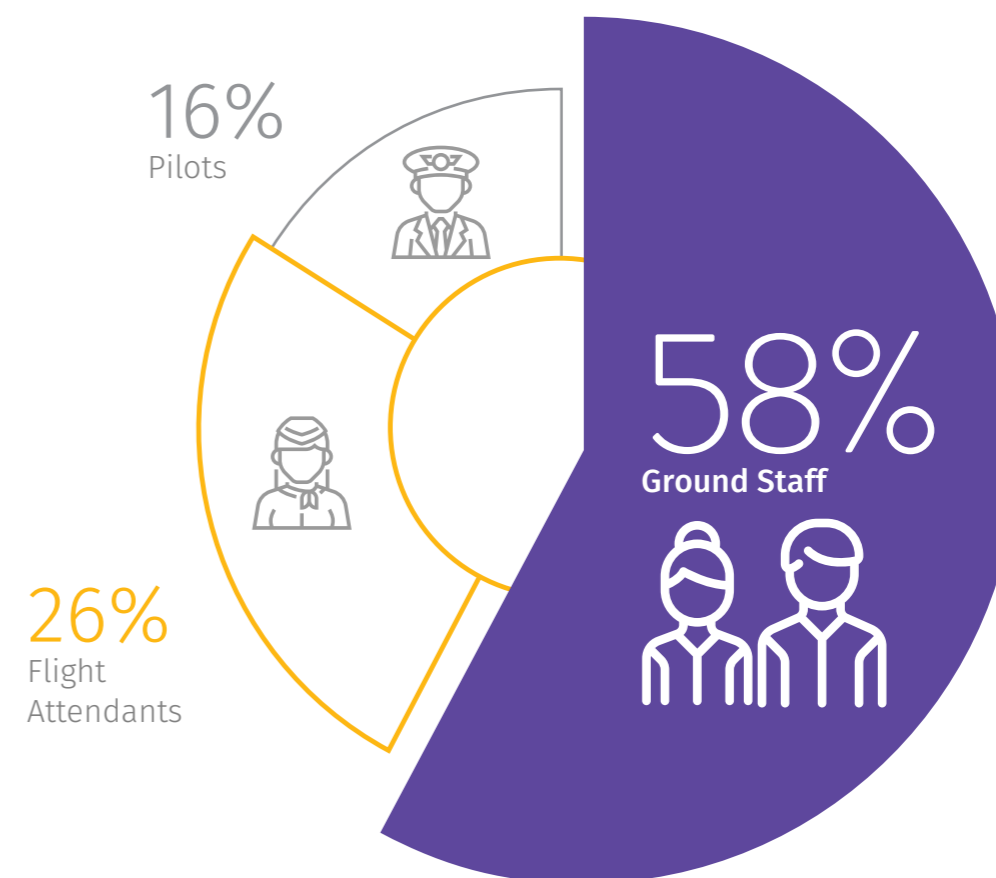
We promote employment in the communities in which we operate. In 2017, we had 1,215 more employees than in 2016, thanks to the expansion of the company.

When we open new destinations and new routes, or we add new aircraft to our fleet, we generate employment opportunities.

Labor Unions

At Aeromexico, we promote transparent and respectful dialog and negotiations, honoring our employees' right to free association. In 2017, 68.6% of our employees were members of a labor union.

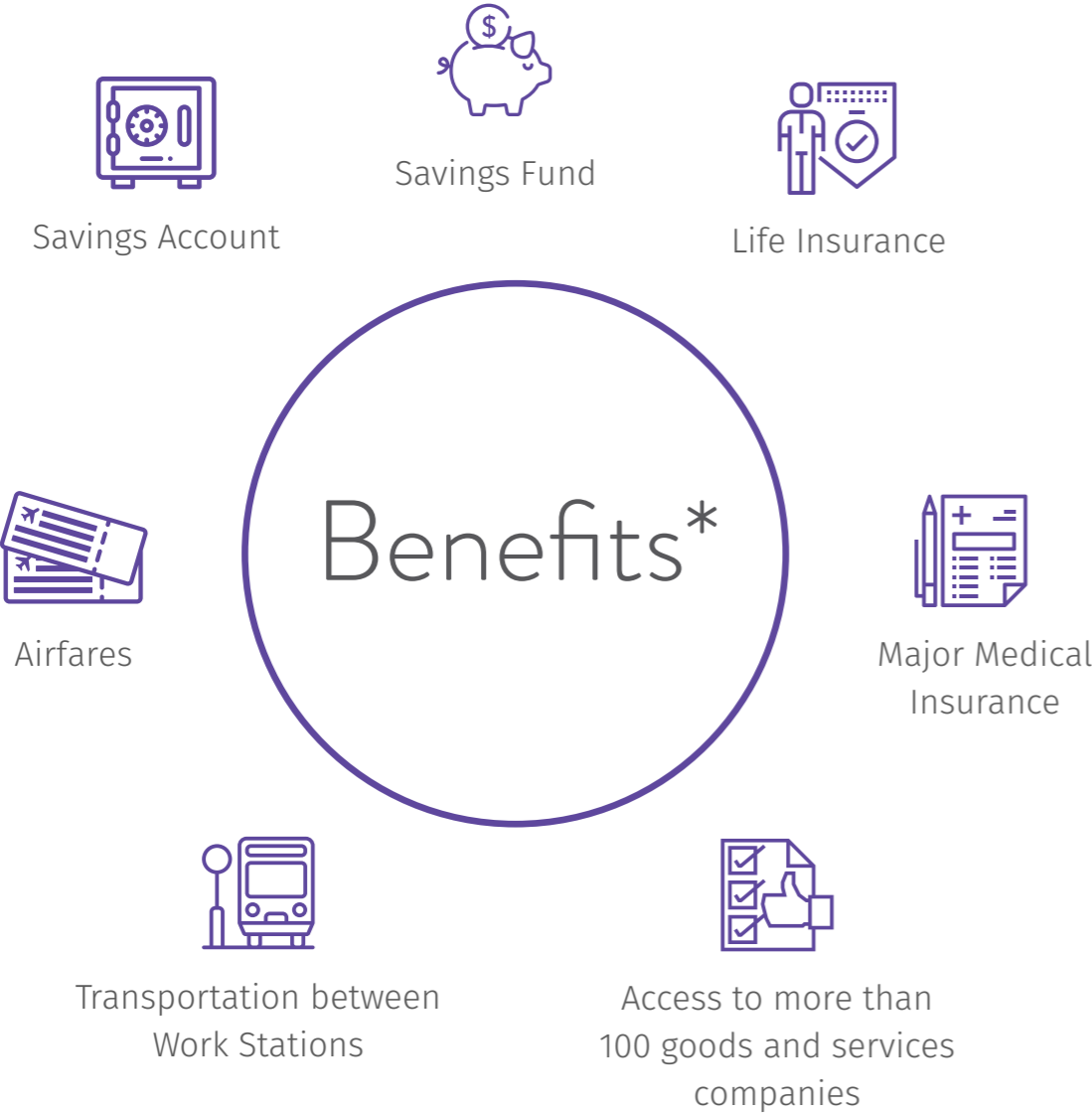
Of the total number of unionized employees:





Benefits and Compensations

The well-being of our employees is one of our greatest concerns, which is why we offer a benefits package that exceeds that required by the law:



**These benefits depend on the contract of each individual employee.*



Our purpose

lies in offering schedules that promote productivity and quality of life.



Flexible Working Hours

At Aeromexico, we have a range of work schedules given the nature of our operations and the service we offer, which is why we have a Flexible Working Hours Policy, offering our employees the opportunity to apply for the schedule that best fits their needs and based on the nature of their post.



Quality of Life

In 2017, as part of our company's growth strategy, we opened 2 new workplaces that have been designed to provide a working environment that promotes harmony, open communication and productivity through communal areas, meeting rooms with a telepresence system, open spaces, breastfeeding facilities, and medical services. These work centers have also been designed to incorporate disabled access.



We want

our employees to have a great experience every single day.



We promote

a healthy work-family balance for those employees who require leave for maternity, paternity or adoption.



Maternity and Paternity Policy

This policy was implemented two years ago, outlining the guidelines for granting additional leave to non-unionized employees of Grupo Aeromexico.



We have

breastfeeding facilities at our new workplaces.



Dress Code

To offer greater flexibility to all our employees who have no direct contact with customers, we modified our Dress Code, adding an exception for Jeans Business Casual.

Home Office

In 2017, we implemented a pilot program to offer our employees the opportunity to work from home. We established guidelines to choose those employees who, given the nature of their post and their space, could take part in this pilot, designating responsibilities to both the employee and their leader.



Home Office

can help reduce stress, improve goal achievement, and increase productivity.





Organizational Climate

Stemming from the results achieved in our 2016 Organizational Climate survey, we developed an employee reward scheme and a leadership model to improve these aspects within the organization.

Viviendo Aeromexico

In 2017, we created this reward program, the goal of which is to recognize the hard work and outstanding results achieved by our employees.

Through a digital platform, we recognize our employees' hard work in real time using the RISE (Regular, Immediate, Specific and Encouraging) methodology.



We strengthen

work commitment; we improve inter-level relationships; and we retain a greater number of employees.



We created this concept to ensure that each and every one of us embody the elements of the Leadership Model.

To achieve this goal, in 2017, we organized:



4 workshops.



Introductory Workshop.



Developing People.



Thinking Like the Boss.



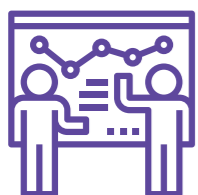
Inspiring by Example.



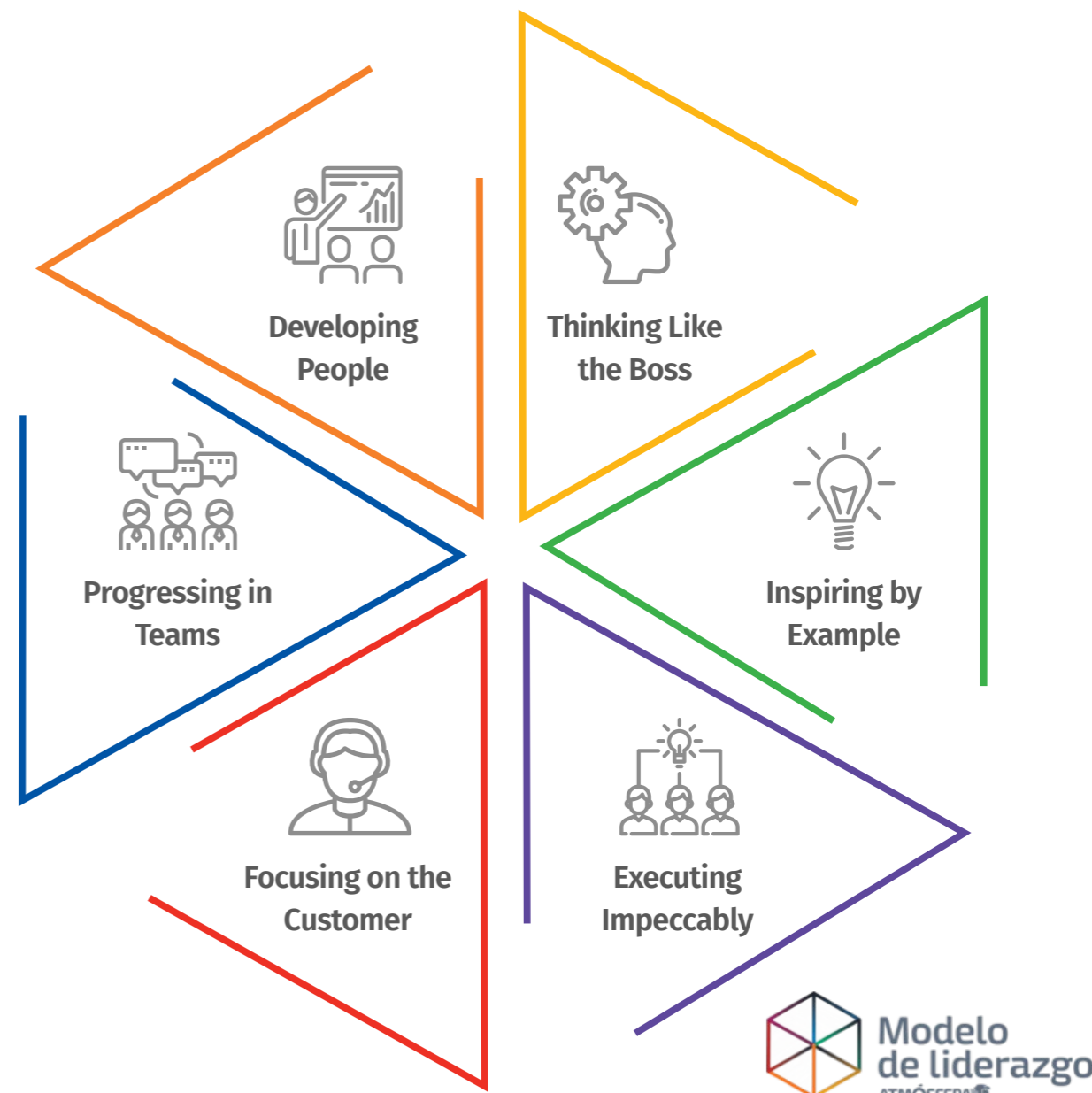
We invited

325

leaders.



66% of participants were present at all 4 workshops.



We increase

our effectiveness to help us become true leaders and teams.



Employee Development

Training at Grupo Aeromexico

One of Aeromexico's major commitments is helping its employees develop professionally, which is why we offer them the best training opportunities, boosting their skills and creating the best teams.

 8,423 courses given.

73,919  people trained.

143,246  training hours.



We have cutting-edge technology and infrastructure to train our maintenance staff.



Thanks to Aeromexico and Aeromexico Connect flight simulators, we have the necessary tools to help drive the development of our employees.



In addition to face-to-face courses, we offer e-learning programs to help facilitate access to training for employees from a range of areas, including: Pilots, Security, Maintenance, Ground Operations, and Flight Attendants, among others.



MBA Development and Attraction Program

In order to develop the organization's future leaders, we have an MBA program that helps us position young people in strategic projects, offering them the training they need to learn more about the business and the aviation industry, in addition to helping them develop their leadership skills. This program lasts for 3 years and helps create leaders who will hold high-impact posts within the company.

IPADE Executive Training Program

We know that we have outstanding leaders, which is why, over the course of 30 weeks, we develop their leadership skills through the IPADE Program, helping consolidate their management skills and expanding their areas of expertise.



In 2017

12 directors took part in this program, double the number that participated in 2016.



Performance Evaluation

Every year, at Aeromexico, we implement employee performance evaluations to identify and improve our areas of opportunity, in addition to rewarding hard work.

In 2017, through three evaluation processes, we achieved the following results:

1.6%

Low

6.6%

Moderate

68.8%

Good

19.4%

Excellent

3.6%

Outstanding

Goal Evaluation

During the goal evaluation process, each employee establishes SMART goals that help evaluate goal attainment throughout the year.

These specific goals must be in keeping with the Flight Plan (Corporate Goals) and the strategic priorities of the area in order to fulfill Grupo Aeromexico's long-term vision.



We verify

the compliance of our policies on human, environmental and labor rights

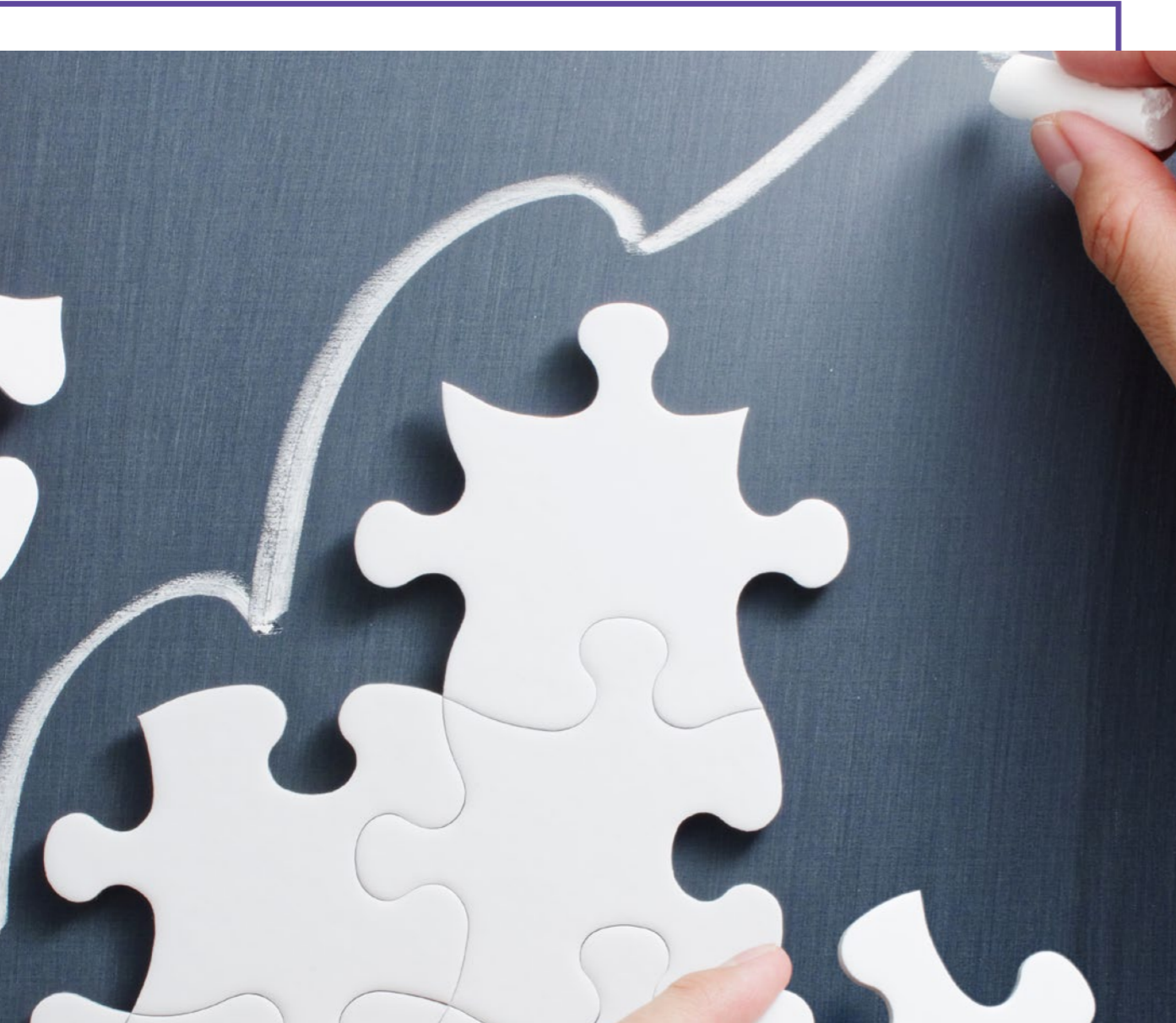


360° Assessment

A 360° assessment allows employees to understand how the people they work with most on a day-to-day basis evaluate their performance, additionally to including a self-assessment section. The goal of this assessment is to validate and promote key strengths, as well as helping employees identify and work on their development needs.

MEI

A numeric ranking to measure a person's level of managerial effectiveness based on 15 specific behaviors. Managerial effectiveness is a term used to clearly identify managerial performance based on the characteristics of the person (areas of opportunity or strengths) that have an impact on the organization's effectiveness.



Human Rights at Aeromexico

We are a company that is fully aware of the importance of our human capital, which is why Human Rights play a fundamental part in our day-to-day activities.

The legal and regulatory framework that governs our operations is based on the United Nations Development Programme (UNDP), in addition to other documents, including:

- Universal Declaration of Human Rights.
- International Labor Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Global Compact.
- Ley Federal del Trabajo.
- Ley del Seguro Social.
- Ley Federal para Prevenir y Eliminar la Discriminación (LFPED).
- Norma Mexicana en Igualdad Laboral y No Discriminación NMX-R-025-SCFI-2015.
- Regulations issued by the Secretaría del Trabajo y Previsión Social.
- Aeromexico's Code of Conduct.
- Aeromexico's Declaration on Human Rights.
- Aeromexico's Declaration on Corporate Social Responsibility.
- Aeromexico's Declaration on Inclusion and Diversity.



To ensure Human Rights are safeguarded, we operate under four Basic Principles that apply to workplace conditions within Aeromexico.



1. Offer employees dignified and safe working conditions.



2. Promote an environment that is based on respect and gender equality, free from harassment, discrimination and abuse.



3. Reject amateur or forced labor.



4. Respect the workplace and social security rights of employees, based on applicable legislation.

To consolidate these principles, we have implemented a number of programs, including the creation of a human trafficking protocol in conjunction with the National Human Rights Commission (CNDH) and other Non-Governmental Organizations (NGO's). We have also offered our employees training in this protocol, in addition to publishing relevant information.

Furthermore, in conjunction with other companies from the Mexican Business Council, we have created the ¡Éntrale! alliance, which focuses on driving workplace inclusion for people with disabilities.





Society



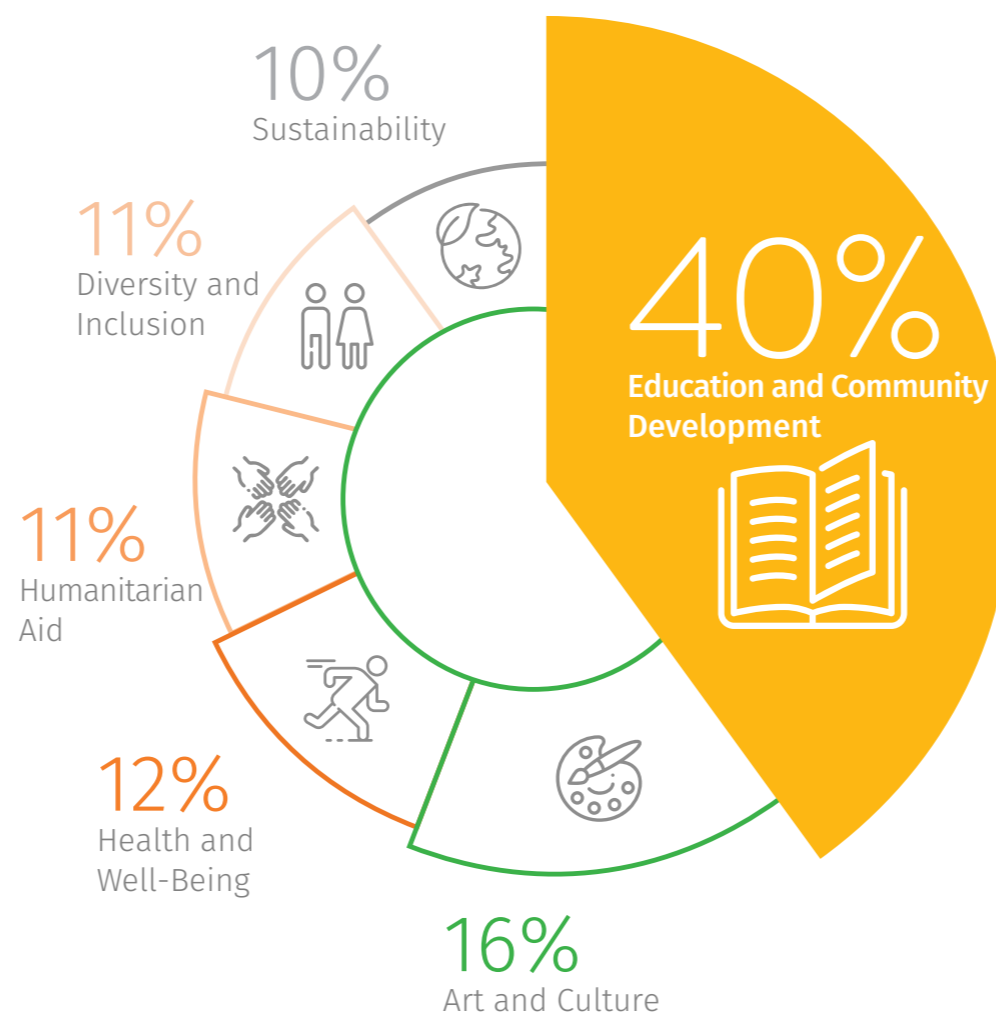


We joined

the United Nations 2030 Agenda to help achieve its Sustainable Development Goals.

“Dando alas al mundo” is the name of our Social Responsibility strategy, through which we focus our efforts in social, economic and environmental programs to help have a positive impact on our surroundings through four fundamental areas: Sustainability, Engagement, Responsible Business Practices and Customer Responsibility.

Our support focuses on the following areas.



In 2017, we directly supported

79

Civil Society Organizations, more than double the number in 2016.



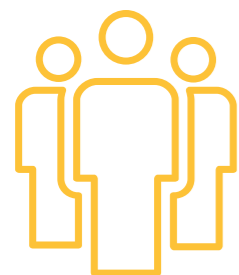
We have

impacted indirectly on over 3 million people and more than 3,000 Civil Society Organizations.



Volunteering

Thanks to the commitment of our employees, in 2017, we helped build houses, contribute to child nutrition, and promote the awareness of a number of causes, such as LGBT rights, breast cancer, human trafficking and humanitarian aid.



We increased

125%

the volunteer participation.+



270

volunteers.

9

talks.

8

volunteering sessions.



2,340

man-hours invested.

17



activities.

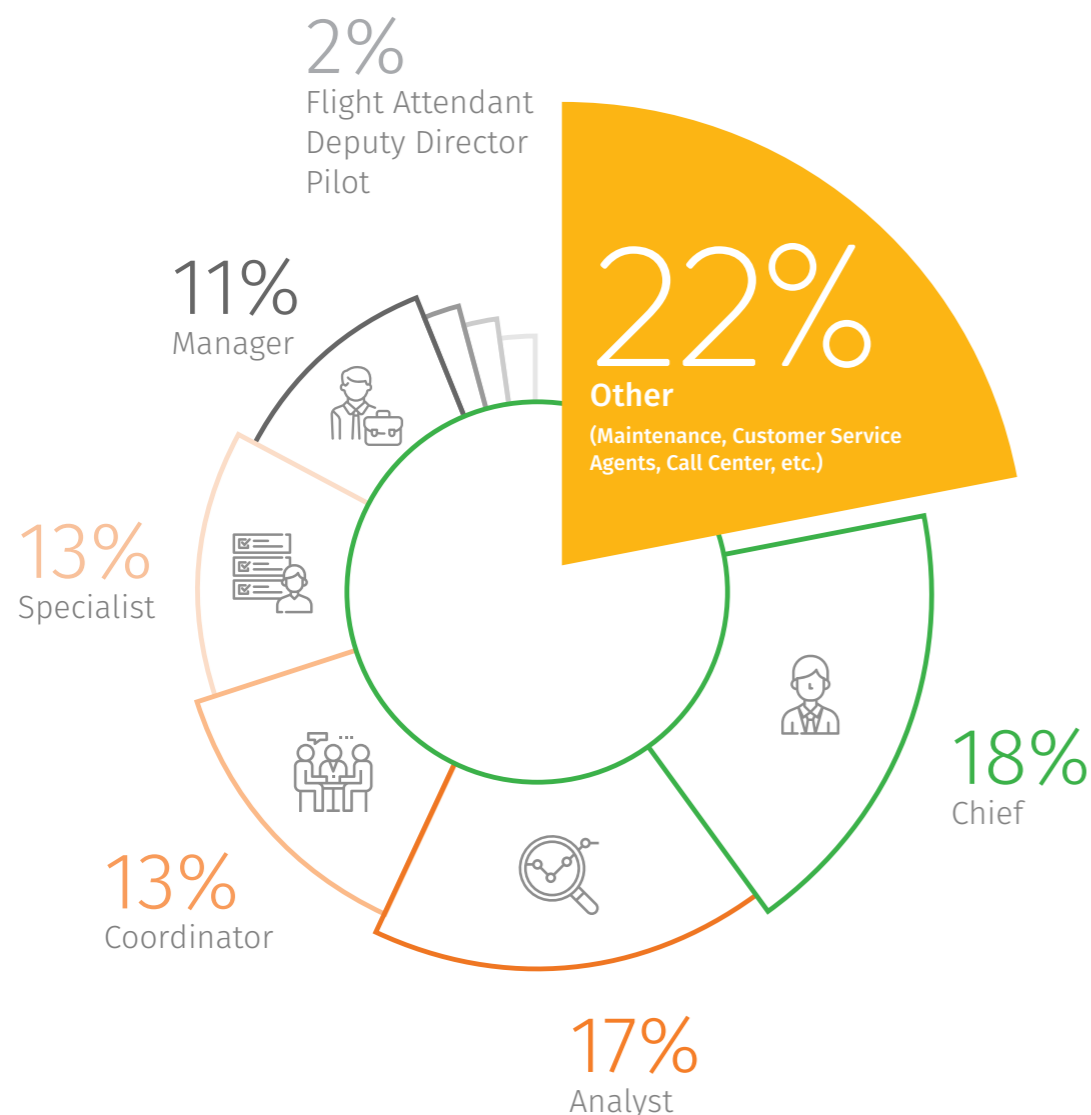
2



charity races.



Mexico City
Tijuana
Monterrey
Guadalajara



We worked
with Save the Children to
refurbish
a migrant community center in Tijuana.



2

volunteering sessions with Delta
and Habitat for Humanity in the
community of Chulavista, Nayarit.

34



volunteers from
Aeromexico and

96



from Delta.



We helped
12 families
build their houses.



Humanitarian Aid

Earthquake Support

Aeromexico joined forces with the Mexican Secretary of Foreign Affairs (SRE) and other government bodies to transport aid workers and equipment to help those affected by the earthquakes in September.

420  tons of aid transported.



We donated

to the Red Cross MXN

\$2,613,587

thanks to our Vuela por México campaign.

licensed by



NOMBRE / NAME

Cruz Roja Mexicana

DE / FROM

“Vuela por México”

VUELO / FLIGHT

\$ 2,613,587 MXN

OPERADO POR/ OPERATED BY

Grupo Aeroméxico

FECHA/ DATE

2017

Lorem ipsum dolor ist aller felicit



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citi  banamex 

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licensed by



NOMBRE / NAME

Cruz Roja Mexicana

DE / FROM

“Vuela por México”

VUELO / FLIGHT

\$ 2,613,587 MXN





Support for Employees

We also created an Aeromexico Employee Support Fund in conjunction with Delta, offering economic support to our employees whose homes were affected by the earthquake.

We supported 50

employees, offering them:



Accommodation



Financial
Support

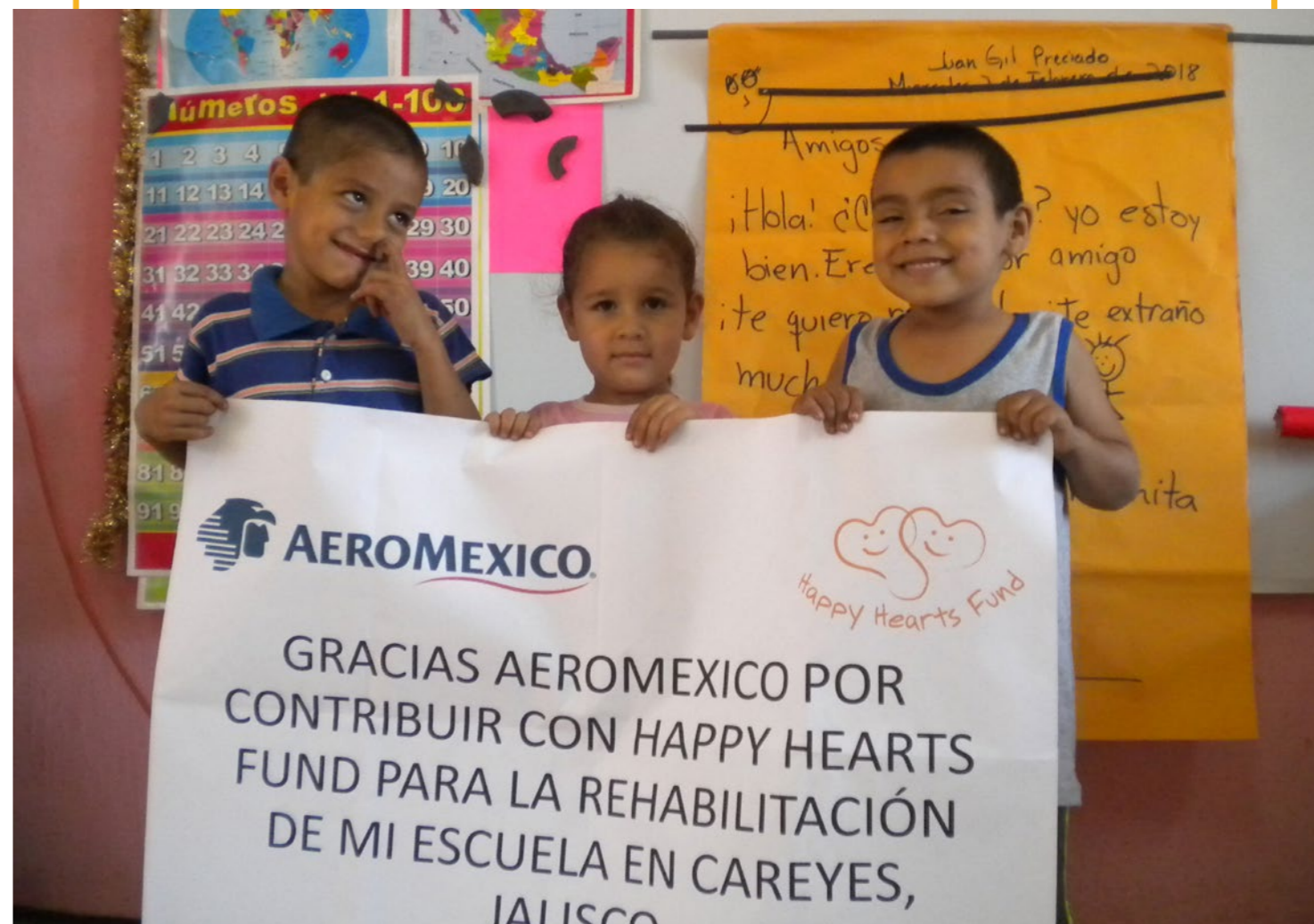


Interest-free
Payroll Loans



Every peso

donated by our employees was matched by
The Aeromexico Foundation.



We sponsored

the Happy Hearts Charity Gala, raising MXN

2.2 million

to help build schools in marginalized communities and those af-
fected by natural disasters.



Detection of Human Trafficking Victims

Identification and reporting protocol for possible victims of human trafficking.

We organized a number of talks and informative sessions with Aeromexico employees and flight attendants in conjunction with the National Human Rights Commission (CNDH). We also developed a protocol for identifying and reporting possible victims of human trafficking.

This a one-of-a-kind tool in Mexico, and it was developed by the Fifth Human Trafficking Investigative Unit of the CNDH and by Aeromexico's Social Responsibility department.



The goal

of this first stage is to map out the procedure to be followed in the event a possible victim is detected.



Awake: The Reality of Human Trafficking

We presented 'Awake', an in-house and external campaign about human trafficking that uses virtual reality to raise awareness about this issue.



We were the first airline in the world to join the #AQUIESTOY campaign to fight human trafficking.



#AQUIESTOY

CONTRA LA TRATA DE PERSONAS

Blue Heart

During the Annual General Assembly of the International Air Transport Association (IATA) that we hosted in Cancun in June 2017, one of the major topics discussed was how to combat human trafficking.

The Blue Heart program, which is promoted by the IATA in conjunction with the United Nations Office on Drugs and Crime (UNODC), seeks to promote the active participation of different sectors and stakeholders to help raise awareness about human trafficking, in addition to driving initiatives that contribute to its prevention, reporting and eradication.

As pioneers for this cause and as part of our commitment to society, we have begun developing a work plan to promote this campaign among our employees and customers.



Diversity and Inclusion

Diversity and Non-Discrimination Policy

After publishing our Declaration on Diversity and Inclusion, we created this policy to establish guidelines to promote equality, equity, inclusion, diversity and anti-discrimination measures among our employees and society in general.



Guarantee a discrimination-free work environment.



Avoid association with organizations that promote violence towards any group.



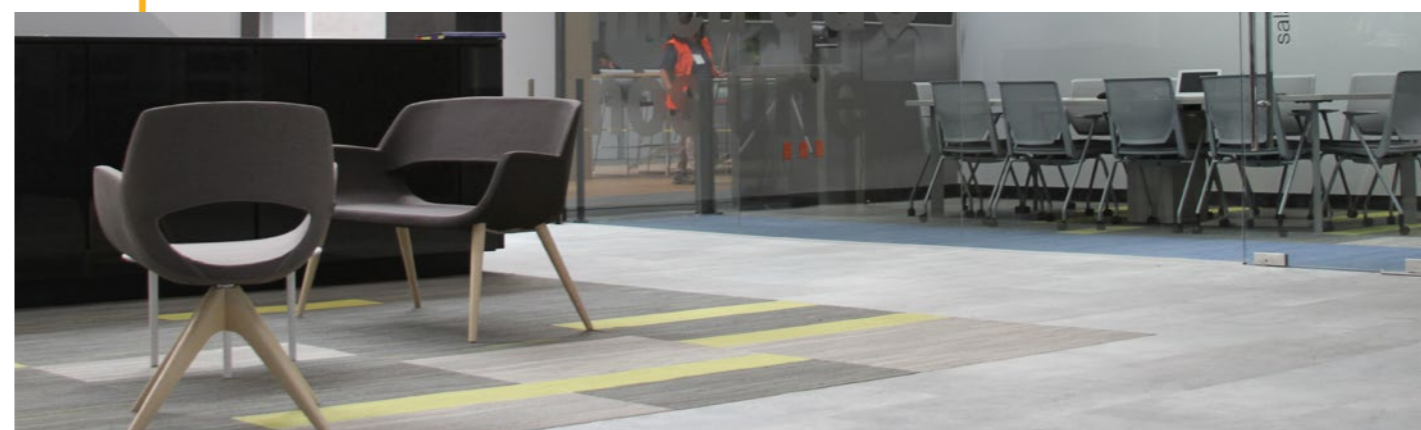
Promote the development of vulnerable or minority groups.

A clear example of this commitment has been our partnership with the Mexican Federation of LGBT Entrepreneurs.

We also sponsored the international Costa Rica LGBTI Trade Mission and 2017 Equality Week in Colombia, where Oriol Pamies (an LGBT activist, entrepreneur and influencer from Madrid and Tel Aviv) and other speakers were present.

National Shelter Network

We have initiated dialog with our employees and the Network to promote a more tolerant and gender-equal culture.



Accessibility

Our two new work centers have been designed for differently-abled people.



We sponsor

the annual Fundación Entre Hermanos event that supports the LGBT community in Seattle, United States.



Health and Well-Being

Pink October

In October 2017, we joined forces with Fundación del Cáncer de Mama (FUCAM), donating 10% of the sales of AM Plus seats to this cause.

Aeromexico and Gran Plan donated the prizes for the winner of each category in the 4th FUCAM Race.



We have donated more than

MXN\$800,000

to FUCAM.



For the third

consecutive year, we sponsored the **Cleantech Challenge**, the largest competition for green companies in Mexico.

Sustainability

We organized workshops in communities where we installed solar panels at houses and schools. We also supported Mexican students who travelled abroad to present a water project.



Environmental Sustainability





Climate change is currently one of the most pressing challenges we, as human beings, are facing. This is why Grupo Aeromexico has taken significant steps to mitigate our environmental impact.

Environmental Policy

Our commitment to protecting and safeguarding the environment can be clearly seen in our compliance with all applicable legal requirements and industry best practices.

Our environmental strategy is based on the following lines of action:



Reducing our emissions.



Using resources more efficiently.



Adopting sustainable practices.



Ensuring transparent communication.



We participated

voluntarily in the CO₂ Monitoring, Reporting and Verification project as part of the Carbon Offsetting and Reduction Scheme for International Aviation.



We were

presented with the Industria Limpia certification by PROFEPA.



Environmental Management System (EMS)

During the first year of operating under our EMS, we achieved the following milestones:



Recycling of 70 tons of waste requiring special handling.



Separation and recycling of waste at our new work centers.



An 18-ton reduction in hazardous waste.



A 1.5% (average) reduction in monthly electricity costs.

The Buckingham Palace Declaration

We signed this declaration to combat the illicit trafficking of animals. This document comprises 11 commitments to help the private sector combat this criminal activity.





IATA Environmental Assessment Program (IEnvA)

As a member of the International Air Transport Association (IATA), we have adopted the Environmental Assessment Program (IEnvA), which establishes global environmental management standards for airline and service providers within the aviation industry.

IEnvA offers:



Best environmental practices for the industry.



Tools to help ensure compliance.



Independent assessment.



Industrial cooperation.



Reductions in adoption times.



Free access to standards and support materials.



Reduced costs.



Pilot program.

We were certified

by IEnvA at the IATA Annual General Meeting held in Cancun.



This will help us to:



Optimize resource use:



Improve the airline's image.



Fuel



Paper



Water



Electricity



Facilitate robust environmental monitoring and reporting.



Reduce waste disposal costs.



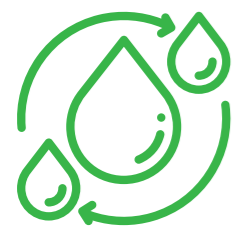
Improve relationships with employees and facilitate the creation of teams.



Reduce risk of regulatory action.



We saved
10.6 million
liters of water.



We reduced
26,127
tons of CO₂ emissions.



Fuel Efficiency and Green Program

To reinforce our commitment to the environment, we have created this program to help drive reductions in the amount of fuel used during landing, in addition to implementing mechanical changes to our aircraft, eliminating magazines, and decreasing the use of potable water in our wide-body cabins, among other measures.

Alternative Fuels Seminar

As part of the Mexican delegation (DGAC, ASA and Aeromexico), we attended this seminar, which focused on global activities in the areas of alternative fuels, sustainability criteria and lifecycle analysis methodologies, financing and support programs, and legal and regulatory frameworks for the development and use of these fuels in the aviation industry.



We collaborated

on programs to promote the use of alternative fuels in aviation.



Fly Green Program

At Aeromexico, we have created the Fly Green program, which offers customers the opportunity to offset their carbon footprint. With the money raised, we support landfill projects certified by the United Nations Clean Development Mechanism. The goal of these projects is to convert waste into clean electricity.

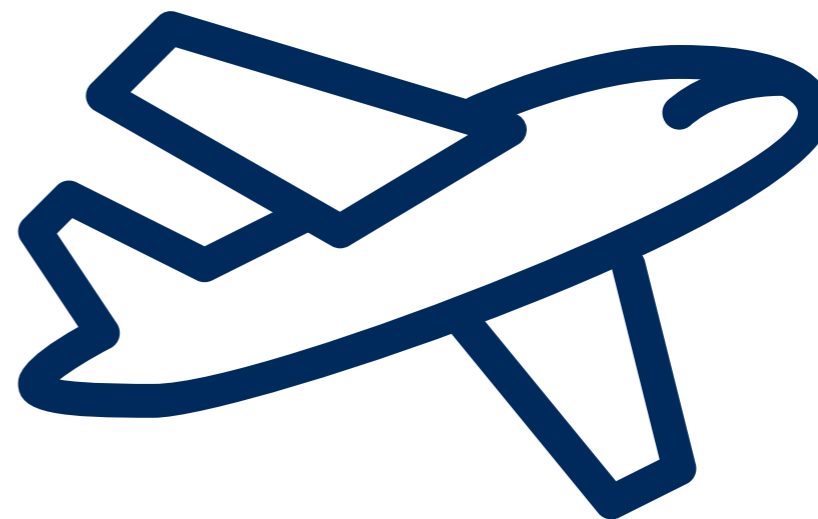


When

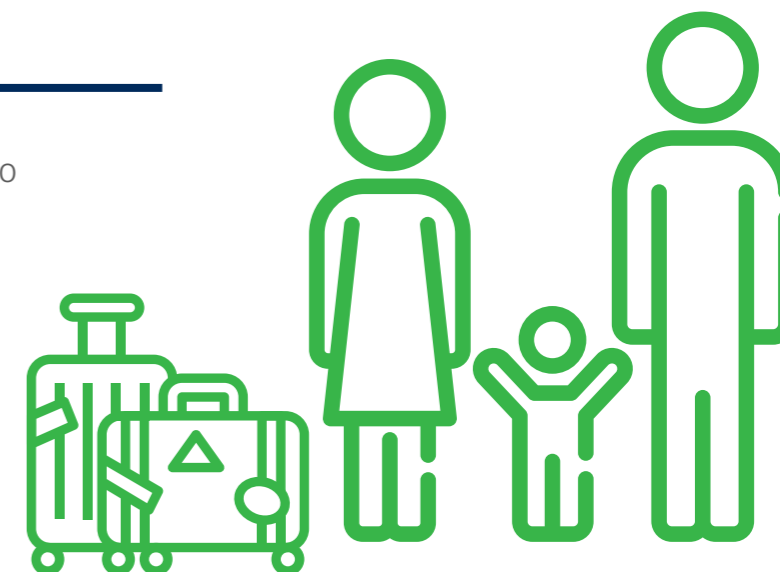
you buy an airline ticket and decide to offset your carbon footprint.



The money
is used for domestic carbon
projects.



Sinaloa
Guanajuato





We implemented the “Landfill Biogas Recovery, Combustion and Use” project, which has the following environmental benefits:



Drives advances in sustainable development goals.



Reduces the risk of fires at landfill sites.



Makes use of a valuable fuel.



Decreases GHG emissions.

Landfill in Sinaloa

The project in northern Culiacan focused on controlling methane emissions contained in biogas, mitigating the environmental impact and controlling health risks and bad smells.

Landfill in Guanajuato

This project generates electricity from renewable sources, helping minimize harmful effects and driving sustainable development in the city.



Reduction of

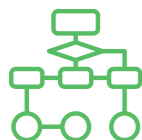
100,000

tons of CO₂ = environmental impact of 20,000 vehicles and the electrical consumption of 3,000 families.



CANAERO Environmental Committee

In 2017, we worked to develop three specific projects that help protect the environment and tackle climate change:



Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) using Market-Based Measures (MBM).



Performance-Based Navigation (PBN) program.



Support for the production and use of jet biofuels in Mexico.

We signed a Memorandum of Understanding with Instituto Potosino de Investigación Científica y Tecnológica (IPICYT) stating our intention to participate in the Mexican Jet Biofuel Innovation Center (CEMIA-Jet Biofuel), which will start production in 2020.



With these measures, we
strengthen

our position as the leading airline in environmental matters through the development of measures to face the climate change and the environment care.



About the Report





This report reflects the company's commitment to sustainability and to our stakeholders, in addition to highlighting the economic, social and environmental milestones reached during 2017 and outlining the goals we have set ourselves.

With the support of McBride Sustainability, we have used a selection of GRI Standards, maintaining the same materials as used in the previous report.

Materiality

Thanks to the results obtained in the materiality analysis undertaken in 2017, we determined core areas for our stakeholders and for our company.

These areas were classified based on the fundamental responsibilities of the Ten Principles of the Global Compact: Human Rights, Labor, Environment and Anti-Corruption.



Employee training regarding Human Rights policies and procedures.



Performance evaluations.

Adequate hazardous waste management.



Decreased environmental impact of transportation.

Reduction in energy use.



Internal anti-corruption measures.



Stakeholders

By identifying our stakeholders, we have created strategies to drive their development and create shared value.



We drive on-going and open communication to create long-term relationships:



Online services, such as social networks and e-mail, as well as phonelines, to support customers, civil society organizations and the general public.



An internal portal, weekly newsletter, online report site, and organizational climate surveys.



Staff designated members to coordinate with chambers of industry, industry stakeholders, the executive-legislative branch, partners, and suppliers.



Assemblies for all shareholders.



GRI Content Index





Material Issues	GRI Content	Description	Page
Employee Training on Human Rights Policies and Procedures.	“This material references Disclosure GRI 412-2: Human Rights Assessment 2016; and Disclosures 103-1, 103-2 and 103-3 of GRI 103: Management Approach 2016”	<ul style="list-style-type: none"> Employee training in policies or procedures relating to Human Resources. 	53-54
Performance Evaluations.	“This material references Disclosures GRI 404-1, 404-2 and 404-3: Training and Education 2016; and Disclosures 103-1, 103-2 and 103-3 of GRI 103: Management Approach 2016”	<ul style="list-style-type: none"> Average training hours per employee per year. Programs to improve employee skills and transition support programs. Percentage of employees receiving regular performance and professional development evaluations. 	50-52
Adequate Hazardous Waste Management.	“This material references Disclosure GRI 301-2: Materials 2016; Disclosure 306-2: Effluents and Waste 2016; and Disclosures 103-1, 103-2 and 103-3 of GRI 103: Management Approach 2016”	<ul style="list-style-type: none"> Recycled products. Waste classified by type and disposal method. 	67
Decreased Environmental Impact of Transportation.	“This material references Disclosure GRI 305-1: Emissions 2016 and Disclosures 103-1, 103-2 and 103-3 of GRI 103: Management Approach 2016”	<ul style="list-style-type: none"> Direct GHG emissions (Scope 1). 	68-71
Internal Anti-Corruption Measures.	“This material references Disclosure GRI 205-2: Anti-corruption 2016; and Disclosures 103-1, 103-2 and 103-3 of GRI 103: Management Approach 2016”	<ul style="list-style-type: none"> Communication and training regarding Anti-Corruption policies and procedures. 	39-41

