

**Cebu Air, Inc.**  
**2021 Sustainability Report**  
**In compliance with SEC Sustainability Reporting Guidelines for Publicly Listed  
Companies**

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## CONTEXTUAL INFORMATION

<b>Name of Organization</b>	Cebu Air, Inc.
<b>Location of Headquarters</b>	Cebu Pacific Building Domestic Airport Road Pasay City, 1301 Philippines
<b>Location of Operations</b>	Cebu Air, Inc. and subsidiary Cebgo, Inc. 2021 flight network covered 47 Philippine and 15 international destinations, spanning Asia, Australia, and the Middle East. Aside from operations in Manila Terminals 3 and 4, Cebu Air, Inc. also operates 33 outstations in the Philippines and 12 stations internationally.
<b>Report Boundary</b>	This report covers all operations, commercial, and support activities of Cebu Air, Inc. and its subsidiary, Cebgo, Inc. (formerly Tiger Air Philippines) for calendar year 2021.
<b>Business model, including primary activities, brands, products, services</b>	<p>Cebu Air, Inc. (referred to as CEB or Cebu Pacific) entered the aviation industry in March 1996 and pioneered the “low fare, great value” strategy.</p> <p>Cebu Pacific is the largest carrier in the Philippine air transportation industry, offering low-cost services to more destinations and routes with higher flight frequency within the Philippines than any other airline. Providing inclusive, affordable and accessible air travel, to help uplift the lives of people and ensure that the planet remains viable for future generations.</p> <p>In relation to Cebu Pacific’s cargo business, Cebu Pacific is the largest air cargo carrier in the Philippines, providing competitive, fast, flexible, and straightforward air cargo service to individual shippers and cargo agents locally and overseas. Cebu Pacific utilizes its modern aircraft fleet.</p>
<b>Reporting Period</b>	01 January 2021 – 31 December 2021
<b>Highest Ranking Person responsible for this report</b>	Jose Alejandro B. Reyes Chief Strategy Officer <a href="mailto:CEBsustainability@cebupacificair.com">CEBsustainability@cebupacificair.com</a>

## MATERIALITY PROCESS

The materiality process of Cebu Pacific is aligned with the GRI Standards and the Securities and Exchange Commission (SEC) sustainability reporting requirements. Cebu Pacific will release its full Sustainability Report on April 2023. The topics cover the key aspects of our economic, environmental and social performance. Cebu Pacific also considered the feedback and insights from its key stakeholders through focus group discussions and surveys in updating the list of concerns for this reporting period.

### Cebu Pacific's Sustainability Framework

**CEB is committed to enable EveryJuan to Fly,  
by providing accessible and reliable air transport solutions while  
ensuring stewardship of our people, communities, and the environment.**



## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	2020 Amount	2021 Amount	Units
Direct economic value generated (revenue)	22,459,769,465	15,602,804,603	Php
Direct economic value distributed:	45,383,016,743	41,318,045,222	Php
a. Operating costs	16,884,053,737	15,174,202,068	Php
b. Employee wages and benefits	4,407,230,049	3,244,741,375	Php
c. Payments to suppliers, other operating costs	21,869,290,388	20,354,393,063	Php
d. Dividends given to stockholders and interest payments to loan providers	2,203,355,297	2,511,760,313	Php
e. Taxes given to government	14,654,847	28,724,503	Php
f. Investments to community (donations, CSR)	4,432,424	4,223,900	Php
<b>Economic Value Retained</b>	<b>(22,923,247,277)</b>	<b>(25,715,240,619)</b>	<b>Php</b>

<b>IMPACT</b>	Cebu Pacific is able to fulfill its financial obligations and maintain the economic activity of its stakeholders
<b>STAKEHOLDERS</b>	Customers, Employees, Suppliers, Government, Community, Investors
<b>MANAGEMENT APPROACH</b>	<p>Providing affordable air travel within the country and in different parts the world to individuals. Cebu Pacific Investments to the community are not limited to corporate social responsibility initiatives and donations. Implementation and spending is embedded in various areas of the business. Investors are informed of relevant developments via the annual shareholders meeting, quarterly results</p> <p>Employees are given equitable compensation and benefits, including training and professional development opportunities. Suppliers and service providers are regularly engaged through periodical vendor audits, and quarterly earnings updates</p>
<b>RISKS</b>	<p>Due to the pandemic, Cebu Pacific is experiencing slow demand and recovery from health and economic implications. Due to uncertain economic drivers such as fuel costs and foreign exchange volatility, regulatory changes and effects of the pandemic; there may be a risk in investor confidence.</p> <p>There is a risk if financial obligations are not met from internal employees and management, investors and suppliers that may cause a ripple effect. As inadequate compensation due to reduced productivity for employees may lead to higher attrition rate or labor issues. Late payments or breach of contracts with suppliers will result in loss of productive time and regulatory sanctions if financial obligations to regulators are not fulfilled.</p>
<b>OPPORTUNITIES</b>	The growth of Cebu Pacific provides increase economic value distributed to stakeholders and gives opportunity to upgrade and invest in existing infrastructure to further improve its services.

## Climate-Related Risks and Opportunities

### **GOVERNANCE**

Risk assessment and reporting in Cebu Pacific are delegated to three committees: Data Privacy, Business Continuity, and Sustainability Board (DBSB); Airline Safety Review Committee (ASRC); and Treasury Risk Management Committee (TRM). As of January 2020, the DBSB reports monthly environmental and social risk factors that includes a climate lens in assessing certain operational and financial risks. All identified issues are reported to the Board Risk Oversight Committee (BROC) on a semi-annual basis. Cebu Pacific will disclose a more structured climate risk assessment and management approach, along with targets, in the next 1-2 years.

Sustainability reporting and monitoring, including key emissions and resource use metrics, is overseen by the Corporate Strategy Office. The sustainability manager along with the team data analyst is responsible for coordinating with departments across the organization for sustainability issues, implementing E&S programs and policies, and risk reporting.

### **Cebu Pacific Climate Strategy**

<b>FLEET</b>	<b>FUEL</b>	<b>FOOTPRINT</b>	<b>FINANCE</b>
<ul style="list-style-type: none"><li>• Modern and fuel-efficient aircraft enables us to carry more payload with a small footprint per pax and per kg.</li></ul>	<ul style="list-style-type: none"><li>• Fuel efficient practices in Flight Operations, Ground Operations, Engineering</li><li>• Sustainable Aviation Fuel</li></ul>	<ul style="list-style-type: none"><li>• Digitalization and paperless operations</li><li>• Carbon Offsetting</li><li>• Ground emissions reduction through technology improvements</li></ul>	<ul style="list-style-type: none"><li>• Sustainable Financing options (Green bonds)</li><li>• Investments in business continuity processes and climate resilience infrastructure</li></ul>

## A330 Neo



On 28 November 2021, Cebu Pacific received its first A330neo (New Engine Option). Continuing its commitment to make air travel accessible while ensuring environmental and social sustainability, paving its way for it to become the greenest airline in Asia and is on track to having an all-Neo fleet by 2027.

Cebu Pacific will always choose the greener options – increased aircraft efficiency, reduced noise and carbon emissions, to ensure that more low fares will be available for its customers. The A330neo uses 25% less fuel than previous generation aircraft, consuming as little as 1.4 liters per seat per 100 kilometers, burning less fuel and emitting less carbon. The A330neo is the first aircraft in the world already certified to comply with ICAO’s CO2 emissions standards beyond 2028. The airline will benefit from the aircraft’s step-change in performance and economics, while maintaining passenger comfort and lowest operating costs.

The outstanding efficiency of the A330neo also ensures compliance with the current and future sustainability requirements in terms of noise and emissions, providing passengers with the utmost comfort in one of the quietest planes developed. Due to the construction materials and engines chosen for this aircraft, the exterior noise footprint is reduced to nearly 60%, and noise level in the aircraft is 3db quieter than competitors.

The airline’s newest aircraft features 459 lightweight Recaro seats, ergonomically designed for comfort over long distances. This also allows more travelers to be carried in a single flight, resulting in the lowest carbon footprint per passenger.

STRATEGY and RISK MANAGEMENT		METRICS
<p>Aircraft emits large amounts of CO2 into the atmosphere, which has adverse impacts to the environment.</p> <p>Cebu Pacific is aligned with the aviation industry’s global goals to address climate change impact.</p> <ul style="list-style-type: none"> <li>• Annual average fuel efficiency improvement of 1.5%</li> <li>• Stabilize net CO2 emissions for international aviation at 2019 levels with carbon neutral growth by 2025</li> <li>• Reduce CO2 emissions to half of what they were in 2005 by 2050</li> </ul> <p>To manage emissions from international aviation, International Civil Aviation Organization (ICAO) has launched CORSIA, or the Carbon Offsetting and Reduction Scheme for International Aviation. The program aims to cap carbon emissions from international aviation at 2019 levels.</p> <p>By 2027, international carbon emissions monitoring and reporting will be mandatory. Emissions beyond 2019 levels will have to be compensated through the purchase of carbon</p>	<p>Cebu Pacific is working to reduce carbon emissions and minimize the environmental impact of operations through operational and community engagement initiatives</p> <p>Fuel is one of the biggest expenses of Cebu Pacific. The organization has put in place measures to keep fuel utilization efficient via investment in management systems and a more efficient fleet.</p> <p>Flying fuel efficient aircraft is integrated into our long term strategy, enabling us to carry more passengers and cargo while consuming less fuel and minimizing our carbon emissions.</p> <p>Increasing fuel efficiency and reducing carbon emissions does not conflict with the organization’s financial interests.</p> <p>Cebu Pacific discloses its carbon emissions on a voluntary basis to CORSIA and via sustainability reporting.</p> <p>Cebu Pacific is already exploring opportunities for voluntary carbon offsetting to compensate for emissions not included in CORSIA.</p>	<p><b>2021 Results</b></p> <p><b>Total GHG Emissions from flights (tCO2)</b> 428,437 tCO2</p> <p>24.84% decrease from 2020 570,057.50 tCO2e</p> <p><b>Fuel Efficiency</b> 26.70 pax-km/L</p> <p>0.60% decrease from 2020 25.10 pax-km/L</p> <p><b>GHG intensity, gCO2/PK</b> 84.38 gCO2/PK</p> <p>14.62% decrease from 2020 98.83 gCO2/pk</p> <p><b>Average fleet age</b> 6.40 years</p>

offsets and will incur more expenses.  Pricing of emissions and offsets may result in increased operating or higher compliance costs.	(See Environmental Impact Section – Air Emissions )	
<b>STRATEGY and RISK MANAGEMENT</b>		<b>METRICS</b>
Extreme weather events brought about by climate change such as Typhoon Odette led to reduced revenue from flight cancellations, disruption to operations, and damage to facilities.  Fleet and passenger safety may be compromised when flying in inclement weather conditions. To mitigate this risk, Cebu Pacific invested in a state-of-the-art weather forecasting system in available in the airports it flies to.	Cebu Pacific invested in a weather management system which enables flight crew to access reliable typhoon path prediction data.  Flight crew can check actual weather real-time in any domestic airport via the Aircraft Communication, Addressing, and Reporting System (ACARS). This allows them to make timely decisions affecting performance in inclement weather.	Number of canceled flights due to unideal weather conditions – 82 flights

**Procurement Practices**

Proportion of spending on local suppliers *(for non-aircraft purchases)*

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations spent on local suppliers	77.17	%

<b>IMPACT</b>	Cebu Pacific continues to support the Filipino people by purchasing from local suppliers, contributing to local economic growth and job creation. This results in faster delivery lead time, effective logistics and warehousing, reasonable pricing conditions and advantageous after sales service
<b>MANAGEMENT APPROACH</b>	Data reported above covers non-aircraft related purchases only. Cebu Pacific deals with both local and foreign suppliers for non-aircraft purchases. Top non-aircraft purchases include: Ground service parts and services, Cargo, Catering, IT software and hardware, and safety and security.  Cebu Pacific’s accreditation process for local suppliers is handled internally. Procurement for foreign suppliers is tackled at the Cebu Pacific level, where selection is based on the technical evaluation and recommendation of end-users on the potential product for purchase.  Most aircraft-related items and services are not available locally. Procurement involving foreign suppliers follows a more specialized process-s. These include

	purchase of aircraft, aircraft parts, fuel, and support services in international stations where Cebu Pacific operates.
<b>RISKS</b>	Local suppliers may not be able to deliver goods and services according to standards and delivery delays due to raw materials shipped from overseas.
<b>OPPORTUNITIES</b>	For non-aircraft items such as catering, general office supplies, or some ground service parts, Cebu Pacific is working with several local suppliers to develop capabilities to produce items typically ordered from overseas. Samples and tests are being conducted to ensure good quality output.

### **Anti-Corruption**

#### **Training on Anti-Corruption Policies and Procedures**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

#### **Incidents of Corruption**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were removed or disciplined for corruption	0	#
Number of incidents in which business partners were removed or disciplined for corruption	0	#

**IMPACT** Communication and transparent anti-corruption policies across the organization facilitate a culture of trust; awareness of airline policies and sanctions may prevent incidents from happening.

**STAKEHOLDERS** Employees, directors and management

**MANAGEMENT APPROACH** Cebu Pacific has a Code of Conduct which includes an anti-bribery and corruption policy. This Code of Conduct has been disseminated to staff (directors and management), via onboarding (for new hires), and also accessible to all staff via the Intranet and external website.

Cebu Pacific has a corporate-wide Whistleblowing policy which upholds the business to the highest ethical and legal standards. The policy encourages employees and business partners to raise concerns on suspected violations of airline policies, misconduct, malpractice, irregularities, or risks against the airline.

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Accredited suppliers and contractors undergo the Newly Accredited Suppliers Orientation Program (NASOP) to make sure that they align with Cebu Pacific policies.

In 2020, Members of the Cebu Pacific Board of Directors and Management Committee received anti-corruption training led by the parent firm, JG Summit Holdings, Inc. (JGSHI). Last September 2021, Cebu Pacific communicated to 3,023 of their employees on Anti-corruption training and all of them have taken the anti-corruption training.

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<b>RISKS</b>	Lack of awareness on the airlines policies may result in misunderstanding or violations that could affect business transactions and operations. Incidents of corruption poses a reputational risk which can result in plummeting of stock price.
<b>OPPORTUNITIES</b>	Anti-corruption training informs employees and management on what behavior is acceptable and not acceptable within the normal course of business.

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## ENVIRONMENT

### Resource Management – Energy

#### Energy Consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable)	N/A	N/A
Energy consumption (jet fuel)	135,581	Tonnes
Energy consumption (gasoline)	72,631.24	Liters
Energy consumption (diesel)	859,372.22	Liters
Total Energy Consumption (electricity) Electricity consumption data only covers consumption from 2 major areas.	3,735.39	MWh
AOC	2,913.31	MWh
Air Juan	822.08	MWh

#### Reduction of Energy Consumption

Disclosure	Quantity	Units
Energy reduction (renewable)	N/A	
Energy reduction (Jet Fuel)	24.84% decrease from 2020	%
Energy reduction (gasoline) <span style="float: right;"><i>(180,397.94 Tonnes)</i></span>	70.13% decrease from 2020	%
Energy reduction (Diesel) <span style="float: right;"><i>(243,185.51 Liters)</i></span>	2,124.94% increase from 2020	%
Energy reduction (Diesel) <span style="float: right;"><i>(38,624.37 Liters)</i></span>		
Total Energy Consumption (electricity) <span style="float: right;"><i>(3,623 MWh)</i></span> Electricity consumption data only covers consumption from 2 major areas.	3.10 % increase from 2020	%
AOC <span style="float: right;"><i>(3,034.83 MWh)</i></span>	4.00% decrease from 2020	%
Air Juan <span style="float: right;"><i>(521 MWh)</i></span>	57.79% increase from 2020	%

#### IMPACT

Conserving and efficient use of energy help reduce operational costs while reducing adverse impact to the energy supply and the environment.

Energy consumption at Cebu Pacific was heavily impacted by the COVID-19 pandemic. The slowdown in flight operations resulted in lower fuel consumption for flights. Implementation of work from home arrangements and a reduced workforce also contributed to the organization-wide reduction of energy use.

#### STAKEHOLDERS

Employees and management

#### MANAGEMENT APPROACH

As a low-cost carrier, improving operational efficiencies to lower costs is a priority for Cebu Pacific, this covers efficiency in jet fuel use and energy use. Operational interruptions were brought by the pandemic especially due to the Delta surge but towards the end of the year, the airline saw an increase in operations.

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As employees are slowly returning to the office, Cebu Pacific ensures that energy resource management would be maintained and used efficiently by the environmental and safety team.

**Electrical consumption:**

Cebu Pacific has a 5% electricity use reduction target annually for the Head Office. In 2021, electricity consumption in AOC was down by 4% due to work from home arrangements and reduced manpower. Electricity use in Cebu Pacific's outstations and other business areas are managed by third-party contractors who are responsible for monitoring of resources.

Cebu Pacific is in the process of putting up systems and procedures to effectively measure and track electricity use and vehicle fuel use from across the organization.

**Vehicle fuel consumption:**

In 2021, there was a 70% decrease in gasoline consumption, and a 2,125% increase in diesel consumption as compared to 2020. The diesel increase was due to employees slowly going back to the offices as compared to the 2020 lockdown where most of the employees worked remotely.

**Jet fuel consumption:**

As travel restrictions brought about the COVID-19 pandemic heavily impacted Cebu Pacific, the continuous decrease in flights led to a 25% decrease in fuel consumption as compared to 2020.

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**RISKS**

Cebu Pacific is vulnerable to changes to the volatile fuel and energy prices. Excessive consumption would drive up operational costs, electricity bills, and GHG emissions. As travel restrictions brought about by the pandemic lowered the total fuel consumption, a decrease in fuel efficiency due to the low number of passengers per flight.

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**OPPORTUNITIES**

Cebu Pacific is in the process of streamlining data collection from outstations, since some are managed by 3<sup>rd</sup> party contractors. We will disclose relevant data in the next 1-2 years.

- New technologies and best practices can be utilized to increase energy reduction targets
- Better tracking of consumption will enable us to apply appropriate measures for reduction.
- Hybrid flights with cargo help maximize aircraft space and optimize fuel consumption

### Water Consumption within the Organization

Disclosure	Quantity	Units
Water withdrawal – AOC	5,746	m <sup>3</sup>
Water withdrawal - Air Juan Building	6,860	m <sup>3</sup>
<b>Total Water Withdrawal</b>	<b>12,606</b>	<b>m<sup>3</sup></b>
Water recycled and reused (estimated use based on capacity)	2,626	m <sup>3</sup>
Water Discharge	7,300	m <sup>3</sup>
Water consumption	5,306	m <sup>3</sup>

<b>IMPACT</b>	Conserving and using water more efficiently help reduce utility costs. The ability to effectively treat and reuse water also contributes to the efficient use of this resource, which impacts water supply of communities adjacent to where we operate.
<b>STAKEHOLDERS</b>	Employees
<b>MANAGEMENT APPROACH</b>	Water is only recycled water from the rainwater tank supplies in the head office, average of 438 cubic meters per month. Usage of recovered and recycled water for non-potable uses result in low volume of water withdrawal from the third party water concessionaire.  As employees are slowly returning to the office, Cebu Pacific ensures that water resource management would be maintained and used efficiently by the environmental and safety team.
<b>RISKS</b>	No alternative access to water may impact operations
<b>OPPORTUNITIES</b>	Installation of water meter in the alternate water tanks will allow Cebu Pacific to better measure and monitor water use.

## **Environmental Impact Assessment**

### **Air Emissions**

#### **GHG**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Direct (Scope 1) GHG Emissions - Flights	428,437	Tonnes CO2e
Direct (Scope 1) GHG Emissions - Company owned vehicles	329	Tonnes CO2e
Energy Indirect (Scope 2) GHG Emissions (CEF Luzon: 0.7122 tonnes CO2e/MWh)	2,647	Tonnes CO2e
Emissions of Ozone Depleting Substances (ODS)	0	kg

#### **Air Pollutants (data from flight only)**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
NOx	339.80	Tonnes NOx
SOx	25.76	Tonnes SOx

#### **IMPACT**

Bulk of Cebu Pacific's GHG emissions is attributed to its core business, air travel (Scope 1). Aviation accounts for approximately 2% of global greenhouse gas emissions caused by human activities, this is roughly equivalent to the emissions of 1 country. The industry has been under fire over its carbon emissions, a major contributor to global climate change. Air pollutants pose health risks to staff and communities.

#### **MANAGEMENT APPROACH**

##### **1. SkyBreathe Fuel Efficiency Management System**

Cebu Pacific utilizes the SkyBreathe Fuel Efficiency Management System to provide information that helps optimize flight operations. SkyBreathe analyzes data from each flight, enabling Cebu Pacific to craft fuel-saving plans that result in lower fuel consumption.

##### **2. Modern Fleet**

Cebu Pacific's 74-strong fleet is comprised of 53 Airbuses and 21 ATR, one of the most modern aircraft fleets in the world with an average fleet age of 6.4 years old. The airlines fleet includes six A320neo, nine A321neo and two A330neo. Cebu Pacific will take delivery of an extra forty Airbus A320neo family aircraft, sixteen A330neo and three ATR 72-600.

The New Engine Option (NEO) variant from Airbus is among the most fuel-efficient in its category. By 2027, Cebu Pacific will have retired its current fleet of Airbus jets, replaced with a fleet comprised of A321neo, A320neo, and A330neo aircraft. The new generation aircraft is estimated to reduce fuel burn by approximately 15% per ASK, as compared to their Classic Engine Option (CEO) counterparts. New planes are bigger and fitted with more seats, allowing Cebu Pacific to serve more customers.

COVID-19 pandemic heavily impacted flight operations, resulting in a drop in fuel consumption. Total GHG emissions of flights decreased by 71% from 570,057.50 tCO2e in 2020 to only 428,437 tCO2e by the end of 2021.

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Travel restrictions and low travel demand affected the GHG emissions intensity per passenger kilometer since flights are not filled to full capacity. Average annual gCO<sub>2</sub>/pk decreased by 14.62% from 98.83 gCO<sub>2</sub>/PK3 in 2020, to 84.38 gCO<sub>2</sub>/PK at 2021. This is expected to improve once more people travel. Total NO<sub>x</sub> and Sox emissions also decreased significantly.

### 3. Tree Planting



Cebu Pacific complies with the Bureau of Investments requirement of planting 100 trees for every new aircraft registered with the BOI. Due to the COVID-19 pandemic, tree planting was suspended in 2020. In 2021, Cebu Pacific partnered with Forest Foundation Philippines (Forest Foundation) and Miriam College - Environmental Studies Institute (Miriam College - ESI), to grow 5,200 native seedlings in a forestland in Barangay Laiban, Tanay, Rizal. On top of these, 601 seedlings have been personally adopted by Cebu Pacific employees.

### 4. Energy Efficiency Targets

Cebu Pacific has a 5% electricity use reduction target annually for the head office. For 2021, electricity consumption in the head office was up by 3% due to employees starting to return to the office. This reduction led to a corresponding increase in Scope 2 GHG emissions by 22.47% from 2,161.41 in 2020 to 2,647 in 2021.

Disclosure in this report is limited to emissions from flight operations and the Airline Operations Center (AOC). Cebu Pacific is setting up systems to effectively consolidate energy data and Scope 2 emissions from all its outstations.

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#### RISKS

Implementation of carbon control measures and sanctions in the future may have financial implications for Cebu Pacific and the airline industry. Emissions reduction for the airline industry continue to be a challenge globally. Market-based reduction strategies, such as carbon offsetting and use of biofuels for aircraft, are not yet developed in the Philippines. Carbon emissions are a major contributor to climate change, which leads to extreme weather events, directly impacting airline operations.

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**OPPORTUNITIES** Cebu Pacific undertakes voluntary reduction strategies as outlined in the management approach. The airline is exploring opportunities to further reduce emissions through operations and assessing local environment projects for offsetting opportunities.

For Scope 1 emissions, Cebu Pacific continues to account for GHG emissions via the SkyBreathe system. As of December 2021, Cebu Pacific is in the process of setting up systems to effectively track and monitor emissions to include outstations. Cebu Pacific will be able to formulate a more encompassing management approach and reduction targets in the next 1-2 years.

**Solid and Hazardous Waste**

**Solid Waste**

Disclosure	Quantity	Units
Total solid waste generated	30,923.98	kg
Residuals/ Landfilled (unclassified waste from AOC)	21,313.60	kg
Recyclable waste	9,610.38	kg

**Hazardous Waste**

Disclosure	Quantity	Units
Total weight of hazardous waste generated and transported (Used oils, bulbs, others)	17,378	kg

**IMPACT** Improper handling of hazardous waste has significant financial, occupational health, and community health risks.

**STAKEHOLDERS** Employees and Management

**MANAGEMENT APPROACH** Cebu Pacific operations generate a variety of hazardous waste, including mercury compounds, used oil filter from generator sets, empty cans, and containers. This is monitored by the Pollution Control Officer. The Admin and Facilities department contract accredited Treatment, Storage, and Disposal (TSD) Facilities to have these wastes treated before proper disposal.

Data reported in this section only covers Hazardous Waste tracked at the Head Office in Manila. Operations in outstations are covered by third-party contractors. Cebu Pacific in the process of setting up systems to effectively track and monitor hazardous waste records across the organization.

**RISKS** Leakage of hazardous waste to community resources pose serious health and safety risks, and will impact reputation and operations of Cebu Pacific. Unlawful discharge by 3<sup>rd</sup> party contractors may result in environmental penalties.

**OPPORTUNITIES** Cebu Pacific is in the process of setting up systems to effectively track and monitor hazardous waste generation across the organization. Disclosure covers only waste from the Head Office.

**Effluents**

Disclosure	Quantity	Units
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Total volume of water discharges	7,300	m <sup>3</sup>
Total volume of wastewater recycled	2,626	m <sup>3</sup>

<b>IMPACT</b>	Excessive water consumption has cost and resource availability implications.
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	Cebu Pacific has three sources of water, namely: private concessionaire, rainwater recovery, and recycled water from wastewater treatment system.
<b>RISKS</b>	Water is closely monitored to avoid contamination and as most of the airlines water is sourced from Maynilad, droughts and water shortages may heavily impact day-to-day operations.
<b>OPPORTUNITIES</b>	Installation of water meter for the rainwater recovery and recycled water tanks for Cebu Pacific can better record water consumption from alternate sources. Acquisition of the proper equipment was delayed due to austerity measures implemented during the COVID pandemic.

### Environmental Compliance

#### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	#
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

<b>IMPACT</b>	Non-compliance to environmental standards and required permits may lead to sanctions, penalties, and damage to environment and the airlines reputation.
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	Cebu Pacific environmental performance and compliances are being monitored on a monthly basis by the Data Privacy, Information Security, Business Continuity, and Sustainability Risk Board. All identified issues are being reported to the Board Risk Oversight Committee (BROC) on a semi-annual basis. As an airline, Cebu Pacific is in the process of incorporating environmental policies in its operations and service agreements with key 3rd party contractors.
<b>RISKS</b>	Overlooking renewals of environmental permits and non-compliance to environmental regulations may lead to sanctions, penalties, and damage to environment and the airlines reputation.  Cebu Pacific takes matters on environmental compliances very seriously and is committed to complying to government laws and regulations. Any allegation presented is sufficiently investigated and negotiated.  Mishandling of test samples may lead to erroneous findings that is difficult to trace
<b>OPPORTUNITIES</b>	Conducting regular in-house checks to ensure compliance.

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Align to best practices in environmental management to ensure that Cebu Pacific is ready to face more stringent standards in the future.

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## SOCIAL

### Employee Management

### Employee Hiring Benefits

### Employee Data

Disclosure	Quantity	Units
Total number of employees	2,584	#
Number of Male employees	1,225	#
Number of Female employees	1,359	#
Attrition rate (voluntary and involuntary) *SEC Formula : (No of new hires-no. of turnover)/ Average of total no. of employees of previous year and total no. of employees of current year  Total new hires for 2021: 187 Turnover: 268 No. of employees yearend 2020: 2,662 No. of employees yearend 2021: 2,584	3.56%	rate
Attrition rate (voluntary and involuntary) * Formula: No. of leavers/ average headcount for the year  Leavers (voluntary) = 212 Leavers (both voluntary and involuntary) = 268 Average Headcount = 2,583	Voluntary = 8.21% Including Involuntary = 10.3%	rate

### Employee Benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS (regular employees are 100% covered)	Yes	10.01% (137 female employees)	7.59% (93 male employees)
PhilHealth	Yes	7.58% (103 female employees)	4.49% (55 male employees)
Pag-ibig	Yes	7.06% (96 female employees)	11.18% (137 male employees)
Parental Leave - Maternity	Yes	4.64% (63 female employees)	n/a
Parental Leave - Paternity	Yes	n/a	0.33% (4 male employees)
Parental Leave - Solo Parent	Yes	0.007% (1 female employee)	n/a
Vacation leaves	Yes	Total number of female employees that went on leave 2,650	Total number of male employees that went on leave 1,895
Sick leaves	Yes	48.71%	30.37%

		(662 female employees)	(372 male employees)
Medical benefit (aside from PhilHealth) Medicine Allowance	Yes	98.97% (1,345 female employees availed of Medical Allowance)	93.96% (1,151 male employees)
Medical: Psychological Counseling	Yes	29% (35 out of the 120 slots for 2021)	8% (9 out of the 120 slots for 2021)
Retirement (aside from SSS)	Yes	0.74% (10 female employees)	1.06% (13 male employees)
Further education support	Yes	0.88% (12 female employees)	0.57% (7 male employees)
Company stock options	No	n/a	n/a
Telecommuting or Work From Home Arrangement (due to COVID-19)	Yes	Applicable to all employees with support/back-office function.	
Flexible Working Hours	Yes	100%	100%

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
Free of Charge Tickets for Employees and Dependents	Yes	Total of 10,164 bookings made and 8,977 used tickets.	Total of 10,164 bookings made and 8,977 used tickets.
Profit Sharing (depending on revenue for the previous year)	Yes	No profit sharing released in 2021	
Life Insurance (Sun Life)	Yes	106.47% (1,447 female employees)	99.35% (1,217 male employees)
R Wallet (Rice Subsidy and Medical Allowance)	Yes	98.97% (1,345 female employees availed of Medical Allowance)	93.96% (1,151 male employees)
R Wallet Christmas Allowance	Yes	96.32% (1,309 female employees)	95.76% (1,173 male employees)
Uniforms	Yes	1.91% (26 female employees)	6.94% (85 male employees)
Car Allowance	Yes (company car is used)	Applicable to Directors and Vice Presidents. No car allowance released in 2021	
Fleet Gasoline Privileges	Yes	Applicable to Directors and Vice Presidents No new fleet card released in 2021	
Transportation Allowance	Yes	Applicable to Account Executives, Assistant Managers, Managers	

Travel Insurance (Philam-Flexi Travel Insurance)	Yes	50.85% (691 female employees)	72.00% (882 male employees)
Inflight Crew Meals	Yes	All cabin crew are provided with inflight meals	
Clothing Allowance <i>Pilots only</i>	Yes	No clothing allowance released in 2021	No clothing allowance released in 2021

<b>IMPACT</b>	Competitive wages and benefits help Cebu Pacific attract good talent, which directly impacts business outputs. Thus, improving employee retention and allowing employees to focus more attention on the work.
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	<p>Employees of Cebu Pacific are offered competitive salaries. The COVID-19 pandemic significantly affected the airline and the whole travel industry. All adjustments in wages were duly discussed and agreed upon with the parties involved.</p> <p>Employees affected by the adjustment are qualified for additional productivity pay equivalent to services rendered. On top of wages, Cebu Pacific also provides non-monetary benefits that are not limited to SSS, PhilHealth, and Pag-ibig.</p> <p>To support the airlines continued operations, some of Cebu Pacific's management and employees took voluntary pay cuts of up to 20%.</p> <p>Due to COVID-19, Cebu Pacific instituted a work from home policy in September 2020 to protect the health and safety of employees and customers. Approximately 34% of the airlines employees were eligible to work from home.</p>
<b>RISKS</b>	<p>Non-competitive wages and benefits may prevent Cebu Pacific to attract good talent and lead to employee dissatisfaction and high employee turnover. Employees may be compelled to look for opportunities elsewhere.</p> <p>The effect of the pandemic in the aviation sector may also lead to dissatisfaction and employee attrition.</p>
<b>OPPORTUNITIES</b>	Cebu Pacific continues to provide venues for staff to communicate questions and issues on wages and benefits.

### Employee Training and Development

Disclosure	Quantity	Units
Total Training Hours provided to employees	10,982.50	hours
Female Employees	6,384.50	#
Male Employees	4,598	#
Average Training hours provided to employees Formula: Total Training Hours/ headcount for 2021 (10,982.50 training hours / 2,584 employees)	4.25	hours/employee
Female Employees	4.70	hours/employee
Male Employees	3.75	hours/employee

<b>IMPACT</b>	CEB University offers training programs to empower individuals and place them at the driver’s seat of their own development. It equips Cebu Pacific employees with the essential skills for their current and future roles and introduces new skills that will help the organization thrive and endure. Aside from increased employee engagement and individual performance, well-trained employees also contribute to innovation, operational efficiency, and customer service, which positively impact the airlines profitability.
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	<p>CEB is committed in developing both the personal and professional development of its employees. The training programs provided to employees are customized and aligned to emerging skills and are anchored to the goals of the organization while incorporating Cebu Pacific’s culture and values.</p> <p>Cebu Pacific People Department oversees basic courses, people engagement training programs, and management and leadership programs.</p> <p>Learning Platforms:</p> <ul style="list-style-type: none"> <li>- Learning Management System (LMS) - e-learning platform which hosts various training programs.</li> <li>- Cebu Pacific University (CEB U) – launched in 2018, CEB U is envisioned to host all continuous learning opportunities for employees across all levels in the organization. CEB U partners with schools, consulting firms, and other industry experts to deliver the learning programs.</li> </ul> <p>In response to the restrictions due to the pandemic, Cebu Pacific continued to roll out its asynchronous learning initiative called CEB U on the Go, making available 51 bite-sized and self-paced modules across 13 relevant themes, such as Resiliency, Diversity and Inclusion, Goal-Setting, Wellness, Data-Driven Culture, Agility, Emotional Intelligence, and Coaching. In 2021, CEB U on the Go was able to reach 52% of Cebu Pacific’s employees with 1,316 unique access during the year. Specialized technical training programs, such as safety and security, cabin crew, and pilot training classes are handled by specific departments.</p>
<b>RISKS</b>	Limited technical training programs are offered due to external training freeze. Thus, employees may leave the company for better opportunities after getting sufficient training.
<b>OPPORTUNITIES</b>	<p>Shifting to blended learning to offer various learning opportunities where both behavioral and technical training are tracked at the institutional level that enables Cebu Pacific to have a holistic view of staff capability. Individual Development Plan according to staff function is set to ensures that each employee is equipped with baseline skills and knowledge for his/her role.</p> <p>Continuous strengthening and development of CEB University and transforming it to an income-generating platform once niche competencies are identified</p>

**Labor Management Relations**

Disclosure	Quantity	Units
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% of employees with Collective Bargaining Agreements	None. No CBA yet with Juan Wing Association of the Philippines.	%
Number of consultations conducted with employees concerning employee related policies	9 Labor Management Council Meetings with Juan Wing Association of the Philippines and representatives of ALU-TUCP.	#

<b>IMPACT</b>	A Collective Bargaining Agreement (CBA) ensures that interests of employees are officially accepted and acted on by the company. CBAs aim to improve the working conditions for employees. Constant and open communication between management and employees enables the organization to address issues as they arise.
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	No CBA with Juan Wing Association of the Philippines, monthly labor management council meetings are conducted. Cebu Pacific has completed negotiation on political provisions of the CBA.  A failure in negotiations of the CBA may lead to labor unrest and disruption to operations. Issues that are communicated but not addressed effectively may cause employee dissatisfaction.
<b>RISKS</b>	Cebu Pacific has a robust wages and benefits system that offers benefits above the minimum standards fixed by law. Cebu Pacific will continue to provide a platform for communications between management and staff. The pandemic also accelerated the adoption of virtual meetings software.
<b>OPPORTUNITIES</b>	Cebu Pacific provides platforms for interaction between management and its employees through organized meetups and events. Cebu Pacific also has an open office layout to encourage collaboration. Management is also accessible, and employees are encouraged to reach out and bring up any issues to them directly.

**Diversity and Equal Opportunity**

Disclosure	Quantity	Units
% of Female Employees	52.59%	%
% of Male Employees	47.40%	%
Number of employees from indigenous communities or vulnerable sector	N/A	#

<b>IMPACT</b>	Workplace diversity brings together people from different backgrounds contributing their strengths and talents to the organization, regardless of race, gender, and ethnicity
<b>MANAGEMENT APPROACH</b>	Cebu Pacific upholds diversity and inclusion, and believes that these can help drive innovation and long-term success. Employees come from a wide range of ages, geographical origins, and fields of discipline.

	Cebu Pacific has already begun crafting its Diversity and Inclusion Policy with the guidance of the UP Center for Women’s and Gender Studies. Several workshops and consultations were completed.
<b>RISKS</b>	Mismanaging diversity can be detrimental to the organization and may lead to misunderstanding and conflict among employees.
<b>OPPORTUNITIES</b>	Diversity can be viewed from different angles aside from gender. Maintaining and managing workplace diversity while also considering age/ generation, geographical origins, fields of discipline in the mix can boost innovation and collaboration.

**Workplace Conditions, Labor Standards and Human Rights**

**Occupation, Health and Safety**

Disclosure	Quantity	Units
Safe Man-hours	5,157,072	Hours
No. of work-related injuries	9	# of cases reported
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	Events

<b>IMPACT</b>	Awareness on safety issues and planned response impacts business continuity and emergency preparedness
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	Cebu Pacific complies with the Occupational Health and Safety Standards set by the Department of Labor and Employment – Bureau of Working Conditions. It is also mandated to submit a monthly Occupational Health and Safety Performance Report to our parent company, JG Summit Holdings.

Cebu Pacific also utilizes Intellex’s Safety Management Software to monitor hazards, incidents, and accidents from employees and some third-party service providers. By encouraging safety reporting and prompt follow through of reports of unsafe conditions, the organization can mitigate risks before it leads to injury or illness.

All employees regularly undergo safety training across various areas of operations. Cebu Pacific issues safety bulletins and publications to our staff to raise awareness of safety and health issues, learn lessons from recent accidents or disease outbreaks, and share industry best practices.

There is an annual simulation of potential emergency response to ensure the readiness of the Cebu Pacific Emergency Management Team (CEBEMT) and operations staff during emergency situations. There were two major simulations and 1 mini table top simulation conducted in 2021.

<b>RISKS</b>	Lack of emergency preparedness and its communication across the organization puts the entire operations at risk in the event of an emergency.
<b>OPPORTUNITIES</b>	Increase the number of safety drills to ensure employee preparedness.

### **Labor Laws and Human Rights**

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace? **Harassment and bullying will be added to the updated policy handbook expected to be out in Q2 2022**

### **Policies**

<b>Topic</b>	<b>Y/N</b>	<b>Reference</b>
Forced Labor	N	
Child Labor	N	
Human Rights	Y	Sexual Harassment Policy (Annex B) Solo Parent Leave (SPL) (Annex C) Magna Carta Special Leave For Women (Annex D)

<b>IMPACT</b>	Violations of labor laws and human rights may lead to legal action and have implications on employee retention and the airlines operations and reputation.
<b>STAKEHOLDERS</b>	Employees and Management
<b>MANAGEMENT APPROACH</b>	Although there are no policies specific to forced labor and child labor, Cebu Pacific adheres to official procedures and rules of the Department of Labor and Employment of the Philippines.
<b>RISKS</b>	Poor implementation of policies may lead non-compliance and loss of trust in the system.
<b>OPPORTUNITIES</b>	Thorough review of the airlines policies to identify other material areas.

### **Supply Chain Management**

**Supplier Accreditation Policy: Please see Appendix**

**Do you consider the following sustainability topics when accrediting suppliers?**

<b>Topic</b>	<b>Y/N</b>	<b>Reference</b>
Environmental Performance	N	
Forced Labor	N	
Child Labor	N	
Human Rights	N	
Bribery and Corruption	N	

*Sustainability topics are not directly addressed in the policy.*

*Bribery and corruption is addressed by the corporate-wide Whistleblowing Policy*

### **Relationship with the Community**

Despite uncertain times, Cebu Pacific continues to give back and remains steadfast in its commitment to do well by doing good. By using its platform to carry out various corporate social responsibility initiatives, the airline continuously fulfills its public service duty that may benefit their customers, the community

and the environment. Together with their partners and by utilizing their assets, the Cebu Pacific was able to provide service, raise funds and deliver goods to communities in need.

As way to care for the environment, Cebu Pacific also continues to abide to its green commitments. The airlines sustainable tourism program "Juan Effect" in partnership with the Department of Tourism helps mitigate the impact of tourism on the environment. "Juan Effect" engages travelers and local stakeholders, raising awareness about their responsibilities as tourists and encourages them to make a difference by changing one daily habit.

<b>Operations with impacts on local communities</b>	<b>Location</b>	<b>Vulnerable groups (if applicable)</b>	<b>Impact on indigenous people (Y/N)</b>	<b>Collective or individual rights that have been identified that or particular concern for the community</b>	<b>Mitigating measures (if negative) or enhancement measures (if positive)</b>
<b>Partnership renewal with UNICEF</b>	Change for Good Program Online	Children	Yes	Opened a virtual channel for passengers to donate without booking a flight.	Continued partnership with UNICEF
<b>Renewal with Philippine Eagle Foundation</b>	Mindanao	Animals	No	Since 2015, Cebu Pacific continues to support Mindanao and has committed to provide for Mindanao's food, shelter maintenance, keeper care and veterinary care for another year.	Continued support to Mindanao
<b>Repatriation of Pangolins (Wildlife Rescue)</b>	Palawan	Animals	No	Four Pangolins were safely flown back to Palawan last 21 August 2021, and on 05, 24, and 30 of December 2021. They were sent back to the wild under the care of Palawan Council for Sustainable Development.	Continued responsiveness to wildlife rescue concerns

				1 pangolin was released to the wild two days from the date of actual turn over to BMB which is a milestone for the National Wildlife Research and Rescue Center (NWRRC).	
<b>Forest Foundation Philippines and Miriam College - Environmental Studies Institute</b>	Barangay Laiban, Tanay, Rizal.		No	Grow 5,200 native seedlings. Among these, 601 seedlings have been personally adopted by Cebu Pacific employees.	Fulfillment of planting at least 100 trees for every new aircraft registered with the BOI.
<b>Relief and Humanitarian Efforts</b>	Various Places	Frontliners	Yes	Over 648 tons humanitarian items have been airlifted for free to support frontliners and to transport essential food and medical supplies to various destinations.	Continued support and responsiveness to relief and humanitarian efforts
<b>Bayanihan Flights</b>	<ul style="list-style-type: none"> <li>- Bahrain</li> <li>- India</li> <li>- Lebanon</li> <li>- Oman</li> <li>- United Arab Emirates</li> <li>- Vietnam</li> </ul>	11,423 Filipinos	No	<p>Aided the Philippine government in flying stranded individuals back home.</p> <p>CEB also mounted flights for OFWs in partnership with various organizations, such as the Overseas Workers Welfare Administration (OWWA).</p>	Commitment to support Philippine agencies in efforts to repatriate Filipinos

<p><b>Typhoon Odette Relief Response</b></p>	<ul style="list-style-type: none"> <li>- Palawan, Luzon</li> <li>- Surigao del Norte, Mindanao</li> <li>- Dinagat Islands, Mindanao</li> <li>- Five provinces in Visayas</li> </ul>	<p>Filipino people</p>	<p>Yes</p>	<p>Provided support and free sweeper flights to fly out stranded passengers and flew in medical volunteer doctors to help aid the health crisis experienced by affected areas.</p> <p>CEB transported more than 336 tons of humanitarian and disaster relief free of charge extended to government, public and private organizations such as food, water gallons and filters, medicine, health and shelter items.</p> <p>The airline also partnered with Gokongwei Brothers Foundation and distributed PHP800,000 worth of relief packs in Surigao and Siargao.</p>	<p>Commitment to support local communities in times of disaster and the continuous commitment to restore operations to transit passengers</p>
<p><b>Vaccine Delivery</b></p>	<ul style="list-style-type: none"> <li>- Bacolod</li> <li>- Boracay</li> <li>- Bohol</li> <li>- Butuan</li> <li>- Cagayan de Oro</li> <li>- Cauayan</li> <li>- Cebu</li> </ul>	<p>Filipino people</p>	<p>Yes</p>	<p>More than 43 million COVID-19 vaccine doses were transported throughout the country and over 16.5 million vaccine doses were delivered to</p>	<p>Commitment to help serve the Filipino people.</p>

	<ul style="list-style-type: none"> <li>- Cotabato</li> <li>- Davao</li> <li>- Dipolog</li> <li>- Dumaguete</li> <li>- General Santos</li> <li>- Iloilo</li> <li>- Legazpi</li> <li>- Kalibo</li> <li>- Masbate</li> <li>- Naga</li> <li>- Ozamiz</li> <li>- Pagadian</li> <li>- Puerto Princesa</li> <li>- Roxas</li> <li>- San Jose</li> <li>- Siargao</li> <li>- Tacloban</li> <li>- Tuguegarao</li> <li>- Tawi-Tawi</li> <li>- Virac</li> <li>- Zamboanga</li> </ul>			<p>the Philippines from China.</p> <p>Cebu Pacific is the first airline in the Philippines that grouped together to help the government's pandemic relief efforts under the banner of <i>Ingat Angat</i></p>	
<b>Free tickets for national athletes</b>	Toyko, Japan	<p>Toyko Olympics</p> <ul style="list-style-type: none"> <li>- Eireen Ando</li> <li>- Kurt Barbosa</li> <li>- Hidilyn Diaz</li> <li>- Margielyn Didal</li> <li>- Luke Gebbie</li> <li>- Kris Knott</li> <li>- Eumir Marcial</li> <li>- Irish Magno</li> </ul>	No	Each member of the Philippine delegation received free flights to commemorate the airline's 25 <sup>th</sup> anniversary.	Continuous support to Philippine national athletes.

		<ul style="list-style-type: none"> <li>- Cris Nievarez</li> <li>- EJ Obiena</li> <li>- Carlo Paalam</li> <li>- Bianca Pagdanganan</li> <li>- Juvic Pagunsan</li> <li>- Nesthy Petecio</li> <li>- Remed y Rule</li> <li>- Yuka Saso</li> <li>- Jason Valdez</li> <li>- Kiyomi Watana be</li> <li>- Carlos Yulo</li> </ul> <p>Summer Paralympics</p> <ul style="list-style-type: none"> <li>- Ernie Gawilan</li> <li>- Jerrold Mangliwan</li> <li>- Allain Ganapin</li> <li>- Gary Bejino</li> <li>- Jeanette Aceveda</li> </ul>			
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		- Achelle Guion			
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Disclosure	Quantity	Units
FPIC process still undergoing *	0	#
CP Secured	0	#

#### **Disclosure on Benefits for Vulnerable Groups**

Disclosure	Quantity	Units
Discounted flights for Senior Citizens	45,284	#
Discounted flights for Persons with Disabilities	8,535	#
Solo Parent Leave (Availment headcount)	1	#
Locally Stranded Individuals benefited by Sweeper Flights	1,378 *OWWA arranged domestic sweeper flights	#

<b>RISKS</b>	Lack of corporate social responsibility initiatives would be a failure to the Cebu Pacific's public service duty that could benefit their not only their customers but also individuals, the Filipino community and the environment.
<b>OPPORTUNITIES</b>	Cebu Pacific's continued corporate social responsibility initiatives contribute to overall Philippine economy and nation building.

#### **Customer Management**

##### **Customer Satisfaction**

Disclosure	Quantity	Units
Customer Satisfaction – Net Promoter Score (Post-Flight)	+44	#
<b>CSAT tracked full year (Post-Flight) Rating scale of 1-5, with 5 as the highest</b>		#
Value for Money	4.08	#
Bag Drop and Check In Queuing Time	4.02	#
Boarding Experience	4.09	#
Bag Delivery Speed	4.05	#
Cabin Crew Score	4.16	#
Inflight Announcements	4.17	#
Cabin Interiors	4.11	#
Pre-Ordered Meals	3.70	#

<b>IMPACT</b>	Constant measurement of customer satisfaction allows Cebu Pacific to continuously improve its services to passengers.
<b>MANAGEMENT APPROACH</b>	Cebu Pacific uses a mixture of digital and traditional channels to communicate with customers. These tools are used to listen to customers' feedback and concerns, resolve their complaints, and identify pain points in the whole customer experience. Cebu Pacific is among the first airline companies to Asia to invest in an integrated facility with technology for social intelligence and customer engagement.

Disclosures in this report are limited to results of post flight customer surveys cNPS (Customer Net Promoter Score) and Post Flight CSAT surveys. Out of the 332,572 total surveys administered, 21,962 of surveys were answered.

<b>STAKEHOLDERS</b>	Customers, Employees and Management
<b>RISKS</b>	Delayed response time and the inability of customer care personnel to address concerns may lead to customer dissatisfaction.
<b>OPPORTUNITIES</b>	Cebu Pacific conducts and administers CSAT satisfactions survey regarding all customer touchpoints. Other surveys include Call Center Booking Survey, Customer Care, Ticketing Office Booking Survey, Web Booking Survey, Mobile App Booking Survey, Mobile App Check-in survey.

### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety	0	#
No. of complaints addressed	0	#

<b>IMPACT</b>	No documented health and safety complaints
<b>STAKEHOLDERS</b>	Customers and Employees
<b>MANAGEMENT APPROACH</b>	Passenger safety remains one of the foremost priorities of Cebu Pacific in 2021. The airline continues to implement strict safety measures designed to reassure travelers and protect the public from unnecessary dangers related to the pandemic. Cebu Pacific has received a 7-star safety rating — the highest score possible — from Airline Ratings, for its Covid-19 safety protocols.
<b>RISKS</b>	Complaints on health and safety may lead to customers not availing Cebu Pacific products and services.
<b>OPPORTUNITIES</b>	Established health and safety protocols will bring comfort and sense of security to passengers and employees as individuals are starting to travel again.

### Marketing and Labeling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling	0	#
No. of complaints addressed	0	#

<b>IMPACT</b>	No documented marketing and labeling complaints
<b>STAKEHOLDERS</b>	Customers and Management
<b>MANAGEMENT APPROACH</b>	Cebu Pacific continues to proactively address the needs of its customers ensuring appropriate marketing communications.
<b>RISKS</b>	Complaints on marketing and labeling may lead to customers not availing Cebu Pacific products and services and miscommunication.
<b>OPPORTUNITIES</b>	Appropriate marketing communications and product labeling may attract new customers and encourage existing customers to purchase more Cebu Pacific products and services.

## Customer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	

<b>IMPACT</b>	Cebu Pacific handles sensitive information in the course of doing business and any misuse can lead to regulatory and reputational risks. There were no data privacy-related incidents that affected the airline in 2021.
<b>STAKEHOLDERS</b>	Employees, Management and Customers
<b>MANAGEMENT APPROACH</b>	Cebu Pacific has a dedicated Data Privacy Management Office (DPM) team and a dedicated Data Protection Officer that handles data privacy issues and complaints. The DPM team has developed a Data Privacy manual that translates data privacy principles and regulatory requirements into business practices that the personnel of Cebu Pacific should follow when handling a complaint. Customer privacy complaints and inquiries addressed to Cebu Pacific and Cebgo Inc. are sent to DPO@cebupacificair.com and is managed by the DPM team. All complaints received are carefully responded and resolved in accordance with the airlines policies and procedures.  In this regard, the DPM team studies, analyzes, and investigates any complaint. This includes collaborating with relevant stakeholders so that the complaint is fully addressed.
<b>RISKS</b>	Cebu Pacific protects the data privacy of its data subjects (employees, passengers and partners). Any mishandled complaints related to data privacy of the data subjects may lead to damaged reputation, non-compliance with regulations, and potential monetary sanction.
<b>OPPORTUNITIES</b>	The Group's DPM Team will continue to hold annual review of its Data Privacy Manual to ensure that the process of handling data subject complaints will remain effective and efficient.

## Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts, and losses of data	0	#

<b>IMPACT</b>	Data breaches compromise the privacy of data of customers making Cebu Pacific passengers prone to identity theft or hacking.
<b>STAKEHOLDERS</b>	Employees, Management, Customers
<b>MANAGEMENT APPROACH</b>	Cebu Pacific continuously develops technology solutions against cyber threats, and conduct penetration testing to identify and address critical weaknesses.  Data Privacy risks are monitored monthly by the Data Privacy, Information Security, Business Continuity, and Sustainability Board (DBSB) to ensure that risk

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	events are identified early on and addressed immediately. All identified issues are reported to the Board Risk Oversight Committee (BROC) on a semi-annual basis.
<b>RISKS</b>	Weak cyber security measures may lead to hacks or breach of customer data privacy.
<b>OPPORTUNITIES</b>	Cebu Pacific continuously looks for development of technology solutions and constant penetration testing to prevent future data breaches.

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**CORE BUSINESS CONTRIBUTIONS  
TO THE U.N. SUSTAINABLE DEVELOPMENT GOALS**

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
<b>Goal 2: ZERO HUNGER - End hunger, achieve food security and improved nutrition, and promote sustainable agriculture</b>			
<p>Provider of cargo services (CEB Cargo)</p>	<p>Aviation can move essential supplies over vast distances quickly. Cebu Pacific transports perishable agriculture products and supports transport of humanitarian aid during natural disasters or war.</p> <p>In 2021, 17.49% of cargo was used to transport food and agriculture items. 8.81% of cargo was used for humanitarian efforts to support typhoon affected areas were covered for free.</p>	<p>Increased probability of transmission of agricultural pests and disease.</p> <p>In 2021, 17.49% of cargo was used to transport food and agriculture items.</p> <p>8.81% of cargo was used for humanitarian efforts to support typhoon affected areas were covered for free.</p>	<p>Cebu Pacific cargo services practices standard safety, segregation, and handling guidelines to ensure that cargo are stored and transported well.</p>
<b>Goal 3: GOOD HEALTH AND WELLBEING: ensure healthy lives and promote well-being for all at all ages</b>			
<p>Provider of low-cost air transport</p>	<p>Low cost air-transport increases ability of people to access quality health services when needed</p>	<p>Passenger safety remains one of the foremost priorities of Cebu Pacific in 2021. The airline continues to implement strict safety measures designed to reassure travelers and protect the public from unnecessary dangers related to the pandemic.</p> <p>Increased volume of flights and passengers may increase</p>	<p>Cebu Pacific has maintained air safety certification by IATA through the Operational Safety Audit (IOSA) program. Cebu Pacific is subject to a comprehensive audit twice a year to assess our safety programs and performance.</p> <p>Cebu Pacific has implemented strict measures to prevent infection risks for</p>

		probability of transmission of viruses and disease	COVID-19 for both staff and passengers.
Provider of cargo services (CEB Cargo)	<p>Cebu Pacific provides support for urgent medical shipments (medicines, including organs and blood)</p> <p>1.47% of humanitarian cargo carried in 2021 were for medical use. Cebu Pacific supports the Philippine Red Cross by transporting blood donations for free. Total blood donations transported in 2021 was 12,739 kg.</p>	Risks in handling and contamination of special cargo	Cebu Pacific cargo services practices standard safety, segregation, and handling guidelines to ensure that cargo is stored and transported well.
<b>Goal 8: DECENT WORK AND ECONOMIC GROWTH: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all</b>			
Job creation	Cebu Pacific assures employees of stable employment and security of tenure. Majority of our workforce are employees under a full-time employment contract	Unsatisfied workforce, high attrition rate	Cebu Pacific offers competitive wages and benefits, good working conditions to ensure that employees remain happy, engaged, motivated, and productive.
Support to Local Economy	Cebu Pacific empowers local suppliers by creating opportunities for small and medium enterprises to be part of our inflight catering services	Local suppliers not able to meet CEB standards	Cebu Pacific has a stringent supplier accreditation process, and works with partners to make sure that they continuously improve and deliver quality products that meet our standards
Provider of low-cost air transport	<p>Low-cost air transport boosts local tourism</p> <p>According to a report released by the Air Transport Action Group</p>	High volume of tourists in local areas may have detrimental effects to the environment and society	Juan Effect is a sustainable tourism program of Cebu Pacific, done in partnership with the Department of

	(ATAG), every person directly employed in the aviation sector and tourism made possible by aviation supported another 11.2 jobs elsewhere in developing countries.		Tourism, Department of Environment and Natural Resources, and the Department of Interior and Local Government. The campaign aims to help mitigate the tourism sector's impact on the environment through various interventions geared towards educating tourists.
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**Goal 10: REDUCED INEQUALITIES: Reduced inequalities within and among countries**

Provider of low-cost air transport	<p>Air travel is an economic enabler and equalizer. The low-cost carrier business model has made travel more accessible to more people.</p> <p>Cebu Pacific continues to provide the lowest airfares in the market with its Piso Fares to enable everyJuan to fly.</p> <p>Cebu Pacific opened 2021 with 40 domestic and 24 international destinations, spanning Asia, Australia, and the Middle East. As imposition of strict travel restrictions continued, Cebu Pacific ended 2021 with 47 domestic and 15 international destinations.</p> <p>With 74 aircraft in service, Cebu Pacific transported a total of 3,411,396 passengers, gaining 48.50% of the domestic passenger</p>	Increased GHG emissions from flights	(See Environmental Impact Section – Air Emissions, p. 14)
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	market share and is the leading airline against key competitors in the air travel industry.		
<b>Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION - Ensure sustainable consumption and production patterns</b>			
Provider of low-cost air transport enabling more people to fly and travel	Cebu Pacific advocates for sustainable tourism via our Juan Effect program. The Juan Effect advocacy is in place in Boracay, Siargao, and Bohol. It engages the local community, the government, and tourism stakeholders in educating travelers about their responsibilities as tourists.	Sustainability of program in the islands	Implementation of Juan Effect is the airlines attempt to mitigate the negative affects of tourism to the environment.
Availability of food and drink for purchase inflight	All Cebu Pacific flights have been using more sustainable alternatives to replace plastic spoons, forks, stirrers, and cups on all domestic and international flights.	Plastic packaging is still present.	Inflight waste segregation
<b>Goal 13: CLIMATE ACTION - Take action to combat climate change and its impacts</b>			
Fleet modernization and application of fuel efficiency and operational strategies to reduce GHG emissions	Cebu Pacific supports the global aviation industry's goals to address climate change impact, which are as follows: <ul style="list-style-type: none"> <li>• Annual average fuel efficiency improvement of 1.5%</li> <li>• Stabilize net CO2 emissions for international aviation at 2019 levels with carbon</li> </ul>	Increased GHG emissions from flights	Cebu Pacific is reaching for these goals through fleet modernization and investments in management systems to keep fuel utilization efficient.  (See Environmental Impact Section – Air Emissions, p. 17)

	<p>neutral growth by 2025</p> <ul style="list-style-type: none"> <li>• Reduce CO2 emissions to half of what they were in 2005 by 2050</li> </ul>		
<b>Goal 15: Life on Land</b>			
Repatriation of 4 Pangolins (Wildlife Rescue)	<p>Four Pangolins were safely flown back to Palawan last 21 August 2021, and on 05, 24, and 30 of December 2021. They were sent back to the wild under the care of Palawan Council for Sustainable Development.</p> <p>1 pangolin was released to the wild two days from the date of actual turn over to BMB which is a milestone for the National Wildlife Research and Rescue Center (NWRRC).</p>	Risks of extinction of pangolins, loss of biodiversity and legitimization of poaching.	Continuous responsiveness to wildlife rescue concerns
<b>Goal 17: Partnership of the Goals</b>			
Align with global aviation's commitment to Achieve Net Zero CO2 emissions by 2050.	<p>In line with IATA commitment, Cebu pacific is preparing etc.</p> <p>Ongoing initiatives such as shift to NEOs, paperless transactions, etc. Exploring solar energy for buildings, electrification of vehicles. Ongoing initiatives such as digitalization and process improvements, resource management</p>	Increase in GHG emissions from flights	Cebu Pacific is reaching for these goals through fleet modernization and investments in management systems to keep fuel utilization efficient.

## ANNEX A – DIVERSITY AND INCLUSION

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		1.70 Diversity and Inclusion		
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### 1.70 Diversity and Inclusion

#### Policy Statement:

Cebu Pacific as an employer provides equal opportunity and embraces diversity and uniqueness of each employee.

We understand, accept and value differences in race, culture, age, religion, marital status, abilities, gender identities and gender expression.

We celebrate the coming together of ideas, different backgrounds, experiences and perspectives as we make moments that matter for everyone including our customers.

#### 1.70.10 Gender and Development

##### Policy Statement

Cebu Pacific, in general, and all individuals therein shall respect, protect and uphold human rights and gender equality.

##### 1. Primary Duty

Cebu Pacific shall not discriminate on the basis of Sexual Orientation, Gender Identity and Expression (SOGIE); and shall work for the promotion and fulfillment of gender equality.

##### 2. Equal Treatment before the Law

Cebu Pacific shall review and, when necessary, amend and/or repeal existing company rules, regulations and policies that are contrary to our primary duty.

##### 3. Implementation Arm


Cebu Pacific shall create a Gender and Development (GAD) Committee, composed of representatives from Management, Human Resources, LGBTQ employees, and Legal Department.

##### 4. Right to Decent Work

Cebu Pacific shall ensure decent work standards in conditions of freedom, equity, security, and human dignity.

- a. Employment, Training and Development
- b. Employee Records and Company Database
- c. Health and Support Services
- d. Facilities, Uniform and Employee Identification

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**A. Employment and Training & Development**

The Company shall:

- i. Advance the right to decent work by promoting equal opportunities for employment and equal treatment, and strengthening social dialogue. To achieve this, the company shall facilitate adequate consultative mechanisms with employees.
- ii. Encourage the integration of women in leadership positions and internal policy-making structures.
- iii. Ensure that gender stereotypes and images in training materials and curricula are adequately and appropriately revised. Gender-sensitive language shall be used at all times. Education and information programs on Gender and Development (GAD), peace and human rights shall be pursued.
- iv. Provide Learning Management System (LMS) training programs for all employees towards gender responsiveness, gender sensitivity, cultural sensitivity, non-discrimination and non-judgmental behaviors and attitudes, aimed towards greater diversity and inclusion.

**B. Employee Records and Company Database**

Applicable Internal forms / documents which require the employees to indicate their gender will provide a third option, **Mx. or X**, in addition to the usual Mr. or M (Male) and Ms. or F (Female) to ensure that employees are not discriminated based on their Gender Identity and Gender Expression.

**C. Health and Support Services**

The Company shall:


- i. Work closely with the employees in promoting a safe and healthy workplace.
- ii. Ensure the provision of support services as protection from occupational and health hazards taking into account women’s maternal functions in accordance with standards established by DOLE.
- iii. Provide adequate support system on health and gender counseling.

**D. Facilities, Uniform and Employee Identification**

**i. Restroom, Sleeping Quarters and Hotel Accommodation**

The company shall provide safe, accessible, and convenient restroom and sleeping facilities. Employees and Guests should use the restroom and sleeping facilities that correspond to their sex or gender identity, or utilize restrooms that are designated as all gender restroom. For hotel accommodation, room assignments shall follow employee’s gender identity and gender expression.

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**ii. Uniform**

The company shall respect the employees’ right to dress in accordance with their gender identity and gender expression within the constraints of the dress code policy.

**iii. Employee Identification Card**

The nickname which is printed above their legal name may be changed to their “preferred name.” Employees will be allowed as well as to use an updated photo. For Flight Crew, they will be allowed to have their “Preferred” nickname engraved on their wings.

**Appendix 1: Frequently Asked Questions**

1. Gender Identity and Gender Expression

a. How should we address the transgender without knowing their actual gender identity?

i. *We should use gender-neutral nouns and titles.*

<b>Avoid</b>	<b>Use</b>
<i>Man, men</i>	<i>Person, people</i>
<i>Mankind</i>	<i>Humankind, humanity</i>
<i>Chairman</i>	<i>Chair, chairperson, head</i>
<i>Steward, stewardess</i>	<i>Flight attendant, Cabin Crew</i>
<i>Boyfriend/girlfriend, husband/wife</i>	<i>Partner, spouse</i>

ii. *Use of Inclusive Language by:*


- *Omitting the generic masculine noun or pronoun*
- *Using the Plural Form: ALL*
- *Using singular gender-neutral pronoun: THEY/THEIR*
- *Using the passive voice*

<b>Avoid</b>	<b>Use</b>
<i>Each participant must present his ID badge.</i>	<i>Each participant must present an ID badge</i>
	<i>All participants must present their ID badges.</i>
	<i>Each participant must present their ID badge.</i>
	<i>ID badges must be presented.</i>

b. Is it a form of discrimination when you ask a person of their SOGIE?

*Yes, because we should allow people to be who they want to be in whatever they want to do. The information should be voluntarily disclosed by the person.*

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- c. Can we add a symbol to their name for easy identification?

*There is no need for them to have a "symbol" for identification because that is a form of segregation, discrimination or "othering." For Flight Crew, It is best to orient the captains and inform them that there are transgender individuals in the flight. All cabin crew must be informed as well.*

*For flight related documents, we will follow the gender at birth as reflected in their legal documents (ex. Passport, Government Identification cards, Birth Certificate, etc.)*

- d. How do we address those who express intent to transition? Can an employee change his/her gender identity from time to time?

*Transition is personal, social, legal, and a medical process. CEB will allow them to do this with the proper guidance and support from the GAD committee.*

*The process of changing gender identity is not overnight, for some it takes longer to transition and may even say that it is a painful process. It is always the call of the individual to dictate the time/period and the process of the transition.*

- e. How do we react without offending them?

*Address them using their nickname as stated in their name plate and employee ID. You may also ask how they want to be addressed.*

## 2. Facilities and Hotel Room Assignments

- a. If we separate female or male employee and a transgender in HOTAC, isn't that a form of discriminating the transgender?

*No, we are recognizing their gender identity and we are giving all genders room for expressing their preferences. We should allow people to be who they want to be in whatever they want to do. (ex. If female is not comfortable rooming with a transwoman or v.v).*

- b. How do we ensure cleanliness and sanitation of the All Gender Restrooms?

*Everyone must practice clean as you go. We also have housekeeping personnel who will ensure restrooms are always clean.*

## 3. Passenger/Guest/Customer Handling


- a. How will the company equip a transgender employee in addressing passengers who will subject them to bullying/discrimination?

*They will be oriented beforehand on what scenarios might occur. Handling for discriminating/irate passenger will be that of procedures for disruptive passenger.*

- b. How do we answer a passenger asking about the gender of a transgender cabin crew?

*Cebu Pacific is a diverse and inclusive organization. We provide equal opportunities for everyone. We cannot disclose personal information of our employees.*

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c. How will Ceb address social media posts?

*Our Customer Command Center team monitors social media sites 24/7 and the employees are trained to address posts that affect company and employees' interest.*

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## ANNEX B – SEXUAL HARASSMENT POLICY

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### 4.110 SEXUAL HARASSMENT POLICY

Cebu Pacific values the dignity of its employees, respects the rights of its workers, and is committed to providing a safe environment for all its employees free from discrimination on any ground and from harassment at work. The Company is duty-bound to deter the commission of and resolve acts of sexual harassment defined herein.

#### 4.110.10 Scope and Coverage

- A. This policy shall apply to all employees, regardless of employment status, of Cebu Pacific and Cebgo.
- B. This policy shall only be applicable to the sexual harassment as defined herein.

#### 4.110.20 Definition of Terms

- A. Sexual Harassment – Sexual harassment is defined as

(a) An act or series of acts involving any unwelcome sexual advances, requests or demands for sexual favors or any act of sexual nature, whether done verbally, physically, or through the use of technology such as text messaging, electronic mail, social media platform or through any other forms of information and communication systems, that has or could have a detrimental effect on the conditions of an individual's employment, education, job performance or opportunities;

(b) A conduct of sexual nature and other conduct-based on sex affecting the dignity of the person which is unwelcome, unreasonable and offensive to the recipient, whether done verbally, physically, or through the use of technology such as text messaging or electronic mail, social media platform or through any other forms of information and communication systems;

(c) A conduct that is unwelcome and pervasive and creates an intimidating, hostile or humiliating environment for the recipient;

(No moral ascendancy, influence or authority is needed for an act to constitute as sexual harassment. The act may be committed between peers; or committed against a superior officer by a subordinate. Position/hierarchy/seniority is not an element.

- B. Sexual Favour – a condition made on account of hiring or in the employment, re-employment, or continued employment of said individual favourable compensation, terms, conditions, promotions or privileges; or refusal to grant the sexual favour resulting in limiting, segregating or classifying the employee in which in any way discriminate, deprive, or diminish employment opportunities

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or otherwise adversely affect said employee. Such act would impair the employee's rights or privileges under existing labour laws or would result in an intimidation, offensive, or hostile environment for the employees.

- C. Complainant – may refer to any employer, manager, supervisor, agent of an employer, or employee, whether or not they are subject to the authority, influence or moral ascendancy of another in work, on whom any act of sexual harassment or sexual favour is directed to.


The term "Complainant" may also refer to job applicants, clients, prospective clients or guests, employees and/or representatives of clients or prospective clients, employees and/or representatives of third-party agencies providing or seeking to provide services to Cebu Air, Inc. and Cebgo, Inc. on whom any act of sexual harassment or sexual favour is directed to, and/or any person who may have witnessed and has personal knowledge of such acts of sexual harassment as defined above, or sexual favour, who finds the behaviour offensive and unacceptable in a workplace environment.

- D. Third Party Involvement – an employee who directs or induces another to commit any act of sexual harassment, or who cooperates in its commission by another without which it would not have been committed shall also be liable under this policy.
- E. Workplace – All sites, locations, spaces, where work is being undertaken by an employee, within or outside the premises of the usual place of business of the employer.

Commission of sexual harassment shall not be limited to the workplace as it can be through telephone, cellphone, fax machine, electronic mail, virtual/online interactions/meetings, and/or any other similar means.

For purposes of definition, workplace can also be referred to any of the following:

- At office-related functions
- While doing official business outside the office or during work-related travel,
- At work-related conferences or training sessions
- At other similar work-related occasions

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#### 4.110.30 Committee on Decorum and Investigation (CODI)

##### A. Membership

All complaints of sexual harassment will be taken seriously and treated with respect and in confidence through the Committee on Decorum and Investigation (CODI). The CODI is composed of:

1. Female Management Representative who shall act as a Chairman
  2. People Department Representative
  3. Immediate Superior of the Respondent
  4. Employee Representative
  5. Union / Employees Association Representative
- Membership to the CODI must be headed by a woman and at least half of its members shall be women and are appointed by the Company President / Chief Executive Adviser. Management may appoint additional members as long as at least half of CODI membership must be female.
  - A Legal Counsel from General Counsel Group who shall act as the committee's adviser especially on matters requiring full administrative investigation, may be invited.
  - The CODI members should adequately represent the Management, Supervisory Employees, Rank and File and Union/Employee Association (if any). A sufficient number of people who may immediately replace any member of the CODI as substitutes must also be made available in case.
  - Every CODI shall be composed of members who should be impartial and not connected or related to both parties within the fourth degree of consanguinity or affinity and have no prior record of involvement to the respondent in any case of whatever nature of sexual harassment. Further, in case of relation by consanguinity or affinity to either complainant or respondent, the CODI member shall inhibit from participating in any part of the proceeding or be substituted by another.
  - The complainant or respondent may request a member of the CODI to inhibit, or the CODI member may, on his/her initiative, cause the inhibition based on conflict of interest, manifest partiality, and other reasonable grounds. Upon such grant of inhibition, the member shall be immediately replaced so as not to cause a delay in the proceedings.

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## B. Roles and Responsibilities

The CODI shall be responsible for:

1. Investigate and decide on the complaints within ten (10) days or less upon receipt of the Complaint.
2. Observe due process (i.e. twin notice rule, hearing, as needed.)
3. Protect the complainant from retaliation.
4. Guarantee Confidentiality to the greatest extent possible.
5. All members shall undergo continuing training on gender sensitivity, gender-based violence, sexual orientation, gender identity and expression and other gender and development topics.

## C. Procedure and Process

1. When an act of sexual harassment is committed, the Complainant is instructed to immediately submit a written report to any company officer or to the CODI. Such complaint shall contain the specific act/s allegedly committed by the respondent as defined herein as well as the following details:

- a. Date
- b. Time
- c. Place
- d. Full name and address of the Complainant
- e. Full name, address, and position of the Respondent
- f. Brief statement of the relevant facts
- g. Witnesses, if any
- h. Evidence in support of the complaint, if any

Reports may be made by any person to the employer or agent of the employer, or directly to CODI.

A report may be anonymous but shall not constitute a formal complaint. But anonymous reports shall constitute sufficient notice to the employer, who shall thereafter verify and refer the matter to CODI.

2. CODI shall not accept any complaint with incomplete requirements from the Complainant.

3. CODI may require the Complainant to have his/her complaint sworn under oath.

4. If the complaint report is coursed through the concerned company officer, he/she shall transmit the complaint report to the CODI Chairman immediately



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upon its receipt. Concerned company officer shall be held administratively liable for non-compliance of this provision.

5. Upon receipt of the Complaint, the CODI Chairman shall send a Notice to Explain to the Respondent containing the allegations committed in relation to the guidelines referred herein with the complaint letter attached and requiring the Respondent to answer in writing the charges against him/her within five (5) calendar days from receipt of said notice.

6. If CODI determines that the allegations in the complaint do not constitute sexual harassment but that of another offense punishable under the offenses Subject to Disciplinary Action (OSDA), the complaint shall be referred to the appropriate Disciplining Authority.

7. The CODI shall, at all times, observe due process and investigate and decide on written complaints within 10 (ten) working days or less upon receipt thereof. It shall ensure the protection of the complainant from retaliation and guarantee confidentiality to the greatest extent possible. The 10 (ten) days period will not include the period of appeal which shall be available to both parties.

8. The CODI, in accordance to the OSDA, shall ensure that the respondent is given the opportunity to be properly notified and respond to the charge/s and that parties are given information on the hearings and outcomes.

9. If the Respondent fails or refuses to file his/her answer to the Notice to Explain (NTE), he/she shall be considered to have waived his/her right thereto and formal investigation may commence or the case may be decided based on the evidence at hand.

10. Upon submission of the appropriate documents by the parties, as may be required, the CODI Chairman shall convene the CODI to hear the complaint and conduct the investigation.

11. CODI may require the Complainant to submit his/her reply to the answer upon receipt thereof, if it deems necessary.

12. CODI shall not entertain requests for postponement, clarification, bills of particulars or motions to dismiss which are designed to delay the administrative proceeding. The filing of these dilatory motions shall not stop the running of the period within which the Respondent is required to submit his or her written explanation.

13. The findings and resolution of CODI shall be submitted to the Respondent's Department Head for implementation.



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14. The entire proceedings, from the time the complaint was made until a decision was approved, shall be treated by the concerned parties with utmost confidentiality.

15. The investigation shall not be bound by the strict application of the Rules of Court. The CODI may conduct its investigation in the manner that it may deem fit, taking only into consideration the right of the parties to due process and fair play.

16. An investigation shall be conducted by the CODI if it deems that such investigation is necessary to decide the case judiciously.

17. At the commencement of the investigation, the CODI may conduct a pre-hearing conference for the parties to appear, consider and agree on stipulation of facts, simplification of issues, limiting the number of witnesses, and their names, dates of hearings and such other matters that will facilitate the prompt resolution of the case.

18. The parties may be required to submit position papers/memoranda in lieu of administrative hearing if based on the result of the pre-hearing conference; the case can be resolved without any need for further hearing.

19. Hearings shall be conducted on the hearing dates set by CODI as agreed upon during the pre-hearing conference. Postponements will not be entertained unless based on highly meritorious grounds.

20. If the Respondent fails to appear during the scheduled hearings despite due notice, the investigation shall proceed ex-parte and the Respondent shall be deemed to have waived his/her right to be present and to submit evidence in his/her favour during those hearings.

21. The CODI shall accept all evidence deemed material and relevant to the case. In case of doubt, the CODI shall allow the admission of evidence subject to the objection interposed against its admission.

22. An Investigation Report containing a narration of material facts established during the investigation, the findings, and the evidence supporting said findings, as well as the resolution, shall be prepared by the CODI.

23. The Department Head/Immediate Superior of the Respondent serves/issues the Notice of Result/Notice of Disciplinary Action.

24. The decision rendered shall be in writing and shall be immediately furnished to the parties.



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**25. Appeal Process**

Upon receipt of the Notice of Result/Notice of Disciplinary Action, both the complainant and respondent may submit an appeal letter addressed to the CODI Chairman not more than 5 days from receipt thereof.

The CODI Chairman shall reconvene the committee and shall issue a Notice of Resolution within 5 days from receipt of the appeal.

**D. Consequences of Policy Violations**

1. An employee found violating the provisions of this policy shall be subject to appropriate disciplinary action, which shall range from reprimand to dismissal depending on the degree of violation proven.

2. On the other hand, the Complainant or victim shall not be precluded from instituting a separate and independent civil/criminal action and/or other affirmative relief as may be provided by law.

**E. Effectivity Clause**

This policy shall take effect upon approval and shall continue to be in full force unless superseded by new policies and guidelines.

## ANNEX C – SOLO PARENT LEAVE (SPL)

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### **3.310.10 GUIDELINES**

- A. R.A. No. 8972 commonly known as the Solo Parents' Welfare Act of 2000 provide benefits and privileges to solo parents or people who are the parents of their children or relatives.

Solo Parent is any individual who falls under the following categories:

- a. A woman who gives birth as a result of rape and other crimes against chastity even without a final conviction of the offender, provided, that the mother keeps and raises the child.
- b. Parent left solo or alone with the responsibility of parenthood due to:
  - Death of spouse
  - Spouse's detention or is serving sentence for a criminal conviction for at least one (1) year
  - Physical and/or mental incapacity of spouse as certified by a public medical practitioner
  - Legal separation or de facto separation from spouse for at least one (1) year provided that he/she is entrusted with the custody of children
  - Declaration of nullity or annulment of marriage as decreed by a court or by a church provided that he/she is entrusted with the custody of children
  - Abandonment of spouse for at least one (1) year
- c. Unmarried mother/father who has preferred to keep and rear his/her child/children instead of having others care for them or give them up to a welfare institution.
- d. Any other person who solely provides parental care and support to a child/children provided he/she is duly licensed as a foster parent by the Department of Social Welfare and Development (DSWD) or duly appointed legal guardian by the court.
- e. Any family member who assumes the responsibility of head of a family as a result of death, abandonment, disappearance or prolonged absence of the parents or solo parent, provided that such lasts for at least one (1) year.

Note: Children – refer to those living with and dependent upon the solo parent for support who are unmarried, unemployed and below eighteen (18) years of age and above but are incapable of self-support and/or physically challenged.

- B. Under Solo Parents' Welfare Act, parental leave of not more than seven (7) working days or fifty-six (56) hours with full pay shall be granted to a solo parent-employee.
- C. Solo parent-employee who has rendered service at least one (1) year, whether continuous or broken and regardless of his/her employment status, shall be entitled to receive the said benefit. This will be used for him/her to perform parental duties and responsibilities where physical presence is required.

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Original Date Issued: 15 November 2021



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3 Compensation and Benefits

3.310 Solo Parental Leave (SPL)

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- D. Parental leave is non-cumulative. Likewise, it is not convertible to cash in case it was not availed at the end of each year.
- E. Parental Leave can be availed either before or after the occasion or activity of employees' child/children, but not later than sixty (60) days from the date of the event.
- F. Availment of the seven-day or fifty - six (56) hours parental leave can be on a straight or staggered basis.
- G. Flexible Work Schedule is also a right granted to a solo parent-employee provided that it does not affect individual and company productivity.
- H. This leave benefit shall cease once a solo parent-employee changes his/her status or his/her situation such that he/she is no longer left alone with the responsibility of parenthood.
- I. The employee who may desire to avail of parental leave benefit shall notify People Department and must submit a valid Solo Parent Identification Card (being provided by the DSWD).
- J. Parental Leave can be applied and approved through the timekeeping system. Failure to apply the said leave in the said system may result to either one or both of the following:
  - A corresponding salary deduction for the unsupported absence
  - Absence may be considered as unauthorized, hence, may be subject to appropriate disciplinary action


**3.310.20 PROCEDURE**

- A. Employee notifies HR Contracted Service Provider and submit a copy of his/her Solo Parent Identification Card thru e-mail.
- B. HR Contracted Service Provider shall assess if the submitted ID is valid, then, provide parental leave balance in the timekeeping system.
- C. Employee files and secures approval of solo parental leave through the timekeeping system to secure approval from Immediate Superior. Manual Timekeeping Authorization Slip (MTAS) form in case of system limitation or approval of non-CEB approver is accepted.
- D. Timekeeping system automatically posts approved parental leave in employee's Time Statement.

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Original Date Issued: 15 November 2021

## ANNEX D – MAGNA CARTA SPECIAL LEAVE FOR WOMEN

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### 3.130.10 GUIDELINES

#### *Magna Carta of Women/ Special Leave Benefit for Women (SLBW)*

- A. A female employee regardless of her civil status becomes entitled to SLBW after six months from the date of hiring.
- B. Two months of SLBW every year shall be granted to female employees who shall undergo non-maternity related surgery caused by a gynecological disorder.
- C. Gynecological disorders, as defined in RA9710, refers to disorders that would require surgical procedures such as, but not limited to, dilatation and curettage and those involving female reproductive organs such as the vagina, cervix, uterus, fallopian tubes, ovaries, breast, adnexa and pelvic floor. Shall also include hysterectomy, ovariectomy, and mastectomy;
- D. SLBW shall be given on top of company-provided leave benefits and shall be exhausted prior using the company-provided leaves.
- E. SLBW shall be computed similar to VL and SL.
- F. SLBW can be availed more than once in a given year. The number of days that employee will use will be as prescribed by the employee's physician in her medical certificate and based on the available balance from the previous availment.
- G. For scheduled operation, employees shall advise her immediate superior and notify People Department within fifteen (15) calendar days before the scheduled date of surgery. For emergency operation, employee must seek approval from her immediate superior and file in the timekeeping system upon back to work.
- H. For application, SLBW form shall be used.

#### *Anti-Violence for Women*

- A. A leave benefit of eighty (80) hours every year shall be granted to a female employee who is a victim of Violence Against Women and Their Children (VAWC) regardless of employment status.
- B. Violence Against Women and Their Children (VAWC) as defined in RA 9262 refers to any act or a series of acts committed by any person against a woman who is his wife, former wife, or against a woman with whom the person has or had a sexual or dating relationship, or with whom he has a common child, or against her child whether legitimate or illegitimate, within or without the family abode, which results in or is likely to result in physical, sexual, psychological harm or suffering, or economic abuse including threats of such acts, battery, assault, coercion, harassment or arbitrary deprivation of liberty.
- C. The eighty (80) hours leave shall be used anytime for its intended purpose such as protection order, investigation, prosecution and/or trial of the criminal case.



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- D. Employees shall advise her immediate superior and notify People Department within two (2) working days before the schedule date of usage. Otherwise, employee must seek immediate approval from her immediate superior and file in ESS upon back to work.
- E. For application, SLBW form shall be used.



*General Policy*

- A. SLBW and VAWC shall follow calendar year. December 31 of current year shall be the cut-off date of availment.
- B. Unused SLBW and VAWC leaves are both non-cumulative, non-convertible to cash and shall be forfeited at the cut-off date.
- C. A female employee who was qualified for SLBW may still apply and be qualified for SSS Sickness Benefit provided she meets the qualifications set by SSS.

**3.130.20 PROCEDURE**

- A. Employee shall submit accomplished SLBW application together with the following requirements to HR Contracted Service Provider.
  - 1. For SLBW (90 DAYS/ BEYOND)
    - a. Medical Certificate
    - b. Operating Room Record (ORR)
  - 2. For VAWC
    - a. Certificate (from Punong Barangay/Kagawad or Prosecutor or the Clerk of Court)
- B. HR Contracted Service Provider validates the requirements submitted by the employee.
  - a. If employee completed and submitted the requirements within ninety (90) days from date of event, Aspen - timekeeping shall provide leave credit in the timekeeping system. Employee files SLBW or VAWC through the timekeeping system to secure approval.
  - b. If employee completed and submitted the requirements beyond ninety (90) days from the date of event, Aspen - Timekeeping shall handle the completion of employee's attendance in the timekeeping system.
- C. Approved leave will automatically be posted in the timekeeping system as leave with pay.

**ANNEX E – SUPPLIER ACCREDITATION POLICY**

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# SUPPLIER ACCREDITATION POLICY

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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CHANGE HISTORY

Version	Change Description	Prepared by	Reviewed by	Effective Date
1	Initial Release	Michell Lacson Procurement	Internal Controls	

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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CONFORME

Department	Name	Signature	Date
<b>Procurement</b>	Michell Lacson		05/14/2021
<b>Office of the CFO</b>	Mark Julius Cezar		05/14/2021
<b>Controllership</b>	Vivian Lim		05/14/2021
<b>Business Process and Controls</b>	Aileen Isidro		05/17/2021
<b>Safety, Quality &amp; Security</b> <i>Quality Assurance</i>	Materno Ilagan		05/17/2021
<b>Engineering &amp; Fleet Management</b> <i>Commercial &amp; Technical Procurement</i>	Ian Wolfe		05/18/2021
<b>Internal Audit (Noted by)</b>	Mary Rose Ignacio		05/18/2021
<b>Corporate Procurement (Noted by)</b> <i>JGSHI SVP and Chief Procurement Officer</i>	Alan D. Surposa		

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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## 1. POLICY STATEMENT

This policy outlines the provisions and procedures to be followed by concerned and authorized personnel of Cebu Air, Inc., Cebgo Inc. and Aviation Partnership Philippines Corp. (the Company) engaged in procurement transactions. The Company shall purchase only from duly accredited suppliers approved by the Business Unit Supplier Accreditation Team (BU SAT).

## 2. OBJECTIVES

- To provide strategic guidelines on the roles and responsibilities of the Business Unit Supplier Accreditation Team (BU SAT);
- To strengthen accreditation framework to a more integrative conglomerate-wide approach of accreditation;
- To ensure suppliers subject for accreditation are compliant with company and government statutory & regulatory requirements.

## 3. SCOPE

This policy shall apply to all suppliers of the Company (Cebu Air, Inc., Cebgo Inc. and Aviation Partnership Philippines Corp.).

## 4. DEFINITION OF TERMS

This guideline provides reference to the word(s) used within this manual and be familiar on how the manual is constructed. Throughout this manual, the following usage of words apply:

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- a. Supplier Accreditation – a process that ensures that new and existing suppliers and contractors meet specific minimum criteria, standards and requirements of the company in order to be registered, eligible and approved to conduct business and provide services.
- b. Business Unit Supplier Accreditation Team (BU SAT) – a team that is composed of representatives from Compliance, Finance and Procurement who are mainly responsible for assessing the supplier’s overall competencies and granting of accreditation.
- c. Subject Matter Expert – a person who is an authority in a particular area or topic.
- d. Assessment / Evaluation – the act of judging or estimating the nature, quality, or ability of someone or something.
- e. Aircraft on Ground or “AOG” – the highest priority designation to process a requirement. It indicates that an aircraft is unable to continue or be returned to revenue service until appropriate action is taken.
- f. Urgent – the requirement is of high priority albeit not as critical as AOG yet needs to be processed at the soonest time possible.
- g. Approved – denotes a method, procedure, a policy or a rule in question has been reviewed and a formal written approval is issued.
- h. May – denotes an act of discretion in executing any procedure described in this policy.
- i. Shall – denotes a mandatory requirement.
- j. Should – denotes a recommended practice.
- k. Will – denotes a desire to do something.
- l. Disclose - to make known what has been or should be concealed.

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**5. GENERAL PROVISIONS**

- 5.1. All suppliers interested to do business with the Company shall undergo supplier accreditation process, except those identified under Open List. (See: Appendix A)
- 5.2. A. The Company shall establish a BU SAT which is an independent body composed of at least three (3) members who will assess the supplier's overall competencies.
- B. The members of the team will be appointed by the Company President and CEO.
- C. The BU SAT will include at least one (1) representative from:
- i. Finance
  - ii. Procurement; and
  - iii. Compliance
- D. The BU SAT may also include subject matter experts who will provide technical advice and assistance in assessing the supplier. Documents to be signed by the aforementioned plus the technical experts, if needed. Suppliers are required to conform to the Company's mandatory documentary requirements. (See: Appendix B).
- For aircraft part and service suppliers, please refer to Maintenance Control Manual – 4.170 TR20-004 Vendors Management for the additional documents that the suppliers have to submit.
- 5.3. All suppliers interested to do business with the Company shall open a Robinsons Bank Account as a requirement for accreditation. Exceptions in opening a Robinsons Bank Account are those with:
- A. Conditional accreditation status;
  - B. Less than PHP500,000.00 purchase for a year;
  - C. Other reasons such as no Robinsons Bank branch nearest to the Company (especially for those in the province or abroad) or if it is the Supplier's Company policy.

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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- 5.4. The BU SAT shall grant Regular or Conditional Accreditation to the applicant supplier (See: Appendix C).
- 5.5. Aircraft parts vendors and original aircraft manufacturers (OEMs) shall undergo technical approval process by Quality Assurance (QA) maintenance in conjunction with the commercial approval process by EFM. Please refer to Maintenance Control Manual – 4.170 TR20-004 Vendors Management for the QA accreditation process of aircraft and engine parts and service suppliers.
- 5.6. For the process of requesting vendor code for accredited and open-list suppliers, please refer to Vendor Master Data Management (CEB-BPC-2020-001) manual.
- 5.7. The granting of accreditation in one BU SAT automatically qualifies the supplier to engage in other BUs within the JG Summit conglomerate, unless otherwise restricted or additional impositions are provided by the other BU SATs.
- 5.8. Accreditation shall establish legitimacy and competency of doing business with the Company and shall not preclude the Company from paying the supplier for any good delivered or service rendered.
- 5.9. Supplier Accreditation shall be valid until revoked or suspended/debarred. (See Appendix D).
- 5.10. BU SAT and CCU Procurement Governance shall establish a Joint Investigation Team that shall conduct investigation regarding the disposition of the case whether for suspension or debarment of a particular supplier. The Joint Investigation Team shall also coordinate with other BU SATs to inquire the performance of the investigated supplier within their business unit. Henceforth, the Joint Investigation Team's final pronouncement shall be reported conglomerate-wide.
  - 5.10.1. BU SAT shall report to CCU Procurement Governance the supplier that is being recommended for investigation.
  - 5.10.2. BU SAT and CCU Procurement Governance will appoint members from their team who will be part of the Joint Investigation Team.

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- 5.10.3. The Joint Investigation Team shall coordinate with other BUs to inquire about the performance of the supplier being investigated and agree on the courses of action after properly evaluating the case.
- 5.10.4. Final pronouncement shall be reported conglomerate-wide by the Joint Investigation Team through its JGSHI member.
- 5.11. Suppliers may request for reinstatement course through BU SAT, if they have already satisfactory resolved the cause of their suspension or debarment. BU SAT shall inform CCU Procurement Governance of such reinstatement.
- 5.12. For purpose of conglomerate-wide leveraging and synergy, BU SAT are requested to provide updated Supplier Accreditation Master List to JGSHI on a monthly basis which includes the warranties, terms of payment, and type of service.
- 5.13. Supplier shall submit updated documentary requirements to BU SAT coordinator through Procurement for change of name. Refer to CEB-BPC-2020-001 VENDOR MASTER DATA MANAGEMENT for the detailed procedures and requirements for updating of vendor name.

**6. ROLES AND RESPONSIBILITIES**

ROLE	RESPONSIBILITIES
BU SAT Head	<ul style="list-style-type: none"> <li>• Directs the overall supplier accreditation process and ensures that all parties comply with the policy.</li> <li>• Acts as independent party in the transaction for proper check-and-balance.</li> <li>• Participates in SAT meeting and voting if the transaction with the supplier being evaluated is P500k and above.</li> </ul>
BU SAT	<ul style="list-style-type: none"> <li>• Reviews the accreditation documents received. Each member would be responsible, but not limited to:               <ul style="list-style-type: none"> <li>a. Finance – assess the financial status of the supplier and check the validity of the business documents submitted such as BIR and SEC registration, etc.</li> <li>b. Compliance – assess the management and technology profile of the supplier and its track record particularly relating to environmental and social compliance.</li> </ul> </li> </ul>

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	<p>c. Procurement – assess the supplier’s pricing viability based on the market price and track record in terms of the product quality and service reputation of the supplier.</p> <ul style="list-style-type: none"> <li>Meets on a weekly basis to deliberate over the list of suppliers and decide whether to grant or deny accreditation based on its assessment.</li> <li>For cases that warrants, reports to CCU Procurement Governance any supplier that is being recommended for investigation. Refer to 5.10 for roles and responsibilities of SAT in the Joint Investigation Team.</li> </ul>
BU SAT Coordinator	<ul style="list-style-type: none"> <li>Consolidates all the documents received related to supplier accreditation (SA).</li> <li>Reviews the SA documents before endorsing to Supplier Accreditation Team (SAT) for assessment.</li> <li>Notifies all concerned about the status and result of the accreditation.</li> <li>Endorses newly accredited supplier’s documents to Admin Services for review and creation of vendor code in the system.</li> <li>Submits the list of newly accredited suppliers to JGSHI on a monthly basis.</li> </ul>
Buyer / Proponent	<ul style="list-style-type: none"> <li>Receives the Supplier Accreditation Application Form (SAAF) and other supporting documents from the applicant suppliers.</li> <li>Screen the documents for accuracy and completeness.</li> <li>Communicates with the supplier for any lacking documents.</li> <li>Prepares the Supplier Accreditation Rating Sheet (SARS) and endorse to the Subject Matter Expert (SME) for technical evaluation.</li> <li>Submit the full set of documents to the BU SAT Coordinator after endorsement of SME.</li> </ul>
Subject Matter Expert	<ul style="list-style-type: none"> <li>Evaluates the applicant supplier’s technical competency.</li> <li>Signs the SAAF if technically approved.</li> </ul>
Quality auditor	<ul style="list-style-type: none"> <li>In-charge of assessing and accrediting aircraft related suppliers.</li> </ul>

7. POLICY REVIEW



Five (5) years from the effectivity of this policy shall be subject for review.

8. REPEALING CLAUSE

All policies inconsistent herewith are hereby repealed and/or amended.

Requested for approval by:  MICHELL LACSON Manager - Procurement 05/28/2021	Recommended by:  AILEEN ISIDRO Director - Business Process & Controls 06/01/2021	Concurred by:  ANDREW HUANG Chief Finance Officer 06/01/2021	Endorsed by:  MICHAEL SZUCS Chief Executive Adviser 06/01/2021	Approved by:  LANCE GOKONGWEI President and CEO 06/10/2021
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## 9. TRANSITORY AND EFFECTIVITY

Existing BU SAT shall remain to perform its functions until alignment and issuance of BU SAT's new Policy and Procedures are released. This Guidelines shall take effect immediately.

## 8. PROCEDURES

RESPONSIBLE	DETAILED ACTIVITIES
SUPPLIER	Submit the accomplished Supplier Accreditation Application Form (SAAF) and the required accreditation documents (refer to Appendix B).
PROCUREMENT / PROPONENT	<ol style="list-style-type: none"> <li>1. Do initial screening of the submitted accreditation documents if they are valid, correct and complete. If expired, incomplete, or incorrect, coordinate with the supplier for submission of the lacking requirements.</li> <li>2. If the documents are in order, conduct supplier evaluation by accomplishing Supplier Accreditation Rating Sheet (SARS). Refer to Appendix E.</li> <li>3. Provide justification for accreditation if rating is below 75%.</li> <li>4. If rating is 75% and above, endorse accreditation documents to the Subject Matter Expert (SME) i.e. Information Technology, GSE, Marketing, Logistics, QA for aircraft related suppliers with no valid certification from aviation authorities, etc.</li> </ol> <p>NOTE: Applicant suppliers wherein the transactions will require Purchase or Service Order (PO/SO) shall be managed by Procurement department, while document consolidation and SARS preparation for non-PO/SO vendors who deal directly with the end-user shall be handled by the proponent.</p>
SUBJECT MATTER EXPERT	<ol style="list-style-type: none"> <li>1. Conduct evaluation on the supplier's technical competency.</li> <li>2. If technically approved, sign the SAAF (refer to Appendix B). Otherwise, the application shall be declined.</li> </ol>

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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POLICY AND PROCEDURES



<b>Chapter</b>	PROCUREMENT	<b>Document No.</b>	CEB-PROC-2021-001
<b>Section</b>	BUSINESS UNIT SUPPLIER ACCREDITATION	<b>Revision No.   Date</b>	Version 1   04.28.21
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PROCUREMENT / PROPONENT      Submit accreditation documents to BU SAT Coordinator. Cut-off for the submission is every Wednesday of each week.

BU SAT COORDINATOR      1. Ensure validity, completeness and correctness of the documents submitted by procurement.  
 2. If the documents are invalid and/or incomplete or if there is any error in the forms submitted, coordinate with procurement for completion or correction.

3. If in order, endorse the accreditation documents for review and approval of BU SAT as follows:

- Finance
- Compliance
- Procurement

Cut-off of submission is every Friday of each week.

BU SAT      1. Review accreditation documents considering the technical evaluation and recommendation of the SME. BU SAT will meet every Monday to deliberate over the list of the suppliers that were submitted for assessment. For initial transaction amounting to P500K and above, BU SAT Head shall attend the SAT meeting and exercise his voting right.

2. If there are additional concerns/clarifications, coordinate with procurement, SME and/or supplier through the BU SAT coordinator.

NOTE: For aircraft on ground "AOG" or urgent requirements, BU SAT may either grant a temporary waiver, subject to regularization of the accreditation process, or conduct a special meeting to do immediate assessment and accreditation of the applicant supplier.

BU SAT COORDINATOR      1. Once approved, inform the following on the status of the supplier's accreditation:

- Procurement / Proponent
- Supplier
- CCU Procurement Governance

2. Endorse newly accredited supplier's documents to Admin Services for review and creation of vendor code in the system.

Refer to CEB-BPC-2020-001 Vendor Master Data Management for the detailed vendor creation procedures.

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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POLICY AND PROCEDURES



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9. APPENDICES

APPENDIX A

OPEN LIST

NO	COMMODITY GROUP	COMMODITY ITEMS	REMARKS
1	Consultancy Services	<ul style="list-style-type: none"> <li>Consultancy and Professional Services;</li> <li>One-time, unique output</li> <li>Market Research</li> </ul>	Open List shall include: <ul style="list-style-type: none"> <li>Professional Fee for unique designs or concepts</li> <li>Scale Modelling</li> </ul> Exceptions are Suppliers of services engaged on a regular basis: <ul style="list-style-type: none"> <li>Architectural and Engineering Design-related</li> <li>IT-Related Services (<i>please refer to I.T. Solutions Procurement Policy</i>)</li> </ul>
2	Fuel	<ul style="list-style-type: none"> <li>Jet Fuel suppliers;</li> <li>Fuel Dealer, i.e. LPG, Gasoline, Diesel, Bunker;</li> <li>Gasoline station</li> </ul>	
3	Government Agencies and Institution	<ul style="list-style-type: none"> <li>Services e.g. Permits, Licenses</li> </ul>	<ul style="list-style-type: none"> <li>Required for Compliance; or</li> <li>For Government Certification/Permit purposes</li> </ul>
4	Insurers, Brokers, Banks and Financial Institutions		
5	Reference Materials		<ul style="list-style-type: none"> <li>Open list shall include:               <ul style="list-style-type: none"> <li>Electronic Media</li> <li>Research</li> <li>Publications / Subscriptions</li> </ul> </li> </ul>
6	Third Party relationships	<ul style="list-style-type: none"> <li>Franchisor-Franchisee relationship;</li> <li>Lessor-Lessee Relationship;</li> </ul>	<ul style="list-style-type: none"> <li>Contract/Agreement should stipulate such Conditions/Requirements and duly reviewed by Corporate Legal.</li> <li>Use of suppliers accredited by Concessionaire,</li> </ul>

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**POLICY AND PROCEDURES**



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		<ul style="list-style-type: none"> <li>Owner-Concessionaire Relationship</li> </ul>	Franchisor and Lessor (Landlord/Mall/Commercial Complex Owner or Management or Operator) requiring their Space Owner, Franchisee and Lessee as stipulated in the Contract/Agreement. <ul style="list-style-type: none"> <li>Rental of Facilities, Spaces and Warehouse</li> </ul>
7	Training and Seminars		<ul style="list-style-type: none"> <li>Includes Workshop, Convention and Conferences</li> </ul>
8	Trade Items	<ul style="list-style-type: none"> <li>Items for resale (Retail)</li> </ul>	<ul style="list-style-type: none"> <li>All items that form part of the cost of Merchandise Held for Sale, may be Wholesale or Retail</li> <li>All Food and Beverage operational requirements of Airlines, Hotel and Real Estate Group</li> </ul>
9	Foreign/aircraft-related suppliers	<ul style="list-style-type: none"> <li>Equipment/machines and spare parts</li> <li>Aircraft materials/supplies and services.</li> <li>Engine parts and services</li> </ul>	<ul style="list-style-type: none"> <li>Original Equipment Manufacturer (OEM).</li> <li>Aircraft materials, supplies, service and engine part suppliers that have valid certifications from aviation authorities such as, but not limited to Civil Aviation Authority of the Philippines (CAAP), Federal Aviation Administration (FAA) and European Aviation Safety Agency (EASA).</li> </ul>
10	Utilities: Communication, Electricity and Water	<ul style="list-style-type: none"> <li>Service subscription</li> </ul>	<ul style="list-style-type: none"> <li>Includes internet, cable &amp; satellite TV, as duly approved by authorized signatory</li> </ul>
11	Inter-Company Transactions		<ul style="list-style-type: none"> <li>Purchase transactions involving different Business Units (BU) within the JG Conglomerate.</li> </ul>

**Note:** Accreditation functions formerly performed by Corporate Advertising and Promotions Department (for Advertising & Promotions and Company and Marketing / Sales Events), Corporate Outsourcing Group (for Third Party Manpower) and Corporate Safety and Security Group (for Security Services) shall be devolved to the Strategic Business Units (SBUs).

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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**ANNEX B**

**SUPPLIER ACCREDITATION APPLICATION FORM**

SUPPLIER ACCREDITATION APPLICATION FORM (SAAP)					
GENERAL INFORMATION (to be filled up by supplier)					
Business/Company Name:			Date of Establishment:		
Business/Company Address:			Company Email:	Company Tel. No.:	Company Fax No.:
			Company Website:		
Contact Person/s		Telephone No.	Mobile No.	Fax No.	Email Address
TYPE OF ORGANIZATION (to be filled up by supplier)					
<input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Others (please specify): _____					
BIR 2303 LINE OF BUSINESS (to be filled up by supplier)					
PAYMENT TERMS (to be filled up by supplier)					
<input type="checkbox"/> 15 Days <input type="checkbox"/> 30 Days <input type="checkbox"/> 45 Days <input type="checkbox"/> 60 Days <input type="checkbox"/> Others (please specify): _____					
OWNERSHIP/MANAGEMENT PROFILE (Indicate stockholders with 20% and above interest and principal officers [i.e., President and Treasurer]) (to be filled up by supplier)					
NAME		% OWNED	CONTACT NOS.	EMAIL ADDRESS	
MANDATORY DOCUMENTARY REQUIREMENTS (shall be submitted by supplier)					
Sole Proprietorship / Individual		Corporation / Cooperative		Partnership	
- Company Profile** - DTI Certificate of Registration of Business Name - Mayor's/Business Permit - BIR Registration/TIN - Audited FS for the last 2 years** - Robozone Bank Account** - Formal letter stating the reason for change of name (for change of name only)		- Company Profile** - Articles of Incorporation / Cooperation** - SEC / CDA Certificate of Registration - Notarized Board Resolution or Secretary's Certificate** - Mayor's/Business Permit - BIR Registration/TIN - Audited FS for the last 2 years** - Robozone Bank Account** - Formal letter stating the reason for change of name (for change of name only)		- Company Profile** - Articles of Partnership** - SEC Certificate of Registration - Notarized Board Resolution or Secretary's Certificate** - Mayor's/Business Permit - BIR Registration/TIN - Audited FS for the last 2 years** - Robozone Bank Account** - Formal letter stating the reason for change of name (for change of name only)	
OTHER MANDATORY DOCUMENTARY REQUIREMENTS (shall be submitted by supplier)					
For Trucking	For Contractors	For Hazardous Waste Haulers	For Hazardous Waste Disposal Companies	For Garbage Haulers	Manpower / Security Agency
- Certificate of Public Convenience / Provisional Authority for the Trucks / Proof of ongoing renewal	- Valid POAB License / Proof of ongoing renewal with Construction Industry Authority of the Philippines (CIAP)	- Transporter Registration Certificate - Copy of Contract / MOA with disposal facility - Treatment, Storage, and Disposal Facility (TSD) Registration Certificate of the Disposal Facility	- Treatment, Storage, and Disposal Facility (TSD) Registration Certificate - Transporter Registration Certificate	- Certificate of Public Convenience / Provisional Authority for the Trucks / "DSM Permit" / Treatment, Storage, and Disposal Facility (TSD) Registration Certificate - Permit to Dump from MMDA (for haulers within Metro Manila)	- Certificate of Registration from DOLE under DO 174 series of 2017 - Certificate of No Pending Case from DOLE (Current Year) - Certificate of No Pending Case from HE PSC (Current Year) - Certificate of Membership from SSS, Philhealth and Pag-ibig / HAP
DECLARATION STATEMENT			SUPPLIER'S AUTHORIZED SIGNATORY		
1) We, in behalf of our company, shall comply with the policies and procedures of CEBPI and its group and ensure that all business transactions be made through the comprehensive authorized purchasing requirements. 2) We commit to maintain the highest standards of integrity as your business partner in support of the integrity of Cebu Pacific Business Channel and Control of Fraud policy. 3) We submit that any anomalous transactions or indirect deals/arrangements resulting to Conflict of Interest with employees of your company may lead to the suspension or removal of our accreditation. 4) We hereby certify that the Supplier Documentary Requirements Checklist duly supported with the relevant documents to support information embodied in this application. 5) We certify that all information provided herein to the best of my/our knowledge and belief are complete and accurate and any misrepresentation or undisclosed information may result to the outright disapproval of this application.			_____ Authorized Company Representative Signature Over Printed Name / Date  _____ Company President / General Manager Signature Over Printed Name / Date		
FOR INTERNAL USE ONLY (to be filled up by Proponent)					
Type of Accreditation: - Regular Accreditation - Conditional Accreditation - One Time Accreditation - Update / Change Name		Received by: _____ Name & Position / Date		Evaluated by (Subject Matter Expert): _____ Name & Position / Date	
Business Unit & Department					
CRITERIA FOR ACCREDITATION (attach supporting rating sheet)					
Product / Service Quality	MAX POINTS	SUPPLIER RATING	REMARKS		
Product / Service Quality	10%				
Pricing Viability	10%				
Premium on Sale / Limited Distributorship (optional)					
<b>TOTAL % POINTS PRODUCT/SERVICE EVALUATION</b> (rating should reach at least 17% before proceeding for Company Evaluation)	20%				
Operational Capacity	40%				
Financial Status	20%				
Management and Ownership Profile	10%				
Track Record	0%				
<b>TOTAL COMPANY EVALUATION</b>	80%				
<b>TOTAL % POINTS FOR ACCREDITATION</b> (rating should reach at least 78% before recommending Supplier for Accreditation)	100%				
FOR INTERNAL USE ONLY (to be filled up by SBU SAT)					
Assessment			ACCREDITATION DISPOSITION		
			<input type="checkbox"/> Regular Accreditation <input type="checkbox"/> Conditional Accreditation <input type="checkbox"/> One Time Accreditation <input type="checkbox"/> Update / Change Name		
Endorsed by:		Approved by:			
_____	_____	_____	_____	_____	_____
Name & Position / Date	Name & Position / Date	Name & Position / Date	Name / Date	Name / Date	Name / Date
BU SAT - COORDINATOR	BU SAT - FINANCE	BU SAT - PROCUREMENT	BU GENERAL MANAGER	PRESIDENT / CEO	

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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**ANNEX C**



TYPES OF ACCREDITATION

The BU SAT shall determine the type of accreditation for the applicant supplier.

TYPE	DESCRIPTION	REFERENCE
Regular Accreditation (RA)	Full term accreditation of a supplier and with no conditions  - Who is granted unconditional accreditation  - Provided that they will provide updated/valid licenses	- With Accreditation Rating 75% and above
Conditional Accreditation (CA)	Accreditation of a supplier with qualifications on the period of accreditation effectivity (one-year accreditation term or lesser), coverage of accreditation (i.e. single BU) or other conditions that would not warrant full-term accreditation	- With Accreditation Rating below 75% - Newly established suppliers without Audited FS - For Truckers without valid Certificate of Public Convenience (CPC) but with on-going renewal application with LTFRB

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**ANNEX D**

**GROUND FORS SUSPENSION AND DEBARMENT**

Without prejudice to any legal or contractual rights the company may have, listed henceforth are the acts of misconduct liable for suspension or removal from accreditation. The list is not meant to be all-inclusive but serves as a guideline for supplier discipline and business ethics.

1. Failure to:
  - a. Disclose that the supplier is a parent, subsidiary or affiliate of the competitors of any of the businesses within the JGSHI conglomerate.
  - b. Disclose that the supplier's management or owners include a company employee.
  - c. Disclose that an employee of JGSHI is also presently employed as consultant, management member or a rank-and-file staff of the supplier.
  - d. Disclose substantive changes in its status, which would affect its registration as an accredited supplier.
  - e. Respond to an invitation bid, request for proposal, or invitation to negotiate or an indication of "no interest".
  - f. Keep an offer firm for the length of time specified.
  - g. Accept orders offered based upon firm responses.
  - h. Provide a surety when required by the request for bid following award of contract or purchase order.
  - i. Deliver commodities, equipment, or services, fully compliant with the specifications and/or build up a history of poor performance over 3 and above contracts.
  - j. Make delivery or complete a project in the time specified on the contract/purchase order or abandonment of conducted service that may or may not result to losses to the company.
  - k. Make applicable adjustments or replacement of damaged goods.
  - l. Make good on warranties and guarantees on products delivered.

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- m. Keep confidential critical information obtained in the course of its duties with the company.
  - n. Comply with group's Code of Conduct for Suppliers or group's Business Conduct Policy and Guidelines.
2. Accredited Suppliers who are inactive or have no transactions with the company for two (2) years or did not participate for three (3) consecutive bid invitations shall be automatically removed from the BU's master list of all accredited suppliers.
  3. Misrepresents the facts in its application to be listed as a company supplier that can benefit the supplier in any way.
  4. Collusion with other vendors or prospective vendors to restrain competition.
  5. Without the written consent of the company, directly or indirectly offers or gives any benefit or compensation in cash or otherwise, to a company employee because of the employee's association, engagement or duties with the company.
  6. Delivery of product or conduct of services for the personal use of the employee below the proposed fair value of the transaction.
  7. Is the direct or indirect cause of disciplinary action being taken against a company employee.
  8. Granting or obtaining loans to/from employees of JGSHI and its affiliates, duly granted/availed by the supplier or any of its employees.
  9. Promotes or incites labor unrest at a company site.
  10. Causes conflict on any company site.
  11. Wilfully or negligently damages company property.
  12. Without authorization utilizes company's labor, material, transport, equipment and assets to its own advantage or the advantage of another.
  13. Is in unauthorized possession of, or removes or attempts to remove property belonging to company, company employees, other suppliers or visitors.

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- 14. Falsifies any document or records or makes any false statement or representation which relates to or arises from its contractual duties.
- 15. Pervasive use of prohibited drugs among the supplier's employees presently doing transactions with the conglomerate.
- 16. Is found guilty by a competent court, or has paid an admission of guilt, in respect of any criminal offense which can breach a necessary trust relationship between the company and the supplier.
- 17. Any other violation of responsible business practices or unsatisfactory performance.
- 18. Involvement in bribery or corruption which has either a direct or indirect impact to the Company.
- 19. Grave environmental sanction or labour case that directly affects the Company's social reputation.

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ANNEX E

SUPPLIER ACCREDITATION RATING SHEET (SARS)



SUPPLIER ACCREDITATION RATING SHEET

DATE: \_\_\_\_\_  
 SUPPLIER TRADE NAME: \_\_\_\_\_  
 ACCREDITING BUSINESS UNIT: \_\_\_\_\_



MEASURE	POINTS	CRITERIA	WEIGHT
<b>PRODUCT/SERVICE EVALUATION</b>			
<b>PRODUCT AND SERVICE QUALITY</b>			
TIMELINESS OF DELIVERY	4	4.00 - Majority of products/services are delivered/completed on the agreed time frame	5
PRODUCT CERTIFICATIONS	3	3.00 - Has existing certifications/awards earned more than 5 years ago	5
<b>PRICING VIABILITY</b>			
PRICE CONTROL	4	4.00 - Pricing is not regulated but supply comes from multiple sources thereby results to price computations	5
PAYMENT TERMS	5	5.00 - Firm is amenable to payment terms of 30 days and above and has prepayment discounts	5
<b>TOTAL POINTS FOR PRODUCT/SERVICE EVALUATION</b>	<b>16</b>		<b>20</b>
<b>COMPANY EVALUATION</b>			
<b>OPERATIONAL CAPACITY / SUPPLIER VISIT RESULTS</b>			
PRODUCT / SERVICE DIVERSITY	8	8.00 - Offers 4 products/services only	10
PRODUCTION EQUIPMENTS QUALITY / CAPACITY	8	8.00 - Company operates the necessary equipment and are within the remaining useful life of the asset	10
WAREHOUSE AND INVENTORY MANAGEMENT	9	9.00 - Has a documented and implemented warehouse management system and material handling procedures	9
BUSINESS COVERAGE	3	3.00 - The firm has logistical coverage of 3 regions	5
MANPOWER SIZE	1	1.00 - Size is less than 100 support personnel	3
EASE OF TRANSACTION	3	3.00 - Equipped with a wide array of communication systems (i.e., two-way radios, cellular phones, telephones, and computer based communication systems), transportation equipment (e.g., trucks/vans, four-wheeled and two-wheeled vehicles, etc.) and online ordering computer systems	3
<b>FINANCIAL STATUS</b>			
AVERAGE ASSET EFFICIENCY			
AVERAGE ASSET BASE	2	2.00 - Ave. Total Assets is more than P20M but less than P50M	3
AVERAGE FIXED ASSETS TURNOVER RATIO (AVE. SALES / AVE. FIXED ASSETS)	5	5.00 - Ave. Fixed Assets Ratio is 5 times or higher	5
AVERAGE LIQUIDITY / CURRENT RATIO (AVE. CURRENT ASSETS / AVE. CURRENT LIAB.)	3	3.00 - Ratio is 1:1 or more but less than 1.5:1	6
AVERAGE FINANCIAL LEVERAGE			
AVERAGE DEBT TO EQUITY RATIO (AVE. LIAB. / AVE. EQUITY)	2	2.00 - Ave. Liabilities Ratio is higher than 0.35:1 but is lower than 0.50:1	4
AVE. LONG TERM LOANS TO EQUITY RATIO (AVE. LONG TERM LOANS / AVE. EQUITY)	4	4.00 - Ave. Liabilities Ratio is 0.15:1 or lower	4
AVERAGE SALES OR REVENUE ATTAINED	2	2.00 - Ave. Sales is more than P20M but less than P50M	3
<b>MANAGEMENT AND TECHNOLOGY PROFICIENCY</b>			
BACKGROUND CHARACTER OF THE BUSINESS AND ITS PRINCIPAL OWNERS/STOCKHOLDERS	5	5.00 - No adverse findings for the business, its principal owners and management team	5
I.T. INFRASTRUCTURE	5	5.00 - With core I.T. operating systems in which its use is properly documented thru manuals and operating procedures	5
<b>TRACK RECORD</b>			
SERVICE REPUTATION OF THE SUPPLIER	3	3.00 - Ave. Liabilities Ratio is higher than 0.20:1 but lower than 0.35:1	3
ENVIRONMENTAL AND SOCIAL COMPLIANCE	1	1.00 - With more than 1 significant labour case or environmental sanction.	2
<b>TOTAL POINTS FOR COMPANY EVALUATION</b>	<b>64</b>		<b>80</b>
<b>TOTAL POINTS EARNED FOR ACCREDITATION</b>	<b>80</b>		
<b>SUPPLIER ACCREDITATION RATING SYSTEM PERCENTAGE RATING</b>	<b>80%</b>	<b>TOTAL WEIGHTS APPLIED</b>	<b>100</b>
SOLE OR LIMITED DISTRIBUTIONSHIP PREMIUM		Not applicable	
<b>TOTAL SUPPLIER ACCREDITATION RATING SYSTEM PERCENTAGE RATING</b>	<b>80%</b>	<b>ACCEPTABLE</b>	<b>FA</b>

RATED BY: \_\_\_\_\_

RATERS SIGNATURE: \_\_\_\_\_

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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### SUPPLIER ACCREDITATION RATING GUIDE

The Supplier Accreditation Team shall evaluate each potential supplier using the following rating system.

CRITERIA	MAXIMUM POINTS
Product/Service Quality	10%
Pricing Viability	10%
<b>TOTAL PRODUCT/SERVICE EVALUATION</b>	<b>20%</b>
Operational Capacity	40%
Financial Status	25%
Management and Technology Profile	10%
Track Record	5%
<b>TOTAL COMPANY EVALUATION</b>	<b>80%</b>
<b>TOTAL ACCREDITATION POINTS</b>	<b>100%</b>

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**FINAL RATING:**

	OVERALL RATING	DISPOSITION
Excellent	96 – 100%	FOR ACCREDITATION
Good	86 – 95%	
Acceptable	75 – 85%	
Poor	Below 75%	NOT RECOMMENDED FOR ACCREDITATION

Notes:

1. The Rating System shall be applied for each supplier and accreditation criteria.
2. Those whose overall ratings by the SAT reached seventy-five (75%) and above shall qualify for accreditation approval. In cases wherein criteria for accreditation was deemed as not applicable by the BUSAT, the passing requirement of 75% shall be computed based on the total applicable criteria.
3. A premium or additional five (5%) points shall be added to Sole Distributors of product/service provided that a Sole Distributorship Certification duly certified by the Manufacturer has been obtained.
4. Meanwhile, an additional three (3%) points shall be provided if distributorship of the product/service is limited to two (2) suppliers only. A certification from the Manufacturer on the limited distributorship shall be obtained.
5. The Rating System for each accreditation criteria may vary by Commodity Group and may be customized by the Company according to its strategic importance.

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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6. Suppliers that did not meet the passing rate may be recommended for accreditation if:
  - a. Product or service is needed to comply with regulatory requirements.
  - b. Supplier is sole distributor, and
  - c. Other justified reasons.

Criteria to be considered in evaluating supplier qualifications/re-accreditation include:

MEASURE	WEIGHT	CRITERIA	% POINTS
<b>PRODUCT/SERVICE EVALUATION</b>			
<b>PRODUCT AND SERVICE QUALITY</b>	10%		
<p>➤ <b>Timeliness of Delivery</b></p> <p><i>NOTE: This is applicable to suppliers with conditional accreditation who will apply for regular accreditation. For new suppliers, validation can be done through inquiries from its existing customers.</i></p>	5%	<p>5.00 – Early deliveries or completion of projects</p> <p>4.00 – Majority of products/services are delivered/completed on the agreed time frame</p> <p>3.00 – Slight delay in the delivery/completion of some of the products/services but has compensation guarantees</p> <p>2.00 – Slight delay in the delivery/completion of some of the products/services with no compensation guarantees</p> <p>1.00 – Major delays in the delivery/completion of products/services with no compensation guarantees</p>	
<p>➤ <b>Product Certifications</b></p>	5%	<p>5.00 – Has existing certifications/awards from recognized associations, institutions or certifying bodies earned within the last three years (e.g., ISO, HACCP, etc.)</p> <p>4.00 – Has existing certifications/awards earned more than three years ago</p> <p>3.00 – Has existing certifications/awards earned more than five years ago</p> <p>2.00 – Has existing certifications/awards earned more than ten years ago</p> <p>1.00 – No existing certifications, citations and awards</p>	

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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<b>PRICING VIABILITY</b>	10%	
➤ <b>Price Control</b>	5%	<p>5.00 – Pricing is highly regulated by government and supply could come from multiple sources thereby resulting to price competitions; or prices are set by the conglomerate</p> <p>4.00 – Pricing is not regulated but supply comes from multiple sources thereby results to price competitions</p> <p>3.00 – Pricing is regulated and supply is limited, thus some pricing competitions still exist</p> <p>2.00 – Pricing is regulated but supply is monopolized</p> <p>1.00 – Pricing is not regulated and supply is monopolized</p>
➤ <b>Payment Terms</b>	5%	<p>5.00 - Firm is amenable to payment terms of 30 days and above and has prepayment discounts</p> <p>4.00 - Firm is amenable to payment terms of more than 15 days but is less than 30 days but has prepayment discount</p> <p>3.00 - Firm is amenable to payment terms of 30 days or more but not prepayment discounts offered</p> <p>2.00 - Firm is amenable to payment terms of more than 15 but is less than 30 days and no prepayment discount offer</p> <p>1.00 - Firm is not amenable to payment terms or allows a less than 15 day payment term and has no prepayment discount offering</p>
<b>TOTAL % POINTS FOR PRODUCT/SERVICE EVALUATION</b>		
<b>COMPANY EVALUATION</b>		
<b>OPERATIONAL CAPACITY / SUPPLIER VISIT RESULTS</b>	40%	
➤ <b>Product / Service Diversity</b>	10%	<p>10.00 – Offers a wide range of products/services (5 or more) that can be availed by the conglomerate</p> <p>8.00 – Offers 4 products/services only</p> <p>6.00 – Offers 3 products/services only</p> <p>4.00 – Offers 2 products/services only</p>

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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		2.00 – Limited portfolio and offers 1 product/service only	
➤ <b>Production Resource Quality / Capacity</b>	<b>10%</b>	<p>10.00 – Company operates top of the line equipment and is within the remaining useful life of the asset</p> <p>8.00 – Company operates the necessary equipment and are within the remaining useful life of the asset</p> <p>6.00 – Company operates fully depreciated equipment and are properly maintained as documented thru maintenance logs and evaluation</p> <p>4.00 – Company operates fully depreciated equipment and are properly maintained based on evaluation although document to support maintenance is non-existent</p> <p>2.00 - Company operates fully depreciated equipment, and has no documentation for conducted preventive maintenance and to which evaluation results are not acceptable</p>	
➤ <b>Warehouse and Inventory Management</b>	<b>9%</b>	<p>9.00 – Has a documented and implemented warehouse management system and material handling procedures</p> <p>7.00 – Has a documented warehouse management system but some are not complied with</p> <p>5.00 – Has no documented warehouse management system but process is acceptable per evaluation</p> <p>4.00 – Has a documented warehouse management system but majority are not complied with</p> <p>2.00 – Absence of warehouse management system or significant issues of non-compliance to inventory management procedures</p>	
➤ <b>Business Coverage</b>	<b>5%</b>	<p>5.00 – The firm has nationwide logistical coverage and even outside of the Philippines</p> <p>4.00 – The firms has logistical coverage of above 3 regions</p> <p>3.00 – The firm has logistical coverage of 3 regions</p> <p>2.00 – The firm has logistical coverage of 2 regions</p> <p>1.00 – The firm’s logistical coverage is limited to a sole region only</p>	
➤ <b>Manpower Size</b>	<b>3%</b>	<p>3.00 – Size is 200 support personnel and above</p> <p>2.00 – Size is more than 100 support personnel but less than 200</p>	

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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		workers 1.00 – Size is less than 100 support personnel	
➤ <b>Ease of Transaction</b>	<b>3%</b>	3.00 – Equipped with a wide array of communication systems (i.e., two-way radios, cellular phones, telephones, and computer-based communication systems), transportation equipment (e.g., trucks/vans, four-wheeled and two-wheeled vehicles, etc.) and online ordering computer systems  2.00 – Basic communication (i.e., cellular phones and landline) and transportation equipment (e.g., trucks/vans, four-wheeled and two-wheeled vehicles, etc.)  1.00 – Basic communication (i.e., cellular phones and landline) equipment only	
<b>FINANCIAL STATUS</b>	<b>25%</b>		
➤ <b>Average Asset Efficiency</b>	<b>8%</b>		
• Ave. Asset Base	3%	3.00 – Ave. Total Assets is P50M or higher 2.00 – Ave. Total Assets is more than P20M but less than P50M 1.00 – Ave. Total Assets is less than P20M	
• Ave. Fixed Asset Turnover Ratio (Ave. Sales or Revenue over Ave. Fixed Assets)	5%	5.00 – Ave. Fixed Assets Ratio is 5 times or higher 4.00 - Ave. Fixed Assets Ratio is 4 times or more but lesser than 5 3.00 - Ave. Fixed Assets Ratio is 3 times or more but lesser than 4 2.00 - Ave. Fixed Assets Ratio is 2 times or more but lesser than 3 1.00 - Ave. Fixed Assets Ratio is 2 or lesser	
➤ <b>Average Liquidity (Current Ratio) [Average Current Assets over Average Current Liabilities]</b>	<b>6%</b>	6.00 – Ratio is 2:1 or higher 5.00 – Ratio is more than 1.5:1 but less than 2:1 3.00 – Ratio is 1:1 or more but less than 1.5:1 2.00 – Ratio is less than 1:1 but not less than 0.5:1 1.00 – Ratio is less than 0.5:1	
➤ <b>Average Financial Leverage</b>	<b>8%</b>		

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<ul style="list-style-type: none"> <li>Ave. Debt to Equity Ratio (Ave. Total Liabilities over Ave. Total Owner's Equity)</li> </ul>	4%	4.00 – Ave. Liabilities Ratio is 0.20:1 or lower 3.00 – Ave. Liabilities Ratio is higher than 0.20:1 but lower than 0.35:1 2.00 – Ave. Liabilities Ratio is higher than 0.35:1 but is lower than 0.50:1 1.00 – Ave. Liabilities Ratio is 0.50:1 or greater	
<ul style="list-style-type: none"> <li>Ave. Long Term Loans to Equity Ratio (Ave. Total Long Term Loans over Ave. Total Owner's Equity)</li> </ul>	4%	4.00 – Ave. Long Term Liabilities Ratio is 0.15:1 or lower 3.00 – Ave. Long Term Liabilities Ratio is higher than 0.15:1 but not exceeding 0.25:1 2.00 – Ave. Long Term Liabilities Ratio is higher than 0.25:1 but not exceeding 0.35:1 1.00 – Ave. Long Term Liabilities Ratio is 0.35:1 or greater	
<ul style="list-style-type: none"> <li>Average Sales / Revenue Attained</li> </ul>	3%	3.00 – Ave. Sales/Revenue is P50M or higher 2.00 – Ave. Sales is more than P20M but less than P50M 1.00 – Ave. Sales is less than P20M	
<b>MANAGEMENT AND TECHNOLOGY PROFILE</b>	10%		
<ul style="list-style-type: none"> <li>Background Character of the Supplier and its Principal Owners/ Stockholders (owning at least 20% of the Capital Stock) and Officers (i.e., President and Treasurer)</li> </ul>	5%	5.00 – No adverse findings for the business, its principal owners and management team 4.00 – No adverse findings for the business, but with adverse findings for some principal owners and management team representing only a minority 3.00 – Has adverse finding for the business, but no adverse finding for the principal owners and management team 2.00 – Has adverse finding for the business and adverse finding only for some of the principal owners and management team representing only a minority 1.00 – Has adverse findings for the business; and from majority of its principal owners and management team	
<ul style="list-style-type: none"> <li>IT Infrastructure</li> </ul>	5%	5.00 – With core I.T. operating systems in which its use is properly documented thru manuals and operating procedures	

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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		4.00 – I.T. operating system exist but is not properly documented	
		3.00 – I.T. operating system does not exist but firm is planning to acquire one for the next 2 years	
		2.00 – I.T. operating system does not exist but firm is planning to acquire one for the next 5 years	
		1.00– No I.T. operating system and firm is not planning for acquisition of one for the next 5 years	
<b>TRACK RECORD</b>	5%		
➤ <b>Product/service reputation</b>	3%	3.00 – Positive feedback is obtained from 4 or more customers 2.00 – Positive feedback is obtained from 2-3 customers 1.00 – Positive feedback is obtained from 1 customer or no positive feedback	
➤ <b>Environmental and social compliance</b>	2%	2.00 – 80% to 100% compliant based on the environmental and social questionnaires. With 0-1 significant labour case or environmental sanction. 1.00 – below 80% compliant based on the environmental and social questionnaires. With more than 1 significant labour case or environmental sanction.	
<b>TOTAL % POINTS FOR COMPANY EVALUATION</b>			
<b>TOTAL % POINTS EARNED FOR ACCREDITATION</b>			

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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**ANNEX F**

ENVIRONMENTAL AND SOCIAL QUESTIONNAIRES



**ENVIRONMENTAL AND SOCIAL QUESTIONNAIRES**

- 1. Do you have complete and up-to-date environmental and discharge permits?  
If yes, please provide copies.
- 2. Any environmental sanctions and fines in the last 3 years? If yes, please specify.
- 3. Do you have any environmental programs and policies (i.e. emissions reduction, recycling, materials recovery or circularity programs) in place? Are there opportunities for involvement (i.e. can collect ink cartridges or used paper for recycling, reducing Cebu Pacific Air, Inc.-CEB waste)?
- 4. Does the company comply with all local labor laws?
- 5. Does the company have any specific policies against forced labor, child labor, or human rights violations?
- 6. Any significant labor cases in the last 3 years? If yes, please give details.
- 7. Does the company have any policies and programs for the prevention of Bribery and Corruption?
- 8. Preference for local suppliers (decrease transportation cost and associated carbon emissions, support for local businesses vs international importation to contribute to the local economy, energy-efficient products). Please cite examples.
- 9. Does your prefer environment-friendly, sustainably-sourced materials (i.e. less packaging/recycled/recyclable) when available and when practical. Examples: recycled paper products, non-toxic cleaners, smart power strips, LED light bulbs, biodegradable packaging.

Requested for approval by:  <b>MICHELL LACSON</b> Manager - Procurement 05/28/2021	Recommended by:  <b>AILEEN ISIDRO</b> Director - Business Process & Controls 06/01/2021	Concurred by:  <b>ANDREW HUANG</b> Chief Finance Officer 06/01/2021	Endorsed by:  <b>MICHAEL SZUCS</b> Chief Executive Adviser 06/01/2021	Approved by:  <b>LANCE GOKONGWEI</b> President and CEO 06/10/2021
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May 25, 2021

**TO:** Mr. Lance Y. Gokongwei  
President and Chief Executive Officer  
Cebu Air, Inc.

**FROM:** Procurement Dept.

**SUBJECT:** CEB and CEBGO Business Unit Supplier Accreditation Team

---

This seeks approval on the proposed transfer of the responsibilities of the Corporate Supplier Accreditation Team (CorpSAT) to the Business Unit Supplier Accreditation Team (BU SAT) documented in the attached Supplier Accreditation policy.

Further, this is to formalize the composition of the members of the BU SAT of CEB and CEBGO (collectively, the "Group"). As BU SAT, irrespective of other duties, these personnel are responsible for assessing the supplier's overall competencies and shall grant regular or conditional accreditation to the applicant supplier. Accreditation shall establish the legitimacy and competency of doing business with Cebu Pacific Air, Inc. and its subsidiaries.


<b>BU SAT MEMBER</b>	<b>INCUMBENT OFFICERS</b>
BU SAT Head	Andrew L. Huang – Chief Finance Officer and/or Mark Julius V. Caesar – Deputy CFO
COMPLIANCE	Aileen M. Isidro - Director, Business Process & Controls and/or Michael P. Iliaguiz - Manager, Internal Controls
FINANCE	Vivian S. Lim – Controller and/or Aldrin C. Certeza - Director, Operations Accounting
PROCUREMENT	Michell B. Lacson – Manager, Procurement and/or Ma. Leonora V. Miones - Manager, Local Purchasing
BU SAT Coordinator	Mariel Joy I. Lubay - Purchaser

This letter will serve as a formal documentation for the appointment of the BU SAT members effective immediately as of the date of signing.

For your consideration and approval.

Thank you.


Sincerely,

 05/28/2021  
Michell B. Lacson  
Manager, Procurement

Noted by:

 06/01/2021  
Andrew L. Huang  
Chief Finance Officer

Endorsed by:

 06/01/2021  
Michael B. Szucs  
Chief Executive Adviser

Approved by:

 06/10/2021  
Lance Y. Gokongwei  
President and CEO