



2021



SUSTAINABILITY REPORT



CEO Statement

On this occasion, we do not begin this letter with a hello, but rather with a THANK YOU. You have enabled us to navigate a challenging 2021. After 18 months and a successful emergence from Chapter 11, Avianca Group International Limited is born with a strong balance sheet, significantly lower debt, and solid liquidity. This was possible because we reached constructive agreements with our creditors and raised a new investment of more than US 1.6 billion. For us, last year was undoubtedly the year of TRUST. During the most challenging moment in the history of aviation due to Covid-19, customers, shareholders, employees, unions, authorities, investors and the media were on our side to begin the most interesting chapter of Avianca's 102 years: our reinvention into a more accessible, lighter, efficient and closer organization that will combine the best of its legacy -network, service, our loyalty program- with the attributes that work in the low-cost world: low prices, more point-to-point destinations and personalization. We are ready to make this company an AVIANCA FOR EVERYONE

Adrian Neuhauser

A handwritten signature in black ink, appearing to read 'Adrian Neuhauser', is placed below the name.



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About AGIL



Introduction

GRI |102-2(a)|, |102-2(b)|, |102-3 |, |102-4 |, |102-5|

Avianca Group International Limited ("AGIL") is a company existing under the laws of the United Kingdom, domiciled in London and incorporated on September 27, 2021. On December 1, 2021, as a consequence of the implementation of the Chapter 11 reorganization plan: (i) the debtor companies successfully emerged from such process; (ii) AGIL received from Avianca Holdings S.A. (directly and/or indirectly) substantially all of its assets (including, without limitation, the subordinated companies) and restructured external financial claims; and (iii) honoring the commitments acquired with the Tranche B financiers, the latter became AGIL's shareholders.

Currently, the corporate group is comprised of 103 companies, including AGIL, whose main activity is the holding of shares in the other entities of the group.

The main commercial activities performed by AGIL's operating subsidiaries include, but are not limited to (i) air transportation of passengers, cargo and specialized courier or messenger services; (ii) activities related to air transportation services, such as tourism, engineering, maintenance, training and ground handling services.

Our operations are headquartered in Bogota, Colombia, although the group has operations in more than 20 countries. The most relevant companies are: Aerovías del Continente Americano S.A. Avianca and Tampa Cargo S.A.S. (Colombia), Taca International Airlines, S.A. (El Salvador), Avianca-Ecuador S.A. (Ecuador), Avianca Costa Rica S.A. (Costa Rica) and LifeMiles S.A. (Costa Rica). (Costa Rica) and LifeMiles Ltd. (Bermuda).

Our Business Units

GRI |102-2(a)|, |102-6|

Avianca

Avianca is the commercial brand that integrates the customer and cargo airlines under Avianca Group International Limited. Today, we offer our more than 14 million customers the most comprehensive network in Colombia and one of the largest in Latin America with more than 110 routes, more than 3,200 flights per week and more than 500,000 seats per week. Following the successful emergence from Chapter 11 in 2021, we built a competitive financial structure

and solid liquidity that will enable us to consolidate a new business vision. With 'Avianca for all', we combine the best attributes of more than 100 years of operation with the flexibility and practicality of the modern low-cost world, with the aim of becoming the airline of choice for millions of travelers in Latin America and the world.



Avianca Cargo

We are the Cargo Business Unit of the Avianca Group. We offer solutions for the international air cargo transportation of goods and merchandise. We serve industrial sectors from agriculture with the transportation of perishables to the textile industry, pharmaceuticals, live animals, among others. Our main clients are Freight Forwarders.

LifeMiles

We operate the Loyalty and Frequent Traveler Program, through LifeMiles Ltd, which became 100% owned by Avianca in 2021. This business unit facilitates the accrual and redemption of miles, both in Avianca and in a wide network of commercial partners, including banks, fashion stores, restaurants, among others. In addition to being an important source of profitability and cash flow for Avianca Group, LifeMiles, which has more than 10 million members worldwide, increases loyalty and attracts new customers to the airline. Our main markets are Colombia, the United States, El Salvador, Costa Rica, Guatemala, Honduras, Nicaragua, and Ecuador.

Accrued Miles can be redeemed for flights, services, and products from the program's commercial partners. They can also be donated through the Mileage Bank social program, which aims to support the communities in which we operate.

DEPRISA

We provide logistics solutions for multimodal transportation and delivery of documents, packages and merchandise. Our solutions are designed to serve sectors with different logistic needs such as: Ecommerce, logistics, services, retail, general trade, health and pharmaceutical. We handle two customer segments: People and Corporate.

Avianca Services

At Avianca Services we provide and sell airport, engineering, maintenance and training services to organizations from various sectors, with an emphasis on airline and airport operators.

Avianca's MRO in Rionegro, is the Specialized Aeronautical Center where all technical Programmed Maintenance work is performed on the more than 100 aircraft currently operated by our company. This Maintenance Center has more than 500 technicians highly specialized in different tasks. All of them trained in different technical schools in different cities of our country.

Additionally, we have workshops to repair and manufacture some aeronautical materials, which makes us a very important source of development in the region. Last year during the post-pandemic recovery process, we performed close to 100 major services and close to 600,000 man-hours.

SAI (Servicios Aeroportuarios Integrados)

Through SAI we offer ground handling services such as ramp operations, counter check-in operations, boarding gates, baggage handling and ticket sales, services for passengers with special needs, charter and special flight services and space and surface cleaning and decontamination services.

Our 2021



1.

We successfully incorporated Avianca Group International Limited:

This new company has a strengthened financial structure, a business plan aimed at achieving high levels of efficiency and a management plan aimed at fulfilling the business plan, which allows us to reaffirm our commitment to offer safe, convenient, affordable and friendly service.

2.

Emergence from Chapter 11:

On December 1, 2021, the Debtor Companies successfully emerged from the Chapter 11 case that commenced on May 10, 2020, upon fulfillment of the conditions precedent including: (i) the Conversion and Equity Contribution Agreement entered into with the Tranche B financiers on September 14, 2021, and (ii) the reorganization plan approved by the creditors and confirmed by the Southern District Court of New York on November 2, 2021 (the "Plan").

The Plan, which governs the recovery offered to creditors, was the result of negotiations with investors and other stakeholders. As a result of the implementation of the Chapter 11 Plan and exit financing: (i) the Tranche B financiers of the debtor-in-possession financing (the "DIP Financing") converted their debt into shares of AGIL and made additional capital contributions; and (ii) AGIL received from Avianca Holdings S.A., directly and/or indirectly, substantially all of its assets (including, without limitation, subordinated companies) and restructured external financial claims.

In turn, the Chapter 11 exit financing allowed for the refinancing of the 7-year Tranche A of the DIP Financing through the issuance of new senior secured securities, replacing it with a new Tranche A-1 and a new Tranche A-2.

The debtor companies continue to analyze, together with their counsel, the more than 8,000 claims filed by creditors in the Chapter 11 case. It is usual that the process of review, conciliation and resolution of claims will extend beyond the Chapter 11 exit date.

3.

We successfully assumed the operation of Avianca Holdings:

In this transition process, through Avianca Group, we successfully continued the operations and administrative work of Avianca Holdings. We closed 2021 with an operation of 108 routes, transported more than 14 million passengers, 773,000 tons of cargo and an OTP (*On time performance*) indicator of 89.21%.

4.

We promoted strategic projects for the new business model:

We reaffirmed our value proposition that combines the best attributes of Avianca's 100-year legacy with the practicality and flexibility of the modern low-cost world. This allowed us to refocus the company to stimulate demand with low costs.

5.


We simplified our fleet with the A320 and B787:

We chose to focus our operation on two aircraft that have proven to be efficient, safe and operationally excellent: the Airbus 320 and the Boeing 787. The Dreamliner offers greater fuel efficiency, improved operational and cargo capacity, and more comfortable flights for customers.

6.

We invited 109 aviators to return to Avianca:

We implemented measures that allow us to strengthen labor relations with our employees. We took the decision to invite 109 aviators who participated in the strike of 2017, 104 of whom decided to return to the company.



A small model of an Avianca airplane is placed over the cockpit instruments. The model is white with a red tail and red accents on the wings and engines. The word "Avianca" is printed in red on the side of the fuselage.

Corporate governance and ethics



At Avianca, we are characterized by a solid ethical culture, not tolerant of unethical actions. Our Culture is us! Board of Directors, Employees, Suppliers, Customers and any third party that directly or indirectly supports the execution of our operations, all agree to comply with the company's Code of Ethics.

In 2021, as a result of the emergence from Chapter 11 and the incorporation of Avianca Group International Limited as the group's new holding company, we updated our policies and programs related to ethics and compliance; and we disseminated key aspects of prevention, detection and response systems to mitigate the risks of corruption and asset laundering and terrorist financing. In addition, the Ethics Committee maintained its active participation during the Company's new changes responding in a timely manner to queries and complaints reported to the ethical line.

Our main policies

GRI | 102-16|

Risk Management System Policy: It defines the guidelines and framework for action for the management of the different risks to which Avianca is exposed, through the implementation of the Comprehensive Risk Management System.

Privacy Policy for Customers, Travelers, Users and Providers: It communicates and informs how we use personal data, details the types of personal data that are applicable to us, the purposes for the processing of personal information, the rights and duties that assist them as the Data Subject, the procedures for exercising them and the obligations under the laws of protection of personal data.

Environmental Management System Policy: It states the intentions and general guidelines of the airlines that are part of Avianca to care for the environment and the efficient use of natural resources, in order to contribute to the generation of environmental value and thus, to the sustainable development of the Company.

Comprehensive Security Policy: It reflects the organizational commitment to Comprehensive Security and Compliance through the establishment of guidelines defined by the Executive Responsible for the creation, development, implementation and maintenance of Comprehensive Security and Compliance management systems by the Company's stakeholders.

Information Security and Cybersecurity Policy: It establishes the information security and cybersecurity guidelines required for the protection of AVIANCA's information against situations that may affect the Confidentiality, Integrity and Availability of the information and that may have a financial, legal, competitive and/or reputational impact.

Privacy Policy related to the company's Human Talent processes: It communicates and informs how we use personal data when managing general and Human Talent activities within the Company, therefore, details the types of personal data that will be processed, the purposes of the Processing, the rights and duties that assist you as the Data Subject, the procedures for exercising them and the obligations that are applicable to us under the laws on the protection of personal data.

Avianca Code of Ethics and Standards of Business Conduct: It formulates the values, principles and norms that inspire the company's performance and what is expected of its people.

Anticorruption Policy: It educates its employees or those who work for or on behalf of Avianca regarding applicable anti-corruption laws and clarifies that the Company has "Zero Tolerance" for any conduct that could be considered bribery or otherwise considered corrupt.

Money Laundering and Terrorist Financing Policy (Risk System - SIPLAFT): It implements the mechanisms for the prevention of money laundering, terrorist financing and the proliferation of weapons of mass destruction, which are integrated into the general framework of the LAFT/PADM Comprehensive Risk Prevention and Control System.



Economic Sanctions Compliance Program: It defines the due diligence guidelines in the knowledge of suppliers, customers, managers, employees and their beneficiaries (family group and privileged companion), to mitigate the risk of non-compliance associated with economic sanctions; within the framework of Avianca's commitment to understand and comply with the laws and regulations of economic sanctions that apply to the organization's business activities, and that their violation may subject the company and/or individual employees to criminal or civil penalties.

Policy for the Prevention of Sexual Exploitation of Minors: establishes the conduct that the company and all its employees must adopt in the performance of their business activities to ensure the protection of the rights of children and adolescents, in order to prevent any form of sexual exploitation, including pornography and sex tourism.

Business Continuity Policy : establishes the framework for action to ensure in the event of a crisis or major interruption, the design, preparation, response, recovery, resumption and restoration of the Organization's critical operations and the reestablishment of the normal operating status, according to the nature, size or activity of Avianca, to address the priorities identified, with the minimum requirements of people, information technology, assets and relationships with third parties, in a timely and organized manner, following the principles and plans of the Management System.

Our Ethics Line

GRI |102-17|

We have an ethics hotline for Avianca employees or third parties to openly send confidentially or anonymously, complaints, questions or issues that directly affect good corporate conduct and to report situations that they consider unethical or that go against the rules or guidelines promoted by Avianca; related to non-compliance with rules, procedures, regulations, policies and standards of conduct, including the company's Anti-Corruption Policy.



Our Governance

GRI | 102-18|, |102-19|, |102-22|, |102-23|, |102-24|, |102-25|, |102-27|, |102-33|, |102-35|, |405-1|

General meeting of shareholders (27 members)

Article 9 and Parts I and II of Schedule 3 of the shareholders' agreement entered into on December 1, 2021, regulates the activities and decisions that must be submitted to the prior approval of the Principal Investors, as this term is defined in the shareholders' agreement.

Board of Directors (9 members)

AGIL's Board of Directors is in charge of approving a series of activities and decisions that are included in the shareholders' agreement and in a document called the Board of Directors' Protocol, which was approved by the Board of Directors on February 17, 2022.

Leadership (1 members)

Adrian Neuhauser is the Chief Executive Officer and together with the Executive Leadership Team (ELT), whose members are listed below, leads the company's business activities..

The Board of Directors, as the body in charge of approving projects and activities that are considered to be of high value and/or major importance to AGIL, must identify the impacts, risks and opportunities of each of these projects and activities to ensure that the final decision is, firstly, the one that most benefits the company overall, and secondly, the one that guarantees the company's commitment to its users and the protection of the environment.

The Chairman of the Board of Directors is Roberto Kriete, principal member, but he does not perform functions within the company.

AGIL's Board of Directors has the following three (3) committees, whose constitution was approved at the February 17, 2022 meeting:

- I. **Nominating and Corporate Governance Committee**, whose functions include: (i) ensuring that the organization complies with best corporate governance practices, (ii) evaluating and proposing candidates for membership on the Board of Directors, (iii) monitoring, evaluating and reporting on sustainability policies and practices, including on environmental and social matters, (iv) annually evaluating the Board of Directors, (v) developing and overseeing the continuing education process for directors, and (vi) proposing compensation for the Board of Directors.
- II. **Audit Committee**, whose functions include monitoring: (i) the integrity of the financial statements and other financial information delivered to shareholders, (ii) the organization's compliance with the law, (iii) enterprise risk management, (iv) the independent auditor, including its qualifications, performance and independence, and (v) compliance with the internal audit function.
- III. **Compensation and Human Talent Committee**, whose duties include: (i) overseeing the company's compensation policy, (ii) ensuring that compensation decisions reflect a sound fiscal policy and enable the company to attract and motivate qualified personnel, (iii) advising the Board of Directors on the compensation of the CEO and other executives, and (iv) reviewing and approving corporate goals and objectives relevant to senior management compensation, evaluating executive performance accordingly.



Directors who do not belong to a committee may be invited to participate in its meetings without voting rights.

AGIL has not established a special process to delegate authority in economic, environmental and social matters. Notwithstanding the foregoing, in order to facilitate efficient decision making in the ordinary course of business, in February the Board of Directors adopted an Authorizations Protocol that lists the various group matters that require its authorization and delegates to management (CEO, CFO, CPO and CLO) all other matters not specified therein. The members of the Board of Directors may also delegate any of the powers granted to them under the bylaws to such persons as they deem appropriate, under such terms and conditions and by such means as best fit the circumstances.

Due to the fact that AGIL's Board of Directors was appointed at the end of 2021, by December 31, no performance evaluation process of its members had been carried out. This activity should be carried out by the end of 2022.

Any situation that represents a potential conflict of interest involving a member of the Board of Directors shall be evaluated by the Audit Committee and submitted to the final decision of the Board of Directors.

In accordance with the regulations contained in the Code of Ethics, the act or operation that generates the potential conflict of interest may only be authorized when it does not harm the interests of the company, and provided that the market conditions that would be applicable in the event that the act or operation had been carried out with a third party are respected. The authorization must be in writing and be notified directly to the person involved.

We have defined the different channels for communication with our stakeholders, such as the Board of Directors, the Audit Committee and investors.

Composition of the Board of Directors

As of December 31, 2021, the Board of Directors consisted of eight male and one female members, between the ages of 48 and 72, with different nationalities, all with a high level of experience and executive rank. They sought points of view enriched by their cultural and generational differences.

Gender	Name	Type
Male	Roberto Kriete	Non-independent
Female	Kerry Frank Philipovitch	Independent
Male	Robert Louis Fornaro	Independent
Male	Simon Patrick Duffy	Independent
Male	Gonzalo Restrepo	Independent
Male	Richard Schifter	Independent
Male	Álvaro José Aguirre	Non-independent
Male	Patrick Kiblisky	Non-independent
Male	Adrian Neuhauser	Non-independent executive



C - Level



Composition of the executive Leadership team

The leadership team brings together 11 men and 2 women executives of different nationalities, ages between 36 and 58 years old, diverse cultures and professions. We have English and Spanish speaking leaders, geographically located in different countries in the Americas. Our C level of strategy and network is a visually impaired person.

This organic diversity and the deliberate inclusion of each member of the leadership team shapes a diverse and inclusive culture and allows us to be responsive to the programs and plans we propose.

Name	Role
Adrian Neuhauser Berlín	CEO - Chief Executive Officer
Rohit Philip	Chief Financial Officer
Manuel Ambriz López	Chief Commercial Officer
Frederico Pedreira	Chief Operating Officer
Renato Covelo Frutos	Chief People and Talent Officer
Anthony Michael Swiatek	Chief Strategy and Planning Officer
Fernando Antonio Lara Villatoro	VP & Chief Information Officer
Gabriel Oliva	CEO Avianca Cargo
Richard Galindo	Chief Legal Officer
Javier Gutiérrez	Chief of Staff
Paola Orjuela Schambach	CEO Support Manager
María Carolina Cortés	VP Corporate Communications
Matthew Paul Vincett	CEO LifeMiles

Number of people by age range of the Board of Directors and Leadership team

Board and committees	Executive Committee	Board of Directors
30 to 40 years	2	0
40 to 50 years	8	1
50 to 60 years	3	3
Over 60 years	0	5

The executive leadership team in this report is the same as the executive committee



Our risk management

GRI |102-11|, |102-15|, |418-1|

During 2021 we had many challenges to face, especially due to changes in the company's structure. Quarterly corporate risk management controls were maintained through meetings with the C-level, VPs, and/or responsible directors. Under corporate risks we monitored 96 active risks during the year, of which 41 new risks were identified and 12 were closed, in accordance with the reality of the company.

Under project risks, we managed the risks within the 20 largest projects of the company, according to their operational impact. Among the most important milestones, we provided support to strategic projects, a risk management report was presented and included in the quarterly financial reports, we migrated as an area to the VP Finance, opening the way to new opportunities for the development of the management model, we participated in the follow-up of risks related to Chapter 11 and Covid's behavioral risks..

Among the main challenges of Avianca's risk map are changes in regulations and entry restrictions in the different countries due to Covid 19, added to the large number of cases that may impact us operationally; therefore, we are changing from having, in some NAM stations, subcontracts for areas such as passenger service that become internal contracts.

Another important concern is the global supply chain shortages that may affect operations and projects, also as a result of the changes in the industry due to the effects of the pandemic, it has been identified that the offer of suppliers is lower and the time of request-delivery of supplies has been affected, delaying schedules or increasing costs for procurement processes.

On the reputational front, the brand image due to the changes perceived by customers and employees during the company's passage through Ch11, and the change to the fare options of the new Avianca and its key markets..

Risk mitigation tools and actions

Within risk management we use different tools that allow us to identify and manage the company's corporate risks, ensuring the use of techniques and action plans to address and mitigate them. The actions within the different tools are developed in conjunction with the owners of the risks.

- AQD: Tool we use to validate compliance with action plans defined in the risk matrix.
- Risk matrix: We use Microsoft Excel that allows us to have all corporate risks according to their action front under the same document .
- Follow-up sessions in Teams: We use Microsoft Teams as a means to conduct follow-up meetings with representatives from different areas of the company to identify, follow up or close risks.

Fronts of action for risk identification

In order to achieve timely identification and follow-up of risks, we are dividing them by action fronts. To each of these fronts we assign one or more representatives according to the company's Vice Presidencies, Directorates or Managements.

- * Environmental
- * Economic
- * Global Strategy
- * Financial
- * Legal
- * Natural

- * Operational
- * Customer Service
- * Personal
- * Political
- * Regulatory
- * Suppliers

- * Network and Commercial
- * Reputational
- * Insurance
- * Sociopolitical
- * Technological



Risks' description, potential impact and mitigation actions

Risk	Description	Potential impact	Mitigation actions
Operational Risk - Covid-19	Impact on operation and business continuity due to lack of staff and third-party services due to Covid19.	Very high	<ul style="list-style-type: none"> • Daily monitoring of the health of our employees, especially in operational areas. • Change in outsourced to internal services at 4 NAM stations (2 4Q21 and 2 1Q22)).
Administrative risk - supply chain shortage	Shortage in the supply chain- Inability to obtain goods on time and may affect operation and projects such as densification.	Very high	<ul style="list-style-type: none"> • Search for new suppliers. • Higher levels of inventory . • Shipping cargo via area vs shipping cargo.
Reputational risk - new business model	Impact on our image and brand due to the new business model.	Very high	<ul style="list-style-type: none"> • Communication campaigns for different audiences . • Complete review of the 'customer journey' in order to ensure proper service and a good experience. • Staff training . • Improvement in communication channels and traveler service.
Economic risk - economic instability	Fluctuations in currencies and oil prices.	High	<ul style="list-style-type: none"> • Search for currency diversification. • Analysis of fuel and tank efficiencies.
Financial risk - cost structure	Ineffectiveness of becoming a cost-efficient company with the cost goals required for the desired levels of profitability and thus ensure our sustainability.	High	<ul style="list-style-type: none"> • Review and definition of the organizational structure . • Cost restructuring within the entire company . • Avianca Going Forward initiative that seeks to give visibility and follow-up to all efficiency initiatives.

Substantiated claims regarding breaches of customer privacy and loss of customer data

We have not had any claims related to privacy violations either substantiated or unsubstantiated..



Sustainability at Avianca



Our Materiality

GRI | 102-47|

Considering the significant transformation of Avianca's business model in 2021, the change in its investors, and the major changes in the aviation industry as a result of the pandemic, a new materiality became necessary. After an analysis of the 2018 materiality exercise, and an attempt to make adjustments based on the same, it was evident that the dimension of both the internal changes, as well as the changes in the context, meant that most of the issues required some type of intervention.

The selection of issues for this report was made by the internal team and the expert consultant. Additionally, they were validated by some members of the management team leading the company's strategic objectives. This ensures a relevant and effective materiality for the management of the corporate strategy. For 2022, a new materiality analysis will be performed, including Avianca's stakeholders in their delimitation and importance.

These are our selected material issues:



Profitability and economic performance



Customer experience



Operational excellence



Greenhouse Gas Mitigation - GHG



Talent management



Diversity and inclusion



Partnerships for development



Environmental management and eco-efficiency

Our report 2021

GRI | 102-46|, |102-48|, |102-50|, |102-51|, |102-52|, |102-53|, |102-54|, |102-55|, |102-56|

We present this report, which sets out Avianca's social, environmental and economic performance management, specifically for the period from January 1 to December 31, 2021. This report covers all the operations that make up the Avianca Group companies (we clarify that the Corporate Governance and Ethics indicators only reported information in the context of the consolidation of Avianca Group, i.e., from December 1 to 31, 2021. The rest of the indicators include the management generated for the entire year in question).

This report is built following the guidelines of the Global Reporting Initiative - GRI standard (essential) and will be presented under a Power BI (analytical) dashboard methodology to make its consultation, analysis and use more efficient and useful for our stakeholders. High-priority indicators are highlighted and accompanied by concrete narratives that provide a key context for this report.

No re-expression of information from previous reports is presented.

Report	Information
Contact for questions about the report	Sylvia Ramírez Stapper sylvia.ramirez@avianca.com
Reporting cycle	Annual
Date of last report	January 1 to December 31, 2020
Reporting period	January 1 to December 31, 2021



Guilds

GRI | 102-13|

Participation in guilds and/or associations is based on the regulations required by each country in which we operate, but also if this affiliation generates value to the line of business.

Main guilds and/or associations

Guild or association	Ranking	Country	Audience
Asociación Del Transporte Aéreo En Colombia (ATAC)	Association	Colombia	Tourism/Airlines
International Air Transportation Association (IATA)	Association	Colombia	Tourism/Airlines
Asociación Nacional de Anunciantes de Colombia (ANDA)	Association	Colombia	Commercial communication
Asociación Nacional de Empresarios de Colombia (ANDI)	Association	Colombia	Business sector
Cámara de compañías Aéreas en Argentina (JURCA)	Guild	Argentina	Tourism/Airlines
Asociación de Líneas Aéreas (ALA Bolivia)	Association	Bolivia	Tourism/Airlines
Junta dos Representantes das Companhias Aéreas Internacionais do Brasil (JURCAIB)	Guild	Brasil	Tourism/Airlines
Asociación Chilena de Líneas Aéreas	Association	Chile	Tourism/Airlines
Curacao Cámara de Comercio e Industria	Guild	Curacao	Tourism/Airlines
Asociación de representantes de aerolíneas internacionales en el Ecuador (ARLAE)	Association	Ecuador	Tourism/Airlines
Asociación Guatemalteca de Líneas Aéreas de Guatemala (AGLA)	Association	Guatemala	Tourism/Airlines
Cámara de Comercio Aruba	Association	Aruba	Tourism/Airlines
Asociación de Líneas Aéreas (ALA)	Guild	Costa Rica	Tourism/Airlines

Associations with the greatest contribution

Name	Contribution (USD)
Asociación Nacional de Empresarios de Colombia (ANDI)	*59,595
Cámara de Compañías Aéreas en Argentina (JURCA)	7,400
Asociación de Líneas Aéreas (ALA Bolivia)	4,300
Asociación de representantes de aerolíneas internacionales en el Ecuador (ARLAE)	3,888
Junta dos Representantes das Companhias Aéreas Internacionais do Brasil (JURCAIB)	2,500
Asociación Chilena de Líneas Aéreas	2,400

*Original amount in COP converted to the TRM of December 31, 2021



Our stakeholders

GRI |102-40|, |102-41|, |102-42|, |102-43|, |102-44|

We engaged our stakeholders to continue building effective, long-term relationships, achieving milestones of great impact for Avianca's future:

Name	Description
Communities	Through our sustainability strategy, we seek that the communities in our area of influence can access our social programs and be beneficiaries of our projects and initiatives to promote their life projects and community development. Additionally, we generate spaces for community attention through the operators of the main airports of our operation.
Government authorities	We maintain ongoing dialogues with national governments, local governments, legislators, with watchdogs and regulators of our sector in the countries in which we operate.
Guilds and associations	We contribute to and are part of the leading international, operational and commercial guilds in our key markets.
Third sector	Through our sustainability strategy, we generate alliances and actions with social organizations to generate a positive impact on the populations of our influence as an airline.
Creditors	We have a group of bondholders and lenders including institutional investors, banks and investment funds.
Investors	We have a group of institutional investors, majority, minority, ordinary and preferential shareholders.
Media	We interact with specialized and non-specialized media in all the countries where we operate, including editors, publishers, journalists and columnists.
Suppliers and contractors	We have a broad group of suppliers to meet the needs of all areas of the organization, including suppliers of fuel, aeronautical components, customer experience, technology, airport services, aircraft leasing, marketing and administrative services, among others.
Customers	We connect more than 14 million customers, including travelers, business travelers and high-value customers. We also reach an important base of travel agencies with our products and services.
Employees, and employees' organizations or associations	As a Group, we have 13,851 employees, 80% of whom belong to areas directly related to the operation. In addition, we work jointly with more than 19 unions and employee associations in Colombia, Mexico and Argentina with whom we have built long-term relationships based on common objectives.

Information and Collective Bargaining Stakeholders

Name	Indicates how you identified and selected the stakeholder	Associations or unions that have some collective bargaining	Percentage of people in some collective bargaining agreement (%)
Employees, and employees' organizations or associations	We review directly with the Labor Relations team how this stakeholder group is constituted and its relevance in the company, as well as whether there are collective bargaining agreements and what these agreements are.	1) Acdac (Colombia) 2) Oddea (Colombia) 3) ADPA (Colombia) 4) ANTSA (Colombia) 5) Sintrasai (Colombia) 6) Asotratampa (Colombia) 7) SNTTASS (Mexico) 8) APA (Argentina)	31

Mechanisms of relationship, frequency and relevant issues to be discussed with stakeholders



Name	Relationship mechanisms	Frequency	Relevant issues
Employees, and employees' organizations or associations	<p>1) Conversation channels: conversations with leaders, Avianca Talks, Primary Groups, 1:1 meetings.</p> <p>2) Training mechanisms: eAcademy and Master classes.</p> <p>3) Interaction channels: Teams and Yammer.</p> <p>4) Information channels: Newsletters: Avianca te Cuenta (for the entire group), Crew Letter (cabin crew), PilotNews (pilots); Intranet, Operational Briefing, e-mail.</p> <p>5) Service channels: Ethics Line, MAURO, SAP Success F</p> <p>6) Dialogue spaces with each union organization.</p>	<p>These channels and mechanisms had different periodicities, including daily, weekly, monthly, permanent and on request.</p>	<p>We maintain comprehensive communication with our employees about the main changes at the organizational level and the strategic projects of the business in terms of operation, network, product and service.</p>
Customers	<p>End customer:</p> <p>1) Information channels: call center, website, help center, email, App myAvianca, Vianca bot, social networks.</p> <p>2) Customer service and sales channels: call center, website, MyAvianca app, Vianca bot, physical points.</p> <p>3) Relationship mechanisms: LifeMiles frequent flyer program.</p> <p>4) Understanding mechanisms: NPS (Net Promoter Score) survey.</p> <p>Travel agencies:</p> <p>1) Information channels: e-mail, Avianca Trade website, AGS360 call center.</p>	<p>These channels and mechanisms are permanently active.</p>	<p>Customer service channels (specifically call center), refunds, UATP, PQR, product changes (fares, reconfiguration and seats), as well as everything related to the new business model, including new point-to-point routes. Also important were: Covid-19 requirements and biosecurity measures, waivers, sales, voluntary changes, flight status, baggage and LifeMiles. Additionally, for travel agencies, changes in the distribution scheme were relevant.</p>
Suppliers and contractors	<p>1) Contact and relationship channels: website, email, telephone, ethical line and notifications in Ariba.</p>	<p>These channels are permanently active.</p>	<p>We maintain constant and effective communication with our suppliers throughout the supply cycle, from sourcing to payment. We also maintain channels for suppliers to report any unethical, corrupt or suspicious activity, and for the issuance of tax and commercial certifications.</p>
Media	<p>1) Informative channels: News Center on website and email.</p> <p>2) Channels of interaction: 1:1 meetings, in-depth interviews, press conferences, events, visits and experiences in the operation.</p> <p>3) Informal channels: Continuous interaction via phone calls and messages via WhatsApp.</p>	<p>These channels and contacts were made on a permanent basis.</p>	<p>Progress in the process and subsequent exit of Chapter 11, new business vision and its network, product and service axes, strategic projects such as reconfiguration, fleet simplification and network developments. In addition, we talk about news and changes at the corporate level, such as executive appointments.</p>

Mechanisms of relationship, frequency and relevant issues to be discussed with stakeholders



Name	Relationship mechanisms	Frequency	Relevant issues
Investors	<p>1) Information channels: e-mail, annual report and website for investors and mass distribution channels of financial regulators (Financial Superintendence of Colombia).</p> <p>2) Spaces for interaction: bimonthly conferences, shareholders' meetings and investor relations office.</p>	<p>These channels and mechanisms had different periodicities, including bimonthly, monthly, quarterly, annual, occasional and permanent.</p>	<p>Performance of the airlines' operations, progress during the process and subsequent exit from Chapter 11, the company's financial situation (profitability, liquidity, indebtedness), financial and operational results, and execution of the company's new business vision.</p>
Creditors	<p>1) Information channels: e-mail, annual report and website for investors and mass distribution channels of financial regulators (Financial Superintendence of Colombia).</p> <p>2) Spaces for interaction: bimonthly conferences, shareholders' meetings and investor relations office.</p>	<p>These channels and mechanisms had different periodicities, including bimonthly, monthly, quarterly, annual, occasional and permanent.</p>	<p>Performance of the airlines' operations, progress during the process and subsequent exit from Chapter 11, the company's financial situation (profitability, liquidity, indebtedness), financial and operational results, and execution of the company's new business vision.</p>
Third sector	<p>Information and interaction channels: Annual report, email and Sustainability Department.</p>	<p>These channels have a permanent periodicity and only the report is submitted annually.</p>	<p>Sustainability strategy, access to social programs, opportunities to generate alliances and development of campaigns aimed at having a direct and positive impact on the population served.</p>
Guilds and associations	<p>1) Information channels: Annual reports, press releases, informal channels (calls, chats, emails and texts).</p> <p>2) Channels of interaction: meetings and assemblies.</p>	<p>These channels have different periodicities, including: permanent, periodic and annual.</p>	<p>Post-Covid reactivation of the industry, challenges in infrastructure and aeronautical management of airports (mainly El Dorado), new business vision and its network, product and service axes, and progress and subsequent exit from Chapter 11.</p>
Government authorities	<p>1) Information channels: Email, annual reports, press releases, periodic reports, requirements, trades, petition rights, letters, official meetings, technical work tables. In addition to informal channels (calls, chats, emails and texts)</p>	<p>These channels have different periodicities, including: permanent, periodic and annual.</p>	<p>Post-Covid reactivation of the industry, challenges in infrastructure and aeronautical management of airports (mainly El Dorado), new business vision and its network axes, incentives for new routes, review of passenger, product and service taxes, and progress and subsequent exit from Chapter 11.</p>
Communities	<p>1) Information channels: e-mail, annual report, press releases, periodic reports, requirements, trades, letters, official meetings. In addition to informal channels (calls, chats, emails and texts).</p>	<p>These channels have a permanent periodicity and only the report is submitted annually.</p>	<p>Sustainability strategy and access to social programs, interaction with airport operators to accompany the processes of dialogue with communities.</p>



Our results 2021



Economic performance >

Customer experience >

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GHG Mitigation >

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Economic performance

GRI |103-1|, |103-2|, |103-3|

Relevance

The management of our economic performance is of vital importance as it allows us to monitor the cash flow and profitability levels generated by each of the routes, regions and fleets of the network and to compare them against the established budgets and 5-year business plans.

This material is key for the CSPO, COO and CFO as it allows them to determine the necessary strategic actions to be taken on each route, in the short term, such as cancellations, reductions or capacity increases according to market conditions. Likewise, in the long term, it allows defining the strategy in terms of product for the following years, understanding the markets to be operated.

Management and monitoring

It is managed and shared with the different vice presidencies involved and with their respective C-Level executives on a biweekly basis, through the corresponding reports and the preparation of the presentation of forecasted results.

In relation to Chapter 11, monthly reports are generated to monitor profitability vs. the goals established in the investment plans and budget.

The mechanisms for communicating this issue range from sending updated reports to presenting them to the Revenue Management and Network Planning Committees. They are also communicated and shared with CFO members.

Route profitability and economic performance processes are monitored and evaluated internally, in constant alignment with the FP&A areas to ensure the correct inputs from the cost side. Likewise, results are shown in the area committees to validate the results that are being learned before sharing and socializing them with the information areas of clients

Results

The main achievement of Route Profitability and Economic Performance related to Chapter 11 was the creation for the first time of a detailed 6-year route profitability model that allowed to complement the inputs presented for the successful DIP funding process. With this analysis, different investors were able to identify the most relevant markets and network routes on which Avianca's plan depends. Regarding internal results, the route profitability forecast model achieved cash savings in 2021 through the early implementation of tactical decisions on capacity adjustments, cancellations and Ramp-Up growth on key routes in response to market needs and specific demand, such as the vaccination tourism period.

For this report, the indicators for this issue are reflected in the management of other material issues.

Short-term goals

Ensure that the various inputs on the revenue side are aligned with the time required for recurring updates to the profitability models.

Medium-term goals

Simplify and automate the generation of the main profitability forecast report and derived reports such as the presentation of results and visualization dashboards.

Meta largo plazo

Guarantee the continuity of the process, in an automatic and standardized way for the use of information throughout the company with real-time information.



RESULTS

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Customer experience

GRI |103-1|, |103-2|, |103-3|

Relevance

With our new vision, 'Avianca for All', the customer experience is strengthened in our organization.

The pandemic and C11 have been an opportunity to redefine aspects of our business and identify where we really add value to our customers. Avianca today is a lighter company that seeks to be more competitive and flexible. An airline where everyone can fly. With this new vision, we will combine the best of our more than 100 years of operation with the highest standards along with the practicality of the modern low cost world.

The year 2021 generated significant challenges for the industry and the world, Avianca was no exception to this issue, even so, it kept its efforts focused on having service channels that customers could rely on, to solve every need that arose during their trip.

Although these challenges implied having service levels that were not as expected, this allowed the airline to advance in self-management strategies supported by technology so that customers could have alternative channels, being able to resolve more quickly and not depend on a single channel. The results and challenges of 2021 provided the basis for much more efficient management and improved customer service levels.

Avianca wants to continue focusing on improving its service levels and keeping satisfied customers, who will want to continue using our service, our channels and, at the same time, retain the desire to remain loyal to the company.

Management and monitoring

We took the best of Avianca's history with a service recognized for its high level, focused on becoming increasingly competitive. We have redesigned our product, understanding that flying is no longer a luxury, but a daily necessity, and within everyone's reach. We created a flexible product that is reliable, safe and punctual.

Competitive prices: in the domestic market in Colombia we have already offered tickets at very competitive prices and very soon hyper-affordable prices will be a constant at Avianca, while maintaining the attributes that make us different.

Flexible product: we continue to consolidate "Vuela a Tu Medida", a fare scheme in which customers only pay for what they need. Four sizes on domestic flights XS, S, M, L and 6 sizes on international flights + XL and XXL. The main difference between the fares is in attributes such as: baggage, mileage accrual, itinerary changes, seat pre-selection and refunds.



In order to continue strengthening its leadership in the industry, a fundamental pillar is to provide good customer service through all channels, working under a strategy focused on responsiveness, empathy and consistency. Avianca has one of the best Contact Center providers, with whom the requests received through calls, chat, mail, virtual assistant (Vianca bot) and *Requests and Complaints* are managed; in addition, a Help Center was implemented on the website, where customers can consult all the airline's information topics. Likewise, investments and efforts are being made to increase the capacity of the line and improve self-management processes.

Controls are in place at all points of contact with customers in order to meet their needs.

At all times, the voice of the customer is collected through surveys on resolution, satisfaction and recommendation, installed in each of the channels, and this information allows us to provide feedback to the areas and establish continuous improvement plans. In addition, there are areas that focus on the continuous monitoring of the operation and the main indicators related to service levels, usability, time, quality and resolution.

Note: During the covid period, more than 1M passengers had to reschedule their flights. The airline's objective was to protect, fulfill and honor the established contract; however, the technological tools did not have the scope to manage these changes, given the particular conditions for flying during the pandemic, which increased the demand for manual processes in the Contact Center. This was one of the main reasons for the increase in demand, even so, we have been working hard to meet the expected levels.



Actions for Covid-19

- We apply the biosecurity protocols required by each aeronautical regulation of the countries where we operate, including the use of PPE, social distancing, infrastructure adjustments, frequent cleaning and hygiene, among others.
- We complied with travel documentation requirements in terms of health (vaccination cards, COVID tests, etc.).
- We encouraged the vaccination campaign of all operational personnel, achieving 98% coverage.
- We monitor and manage to provide personalized follow-up to positive and isolation cases presented in the operational groups and their families.
- We distributed all PPE material on a daily basis and ensured that all our operating personnel were provided with it correctly and safely.
- We comply with and fulfill the different audits in terms of biosafety required by the various authorities, maintaining the biosafety certifications from ICONTEC and Diamond Certification from APEX Health Safety



RESULTS

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Operational excellence

GRI |103-1|, |103-2|, |103-3|, |102-7 (ii)|, |102-9|, |102-10|

Relevance

Network and Fleet

Operational excellence enables us to deliver on our value promise of being a safe, convenient, affordable and friendly airline. Likewise, it is essential for our operation to be executed with the highest industry standards and to remain relevant in the market, transporting more than 13 million passengers on time to their destinations and with their luggage, during 2021.

Through the alignment and optimization of processes focused on our customers, the commitment of more than 11,000 people who work day to day in the operation, as well as the flexibility to make decisions in such a complex scenario generated by the pandemic, we managed to have a product with more competitive and tailored prices, according to the needs of travelers, focused on quality service. Operational excellence allows our customers to reach their destinations and meet their travel objectives, while developing tourism and positively impacting the economy of the countries by boosting business and encouraging the consumption of different goods and services. In the eyes of the authorities, it increases confidence in a solid company committed to quality standards that allow the safe and efficient transportation of millions of people through its territories, following the required regulations.

Additionally, in the framework of C11, it was transcendental to focus on this material issue so that our investors would believe in the project, by demonstrating a robust and controlled operation in a framework of decision making and accountability.

Supply chain

In order to engage the best suppliers, and achieve their commitment to our corporate objectives, the relationship with them is based on ethical, professional and transparent behaviors; ensuring that they are aligned with our corporate policies, especially with our Code of Ethics and Standards of Business Conduct.

Through our procurement process we objectively select optimal suppliers in ethical, economic and technical terms for the supply of goods and/or services necessary for the business; making use of the SAP ARIBA platform, which allows us to guarantee transparency in all our negotiation processes. We ensure that all our suppliers are subjected to risk assessments prior to their engagement, in order to ensure transparency against money laundering and / or terrorist financing. Likewise, they are subject to financial evaluations, if the negotiation so requires.



Management and monitoring

Network and Fleet

We manage this material issue through the control of important indicators to fulfill our clients' promise of value, real-time control over the operation, follow-up of strategic projects for the transformation of the business model, and the optimization of operational processes.

We have an explicit commitment to:

- A business model focused on ancillaries
- On-time departure for our passengers
- A product tailored to the customer's needs
- REC service (Resolute, Empathic and Consistent)

We managed the Chapter 11 process by improving processes and simplifying the operating model, achieving significant cost efficiencies. We also developed a new model and control tools that allowed us to exponentially increase the sale of ancillaries at our stations. Chapter 11 was an opportunity to innovate and operate more efficiently in the context of a pandemic.

Communication is done through discussions, station visits, primary groups and recognition, we seek to inject DNA into our team focused on the new challenges brought to the sector by the pandemic and Chapter 11, recognizing the achievements of operating in such a challenging environment.

In terms of improvement, it helped to promote the use of technologies for aircraft scheduling, processes to enhance the results of the indicators, development of risk matrices and focus on aviation safety with clear compliance indicators.

Supply chain

In 2021, we will continue with our strategy based on a centralized purchasing model by category through global negotiations, which allows us to generate efficiencies, savings and value for the company. We have implemented efficient, ethical, sustainable and profitable supply processes to offer an excellent service to our passengers and have an appropriate supply chain.

The most relevant milestones in 2021 were related to our restructuring plan, the successful emergence from Chapter 11 bankruptcy in the United States, and the renegotiation of agreements with suppliers, lenders, and aircraft lessors, focused on improving our cost structure, route profitability, and cash generation.



RESULTS

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Talent Management

GRI |103-1|, |103-2|, |103-3|, |102-7|, |102-8|, |102-36|, |102-41|, |401-1|, |401-2|, |401-3|, |403-1|, |403-2|, |403-3|, |403-4|, |403-5|, |403-6|, |403-9|, |403-10|, |404-1|, |404-3|, |405-1|, |405-2|

Relevance

To obtain the best business results in the challenging and demanding environment of 2021, we adjusted our talent management processes to a transitional competency model that allows us to accelerate the adaptation of operational and administrative teams to the new way of doing things, and above all to improve their physical, mental and relational care.

Talent management at Avianca is inherent in all areas; leaders are the main managers of the attraction, training, development, transformation and care of teams. We know that people's professional performance and emotional strength have an impact on customers' perception of safety and trust, especially when they return to their travel routines. We also know that stabilizing the financial and operational situation of our company depends to a large extent on the commitment and adaptation of our employees to the new business model.

Management and monitoring

Avianca has a team of HR experts in the Chief People and Talent Office, which executes cutting-edge strategies to manage Talent, during 2021 we applied the methodology of organizational transformation to react resiliently to changes and their impacts; we sustained the 70/20/10 development process, mapped the talent of critical positions and high-level virtual and classroom training to empower teams with skills of adaptation, collaboration, agility and service.

Talent management policies are documented and safeguarded in docbox, all employees can consult them for transparent management. Through the Business Partners we disclose the processes in all areas and the leader as the preferred channel of the teams, has the mission to give clarity in front of them. Finally, we use channels such as the HT Newsletter and the internal social network Yammer.

For the year 2021, we monitored talent management twice through the One Team survey. We measured commitment, leadership, diversity and inclusion, recognition, team collaboration and other factors related to talent management processes. The level of engagement was 79%, and we constantly monitored with our own indicators such as percentage of turnover, percentage of development plans for top talent, percentage of vacancies filled with internal personnel, satisfaction with training programs, among others.

In addition, in the survey of the company of dreams in El Salvador, we continue to be the company preferred by young people, occupying the first place.



Covid-19 Actions

We adapted Our Talent management processes to be attentive to the changes we face:

Administrative Actions:

- Unpaid leave program
- Staff rotations in the operation
- Work from home
- Absence of service provision with salary guarantee for workers diagnosed with catastrophic diseases.
- Vacation scheduling according to operational needs.
- Updating of the Voluntary Benefit Plan for ground workers and cabin crew members
- Start of rehiring according to operational plan.

Actions from Health Management:

- Design and training in biosafety protocols for all workers.
- Certification in biosafety seals with ICONTEC.
- Acquisition of 8,000 vaccines to guarantee a complete vaccination program for all workers in Colombia.
- Supply and control of the use of PPE defined by risk.
- Daily symptom control from COVIDRISKAPP, created by Avianca.

In addition to the Covid contingency and in light of the Company's restructuring, these actions were undertaken:

- The Company made voluntary retirement plans available to employees, with the recognition of an economic offer and a retirement ticket plan.
- The Company did not extend some fixed-term employment contracts of operating personnel.



RESULTS

Access the results of each section by clicking on the link



Diversity and inclusion

GRI |103-1|, |103-2|, |103-3|, |412-2|

Relevance

At Avianca everyone is welcome!

This is the starting point of our flight plan for diversity and inclusion. We believe that we will win by choosing an inclusive work team where each person feels comfortable expressing their authenticity and developing their full potential without barriers.

We are committed to fostering inclusive training, awareness and conversation spaces where people feel part of something important; Human Talent processes are filtered through the lens of Diversity and Inclusion to ensure that selection, development, career plans and growth are free of discrimination and currently leverage gender equity.

We understand that the diversity of our employees is a mirror that projects and facilitates the connection with the diversity of our customers, that is why our value promise is focused on generating a safe, convenient, affordable and friendly environment for our stakeholders.

Management and monitoring

We are in the process of defining the internal policy, even so, the management team openly promotes the construction of a fun, challenging, rewarding, diverse and inclusive environment. Internal communications and conversation spaces strengthen the listening of employees' points of view and respond transparently to doubts and opinions. Avianca's participation in public campaigns that promote diversity and inclusion is another way of making visible our commitment to human rights and underrepresented communities.

We have an ethics line and a coexistence committee to handle complaints related to diversity and inclusion in leaders and peers.

The Government Relations and Sustainability Department, together with the Legal and Legal Department, lead the response to requests, complaints or suggestions from customers and entities outside the organization.

Avianca monitors D&I through the One Team survey.

The 2021 results (85% favorability) generated these actions:

- * Familiarize, sensitize workers on general concepts, unconscious bias, gender equity and organic diversity and inclusion in the company.
- * Train leaders in inclusive conversations and language.
- * Promote in newsletters and social networks the experience of diversity and inclusion in an organic way.

The Human Talent biweekly newsletter was the resource used to communicate, raise awareness and complement the training provided. We published notes related to gender equity, physical and mental disabilities, management of unconscious biases and generalities.



Partnerships for development

GRI |103-1|, |103-2|, |103-3|, |102-12|

Relevance

At Avianca we understand that a strategic relationship with our stakeholders implies aligning their expectations with our management. For this reason, our commitment is to work actively in the construction and strengthening of partnerships that allow us to positively reach the communities of our operation.

This fulfills the purpose of generating a positive impact that goes beyond the economic dimension and allows us to provide well-being to the communities and their environment.

Building our strategy based on far-reaching partnerships, transparency and two-way communication, allows us to be an effective agent to be part of the sustainable development agenda at the local and regional level; responding in a timely manner to the needs and realities of our society and the planet; generating relationship spaces, where the priority is to understand the social reality of the population and offer suitable resources for its development.

Management and monitoring

We develop mutually beneficial agreements with organizations recognized for the quality of their management, which allow us to build relationship capabilities and provide us with high-impact social and environmental investment alternatives for our stakeholders.

The above is delimited and developed through collaboration agreements that allow us to have a better understanding and effective relationship with our partners, generating timely follow-up of commitments, opportunities and challenges identified in the development of such agreements.

Our performance is evaluated through the following mechanisms, which respond to the commitments acquired and the criteria of transparency and accountability that we generate with our partners:

- FCPA external audit (anti-corruption practices act - KPMG).
- Internal audit (to ensure the knowledge of third parties in the framework of the prevention of money laundering and financing of terrorism SIPLAFT - Compliance and Control Department).
- Alignment of our social management and community impact with the Sustainable Development Goals (SDGs).
- Regular meetings with our partners to evaluate our relationship and find points of synergy that allow us to move forward with our alliances and guarantee their impact on society



Results

We were able to rethink and begin to develop the new Sustainability Strategy, basing our commitments and management on the alliances we have built in previous years and generating new relationships with organizations that have allowed us to approach other realities that are currently relevant to our social agenda.

We have also managed to define the lines of action we will work on in 2022, to ensure that all our efforts directly reach the key communities of our management.

We have managed to standardize internal document management processes.

We have exercised much more presence and coordination with environmental projects that are strategic for Avianca.

Goals and projects

Short-term goals

- Presentation and approval of Avianca's new sustainability strategy for 2022.

Medium-term goals

- Consolidate our labor inclusion program for people with disabilities.
- Consolidate our partnerships with those organizations recognized for their social management.

Long-term goals

- Implement a system to measure our social impact on stakeholders, aligned with international standards and the SDGs.

Alliances consolidated in 2021

Aldeas Infantiles SOS Colombia: we delivered 10.2 tons of in-kind donations, including blankets, furniture, clothing, household goods, tools, among others. Additionally, we impacted our environmental management strategy, since we stopped disposing of waste, giving these supplies a useful life.

She Is Foundation: thanks to the "She is an Astronaut" social program of the Foundation and NASA, we supported the trip of 15 girls who visited the NASA Space Center.

International Federation of the Red Cross and Red Crescent- IFRC: we were able to attend to the natural disasters that affect the population of our operation by transporting humanitarian cargo and rescuers and volunteers who assist the most vulnerable people.

Make a Wish International: we have made it possible for more than 46 children life-threatening illnesses to fulfill their dreams of flying, traveling and discovering magical places.

Instituto Nacional de Salud y Red de trasplantes de Colombia: in 2021 we transported 14 organs and 29 blood samples, to save the lives of those waiting for a second chance at life.

Best Buddies Colombia: we implemented the labor inclusion program for people with intellectual disabilities of the Foundation. We have hired 5 Amigos del Alma as service agents at the El Dorado Airport.



RESULTS

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GHG Mitigation

GRI |103-1 |103-2|, |103-3|, |302-1|, |302-2|, |302-3|, |302-4|, |305-1|, |305-2|, |305-3|, |305-4|, |305-5|

Relevance

Air transportation has become an essential element in today's way of life, causing an increase in demand and air operations, which prompted the airline industry to become a pioneer in taking actions to counteract the environmental impacts generated by such growth. Thus, since 2009, objectives were defined to reduce fuel consumption and CO2 emissions, applicable to international air operations.

At Avianca, aligned with these objectives that contribute to mitigating climate change, we are working on the implementation of fuel conservation strategies, good operational practices and aircraft densification.

Management and monitoring

Our fuel conservation program "Avianca Fuel" designs, implements and monitors fuel conservation initiatives in all processes related to air operations, while constantly searching for new strategies to ensure that each gallon of fuel is used efficiently, achieving a greater number of passengers and cargo on all our routes and frequencies.

The Avianca Fuel program has 24 fuel conservation initiatives, of which 9 are executed by Pilots, 11 are managed by Flight Dispatch and 4 are executed by Maintenance.

We monitor and evaluate, through two environmental objectives focused on measuring the efficiency of our operation.

On a monthly basis, we follow up with the areas on fuel consumption efficiency initiatives and compliance with their goals, identifying improvements that can be implemented and that have an impact on compliance with the two objectives.

1. Reduce aircraft emissions, expressed in kilograms of CO2 per 100 revenue passenger kilometers (RPKs).
2. Reduce fuel consumed in aircraft operations per 100 revenue passenger kilometers (RPKs).

In addition to this monitoring, we reported our climate change management in the Carbon Disclosure Project (CDP), in 2021 we obtained a management level score (B), higher than the average score of the air transport sector.



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Environmental management

GRI |103-1 |, |103-2|, |103-3|, |303-2|, |303-5|, |306-3|, |306-4|, |306-5|, |307-1|

Relevance

Our environmental management system contributes to the company's sustainability through actions that prevent environmental pollution, framed in cleaner production practices and aligned with compliance with legislation and other commitments. We incorporate climate change adaptation and mitigation strategies and the Circular Economy concept in all our activities on land and in the air.

We have a certified Environmental Management System with which we demonstrate to our customers and stakeholders Avianca's commitment to continuously improve the environmental performance of the organization.

We strategically direct our activities to protect the environment based on the precautionary principle, carrying out preventive actions in our processes, achieving a balance with the environment and society.

Management and monitoring

The company's management system is aligned with our Environmental Policy, which reaffirms the commitment of all airlines that are part of the group with the protection of the environment and the sustainable use of natural resources.

We belong to the Corporate Directorate of Safety, Health and Environment (SSMA) from which we lead the implementation of the Environmental Management System throughout the Avianca Group, including policy, strategies, programs and initiatives.

The environmental management system is based on a PHVA cycle (Plan, Do, Check and Act) where the owners of our processes take ownership of the environmental risks derived from their activities. The environmental management is responsible for monitoring the defined controls and giving guidance to the management of these risks. .

Our Environmental Management System is monitored through analysis of routine activities, planned changes, identification of abnormal conditions and emergency situations that occur in all our processes, ensuring the implementation of relevant controls. This is verified annually by accredited third parties through audits of different processes.

To ensure proper waste management, we have recovery indicators, which are monitored throughout the year to validate compliance with the established goals and evaluate process improvements.

The construction and operation of the MRO is designed to comply with LEED® parameters and is a model of sustainable construction.

During 2021 we did not have any non-compliance with environmental regulations.



Annexes





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GRI 102 – Ethics and integrity			
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GRI Table

Indicator code	Indicator description	Contents	Location
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102-25	Conflict of interests	About us– Corporate governance and ethic	Page. 12 - 13
102-27	Collective knowledge of highest governance body	About us– Corporate governance and ethic	Page. 12 - 13
102-33	Communicating critical concerns	About us– Corporate governance and ethic	Page. 12 - 13
102-36	Process for determining remuneration	Dashboard Our talent	Attraction and retention
102-37	Stakeholders' involvement in remuneration	Dashboard Our talent	Attraction and retention
GRI 102 – Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability at Avianca	Page. 20
102-41	Collective bargaining agreements	Sustainability at Avianca	Page. 20
		Dashboard Our talent	Social dialogues
102-42	Identifying and selecting stakeholders	Sustainability at Avianca	Page. 21 - 22
102-43	Approach to stakeholder engagement	Sustainability at Avianca	Page. 21 - 22
102-44	Key topics and concerns raised	Sustainability at Avianca	Page. 21 - 22
GRI 102 – Reporting practice			
102-45	Entities included in the consolidated financial statements	Financial statements are not included in the report	
102-46	Defining report content and topic Boundaries	Sustainability at Avianca	Page. 18
102-47	List of material topics	Sustainability at Avianca	Page. 18
102-48	Restatements of information	Sustainability at Avianca	Page. 18
102-49	Changes in reporting	Sustainability at Avianca	Page. 18



GRI Table

Indicator code	Indicator description	Contents	Location
GRI 102 – Reporting practice			
102-50	Reporting period	Sustainability at Avianca	Page. 18
102-51	Date of most recent report	Sustainability at Avianca	Page. 18
102-52	Reporting cycle	Sustainability at Avianca	Page. 18
102-53	Contact point for questions regarding the report	Sustainability at Avianca	Page. 18
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability at Avianca	Page. 18
102-55	GRI content index	Annexes	Page. 37 - 43
102-56	External assurance	This report was not verified by an external	
Material issues			
Economic performance			
103-1	Explanation of the material topic and its Boundary	Our results – Economic performance	Page. 24
103-2	The management approach and its components	Our results – Economic performance	Page. 24
103-3	Evaluation of the management approach	Our results – Economic performance	Page. 24
201-1	Direct economic value generated and distributed	Dashboard Profitability and economic performance	Profitability and economic performance
Customer experience			
103-1	Explanation of the material topic and its Boundary	Our results – Customer experience	Page. 25 - 26
103-2	The management approach and its components	Our results – Customer experience	Page. 25 - 26
103-3	Evaluation of the management approach	Our results – Customer experience	Page. 25 - 26
		Dashboard Customer Experience	Flight experience
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	About us – Corporate governance and ethic	Page. 15
Own	OTP (On-time performance)	Dashboard Customer Experience	Flight experience
Own	Itinerary compliance	Dashboard Customer Experience	Flight experience
Own	Suitcases with irregularities	Dashboard Customer Experience	Flight experience



GRI Table

Indicator code	Indicator description	Contents	Location
Material issues			
Customer experience			
Own	Communication channels	Dashboard Customer Experience	Service and satisfaction
Own	Transactions handled	Dashboard Customer Experience	Service and satisfaction
Own	Self-management	Dashboard Customer Experience	Service and satisfaction
Own	Complaint rate	Dashboard Customer Experience	Service and satisfaction
Operational excellence			
103-1	Explanation of the material topic and its Boundary	Our results – Operational excellence	Page. 27 - 28
103-2	The management approach and its components	Our results – Operational excellence	Page. 27 - 28
103-3	Evaluation of the management approach	Our results – Operational excellence	Page. 27 - 28
Own	Aircraft in operation	Dashboard Operational excellence	Our fleet
Own	Total aircraft in operation	Dashboard Operational excellence	Our fleet
Own	MRO	Dashboard Operational excellence	Our fleet
Own	Market share	Dashboard Operational excellence	Our network
Own	Accidents and deficiencies	Dashboard Operational excellence	Comprehensive security
Own	Serious engine damage in flight	Dashboard Operational excellence	Comprehensive security
Own	Aircraft security measures	Dashboard Operational excellence	Comprehensive security
Own	Number of providers	Dashboard Operational excellence	Supply chain
Own	Number of local providers	Dashboard Operational excellence	Supply chain
Talent management			
103-1	Explanation of the material topic and its Boundary	Our results – Talent management	Page. 29 - 30
103-2	The management approach and its components	Our results – Talent management	Page. 29 - 30
103-3	Evaluation of the management approach	Our results – Talent management	Page. 29 - 30
		Dashboard Talent management	Introduction
401-1	New employee hires and employee turnover	Dashboard Talent management	Attraction and retention



GRI Table

Indicator code	Indicator description	Contents	Location
Material issues			
Talent management			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Dashboard Talent management	Attraction and retention
401-3	Parental leave	Dashboard Talent management	Health & Wellness
403-1	Occupational health and safety management system	Dashboard Talent management	Health & Wellness
403-2	Hazard identification, risk assessment, and incident investigation	Dashboard Talent management	Health & Wellness
403-3	Occupational health services	Dashboard Talent management	Health & Wellness
403-4	Worker participation, consultation, and communication on occupational health and safety	Dashboard Talent management	Health & Wellness
403-5	Worker training on occupational health and safety	Dashboard Talent management	Training and development
403-6	Promotion of worker health	Dashboard Talent management	Health & Wellness
403-9	Work-related injuries	Dashboard Talent management	Health & Wellness
403-10	Work-related injuries	Dashboard Talent management	Health & Wellness
404-1	Average hours of training per year per employee	Dashboard Talent management	Training and development
404-3	Average hours of training per year per employee	Dashboard Talent management	Training and development
Diversity and inclusion			
103-1	Explanation of the material topic and its Boundary	Our results – Diversity and inclusion	Page. 31
103-2	The management approach and its components	Our results – Diversity and inclusion	Page. 31
103-3	Evaluation of the management approach	Our results – Diversity and inclusion	Page. 31
405-1	Diversity of governance bodies and employees	About us– Corporate governance and ethic	Page. 17-18
405-2	Ratio of basic salary and remuneration of women to men	Dashboard Talent management	Diversity and inclusion
412-2	Employee training on human rights policies or procedures	Dashboard Talent management	Diversity and inclusion



GRI Table

Indicator code	Indicator description	Contents	Location
Material issues			
Partnerships for development			
103-1	Explanation of the material topic and its Boundary	Our results – Partnerships for development	Page. 32 - 33
103-2	The management approach and its components	Our results – Partnerships for development	Page. 32 -33
103-3	Evaluation of the management approach	Our results – Partnerships for development	Page. 32 -33
Greenhouse gas mitigation			
103-1	Explanation of the material topic and its Boundary	Our results – Greenhouse gas mitigation	Page. 34
103-2	The management approach and its components	Our results – Greenhouse gas mitigation	Page. 34
103-3	Evaluation of the management approach	Our results – Greenhouse gas mitigation	Page. 34
302-1	Energy consumption within the organization	Dashboard Greenhouse gas mitigation	Energy
302-3	Energy intensity	Dashboard Greenhouse gas mitigation	Energy
302-4	Reduction of energy consumption	Dashboard Greenhouse gas mitigation	Energy
305-1	Direct (Scope 1) GHG emissions	Dashboard Greenhouse gas mitigation	Emissions
305-2	Energy indirect (Scope 2) GHG emissions	Dashboard Greenhouse gas mitigation	Emissions
305-3	Other indirect (Scope 3) GHG emissions	Dashboard Greenhouse gas mitigation	Emissions
305-4	GHG emissions intensity	Dashboard Greenhouse gas mitigation	Emissions
305-5	Reduction of GHG emissions	Dashboard Greenhouse gas mitigation	Emissions
Own	Fuel consumption	Dashboard Greenhouse gas mitigation	Fuel
Own	Voluntary compensation	Dashboard Greenhouse gas mitigation	Compensation
Enviromental management and eco-efficiency			
103-1	Explanation of the material topic and its Boundary	Our results – Enviromental management and eco-efficiency	Page. 35
103-2	The management approach and its components	Our results – Enviromental management and eco-efficiency	Page. 35
103-3	Evaluation of the management approach	Our results – Enviromental management and eco-efficiency	Page. 35
303-2	Management of water discharge-related impacts	Dashboard Enviromental management and eco-efficiency	Water



GRI Table

Indicator code	Indicator description	Contents	Location
Material issues			
Environmental management and eco-efficiency			
303-5	Water consumption	Dashboard Environmental management and eco-efficiency	Water
306-3	Significant spills	Dashboard Environmental management and eco-efficiency	Waste
306-4	Transport of hazardous waste	Dashboard Environmental management and eco-efficiency	Waste
306-5	Water bodies affected by water discharges and/or runoff	Dashboard Environmental management and eco-efficiency	Waste
307-1	Non-compliance with environmental laws and regulations	Our results - Environmental management and eco-efficiency	Page. 35
Own	Environmental expenses and investments	Dashboard Environmental management and eco-efficiency	Costs and investment

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