



**Let's fly
every Juan**



cebu pacific

Sustained Momentum

2023 Sustainability Report





About the Cover

Cebu Pacific is the Philippines’ leading carrier. True to its purpose of moving people, creating opportunities, and broadening perspectives, enabling everyone to lead richer and fuller lives, Cebu Pacific has been enhancing the traveling experience by expanding the opportunity to fly its passengers across the Philippines and in the Asia-Pacific region. With the largest domestic network in the country, the Airline opens the way to reach the best of the Philippine archipelago, from its majestic hills to its tropical seas. And Cebu Pacific makes this possible through its flight crew who always put people at the heart of its service.

Cebu Pacific is resolute in its drive for sustainable aviation. The Airline continues with the integration of sustainability in many facets of the business under these three pillars — Growing as Juan Family for social, Caring for Juan Planet for environmental, and Building Juan Community for governance. The progress achieved over the years and its resolve to become the leader in sustainable aviation in the country are the thrusts behind the Company’s Sustained Momentum.

About the Report

Sustained Momentum

Cebu Pacific pursues sustainability across all aspects of its businesses. The Group creates shared value in three core pillars: Social (Growing as Juan Family), Environment (Caring for Juan Planet), and Governance (Building Juan Community). It invests in initiatives that improve operational and resource efficiency. In 2023, significant leaps were made to solidify the Group’s Environmental, Social, and Governance (ESG) foundation. Its enhanced performance and assessment have brought Cebu Pacific various accolades, highlighting the Group’s leadership role in transforming the aviation industry in the Philippines towards a more sustainable future. The recognition and incremental positive improvements in ESG performance are indicators of the Company’s Sustained Momentum.

Cebu Pacific’s materiality assessment focused on substantial Environmental, Social, and Governance (ESG) topics and pinpointed avenues to reinforce its sustainability strategy.

This report covers the operations, commercial, and support activities of Cebu Air, Inc., and its subsidiary, Cebgo, Inc., collectively known as “Cebu Pacific” or “the Group”, for the calendar year 2023.

Reporting Framework

This report has been prepared in accordance with the GRI Sustainability Reporting Standards and with the Philippine Securities and Exchange Commission’s (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies. Cebu Pacific’s reporting of material topics is arranged according to the three pillars of its sustainable value creation:

- Growing as Juan Family (Social)
- Caring for Juan Planet (Environment)
- Building Juan Community (Governance)

The report also includes indicators developed by the Task Force on Climate-related Financial Disclosures (TCFD). As the Philippines is set to adopt the International Financial Reporting Standards (IFRS) S1 and S2, as announced by the SEC, the Group has decided to prepare for its coverage in the Report under the Climate-related Risks and Opportunities section.

Period Covered 2-3
January 1, 2023 - December 31, 2023

Location of Headquarters 2-1
Cebu Pacific Building
Domestic Road, Brgy. 191, Zone 20
Pasay City 1301, Philippines

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Coverage of the Previous Report
January 1, 2022 to December 31, 2022.
Please view our previous report [here](#).



Table of Contents

Cover	1
About the Report	3
Message from the Chairman and the Chief Executive Officer	6
About Cebu Pacific	8
Geographic Presence	12
Business Highlights	14
Message from the President	20
Board of Directors	22
Senior Management and Corporate Officers	23
Awards	24
Sustainability at Cebu Pacific	26
Message from the Chief Strategy Officer	28
Sustainable Value Creation	30
Materiality	32
Key Stakeholders	34
Management of Risks and Opportunities	37
Sustainability Framework	51
Growing as Juan Family	58
Caring for Juan Planet	82
Building Juan Community	94
Performance Index	104
GRI Index	109



Message from the Chairman and the CEO



Lance
Lance Y. Gokongwei
Chairman

We are pleased to share our 2023 Sustainability Report: **Sustained Momentum**. The report details a year when we continued our undertaking toward strengthening and weaving sustainability into all facets of our business.

During 2023 we are glad to have served over 20.8 million passengers through our 104 international and domestic routes. We continued to provide safe, affordable, and reliable services to our passengers through investments in 18 additional aircraft, increasing our fleet count to 88. Moreover, we enhanced our customer-first efforts through an improved digital experience, more flexible options, and cost-effective solutions for our passengers. We also resumed providing services to international destinations such as Melbourne, Macau, and Shenzhen while launching services for our newest destination, Danang, in Vietnam. With these efforts, we sustained our market leadership, ending the year with a 53% domestic market share.

We attained PHP 90.6 billion in revenues in 2023, a 60% increase from our 2022 figure. Our 2023 revenue is the highest figure achieved by Cebu Pacific in its 28 years – a milestone driven by our passenger business, which saw a 78% increase in revenues year on year, totaling PHP 62.5 billion. We closed 2023 with a net income of PHP 7.9 billion.

Our business performance milestones in 2023 were even more notable given the substantial headwinds we had to face, such as supply chain disruptions, delays in new aircraft deliveries, and reliability issues with Pratt & Whitney engines. These factors have resulted in capacity constraints and operational hurdles for the airline. We addressed these issues by increasing our fleet size, investing in additional engines, and revising our network plans to improve operational resilience.

Another important factor driving our success is the dedication of our employees, our **Cebu Pacific Moment Makers**. Through their commitment and hard work, we continued to expand the most extensive network in the Philippines, flying to 60 destinations and operating an average of 385 flights daily. Recognizing the vital role of our employees in our business's success, we are steadfast in our commitment to fostering and investing in their growth and well-being.

A key milestone in employee engagement and development in 2023 is our successful signing of the Collective Bargaining Agreement (CBA) with the Juan Wing Association of the Philippines (JWAP), Cebu Pacific's union group with 1,404 cabin crew members. We also expanded our 8-level job ladder structure to a 16-level ladder to provide a career progression framework for our employees.

Sustaining our alignment with the Net Zero 2050 goals of the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO), we continued to invest in sustainable aviation efforts, reducing our carbon footprint while achieving more efficient operations and significant cost savings.

Our main decarbonization thrust remains our fleet modernization program, which involves acquiring fuel-efficient New Engine Option (NEO) aircraft. Currently, NEO aircraft comprise 43% of our total fleet. We aim to transition to an all-NEO fleet by 2028.

We support our fleet modernization program with our Sustainable Aviation Fuel (SAF) program. In 2022, we became the first low-cost carrier (LCC) in Southeast Asia to use SAF in our operations. In 2023, Cebu Pacific operated flight 5J 5055 from Narita to Manila using sustainable aviation fuel, making it the first Philippine carrier to do so on a commercial flight from Japan. We are also employing various fuel-saving initiatives, such as Reduced Flaps at Landing (RFLA), flight optimization, including distance reduction and direct routing, and other best practices, yielding savings of over 16 million kg of jet fuel and achieving around 50,000 tonnes of avoided CO2 emissions.

Local and international award-giving bodies recognized our holistic approach to growing our business and incorporating sustainability in all facets of our operations. We received the distinction of being the Best Low-Cost Airline Brand in the Philippines for 2023 and recognized as the Most Sustainable Low-Cost Airline in 2023 by the World Economic Magazine. Cebu Pacific was also an honoree of the ASEAN Corporate Governance Scorecard Golden Arrow Awards, which we also received in 2022 from the Institute of Corporate Directors.

We look forward to the next phase of our expansion as long-term growth prospects remain strong. We are seeing an optimistic economic growth outlook in the Philippines and the region, which will drive the aviation industry in the next few years. Meanwhile, planned infrastructure developments in the Philippines are set to alleviate airport congestion and provide opportunities to grow new markets and connectivity.

With such opportunities on the horizon, we are ramping up initiatives to elevate the customer experience and drive sustainable growth. In the second quarter of 2024, we expect to announce the single biggest aircraft order in the history of Philippine aviation. This is a testament to our commitment to enabling more Juans to fly along with our commitment to invest in the most fuel-efficient aircraft available today.

As we soar to greater heights and create long-term value in the next few years, we hope for the continued support of our partners. Let us work together toward the shared goal of delivering world-class and sustainable air transport services in the country.

Thank you!

Mike
Michael B. Szucs
Chief Executive Officer

"We are glad to have served over 20.8 million passengers through our 104 international and domestic routes... We sustained our market leadership, ending the year with a 53% domestic market share."





About Cebu Pacific

2-1



OUR VISION

We envision stronger nations where cultures and communities are connected, meaningful relationships are built, and lives are enriched by the opportunities and experiences we make possible.



OUR PURPOSE

To move people, create opportunities, and broaden perspectives, enabling everyone to lead richer and fuller lives.



OUR SERVICES

Cebu Pacific Air entered the aviation industry in March 1996 and pioneered the “low fare, great value” strategy. As of December YTD 2023, Cebu Pacific has a network of 35 domestic and 25 international destinations.

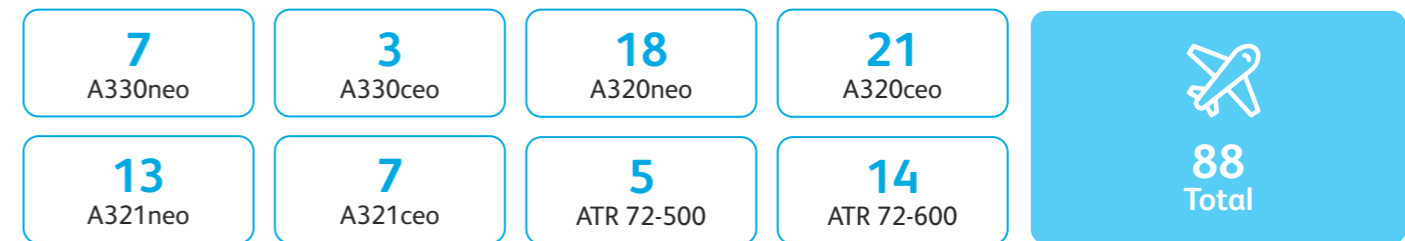
As the largest carrier in the Philippine air transportation industry, Cebu Pacific offers low-cost services to more destinations and routes with higher flight frequency within the country than any other airline.

With dedicated freighters in its fleet, Cebu Pacific is also the Philippines’ largest cargo carrier, providing competitively priced, fast, and flexible air cargo service to individual shippers and agents locally and overseas.

OUR VALUES

Service We put people at the heart of our service.	Integrity We do what is right.	Trust We cultivate trust and commit to collaboration.	Courage We relentlessly pursue new ideas and better solutions.	Best of Filipino Spirit We do what is right.
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OUR FLEET



Cebu Pacific maintains a total fleet count of 88 aircraft, inclusive of three (3) ATR72-500 units listed as assets held for sale as of December 2023. The Group augmented its fleet with the acquisition of 18 new passenger aircraft, marking an increase from the previous year’s total of 76. The average age of its fleet stands at 5.9 years.

ABOUT OUR SUBSIDIARY

2-2



Cebgo, Inc. is a subsidiary of Cebu Pacific. It is a regional brand of Cebu Pacific offering domestic flights in the Philippines. Presently, Cebgo operates an all-ATR fleet, with fourteen (14) passenger aircraft in service.

Towards Greater Heights

2-6

Cebu Air, Inc. is the leading low-cost carrier (LCC) in the Philippines. It pioneered the “low fare, great value” approach in the local aviation industry. The LCC business model prioritizes safe, affordable, and reliable air travel for passengers, achieved through frequent, high-capacity flights, efficient aircraft utilization, a modern fleet, minimized distribution costs, and operational efficiency.

Cebu Pacific is also the preferred air cargo carrier in the Philippines, providing competitive air cargo services through an extensive network of individual shippers and cargo agents.

In addition to passenger service and airport-to-airport cargo services, Cebu Pacific also offers ancillary services such as travel insurance, in-flight merchandise, baggage, and travel-related products and services.

1996

Launched its first domestic flight from Manila to Cebu

2001

Operated its first international flight from Manila to Hong Kong

2008

Launched its first Japan service: 3x weekly Manila to Osaka

Received its first ATR 72-500, boosting inter-island connections

2013

Operated its first long-haul to the Middle East: daily Manila to Dubai

2017

Received its IOSA (IATA Operational Safety Audit Certification)

Carried its 150-millionth passenger

2021

Took delivery of its first Airbus A330neo

2023

Best Low-Cost Airline Brand in the Philippines, 2023
World Economic Magazine

Most Sustainable Low-Cost Airline, 2023
World Economic Magazine

Centre for Aviation (CAPA) and Invest Global Gold Rating for Environmental Sustainability

Best Airline, 2024
Routes Asia



1988

Incorporated as Cebu Air, Inc. on August 26, 1988

2005

Shifted to a low-cost carrier business model

2010

Became the #1 Airline in the Philippines, with the most passengers carried

Successful Initial Public Offering at the Philippine Stock Exchange

2014

Acquired TigerAir Philippines

2019

Shifted to more fuel-efficient Airbus NEO aircraft

Took delivery of its first Airbus A321neo

2022

Became the first low-cost carrier in Southeast Asia to use sustainable aviation fuel (SAF)

Flew its 200-millionth passenger

Asia Environmental Sustainability Airline/ Airline Group of the Year 2022 (CAPA)



Geographic Presence

- Australia:** Melbourne, Sydney
- Brunei:** Bandar Seri Begawan
- China:** Guangzhou, Shanghai, Xiamen
- Hong Kong**
- Indonesia:** Bali (Denpasar), Jakarta
- Japan:** Fukuoka, Nagoya, Osaka, Tokyo (Narita)
- Korea:** Seoul (Incheon)
- Macau**
- Malaysia:** Kuala Lumpur
- Singapore**
- United Arab Emirates:** Dubai
- Thailand:** Bangkok
- Taiwan:** Taipei
- Vietnam:** Ho Chi Minh, Hanoi

- New Destination**
Vietnam: Danang
- Destination resumption**
China: Shenzhen, Beijing



UNITED ARAB EMIRATES

THAILAND
Bangkok

MALAYSIA
Kuala Lumpur

SINGAPORE
Singapore

INDONESIA
Jakarta
Bali (Denpasar)

BRUNEI
Bandar Seri Begawan (Brunei)

VIETNAM
Da Nang

HANOI

GUANGZHOU (CANTON)

MACAU

HONG KONG

SHENZHEN

XIAMEN

TAIPEI

CHINA

SOUTH KOREA
Seoul (Incheon)

JAPAN
Tokyo (Narita)
Nagoya
Osaka (Kansai)
Fukuoka

BEIJING

SHANGHAI

SHANGHAI

PHILIPPINES
Clark
Manila
Iloilo
Cebu
Davao



AUSTRALIA

25 Destinations
36 Routes

International

Domestic

- Bacolod
- Bohol (Tagbilaran)
- Boracay (Caticlan)
- Butuan
- Cagayan de Oro
- Calbayog
- Camiguin
- Cauayan
- Cebu
- Clark
- Coron (Busuanga)
- Cotabato
- Davao
- Dipolog
- Dumaguete
- General Santos
- Iloilo
- Kalibo
- Laoag
- Legazpi (Daraga)
- Manila
- Masbate
- Naga
- Ozamiz
- Pagadian
- Puerto Princesa
- Roxas
- San Jose (Mindoro)
- Siargao
- Surigao
- Tacloban
- Tuguegarao
- Tawi-Tawi
- Virac
- Zamboanga



35 Destinations
68 Routes

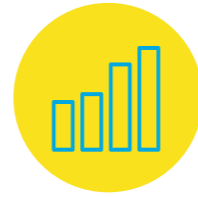


Business Highlights

ECONOMIC PERFORMANCE



PHP 90.6B
Total Revenue



PHP 7.9B
Net Income



20.9M
No. of Passengers Flown



53%
Domestic Market Share

Performance and Outlook

3-3

2023 Performance: Resilience and recovery amidst unprecedented challenges

Cebu Pacific concluded 2023 with renewed strength and resilience, overcoming operational challenges while maintaining its commitment to delivering affordable, safe, and reliable flights. Notably, key financial and operational performance indicators for 2023 approached the pre-pandemic levels of 2019, signifying significant progress for the airline.

The Company's revenue reached PHP 90.6 billion in 2023, marking a 60% increase year-on-year. Cebu Pacific's solid financial performance for the year was attributed to garnering a revenue of PHP 62.5 billion generated from its passenger business and PHP 24.1 billion from its ancillary business, recording increases of 78% and 68%, respectively, year-on-year. Revenue from the cargo business was PHP 4.1 billion. Cebu Pacific returned to profitability in 2023 with an operating income of PHP 8.6 billion and a positive net income of PHP 7.9 billion, recovering from three years of losses brought about by the adverse impacts of the pandemic.

Cebu Pacific ended 2023 with a fleet of 88 aircraft, taking delivery of 18 aircraft, the highest number of deliveries in a year in the Company's history. With a larger fleet to serve resurging domestic travel demand and the reopening of most international markets, the airline flew over 20.8 million passengers on 140,730 domestic and international flights up 41% and 30%, respectively, year-on-year. It also transported 127,544 tonnes of cargo.

Cebu Pacific remains the leading carrier in the Philippines. It maintained its position as the largest network in the Philippines, flying to 60 destinations through 104 routes and operating an average of 385 daily flights. Its capacity utilization of passenger seats improved by 10%, as flights were 85% full on average.

December 2023 saw several operational milestones, with the highest number of flights ever operated in a single

day: 446 flights. Cebu Pacific also served a record-number of passengers during the Christmas holiday rush, flying more than 73,000 passengers on 23 December.

Cebu Pacific captured a 53% share of the domestic market in 2023. The Company's sustained leadership was enhanced by the increase in flight frequencies to popular local destinations and from other non-Manila hubs, the resumption of the Manila-Laoag, Iloilo-Puerto Princesa, and Iloilo-Cagayan routes, and the restart of flights from Clark Airport. For its international footprint, the airline resumed flights to Melbourne, Macau, and Shenzhen from Manila and launched the Manila-Danang flights.

The Company's positive 2023 performance was achieved notwithstanding the challenges in the global aviation industry related to supply chain disruptions, delays in new aircraft deliveries, and engine-specific reliability issues creating multiple aircraft on ground (AOG). On the domestic front, the Company faced operational hurdles brought about by severe weather conditions and baggage delivery system irregularities.

To address the capacity constraints and operational difficulties that persisted throughout the year, the Company invested in additional aircraft and engines to ramp up its spare capacity ratio, including securing damp leases, or ACMI (Aircraft, Crew, Maintenance, and Insurance). The airline also aligned network plans to account for long-term AOGs.

On the customer front, the Company strengthened its communication channels. Support teams on the ground and online were reinforced through the activation of a disruption management team and an increased number of 24/7 live agents. Recovery options and policies were also improved, and non-expiring travel funds were implemented.



2024 Outlook: Greater heights and creating long-term value

The prospects for the airline industry in the Philippines remain promising. Demand for air travel is projected to increase in the coming years, underpinned by infrastructure developments aimed at easing airport congestion and improving connectivity. This will be further supported by the optimistic economic growth outlook for the Philippines and the broader Southeast Asia region.

A return of the global aviation industry to normal growth patterns is expected in 2024. International recovery will still be a major focus for most Asia-Pacific airlines, with mainland China's demand and traffic rebound considered crucial factors toward the region's return to pre-pandemic levels.

To capitalize on this momentum, Cebu Pacific will be taking initiatives in 2024 to secure its expansion plans and growth for the years ahead. The Company is committed to enhancing its route network, introducing innovative services, and investing in technology to elevate the customer experience and drive sustainable growth. In the second quarter, Cebu Pacific is expected to announce the single biggest aircraft order in the history of Philippine aviation. This long-term commitment aligns Cebu Pacific's vision with the collective goal of the Philippine government and other stakeholders to provide world-class air transport service in the country.

On sustainability, the measures necessary for the aviation industry to achieve its collective long-term aspirational

goal of net-zero carbon emissions by 2050 have already been identified by the industry. These measures focus on investments in technology, sustainable fuels, operational improvements, and market-based measures. However, the industry is facing challenges such as an increase in operational costs and the pace of adaptation and rollout of initiatives in its drive towards its net-zero goals.

There are roadmaps available to address the challenges that airlines, including Cebu Pacific, may encounter. The International Air Transport Association (IATA) has laid out its net-zero roadmaps that cover aircraft technology, operations, energy and new fuels infrastructure, policy, and finance. Some of the measures that could be implemented through the roadmap include the use of hydrogen and/or batteries to decrease dependence on fossil fuels, air traffic management improvements, the use of SAF, and the acquisition of necessary funding and capital to be able to support the transition.

Asian airlines can also capitalize on regional opportunities, such as SAF availability and projected travel market growth, to reach net zero by 2050. According to Boeing and the Roundtable on Sustainable Biomaterials, 40% of the global SAF production feedstock supply can be sourced from the Asia-Pacific region. This positions Asian airlines to mainstream SAF and reduce their carbon footprints. Passenger travel is also projected to increase further in the region between 2019 and 2040, creating a market base for sustainable aviation solutions.



Aviation Summit 2023: Philippine Aviation: Ready for Takeoff

Cebu Pacific co-presented the first Philippine Aviation Summit on September 27-28, 2023, together with the European Chamber of Commerce of the Philippines. During the event, airline officials focused on issues related to the aviation industry, including its recovery from the COVID-19 pandemic. They also tackled how the aviation industry plays a significant role in economic growth but is also one of the biggest contributors to global carbon emissions.


Cebu Pacific highlighted the outlook for the Philippine aviation industry, sustainable aviation fuel as the key to decarbonizing aviation, and smarter and faster airport passenger processing with service still in sight.




Operational Performance


 Number of Aircrafts
88
(↑16% from 2022)


 Number of Destinations
Domestic: 35 (↑6% from 2022)
International: 25 (↑32% from 2022)


 Number of Departures
140,730


 Available Seat Kilometers (ASK)
27,573,157,304

 Number of Passengers Flown
20,868,414


 Average Fleet Age
5.9 years for 88 fleet


 Number of Routes Flown
104


 Available Seats
24,836,003


 Revenue Passenger Kilometers
21,933,556,273


 ¹⁹⁹⁶ Total Passengers Flown Since 1996
234 million


 On-time Performance
72%

 Fuel Efficiency
30 pax-km/L


 Digital Adoption (Online Check-ins)
9,637,366


 Customer Net Promotes Score
+14

 Employee Net Promoter Score
+38

 Passenger Load Factor
84%

 Carbon Emissions Intensity*
81 gCO2e/RPK
*based on jet fuel consumption only

 Digital Adoption (Online Rebookings)
91%

 Cargo flown
127,544 tonnes

 Investment for Training and Development
4.9 million

Message from the President



Cebu Pacific is committed to providing safe, affordable, and reliable air travel solutions while ensuring the stewardship of our people, communities, and the environment. This commitment drives our sustainable value creation, reflected in our environmental, social, and governance (ESG) pillars: Growing as Juan Family (social), Caring for Juan Planet (environment), and Building Juan Community (governance).

As a testament to our commitment to advancing sustainable aviation practices nationwide and in the region, we have enhanced our ESG performance and demonstrated our resilience to long-term, industry-material ESG risks. Our S&P Global ESG Score improved from 38 in 2022 to 41 in 2023, placing us in the 69th percentile among 65 evaluated airlines. Furthermore, our MSCI ESG rating was upgraded to 'A' from 'BBB,' a clear sign of our ability to withstand and manage these risks effectively.

Operational Milestones and Accolades

Our 88-strong aircraft fleet by the end of 2023 is a testament to our growth and commitment to meeting the surging travel demand. Among these, 38 are New Engine Option (NEO) aircraft powered by fuel-efficient engines from Pratt & Whitney and Rolls-Royce, showcasing our dedication to adopting new-generation technology in aviation. In 2023, we flew over 20.8 million passengers, a significant 41% increase from the previous year, when we flew 14.8 million.

We averaged an 84% seat load factor on the 140,730 domestic and international flights we flew for the year. We were also able to transport 127,544 tonnes of cargo. In December 2023, we achieved several operational milestones, including the highest number of flights flown in a single day: 446, accomplishing this twice, on December 20th and 29th. Another milestone is a record-high 73,000 passengers flown on December 23rd.

With our operational milestones, our list of accolades continues to grow. We are proud to share that we recently won the prestigious Best Airline award at the Routes Asia Awards, among other recognitions. This award recognizes our exemplary performance in network and route development in the Asia-Pacific region and further solidifies our position as a leader in the industry.

Growing as Juan Family

Under the Growing as Juan Family, our social pillar, we aim to provide a stable and healthy workplace, deliver a great customer experience, and give back to our community.

For our people, we attained 7.9 million safe man-hours in 2023 by prioritizing safety above all else. We continue to offer competitive compensation and benefits and create career progression opportunities. We also emphasized the development of meaningful training and development programs for our people. This was evident in the 29,522 total training hours delivered in 2023, up from 9,298 hours in 2022. With our continuous commitment to employee welfare, we were able to increase our employee engagement score to 82% in 2023 from last year's 81%.

To elevate the customer experience, we launched our Customer Journey Management Team in 2023. This dedicated team ensures passenger well-being and minimizes inconvenience by offering timely assistance, support, and real-time updates, particularly during peak seasons. Additionally, we enhanced our customer policies by extending the validity of our travel funds and vouchers. We also introduced a new CEB Help Center and enhanced features of Charlie, our virtual customer engagement assistant. These initiatives collectively aim to elevate passengers' overall experience from booking to departure while providing improved communication and support avenues.

Caring for Juan Planet

Under the Caring for Juan Planet, our environment pillar, we aim to reduce the environmental impact of our operations. This starts with our continued effort to modernize our fleet by adding more fuel-efficient NEO-powered aircraft, which is estimated to reduce fuel burn by at least 15%.

Implementing effective fuel efficiency strategies, such as direct routing on domestic routes and adopting industry best practices, contributed to significant fuel savings and lower carbon emissions. Collectively, these initiatives enabled us to save 16,097,140 kg of jet fuel and avoid 50,907 tCO₂-e of emissions.

We likewise accelerated our waste recovery programs. We recycled 28,000 kg of PET bottles in 2023 through our onboard plastic bottle segregation project. Our Green Product Cycle Initiative helped repurpose aircraft parts that were beyond economical repair into items like award trophies or were upcycled into usable items through the weavers of Rags to Riches in Payatas.

We also kicked off our ground transport and service equipment electrification program in 2023, which

"Cebu Pacific is gearing up for anticipated growth in travel demand beyond 2023. Plans to expand the fleet are already in motion, with Cebu Pacific actively solidifying partnerships with aviation partners and suppliers."

covers the transition of airport passenger shuttle buses, employee transport vans, and ground support equipment like aircraft towing trucks and baggage tractors to fully electric alternatives.

Building Juan Community

Under the Building Juan Community, our social pillar, we are dedicated to fostering a culture of effective and responsible business practices to underpin our growth and sustainability. We are a proud recipient of the ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Award for the second straight year. This award highlights our adherence to best practices in corporate governance principles such as transparency, accountability, board effectiveness, and social responsibility. Furthermore, our commitment to safety was acknowledged through our inclusion among the top 20 safest low-cost carriers globally by Airlineratings.com.

Gearing up for Expansion

As we continue to expand to meet the evolving needs of the aviation industry in the years ahead, passengers and stakeholders can rest assured that Cebu Pacific will remain proactive in addressing industry challenges. Cebu Pacific is gearing up for anticipated growth in travel demand beyond 2023. Plans to expand the fleet are already in motion, with Cebu Pacific actively solidifying partnerships with aviation partners and suppliers.

On behalf of the airline, I extend my gratitude to our stakeholders. Thank you for your continued support and commitment as we propel Cebu Pacific toward new and greater heights in sustainable aviation.

Xander

Alexander G. Lao

President and Chief Commercial Officer



Board of Directors

*Effective January 8, 2024, Frederick D. Go resigned as Director of the Board of Director



Lance Y. Gokongwei
Director, Chairman



Alexander G. Lao
Director, President and Chief Commercial Officer



Robina Y. Gokongwei-Pe
Director



David Gulliver G. Go
Director



Jose F. Buenaventura
Director



Brian H. Franke
Director



Bernadine T. Siy
Independent Director



Brian Mathew P. Cu
Independent Director



Richard Raymond B. Tantoco
Independent Director



Michael B. Szucs
Chief Executive Officer



Alexander G. Lao
President and Chief Commercial Officer



Michael Ivan S. Shau
Chief Corporate Affairs Officer



Jose Alejandro B. Reyes
Chief Strategy Officer
President & CEO, Cebgo, Inc.



Mark Julius V. Cezar
Chief Financial Officer and Compliance Officer



Lauren M. Cansana
Chief Information Officer



Javier L. Massot
Chief Operations Officer



Candice Jennifer A. Iyog
Chief Marketing and Customer Experience Officer



Felix Dan S. Lopez
Chief Human Resources Officer



Samuel S. Avila, II
Vice President for Flight Operations



Maria Leonora A. Apostol
Vice President for Customer Service Operations



Anne Romadine P. Tieng
General Counsel and Corporate Secretary



Materno C. Ilagan
Vice-President for Safety, Quality and Security



Shevantha K. Weerasekera
Vice-President for Engineering and Fleet Management



Ma. Elynore J. Villanueva
Treasurer

Senior Management and Corporate Officers

Awards



Michael B. Szucs
Chief Executive Officer,
Cebu Pacific



“ Cebu Pacific has indeed grown to become one of the most recognized and trusted names in the industry, synonymous with safe, affordable, and accessible flights. These recognitions inspire us to continue to outperform at the highest level in the industry. ”



Best Low-Cost Airline Brand in the Philippines 2023

WORLD ECONOMIC MAGAZINE

Cebu Pacific was recognized for providing its passengers with the best service and experience at a minimum fare.



Most Sustainable Low-Cost Airline 2023

WORLD ECONOMIC MAGAZINE

Cebu Pacific was acknowledged for its outstanding achievements in sustainable practices within the aviation industry.



Honoree, ASEAN Corporate Governance Scorecard Golden Arrow Award

THE GOLDEN ARROW

Cebu Pacific received a 3-arrow recognition under the Golden Arrow Awards. The Golden Arrow recognizes the top Philippine publicly listed companies in corporate governance based on the 2022 ASEAN Corporate Governance Scorecard (ACGS) assessment results.

Brand Finance®

Most Valuable Filipino Brand

BRAND FINANCE

Cebu Pacific ranked third among the strongest brands in the Philippines for 2023. The assessment was based on a balanced scorecard that evaluates the marketing investment, shareholder equity, and performance of the business.

Cebu Pacific received a Gold rating for implementing environmental sustainability initiatives and transparency in disclosing sustainability metrics in the CAPA-Envest Global Airline Sustainability Benchmarking & Rating Report 2023.



Gold Rated, Environmental Sustainability

AIRLINE 2023, CENTRE FOR ASIA PACIFIC AVIATION (CAPA)



Best Airline

ROUTE ASIA AWARDS

Cebu Pacific received the award in 2024, in recognition of its contributions to making local and international travel more accessible to the public. Route Asia also recognized Cebu Pacific's efforts to incorporate sustainability into its operations.



Most Acclaimed Organizer Worldwide

INSTITUTE FOR WOMEN OF AVIATION WORLDWIDE

The award was given to Cebu Pacific for being the organizer of a registered Women of Aviation Worldwide activity that earned the greatest number of organizer points.



Sustainability at Cebu Pacific

Our commitment to sustainable aviation underpins our drive to continuously create shared value for our stakeholders



Message from the Chief Strategy Officer

2-22



We remain committed to pursuing sustainability in aviation through initiatives that mitigate environmental impact, enhance operational efficiency, and contribute to economic progress.

Our comprehensive decarbonization strategy aims to drive carbon emission reduction across our operations. Cebu Pacific aligns with the International Air Transport Association's (IATA) Fly Net Zero and International Civil Aviation Organization's (ICAO) long-term global aspirational goal (LTAG). Both commitments aim to achieve net-zero carbon emissions by 2050 for international aviation.

We continue to sustain our momentum across our five decarbonization pillars: Fundamentals, Fleet, Fuel, Footprint, and Finance.

In 2023, we reached the following milestones in our sustainability journey:

Fundamentals

We partnered with South Pole, a third-party climate advisory group, to conduct a detailed inventory of our greenhouse gas (GHG) emissions. The GHG accounting report establishes the baseline for setting our near-term and long-term emission reduction pathways, which will align with global temperature targets.

We launched the Sustainability 101 program to increase our employees' awareness of the many aspects of sustainability and to empower them to contribute proactively to the airline's various initiatives.

Additionally, we partnered with the consultancy firm Deloitte Philippines to identify climate-related risks and opportunities – a step towards our goal of having our sites assessed for potential negative impact from climate change that could affect the airline's performance.

Fleet

As of 2023, 38 of the 88 aircraft in our fleet have been equipped with the NEO engines, which are more fuel efficient than the Classic Engine Option (CEO) variant and are estimated to reduce fuel burn by at least 15%. We have 65% more NEO aircraft in 2023 compared to last year. Our progress shows our commitment to our fleet modernization goal to achieve an all-NEO fleet by 2028. Cebu Pacific's NEO aircraft feature increased seating capacity, enabling us to accommodate more passengers while reducing the average carbon emissions per passenger. Our NEO fleet contributed to a reduction of 161,655 tCO₂-e in our 2023 GHG emissions.

We also launched our ground equipment electrification program in 2023, deploying fully electric shuttle vans for our employee transport services for routes to and from Cavite, Parañaque City, and Quezon City. In addition, we started a re-fleeting program for our airport shuttle buses at the Ninoy Aquino International Airport (NAIA) with the delivery of two electric buses. In 2024, Cebu Pacific will start deploying electric baggage tractors for NAIA operations.

Fuel

In 2023, our fuel efficiency initiatives yielded 16.1 million kilograms in jet fuel savings, avoiding around 50,000 tonnes of CO₂ emissions. This represents a doubling of 2022 results when Cebu Pacific saved 7.9 million kilograms of jet fuel through similar efficiency efforts.

To promote more fuel-efficient operations, we utilize aviation industry best practices, such as flight optimization and cooperating with authorities to develop faster, more direct routes. In addition, we have introduced techniques such as Reduce Flaps at Landing (RFLA), that reduces drag and leads to less fuel burn upon approach.

Under our Sustainable Aviation Fuel (SAF) program, Cebu Pacific became the first Philippine carrier to utilize SAF for commercial operations in Japan when we operated flight 5J 5055 from Narita to Manila in October 2023. We used 40% SAF sourced from Neste for the historic flight. Neste is the world's largest producer of SAF, and we forged together a strategic partnership to develop future supply of SAF for Cebu Pacific.

Furthermore, we used 41% SAF to deliver the first Airbus A320neo from the Tianjin facility in June 2023. We have been integrating sustainable aviation fuel for all our new aircraft deliveries since 2022, including those from Toulouse, France, and Hamburg, Germany.

Footprint

We planted 10,000 mangroves in Dumanjug, Cebu in partnership with the Ramon Aboitiz Foundation Inc.'s (RAFI) One To Tree unit. The rehabilitation of the mangrove site is part of our long-term strategy to integrate nature-based solutions into our decarbonization program. Mangrove forests provide critical protection from the onslaught of typhoons and are home to diverse ecosystems.

To further decrease our environmental footprint, we plan to install solar panels for the Airline Operations Center, our corporate headquarters. We will also be transitioning 100% of the electricity requirement for our Aplus and Air Juan buildings to renewable energy. This

"We continue to sustain our momentum across our five key decarbonization pillars... We are dedicated to pursuing responsible business practices through sustainability initiatives to support our growth ambitions in the coming years."

shift to clean power supply will help us achieve green building certification through the International Finance Corporation's Excellence in Design for Greater Efficiencies (EDGE).

We continue to engage with relevant stakeholders to understand carbon markets and offsets, in preparation for compliance with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) mandate. CORSIA is ICAO's program requiring airlines to offset their carbon emissions on international flights.

Finance

We aim to incorporate climate responsibility into business continuity and investments, including sustainability financing options to fund our long-term decarbonization strategy and overall sustainability vision.

Cebu Pacific's sustainability efforts garnered recognition in 2023, a testament to our achievements and contributions. Our programs to lower our carbon footprint were recognized with a gold rating by the Centre for Asia Pacific Aviation's Global Airline Sustainability Benchmarking Report. The award positions us as the highest-rated airline for sustainability in the Philippines and one of only two LCCs in Southeast Asia to achieve such recognition. We were also recognized as the Most Sustainable Low-Cost Airline in the Philippines for 2023 by World Economic Magazine.

We are dedicated to pursuing responsible business practices through sustainability initiatives to support our growth ambitions in the coming years.

Alex

Jose Alejandro B. Reyes

Chief Strategy Officer

Sustainable Value Creation

Cebu Pacific is driven by its commitment to environmental responsibility, operational efficiency, and contributing to sustainable development. It has aligned its vision and purpose with its business strategy, governance, and risk assessment, and is weaving sustainable aviation strategies into three ESG pillars: Growing as Juan Family, Caring for Juan Planet, and Building for Juan Community.

Our Commitment

Maintain solid financial and operational performance while making significant contributions to the country's economic development.

Our Values

- Service**
We put people at the heart of service.
- Integrity**
We do what is right.
- Trust**
We cultivate trust and commit to collaboration.
- Courage**
We relentlessly pursue new ideas and better solutions.
- Best of Filipino Spirit**
We live the best of Filipino spirit at all times.

Our Vision

We envision stronger nations where cultures and communities are connected, meaningful relationships are built, and lives are enriched by opportunities and experiences we make possible.

Our Purpose

To move people, create opportunities, and broaden perspectives, enabling everyone to lead richer and fuller lives.

Sustainability Outlook

The aviation industry's clear goal is to achieve net-zero carbon emissions by 2050. To achieve this, airlines are focusing on technological advancements, cleaner fuels, operational efficiency, and market-based solutions. However, increasing costs and the speed of implementing these changes still need to be overcome.

There are strategies that exist to overcome the challenges mentioned. IATA's roadmap outlines solutions like hydrogen or battery-powered planes, improved air traffic control, and wider use of SAF. Additionally, Asia presents unique opportunities: the region has access to a significant share of SAF production and a booming travel market, which can fuel the transition towards sustainable aviation practices.

Climate-related Risks

- Tropical cyclones
- Flooding
- Extreme temperatures and heat stress
- Sea level rise

Key Stakeholders

- Employees
- Customers (individual and corporate passengers; cargo shippers)
- Regulators and Government
- Airports and airport authorities
- Suppliers and service providers
- Industry groups / associations
- Investors and shareholders
- Partner communities and Non-Governmental Organizations (NGOs)

Enterprise Risks

- Fleet issues: engine issues and delivery delays
- Digital platform vulnerabilities
- Safety incidents
- Volatility of fuel price, foreign exchange, and interest rates
- Prolonged international recovery
- Cybersecurity incidents

Sustainability Performance Highlights

Economic Contributions

↑ 60%	↑ 40%	↑ 78%	vs 52% in 2019
PHP 91.5B	20.8M	PHP 62.5B	53%
Direct Economic Value Generated	No. of Passengers Flown	Passenger Business	Domestic Market Share

Social Pillar

Growing as Juan Family

7,955,480	+38	82%
Safe-man Hours	Employee Net Promoter Score	Employee Engagement Score

Environmental Pillar

Caring for Juan Planet

15	16,097,140 kg	50,907	125,405
No. of Additional NEO Aircraft in 2023	Jet fuel saved through fuel efficiency best practices	Avoided emissions from fuel efficiency best practices (tCO ₂ e)	Wastes recycled (kg)

Governance Pillar

Building Juan Community

62% Non-aircraft-related procurement budget spent on local suppliers

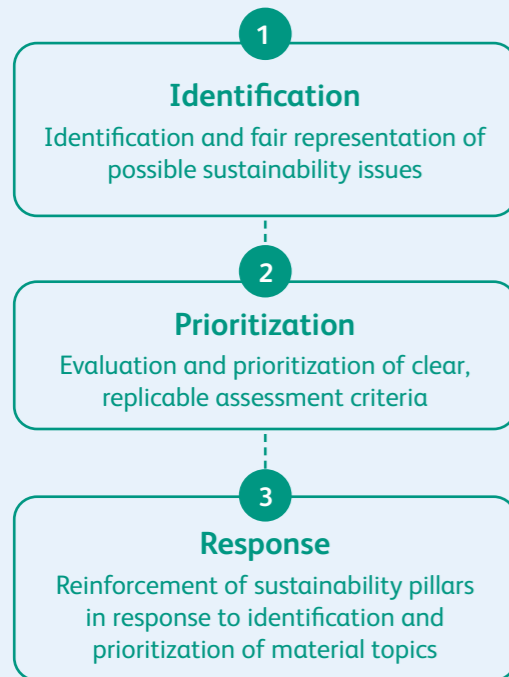
<p>Social Pillar</p> <p>Growing as Juan Family</p> <p>Cebu Pacific's goal under the social pillar is to provide a stable and healthy workplace and deliver a great customer experience while giving back to the community. To achieve this, the Group aims to:</p> <ul style="list-style-type: none"> • Be recognized as a leading innovator in elevating the standards of aviation through the application of industry best practices; • Lead the way to safety by achieving zero serious incidents in all our operations; • Be a loved airline in the world by gaining a Net Promoter Score (NPS) score of +35-40; and • Increase employee engagement score to more than 90%. 	<p>Environmental Pillar</p> <p>Caring for Juan Planet</p> <p>Cebu Pacific aims to reduce the environmental impact of its operations and encourage other stakeholders to do the same. This is accomplished through:</p> <ul style="list-style-type: none"> • A fleet modernization with the goal of transitioning to NEO aircraft by 2028; • Alignment with the aviation industry's net-zero by 2050 commitment to reducing greenhouse gas emissions; • Having 30% of sites assessed and managed for climate risks; • Recovery and diversion of 50% of plastic wastes generated during flights 	<p>Governance Pillar</p> <p>Building Juan Community</p> <p>Cebu Pacific builds a culture of effective and responsible business practices to support the Group's growth and sustainability. Its success in achieving this pillar is defined by having:</p> <ul style="list-style-type: none"> • 100% of partners and vendors assessed for sustainability standards; • 100% of businesses assessed and managed for anti-corruption risks; • 30% of communities where Cebu Pacific operates are covered by inclusive programs.
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Materiality

3-1 3-2

Cebu Pacific’s materiality assessment provides a list of topics most relevant to the Group for the year 2023. In addition to the list of topics reported in the previous year, two new topics were included in the 2023 list: Climate Strategy and Cybersecurity. Several material topics were also renamed for 2023. A guide detailing how these topics were reported in previous reports is included in the table below for reference.

Cebu Pacific’s materiality process consists of three main steps: (1) Identification, (2) Prioritization, and (3) Response.



The Group identified potential sustainability issues and topics relevant to operations and the broader industry through a comprehensive review of different sustainability-related frameworks and standards and industry benchmarking. Cebu Pacific referenced the Global Reporting Initiative (GRI) standards, the International Air Transport Association (IATA) Sustainability Reporting Handbook, and the Sustainability Accounting Standards Board (SASB) framework in topic identification. Additionally, the Group reviewed the material topics of its industry peers and cross-referenced these findings with its internal priorities. The consolidated list then formed the foundation of the materiality assessment survey.



“Our commitment to sustainability goes beyond strategy; it reflects our company’s core values. We address the most material sustainability issues to ensure we continue a legacy of sustainable value creation for all our stakeholders.”

Dio Angelo C. Alojado
Director, Corporate Strategy and Sustainability

Sustainability Pillar	2023 Material Topics	How this topic was reported in the 2022 report
Growing as Juan Family (Social)	Safety, Quality and Security (SQS) and Occupational Health and Safety (OHS)	Occupational Health and Safety
	People Development and Training	Training / People and Development
	Employee Engagement	Employment and Workforce Management / Labor Practices
	Product and Service Innovation	Product and Service Innovation
	Customer Satisfaction	Customer Support & Complaints Management
	Customer Experience	Product Quality
	Corporate Social Responsibility	Partnership for Development (reported under Building Juan Community)
Caring for Juan Planet (Environment)	Decarbonization	Environmental Impact and Management
	Resource Management	Environmental Impact and Management
	Waste Management	Waste and Effluents
	Climate Strategy*	
Building Juan Community (Governance)	Financial and Economic Performance	Financial and Economic Performance
	Corporate Governance	Corporate Governance and Socioeconomic Compliance
	Supply Chain Management	Procurement Practices, Supplier and Contractor Management / Supply Chain Sustainability
	Customer Privacy	Customer Privacy
	Diversity, Equity and Inclusion	Gender Equality & Discrimination
	Marketing and Labeling	Marketing and Labeling
	Cybersecurity*	

*new topic

Key Stakeholders

2-29

Cebu Pacific is able to attain balanced success in its ESG priorities through the support and partnership offered by its stakeholders. It is therefore crucial for the Group to maintain good relations and understand each stakeholder group's issues and concerns through various company engagement initiatives.

Cebu Pacific conducts its stakeholder assessment every year, identifying the most relevant groups related to the business as well as their goals and desired effect on the business. This process gathers valuable insights that can contribute to Cebu Pacific's growth and innovation.

Employees		
Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Gainful employment and career growth Access to accessible and high-quality healthcare 	<ul style="list-style-type: none"> High employee satisfaction and net promoter score, loyalty, and low turnover 	<ul style="list-style-type: none"> Job laddering and salary structure review Improved HMO benefits, including coverage for same-sex and common-law partners CEB+ app for seamless access to human resource services

Communication Channels

- | | |
|---|---|
| <ul style="list-style-type: none"> Pulse Employee Engagement Survey Employee Net Promoter Score Performance Appraisals Individual Development Plan Internal and External Trainings | <ul style="list-style-type: none"> Safety Reporting System / Safety Dashboard Fatigue Risk Management System Direct request (Emails, Viber, and Teams) Meetings |
|---|---|

Customers (Individual and Corporate Passengers; Cargo Shippers)		
Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Access to safe, affordable, reliable, and convenient air travel Access to cost-efficient and on-time logistics service Connecting communities through direct services 	<ul style="list-style-type: none"> Competitive market share 	<ul style="list-style-type: none"> Enhanced flexible options policy Upgraded digital self-service channels (website, mobile app) CEB Help Center Charlie the virtual assistant

Communication Channels

- | | |
|---|--|
| <ul style="list-style-type: none"> Customer Promoter Score Customer satisfaction Post-flight surveys | <ul style="list-style-type: none"> Social Media / Traditional Media Meetings and emails (for cargo shippers) |
|---|--|

Regulators and Government		
Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Economic development through enhanced mobility Aviation safety 	<ul style="list-style-type: none"> Unencumbered industry growth Compliance 	<ul style="list-style-type: none"> Attendance in the Philippine Aviation Summit, Third Conference on Aviation Alternative Fuels (CAAF/3), Association of Southeast Asian Nations Technical Working Group (ASEAN TWG) in Singapore Consultations with the Civil Aviation Authority of the Philippines (CAAP) and the European Union Aviation Safety Agency (EASA) Engagements with the Department of Transportation (DOTr), Manila International Airport Authority (MIAA), Department of Environment and Natural Resources (DENR), Civil Aeronautics Board (CAB), and the Board of Investments (BOI)

Communication Channels

- | | |
|--|---|
| <ul style="list-style-type: none"> Report submission and compliance Meetings | <ul style="list-style-type: none"> Emails, calls, and videoconferencing Letters, department orders, guidelines, and memoranda |
|--|---|

Airports and Airport Authorities		
Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Efficient provision of air transport infrastructure 	<ul style="list-style-type: none"> Capacity expansion, operational efficiency 	<ul style="list-style-type: none"> Reopening of Clark hub

Communication Channels

- | | |
|--|---|
| <ul style="list-style-type: none"> Report submission and compliance Meetings | <ul style="list-style-type: none"> Emails, calls, and videoconferencing Letters, department orders, guidelines, and memoranda |
|--|---|

Suppliers and Service Providers		
Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Long-term and profitable business relationship 	<ul style="list-style-type: none"> Reliability, quality and cost-effectiveness 	<ul style="list-style-type: none"> Request for proposal (RFP) for fleet expansion

Communication Channels

- | | |
|--|---|
| <ul style="list-style-type: none"> Vendor Accreditation Audits and performance reviews | <ul style="list-style-type: none"> Meetings Emails, calls, and video conferencing |
|--|---|

Industry Groups and Associations

Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Advocacy of common interests and opportunities 	<ul style="list-style-type: none"> Collaboration and adoption of best practices 	<ul style="list-style-type: none"> Attendance in ASEAN Technical Working Group, Air Carriers Association of the Philippines (ACAP) meetings

Communication Channels

- Meetings & conferences
- Emails, calls, and videoconferencing

Investors and Shareholders

Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Solid return on investment 	<ul style="list-style-type: none"> Consistent inflow of investments 	<ul style="list-style-type: none"> ESG disclosures through ESG rating companies Investor Roadshow Philippine Stock Exchange and Securities and Exchange Commission (SEC) Disclosures

Communication Channels

- Shareholders' meetings
- Quarterly results briefings
- Investor relations meetings

Partner Communities and NGOs

Stakeholder Goals	Desired Effect on Business	Company Responses
<ul style="list-style-type: none"> Local community development, economic contribution, and job creation Sustainable tourism 	<ul style="list-style-type: none"> Minimize environmental impact, comply with laws, promote responsible tourism, and support value-creating activities, bringing prosperity to the communities it serves 	<ul style="list-style-type: none"> Partnerships with Ramon Aboitiz Foundation Inc. and Barangay Tapon fisherfolks association, United Filipino Global (UFG), Airlink for Disaster Resiliency and Response, Autism Society of the Philippines (ASP), and Philippine Business Coalition for Women Empowerment (PBCWE) Supporting beneficiaries of Epifanio Delos Santos Elementary School and AHA! Learning Center

Communication Channels

- Project collaborations
- Site Visits / Meetings
- Emails, calls, and videoconferencing
- Performance reviews



Management of Risks and Opportunities

Climate-related Risks and Opportunities 201-2

The aviation industry is responsible for 2.4% of global CO₂ emissions and without action (business-as-usual), CO₂ emissions from aviation are estimated to reach 22% of global emissions by 2050.¹

To address greenhouse gas emissions (GHG) impacts, a significant contributor to the warming of the planet and precursor to climate change, the global aviation sector, through the ICAO and the IATA, has adopted the long-term climate goal of achieving Net Zero Carbon by 2050. Cebu Pacific aligns with this industry goal.

Likewise, Cebu Pacific acknowledges the threat of climate change to the planet, its people, the global economy, and its operations. Understanding these impacts can help the Group prepare for and mitigate potential risks and use opportunities to its advantage to safeguard assets, support stakeholders, and contribute positively to communities.

GOVERNANCE

Enterprise-wide risk assessment and reporting in Cebu Pacific is delegated to three Management level committees: the Data Privacy, Business Continuity, and Sustainability Board (DBSB), the Airline Safety Review Committee (ASRC), and the Treasury Risk Management Committee (TRM). The assessments and reports from these three Management level committees are reported to the Board level Board Risk Oversight Committee, which convenes twice a year.

Specifically, environmental risks and climate-related risks are monitored, addressed, and reported by Cebu Pacific's Corporate Strategy Office, which is headed by the Chief Strategy Officer and the Director for Corporate Strategy and Sustainability. Environmental performance in areas such as GHG emissions, carbon intensity, energy and

water consumption, and waste generation, among others, is monitored and reported during the monthly DBSB meeting. The Sustainability Manager and Corporate Sustainability Analyst are responsible for the monitoring and reporting of said metrics.

STRATEGY

The following table presents the Group's climate-related risks and opportunities identified through the Climate Scenario Analysis completed in 2023 for Cebu Pacific's Flight Dispatch Operations at the Ninoy Aquino International Airport. It also entails the potential implications of the identified physical risks and opportunities and the Group's recommended adaptation and mitigation plans and actions.

¹ Bloomberg NEF; Mission Possible Partnership, Making Net-Zero Aviation Possible, 2022

Climate-related Risks

Risk Category	Climate Hazard	Potential Implication
Physical Risks		
Acute	Tropical Cyclones (Representative Concentration Pathways (RCP) 4.5 and RCP 8.5)	The number of cancellations increases exponentially as the intensity of the cyclone increases.
		Health and safety risks for workers and passengers
		Potential damage to critical infrastructure, such as aircraft and ground service equipment
		Stranded passengers
Recommended Adaptation Plans and Actions		
<ul style="list-style-type: none"> Strengthen business continuity measures by including climate risks and meteorological forecasts in emergency plans, focusing on flight rerouting/diversion, passenger care during delays, and training personnel Analyze and re-evaluate flight routes and schedules considering the projected increase in intensity of intense tropical cyclones, with particular attention to September and October Enhance and implement protocols for relocating assets to safer areas based on weather forecasts Enhance customer support to provide proper assistance to inquiries and complaints (e.g., rebooking, refunding, cancellations) during peak hit months Ensure emergency planning measures to have adequate energy, food, and water supplies to care for stranded passengers Ensure regular preventive maintenance checks and inspections to confirm the aircraft's capability to endure extreme weather conditions Implement safety and health programs to account for changing intensity of tropical cyclones and their potential impacts on the workforce Improve technologies for gathering in-situ climatological (e.g., rainfall, wind speed, lightning strikes) and operational impact data (e.g., flight cancellations/ durations/ diversions, asset damage) to enhance adaptive decisions 		
Risk Category	Climate Hazard	Potential Implication
Acute	Flooding (RCP 8.5 only)	Possible delays and cancellations due to flooding
		Inconvenience to passengers as access roads may become flooded, preventing them from reaching the airport
		Inundated airport runways and taxiways, hindering aircraft mobility and ground service activities

Recommended Adaptation Plans and Actions		
<ul style="list-style-type: none"> Consider investing in an early warning system and regularly inspecting the drainage systems to ensure their effectiveness Assess the need for backup facilities and operations centers in less flood-prone locations Implement regular monitoring of the drainage system to ensure its efficient operation and collaborate with MIAA to assess flood drainages and ensure the availability of industrial water pumps capable of effectively siphoning floodwaters Constantly assess and test the business continuity and emergency response for different flooding scenarios in runways, ramps, and passenger access ways and roads Continuously monitor and analyze weather data and climate trends to improve long-term planning for adapting to changing conditions Enhance existing weather and flood information by investing in weather data points (i.e., rainfall amount), data gathering methodologies, and predictive analysis to optimize decision-making and enhance overall insights 		
Risk Category	Climate Hazard	Potential Implication
Long-term (2050)		
Chronic	Extreme temperatures and heat stress	Inconvenience to personnel, including flight crew, airline employees, and travelers (e.g., heightened risk of heat-related illnesses)
		Increased cooling requirements due to the elevated temperatures and demand for more efficient cooling systems
		Decreased payload capacity due to reduced engine performance and aerodynamic efficiency at higher temperatures, resulting in lower thrust and lift
Recommended Adaptation Plans and Actions		
<ul style="list-style-type: none"> Install hydration stations, implement policies encouraging regular fluid intake for all ground personnel, and designate cooling stations or areas with shading to provide relief for employees and travelers during extreme heat events Continue investing in more fuel-efficient aircraft to counteract the potential increase in fuel consumption associated with higher take-off thrust Consider upgrading the air conditioning system to meet increased demand and ensure routine maintenance to maximize efficiency and prevent unnecessary energy consumption Consistently monitor and analyze weather data and climate trends to enhance long-term planning for adapting to changing conditions. This may involve the installation of monitoring devices to provide real-time data on temperature, humidity, and other relevant factors 		
Chronic	Sea Level Rise	Access roads might be inundated, which may also lead to passenger inconvenience
Recommended Adaptation Plans and Actions		
<ul style="list-style-type: none"> For future flights, consider the potential sea level rise when operating in airports located near coastlines. 		

Climate-related Opportunities

Opportunity Type	Climate-Related Opportunities	Potential Financial Impact
Short-term to Medium-term		
Resource Efficiency	Maintain the commitment to fleet modernization by consistently acquiring and integrating fuel-efficient aircraft, particularly those with low carbon emissions.	<ul style="list-style-type: none"> Reduced operating costs due to higher efficiency Increase in revenues and investments because more sustainable aircraft may attract environmentally conscious individuals and enhance the Group's reputation
	Continue transitioning to electric transport vehicles and ground service equipment.	
Products and services	Continue the implementation of a capital expenditure program aiming to replace older aircraft with fuel-efficient NEO by 2028.	<ul style="list-style-type: none"> Increase in revenues and investments due to higher demand for more sustainable services
	Explore sustainable air travel initiatives to enable customers to offset their carbon emissions by opting for environmentally friendly air travel.	
Resilience	Invest in weather information	<ul style="list-style-type: none"> Enhanced organizational reputation by utilizing accurate weather data information
Opportunity Type	Climate-Related Opportunities	Potential Financial Impact
Short-term to Medium-term		
	Collection, including climatological data points, data gathering methodologies, and predictive analysis, to optimize decision-making and enhance overall insights into climate trends.	<ul style="list-style-type: none"> By utilizing accurate weather data information Revenue increase due to precise weather data, resulting in fewer flight cancellations Potential increase in stakeholder investments as weather data accuracy promotes reliability and efficiency of flight schedules
Long-term		
Energy Source	Continue expanding the network of partners to increase the supply of SAF for flight operations and renewable energy for ground operations.	<ul style="list-style-type: none"> Increase in revenues and investments due to higher demand for more sustainable services

Risk Management

The Enterprise Risk Management Group (ERMG) ensures that a sound Enterprise Risk Management (ERM) framework is in place to effectively identify, monitor, assess, and manage key business risks. This framework guides the Cebu Pacific Board of Directors in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. Climate-related risks are currently part of the Group-wide risk management process.

The ERMG spearheads the implementation of a risk management framework that enables Cebu Pacific to manage fundamental risk issues. Departments are empowered to identify, assess, prioritize, and formulate responses to risks, which are then reported to the three main risk committees that meet monthly. To assist the Group in its Risk Assessment Process, the Risk Assessment Tool, which is a database-driven web application, was developed for departments to help in the assessment, monitoring, and management of risks.

Furthermore, in 2022, Cebu Pacific committed to identifying and integrating physical and transition climate-related risks into its risk management processes. By 2023, significant progress was achieved as the Group conducted a comprehensive climate scenario analysis in partnership with Deloitte Philippines to identify climate-related risks and opportunities, marking the third step in its overall climate risk management strategy.

This involved:

- Component A**
Baseline Assessment, evaluating Cebu Pacific against TCFD recommendations and industry peers, including current state assessment, peer benchmarking, and gap analysis.
- Component B**
Risk Characterization, understanding Cebu Pacific's exposure to climate hazards, and prioritizing assets for further analysis.
- Component C**
Detailed assessment of climate-related risks and opportunities, analyzing asset vulnerability based on asset design, and developing asset-specific risk mitigation strategies.

The climate scenario analysis focused on physical risks associated with RCP 4.5 and 8.5, projecting global warming and examining tropical cyclone frequency and flood impacts for worst-case scenarios.

To project future tropical cyclone frequency and assess associated risks such as wind strength and rainfall, the study used climate projection models for the period 2030-2060 and the Pseudo-Global Warming technique, respectively. Flood risk for the study site was assessed through the Projected (2060) Wet Season and Frequency Storm scenarios and historical rainfall data. To manage tropical cyclone risks, Cebu Pacific employs a weather forecasting system, which enables the flight crew to access



reliable typhoon paths and make timely decisions to mitigate operational risks arising from inclement weather. Regarding flood hazards, the Group aims to enhance existing weather and flood information by investing in weather data points (i.e., rainfall amount), data gathering methodologies, and predictive analysis to optimize decision-making and enhance overall insights. The leadership of Cebu Pacific's ERM Group, the utilization of risk management tools, and the integration of climate-related risks following an in-depth climate scenario analysis into the Group's risk management processes contribute to the overall readiness of the Group to manage its climate-related risks and leverage its climate-related opportunities.

Metrics and Targets

Cebu Pacific employs various metrics to track its progress toward its climate-related objectives to ensure effective management of risks and opportunities associated with climate change. The Group has developed a five-pillar decarbonization strategy: Fundamentals, Fleet, Fuel, Footprint, and Finance. Each pillar corresponds to specific goals that the Group actively implements and develops plans for. Additionally, Cebu Pacific disclosed its Scope 3 emissions in this report, following engagement with South Pole, which will also guide avoidance and removal credits needed to contribute to decarbonization efforts, if applicable.

The next table outlines the Group's climate-related objectives, metrics, and indicators used to track progress in the current reporting year, with plans to establish a baseline year and quantified metrics in the future, as well as progress against the previous year



Progress in 2023

Cebu Pacific achieved significant developments regarding its climate-related objectives through comprehensive ESG initiatives and a focused approach to decarbonization. While five of the 16 targets still require further action, the Group ensured that the initial groundwork was established in 2023 for progress to be achieved in the following years.

Objectives	Metrics and/or indicators used to track progress in 2023	Progress in 2023
Employees	<ul style="list-style-type: none"> Gainful employment and career growth Access to accessible and high-quality healthcare 	High employee satisfaction and net promoter score, loyalty, and low turnover. In 2023 Cebu Pacific achieved the following: a.) eNPS of +38; b.) pulse engagement score of 82%, and c) attrition rate of 11 %
GHG Emissions		
Reduction of Greenhouse Gas Emissions	<ul style="list-style-type: none"> Scope 1, 2 and 3 GHG emissions GHG emissions intensity 	Cebu Pacific has partnered with a third-party climate advisory group, South Pole, to conduct an inventory of its GHG emissions. The GHG accounting report will be the basis of the Group's near-term and long-term emission reduction pathways, which will be aligned with global temperature targets.
FUNDAMENTALS: Employee Awareness and Education	<ul style="list-style-type: none"> Number of non-unique learners Total number of learning hours 	Sustainability 101 was conducted to increase employees' awareness of the many aspects of sustainability and how they can contribute to the initiatives.

Objectives	Metrics and/or indicators used to track progress in 2023	Progress in 2023
FLEET: Fleet Modernization to NEO by 2028	<ul style="list-style-type: none"> Number of NEO aircraft Fuel efficiency (pax-km/L) 	Cebu Pacific's fleet in 2023 totaled 88 passenger aircraft, consisting of 69 Airbus planes and 19 ATR turboprops. With an average fleet age of just 5.9 years, it stands as one of the youngest fleets globally. Notably, 38 out of the 88 aircraft are the NEO from Airbus, renowned for its fuel efficiency compared to the CEO, estimated to reduce fuel burn by at least 15-25%.
FUEL: Utilize SAF Across Cebu Pacific's commercial network by 2030	<ul style="list-style-type: none"> SAF consumption (in Liters) Fuel efficiency (pax-km/L) Number of delivery flights using SAF 	In October 2023, as part of its long-term readiness program for SAF integration, Cebu Pacific achieved a milestone by operating Flight 5J 5055 from Narita to Manila with SAF, making it the first Philippine carrier to do so on a commercial flight from Japan. Cebu Pacific remains dedicated to incorporating SAF in delivery flights, as demonstrated by its use during the delivery of the 1st Airbus A320neo from the Tianjin facility in June 2023. Nine aircrafts were delivered to Cebu Pacific in 2023 using SAF blend
FUEL: Development of Supply Network	<ul style="list-style-type: none"> SAF consumption (in Liters) Number of delivery flights using SAF 	In 2022, Cebu Pacific signed a memorandum of understanding with Shell Aviation for the supply of SAF beginning in 2026. Following this, in 2023, Cebu Pacific signed another memorandum of understanding with Neste to collaboratively work towards establishing future SAF supply. In the same year, a total of 34,541 liters of SAF was used in both delivery and commercial flights.
FOOTPRINT: Shift to Renewable Energy	<ul style="list-style-type: none"> Renewable energy % 	Cebu Pacific is in the process of installing onsite renewable energy, connecting to off-site renewable energy, and certifying several main facilities as Green Buildings.
FOOTPRINT: Nature-based solutions	<ul style="list-style-type: none"> Number of trees planted 	The Group is expanding its nature-based initiatives to mitigate its environmental impacts by partnering with the Ramon Aboitiz Foundation Inc.'s (RAFI) One To Tree unit. The partnership is slated to run for three years (2023-2026) to support the conservation and restoration of mangroves in the municipality of Dumanjug in the province of Cebu and contribute to environmental preservation, disaster resilience, and community livelihood. 10,000 mangroves were planted in 2023 through the RAFI partnership.
FINANCE: Sustainable Financing	<ul style="list-style-type: none"> Metric is not under observation in 2023 	Cebu Pacific aims to incorporate climate responsibility into business continuity and investments, including consideration of sustainability financing options to fund its long-term decarbonization strategy and overall sustainability vision.

Objectives	Metrics and/or indicators used to track progress in 2023	Progress in 2023
Physical Risks		
Reduction of Exposure to High-Risk Areas	<ul style="list-style-type: none"> Metric is not under observation in 2023 	The Group conducted a comprehensive climate scenario analysis in partnership with Deloitte Philippines to identify climate-related risks and opportunities.
Minimize Flight Disruption	<ul style="list-style-type: none"> Metric is not under observation in 2023 	The Group conducted a comprehensive climate scenario analysis in partnership with Deloitte Philippines to identify climate-related risks and opportunities.
Transition Risks		
SAF price and availability	<ul style="list-style-type: none"> SAF consumption (in Liters) SAF volume specified in Memorandum of Understanding (MOU) partnerships 	Cebu Pacific actively participates in discussions to aid in the development of government policies. The availability of feedstock and new technologies is essential to increasing biofuel production and maintaining competitive prices. However, the current challenge persists in the high prices and limited availability of SAF for mainstream use.
Exposure to carbon pricing schemes	<ul style="list-style-type: none"> Carbon Offsetting and Reduction Scheme for International Emissions (CORSIA) eligible emission units 	Cebu Pacific continues to address risks associated with carbon costs, specifically the ICAO's CORSIA, through its decarbonization strategy. This strategy involves exploring carbon markets and nature-based solutions.
Climate-related Opportunities		
Transition to Electric Vehicles (EV)	<ul style="list-style-type: none"> Number of electric vehicles 	In 2023, Cebu Pacific took deliveries of electric passenger and employee shuttles. A trial run for an electric baggage tractor was also conducted.
Capital Deployment	<ul style="list-style-type: none"> Metric is not under observation in 2023 	Cebu Pacific considers sustainability financing options to fund its mitigation and adaptation plans for its climate-related risks and opportunities.
Internal Carbon Pricing	<ul style="list-style-type: none"> Metric is not under observation in 2023 	The Group is evaluating internal carbon pricing to anticipate the financial impact of future regulations, taxes, or carbon pricing that may be imposed by the government or market.



Enterprise Risks and Opportunities 2-13

Cebu Pacific manages risk through a framework spearheaded by the Enterprise Risk Management Group (ERMG), wherein departments actively participate by identifying, assessing, prioritizing, and formulating responses to potential risks. Identified risks are then reported to risk committees that meet monthly.

Risks are also reported to the Board Risk Oversight Committee (BROC) every six months. The BROC is a Board-level committee that provides oversight over the Group's risk management policies and procedures to anticipate, minimize, control, or manage risks or possible threats to its operational and financial viability. It has three Board members and is chaired by an independent Board director.

Categorizing and Defining Our Risks

Financial Risks

Risks where there is a possibility or danger that shareholders, investors, or other financial stakeholders will lose money

Strategic Risks

Risks that either affect or are created by business strategy decisions

Reputational Risks

Risks that affect the good name or standing of a business or an entity

Human Resource or Social Risks

Any factors related to people, culture, or governance that create uncertainty in the business environment and could negatively impact the Group's operations

Compliance or Regulatory Risks

Exposure to legal penalties, financial forfeiture, and material loss that an organization faces when it fails to act according to industry laws and regulations, internal policies, or prescribed best practices

Information Privacy Risks

These refer to the harm to an individual's (e.g., customer's) personal information when they are disclosed, modified, deleted, or become unavailable without the individual's consent

Operations Risks

These refer to risks that arise from day-to-day business activities

Technology Risks

These refer to any potential for technology failures that can disrupt the business, such as information security incidents or service outages

Environmental Risks

Actual or potential adverse effects on living organisms and the environment (e.g., effluents, emissions, wastes, resource depletion) due to the organization's activities

Category	Risk	Opportunity
Financial Risks	<ul style="list-style-type: none"> Volatility of Fuel Price FX and Interest Rates 	<ul style="list-style-type: none"> Fuel, FX, and interest rates hedging Alternative financing for aircraft (e.g., JOLCO, Balthazar) Dynamic management of network and pricing Improved foreign distribution to increase non-PHP inflows Shift to NEO fleet Fuel-saving initiatives and programs
	<ul style="list-style-type: none"> Competition 	<ul style="list-style-type: none"> Focus on areas of on-time performance, service delivery, and scheduling efficiency Maintain lower cost to offer competitive prices
	<ul style="list-style-type: none"> Economic downturn 	<ul style="list-style-type: none"> Efficient service delivery, sensible cost reduction, and continuous process improvement to remain agile
	<ul style="list-style-type: none"> Availability of debt financing and lease financing 	<ul style="list-style-type: none"> Prudent financial management
Strategic Risks	<ul style="list-style-type: none"> Slower ramp-up of international market as travel restrictions are gradually lifted 	<ul style="list-style-type: none"> Focus on growing the domestic market Maximize aircraft capacity
	<ul style="list-style-type: none"> Prolonged international recovery due to weak China economy and tensions due to South China conflict 	<ul style="list-style-type: none"> Deployment to other BOC routes and/or active management of operating frequencies into China
Reputational Risks	<ul style="list-style-type: none"> Reputational damage from isolated incidents 	<ul style="list-style-type: none"> Continuous improvement of response and resolution times through customer listening channels and investment in digital platforms with analytics
Human Resource or Social Risks	<ul style="list-style-type: none"> Continuing effects of the pandemic: mitigating the spread of COVID-19 	<ul style="list-style-type: none"> Continuous implementation of health and safety protocols

Category	Risk	Opportunity
Human Resource or Social Risks	<ul style="list-style-type: none"> Possible high attrition rate for digital & data roles and technical roles, including engineers, mechanics and pilots Attracting qualified personnel Availability of experienced pilots Dependence on the efforts of executive officers and other key management 	<ul style="list-style-type: none"> Implementation of revised salary structure (including the transition of some non-tech to technical roles) Expanded job ladders for career progression Socialization of functional competencies and implementation of skills-based pay Continuous, transparent communication and improvement in overall employee experience
	<ul style="list-style-type: none"> Customer expectations 	<ul style="list-style-type: none"> Enhanced digital solutions for better customer experience, from booking to baggage claim
	<ul style="list-style-type: none"> Unionization, work stoppages, slowdowns, and increased labor costs 	<ul style="list-style-type: none"> Constant and open communication between management and employees to enable Cebu Pacific to address issues in a timely manner.
Compliance or Regulatory Risks	<ul style="list-style-type: none"> National and local government policies affecting air travel during the transition from the pandemic 	<ul style="list-style-type: none"> Continuous collaboration with the national and local government units to simplify and standardize travel regulations
	<ul style="list-style-type: none"> Regulatory compliance risk 	<ul style="list-style-type: none"> Adherence to official procedures and rules of governing affairs
	<ul style="list-style-type: none"> Anticipated implementation of carbon controls 	<ul style="list-style-type: none"> Accounting of greenhouse gas emissions, identification of opportunities to reduce emissions, and assessment of reforestation projects for offsetting opportunities
Information Privacy Risks	<ul style="list-style-type: none"> Weak cybersecurity measures that may lead to data infiltration 	<ul style="list-style-type: none"> Implementation of the Information Privacy Manual, incorporating privacy principles and protocols
	<ul style="list-style-type: none"> Increased use of technology increases use of cyber threats and vulnerabilities 	<ul style="list-style-type: none"> Regular pentesting of key applications Active subscription with an external threat intelligence team that monitors the Cebu Pacific brand and its people for cyber threats
	<ul style="list-style-type: none"> Breach of customer information privacy 	<ul style="list-style-type: none"> Education and awareness: continue to design an Information Security Awareness Program based on industry threat landscape Periodic Information Technology (IT) asset updates and upgrades to ensure critical software and device flaws are addressed in a timely manner Policies and procedures implementation; continuous iteration

Category	Risk	Opportunity
Operations Risks	<ul style="list-style-type: none"> Fleet Issues P&W Engine Issues AIB delays in delivery Delay in redeliveries of existing fleet Any real or perceived problems with Original Equipment Manufacturers (OEM), such as Airbus and ATR, including aircraft delivery delays Reliance on third-party facilities, service providers, and sales outlets Maintenance cost and performance of maintenance repair organizations 	<ul style="list-style-type: none"> Looking for aircraft and engines from other sources (e.g., lessors for used aircraft, aircraft, crew, maintenance, and insurance (ACMI) lessors, other offline or other airline (OALs) redelivering aircraft and engines) Leveraging with other partners (e.g., Indigo Group) Regulatory/government lobbying Request for proposal (RFP) for additional aircraft and engines Engaging with OEMs to prioritize Cebu Pacific's issues (including securing compensation from P&W in relation to grounded aircraft) Advance planning of redeliveries, including potential outsourcing
	<ul style="list-style-type: none"> Aircraft accidents and security threats Foreign Object Debris (FODs) due to poor runway conditions Ground support equipment (GSE)-to-aircraft collision incidents 	<ul style="list-style-type: none"> Implementation of Integrated Safety, Quality, and Security Policy that emphasizes the role of each employee in maintaining safety standards Improved flight data monitoring Continuous data collection process of Air Carriers Association of the Philippines' (ACAP) Adopt-a-Station program Increased frequency of inspections at critical airports
	<ul style="list-style-type: none"> Safety hazards and personnel injuries (due to negligence, lightning strikes, collisions, and severe weather conditions) 	<ul style="list-style-type: none"> On-time assessment of safety reports submitted through Intellex safety reporting system software Continuous improvement of Fatigue Risk Management System (FRMS) Construction of additional lightning shelters Monitoring the implementation of the new lightning protection system project of MIAA
	<ul style="list-style-type: none"> Airport infrastructure constraints and air traffic control 	<ul style="list-style-type: none"> Optimization of flight network, aircraft, and resources to reduce operational delays
	<ul style="list-style-type: none"> Birdstrikes 	<ul style="list-style-type: none"> Enhancement of bird hazard identification through training of station personnel and authorities, as well as the adoption of best practices for wildlife control and the hiring of wildlife specialists Active collaboration with the authorities on reported hazards and events related to birds or other wildlife at the airport.

Category	Risk	Opportunity
Technology Risks	<ul style="list-style-type: none"> Obsolescence of computer software and hardware 	<ul style="list-style-type: none"> Move to up-to-date and efficient IT assets
	<ul style="list-style-type: none"> Vulnerability to code execution attacks 	<ul style="list-style-type: none"> Phishing simulation Security awareness training for all employees Multi-factor authentication as an additional layer of security against unauthorized users
	<ul style="list-style-type: none"> Vulnerabilities in OMNI-X (e.g., booking issues, payment issues, fraud incidents, etc.) 	<ul style="list-style-type: none"> Active engagement with booking and payment service providers Engagement of external consultants to review and upskill Cebu Pacific's agile processes Training and focus on quality Studying change in service providers User experience (UX) and account security improvements Utilize Customer Identity Access Management (CIAM) off-the-shelf registration and social-login screens Turn-On Toll-Fraud Protection feature of OKTA (CIAM vendor) Turn-On Threat Insight feature of OKTA Change of Web Application Firewall (WAF) and bot mitigation solutions
	<ul style="list-style-type: none"> Reliance on information technology, automated systems, and the internet 	
Environmental Risks	<ul style="list-style-type: none"> Delayed or suspended flights due to calamities 	<ul style="list-style-type: none"> Investments in weather station installations for more accurate weather forecasts at destinations
	<ul style="list-style-type: none"> Accidental discharge of hazardous waste and harmful emissions into the environment 	<ul style="list-style-type: none"> Regular monitoring of environmental compliance and application of best practices in resource efficiency, including fuel efficiency and carbon emission reduction Solid waste and wastewater management

Despite the inherent risks in the low-cost carrier (LCC) market, including the cost and availability of fuel, economic downturn, competition, and other risk factors, the Group ensures it has a lean and dynamic network plan, highly flexible operations, efficient processes, and a digital-first mindset. Cebu Pacific remains agile and adaptable to the ever-evolving demands of passengers and the wider LCC industry.



Sustainability Framework

Cebu Pacific’s sustainability framework centers on four key areas: Economic, Environment, Social, and Governance. The framework informs the three pillars of Cebu Pacific’s sustainability strategy.



Economic

Maintain solid financial and operating performance, significantly contributing to the country’s economic development



Social

Growing as Juan Family

Provide a stable and healthy workplace and deliver great customer experience while giving back to the community



Environment

Caring for Juan Planet

Reduce environmental impact of operations and encourage other stakeholders to do the same



Governance

Caring for Juan Planet

Reduce environmental impact of operations and encourage other stakeholders to do the same

Sustainability Journey

Cebu Pacific has long recognized the importance of responsible resource management in its business practices. While Cebu Pacific's sustainability journey just started eight years ago in 2015, the Group remains firmly committed to its vision of flying every Juan while caring for people, communities, and the environment.



Piloting sustainable aviation through the years

	2015-2018	2019	2020
Economic	<ul style="list-style-type: none"> Flew 150-millionth passenger 	<ul style="list-style-type: none"> Posted record breaking revenues 	<ul style="list-style-type: none"> Defined future size and shape of Cebu Pacific for post-COVID recovery
Social	<ul style="list-style-type: none"> Enhanced safety system through IOSA certification Partnered with United Nations Children's Fund (UNICEF) for the Change for Good program 	<ul style="list-style-type: none"> Introduced the "Our People Deal" framework 	<ul style="list-style-type: none"> Focused on COVID-19 response
Environment	<ul style="list-style-type: none"> Launched the Juan Effect sustainable tourism program Conducted annual tree planting 	<ul style="list-style-type: none"> Made commitment to an all-NEO fleet by 2028 	
Governance	<ul style="list-style-type: none"> Prepared for Sustainability disclosures 	<ul style="list-style-type: none"> Began tracking sustainability metrics Released first Sustainability Report 	<ul style="list-style-type: none"> Cebu Pacific Sustainability Framework Received ESG score of 15 under the S&P Global Corporate Sustainability Assessment (CSA)

	2021	2022	2023
Economic	<ul style="list-style-type: none"> Secured investment from the International Finance Corporation and Indigo partners with high E&S focus 	<ul style="list-style-type: none"> Flew 200-millionth passenger 	<ul style="list-style-type: none"> Posted best ever revenue in 28-year history Best Low-Cost Airline Brand in the Philippines 2023 (World Economic Magazine) Best Airline 2024 (Routes Asia Awards)
Social	<ul style="list-style-type: none"> Enhanced workplace policies 	<ul style="list-style-type: none"> Hailed as Best Employer Brand at LinkedIn Talent Awards 	<ul style="list-style-type: none"> Received recognition from the Institute for Women of Aviation Worldwide (iWOAW) for Most Acclaimed Organizer Worldwide
Environment	<ul style="list-style-type: none"> Enhanced solid waste management and environmental commitment 	<ul style="list-style-type: none"> Integrated sustainable aviation fuel in its operations First SAF-powered commercial flight on a Singapore (SIN) - Manila (MNL) service Named Asia Environmental Sustainability Airline of the Year by CAPA 	<ul style="list-style-type: none"> Most Sustainable Low-Cost Airline 2023 (World Economic Magazine) First Narita (NRT) - Manila (MNL) SAF Flight Launch of EV employee shuttle bus (Juander Shuttle) GHG baselining with South Pole Climate resilience assessment with Deloitte Philippines
Governance	<ul style="list-style-type: none"> Integrated sustainability risks to ERM Received ESG score of 39 under the S&P Global CSA 	<ul style="list-style-type: none"> Received Golden Arrow Award for corporate governance from the Institute of Corporate Directors Received ESG score of 38 under the S&P Global CSA 	<ul style="list-style-type: none"> Honoree, ASEAN Corporate Governance Scorecard Golden Arrow Awards for three consecutive years Received a Gold rating in the CAPA-Envest Global Airline Sustainability Benchmarking & Rating Report 2023 Top 20 safest low-cost airlines in the world for 2024 by Airlineratings.com S&P ESG Global Score of 41 (2023) from 38 (2022) MSCI ESG rating upgraded to 'A' (2023) from 'BBB' (2022)

Sustainability Strategy and Commitment

Cebu Pacific is committed to enable Every Juan to Fly, by providing accessible and reliable air transport solutions while ensuring stewardship of its people, communities, and the environment.

ESG Goals

Pillars	Material Topic	Strategy	Goals
Social: Growing as Juan Family	Safety, Quality and Security (SQS) and Occupational Health and Safety (OHS)	4	<ul style="list-style-type: none"> Be recognized as a leading innovator in elevating aviation safety standards
	People Development and Training	5	<ul style="list-style-type: none"> Average of five annual training days per employee Development plan for all employees: 40% ready for succession
	Employee Engagement	5	<ul style="list-style-type: none"> Increase Employee Engagement: >90% score
	Product and Service Innovation	2 3	<ul style="list-style-type: none"> 34M passengers 100 routes and 50 destinations 39M seat capacity
	Corporate Social Responsibility	4	<ul style="list-style-type: none"> 30% of communities where Cebu Pacific operates are covered by inclusive programs
Environment: Caring for Juan Planet	Decarbonization	4	<ul style="list-style-type: none"> Utilize SAF across Cebu Pacific's commercial network
	Climate Strategy*	4	<ul style="list-style-type: none"> 30% of sites assessed and managed for climate risks Fleet modernization with all NEO by 2028 Alignment with aviation industry's net-zero by 2050 commitment
	Waste Management	4	<ul style="list-style-type: none"> 50% plastic waste recovered and diverted
Economic/ Governance: Building Juan Community	Financial and Economic Performance	1	<ul style="list-style-type: none"> Provide fair returns to shareholders Be among the top 10 airlines in the world on net profit margin and have the lowest in cost performance (except the cost of fuel) among Southeast Asian LCCs
	Corporate Governance and Socioeconomic Compliance; Governance Structure & Delegating Authority	4	<ul style="list-style-type: none"> 100% of businesses assessed and managed for anti-corruption risks
	Supply Chain Management	4	<ul style="list-style-type: none"> 100% partners/vendors assessed

*New topic

KEY COMMERCIAL STRATEGIES

- Diversify existing revenue base and defend domestic leadership**
 - Expand international network
 - Open new hubs outside of Metro Manila
 - Drive ancillary revenue growth
 - Grow cargo business
 - Up gauge Manila to deliver more passengers with minimal fleet growth
 - Drive seat sales through increased frequency of flights in existing stations to enhance cost efficiency

KEY BUSINESS ENABLER STRATEGIES

- Customer First Experience**
 - put customers front and center
- Accelerated Digitalization**
 - build an organization that is digital to the core
- Operational Resiliency and Sustainability**
 - ensure resilient and sustainable operations to create sustainable value for stakeholders
- Redefine People Development and Leadership**

Cebu Pacific Decarbonization Pillars

Cebu Pacific remains committed to championing sustainable aviation and promoting resource efficiency in all its areas of operation. Focusing its decarbonization efforts on five pillars: Fundamentals, Fleet, Fuel, Footprint, and Finance, the Group pursues its goals of mitigating environmental impact, enhancing operational efficiency, and contributing to broader sustainable development goals.

Fundamentals

Fundamentals refer to Cebu Pacific's key initiatives, focusing on awareness and education and instilling a sustainability mindset in all departments. Programs and initiatives under this pillar serve as the foundation for group-wide sustainability efforts, and open flatforms towards an understanding of GHG emissions inventory.

Fleet

Cebu Pacific focuses on fleet modernization, opting to transition to next-gen Airbus NEO investments. The acquisition of low carbon emission, clean propulsion technology aircraft, and the electrification program for service vehicles and ground service equipment are also under the fleet pillar.

Fuel

Cebu Pacific implements industry-leading practices, with a focus on fuel-efficiency practices, the use of SAF, and the development of SAF supply for the entire Cebu Pacific network.

Footprint

The Footprint pillar of Cebu Pacific's decarbonization strategy focuses on the shift to renewable energy, more efficient resource use, accelerating digitalization, and investment in carbon removals and offsetting.

Ongoing programs such as route optimization, carbon offsetting, and green building certification through EDGE fall under this pillar.

Finance

Cebu Pacific aims to incorporate climate responsibility into business continuity and investments, including consideration of sustainability financing options to fund its long-term decarbonization strategy and overall sustainability vision.

For the discussion of all 2023 decarbonization projects, refer to:
[Caring for Juan Planet - Decarbonization](#)

Promoting Sustainability in the Aviation Industry

Contribution to the UN Sustainable Development Goals



2 ZERO HUNGER

40.6M kg
In 2023, Cebu Pacific cargo transported 40.6 million kilograms of food and agriculture items across its domestic and international network.



7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

34,541
liters of SAF used in both delivery and commercial flights

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Under the Electric Vehicle and Electric Ground Support Equipment (GSE) Transition Program

3 electric employee shuttle (Juander Shuttle), serving 3 routes
2 electric passenger shuttle buses

8 DECENT WORK AND ECONOMIC GROWTH

62% of the Group's non-aircraft related procurement spent on local suppliers

4,374 employees received competitive compensation and benefits

29,522 hours of training and development given to employees

Multiplier effect: According to IATA, every job in aviation creates 29 jobs for the tourism sector.

11 SUSTAINABLE CITIES AND COMMUNITIES

PHP 10.9M million raised under the UNICEF "Change for Good" program in 2023

6 organization partners in implementing community welfare programs (Rafi, UNICEF, Airlink, Autism Society, AHA, UFG)

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

15 Airbus NEO added in 2023

38 Aircraft in total powered by NEO



16 million kg jet fuel saved from fuel efficiency best practices (vs. 2022's 7.9 M kg)

11 SUSTAINABLE CITIES AND COMMUNITIES

20,868,414 passengers flown

140,730 flights to domestic and international destinations

35 destinations
68 routes in the domestic market

25 destinations
36 routes in the international market

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

10,103,750 units of single-use plastic inflight utensils, cups, and packaging replaced by biodegradable materials

Upcycled aircraft parts through Green Product Cycle initiative

28,000 kg of PET bottles segregated through the On-Board Plastic Bottle Segregation Program



13 CLIMATE ACTION

10,000 Mangrove seedlings planted over an estimated **5-hectare** area in Barangay Tapon, Dumanjug, Cebu





Growing as Juan Family

Customers and employees of Cebu Pacific form the core of the Group’s service. Understanding that engaged employees drive exceptional customer experiences, Cebu Pacific ensures that it has well-motivated employees who are energized to promote the Group’s high-quality services. For its customers, Cebu Pacific maintains its commitment to providing affordable air travel options, prioritizing safety, and innovating solutions to further improve customer satisfaction and experience.





Employee Engagement at Cebu Pacific

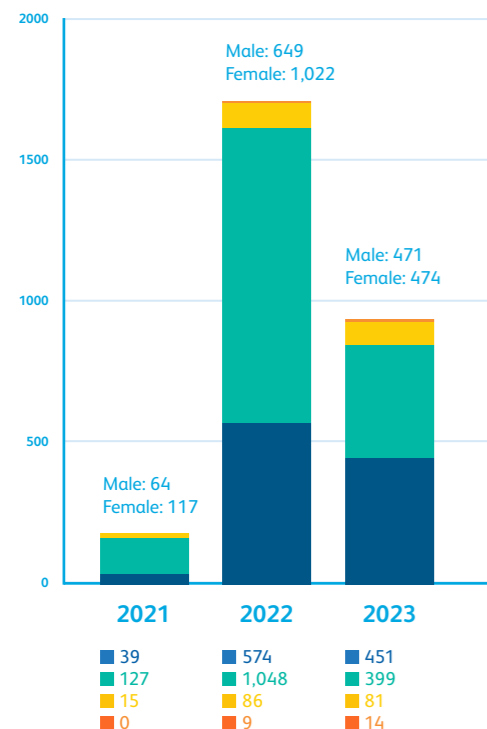
3-3 401-1

Cebu Pacific has a total of 4,374 full-time employees in 2023, a growth of more than 13% from the 2022 figure of 3,786. To ensure that all its employees are well motivated to perform their best, the Group offers competitive compensation and benefits, creates career progression opportunities, and provides training and development with the goal of acquiring increased competencies as employees move up their careers.

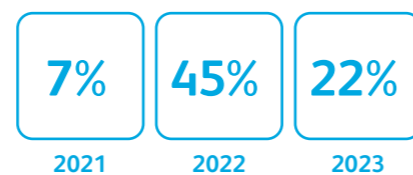
The Group also strives to create a work environment that promotes safety and well-being, diversity, and harmony through open communication among its employees. Among its engagement strategies, Cebu Pacific utilizes the employee Net Promoter Survey, which gauges the likelihood of recommending Cebu Pacific as an employer and identifies top retention drivers. Additionally, the Pulse Employee Engagement Survey assesses various dimensions of the employee experience

New Employee Hires by Gender and Age

■ Gen Z (26 and below)
 ■ Millennial (27-41)
 ■ Gen X (42-56)
 ■ Baby Boomer (57 and up)



Percentage of New Employee Hires (2020-2023)



Job Laddering and Salary Structure Review

A competitive total rewards package helps Cebu Pacific retain, grow and attract good talents which directly impacts business outputs. In its pursuit to provide a competitive workplace with a clearer career path for its employees' long-term growth, Cebu Pacific expanded its job ladders. The shift from its 8-level structure to an expanded 16-level ladder is aligned with the Gokongwei Group and Willis Towers Watson global job grades, the shift created more career progression opportunities within roles in the Group.

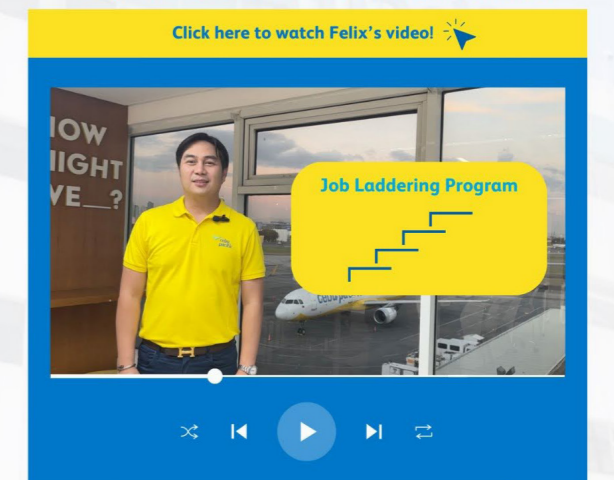
Alongside the expanded job ladders initiative, Cebu Pacific initiated a salary structure review in the same year with the goal of ensuring market competitiveness among its peers and a structure that aligns with industry standards.

Cebu Pacific's job laddering and salary structure review was first initiated in November 2023 and benefited qualified non-flying employees' whose basic salaries were adjusted to the new minimum rate of their job level. Organization-wide adaptation of the policy is set to commence on January 1, 2024.



Understanding the Job Laddering Program and the Salary Structure Review

For you to understand the science and discipline behind the whole exercise for non-flying employees, Felix comprehensively explains the process through the video below.



Employee Turnover

2-4

	2021	2022	2023
Male	76	166	194
Female	196	345	284
Total	272	511	478

*2021 and 2022 data are restated upon review

Employee Turnover by Type

	2021	2022	2023
Voluntary	262	429	317
Involuntary	10	82	161

Attrition Rate

	2021	2022	2023
Attrition Rate	10%	13%	11%

Benefits Provided to Employees 401-2

Cebu Pacific has an equitable wages and benefits system to ensure a market-competitive remuneration package tailored to match the skills and competencies of employees and potential candidates. The Group also provides government-mandated as well as company-initiated benefits above the minimum standards fixed by law, such as subsidies and allowances, life and travel insurance, and free flight tickets to employees and their dependents.

Further benefit policy enhancements were implemented in 2023 to reflect and address current employee needs. These improvements included:

- **Enhancement of local per diem:** The enhancements in local per diem policy included increasing meal rate from stratified PHP100, PHP150, and PHP200 dependent on level, to PHP200 meal rate across all levels.
- **Health Maintenance Organization (HMO) Maximum Benefit Limit (MBL) improvement:** The Company's HMO MBL increased from PHP100,000-PHP200,000 to PHP200,000-PHP300,000. Additionally, the age limit of dependents covered increased from 21 to 23 years old.
- **Approval for the expanded eligibility criteria of dependents:** In a move to promote equity, diversity, inclusivity, and belongingness, as well as support employees in taking care of their loved ones, Cebu Pacific worked on expanding its benefit coverage to further include same sex and common law partners as beneficiaries of its employees.

Improving Human Resources Services with CEB+

Efficient human resource (HR) service is also key to an enhanced employee experience. With this in mind, Cebu Pacific launched the CEB Plus (CEB+) app in 2021. CEB+ aims to increase employees' access to various HR business tools wherever they are and whenever they need them. With the app's success, it was relaunched in 2023 with further improvements and additional features such as MyPages, I.Care, and Darwinbox.

The average usage is 876 transactions per day for both iOS and Android devices. With CEB+ available on employees' smartphones, they can submit requests instantly, eliminating the need for physical visits to the HR office, sending emails, and waiting for a response. CEB+

To be implemented in January 2024, the initiative also aims to improve employees' overall well-being by reducing health-related stress. In addition, the initiative further supports Cebu Pacific's goal to achieve employee satisfaction and retention, and demonstrates the commitment of the Group to improve company benefits and support employees' current needs.

- **Clinic service improvement:** Laboratory services such as phlebotomy, electrocardiography (ECG), and ultrasound were made available onsite.
- **Free of charge (FOC) flights enhancement:** FOC enhancements covered three new policies:
 - Updated timing on FOC acceptance/counter closure: 2 hours opening and 45 minutes closure for domestic flights and 3 hours opening and 1 hour closure for international flights
 - Improved FOC acceptance: early check-in if more than 5 seats are available
 - Addition of qualified dependents for FOC and correction of details
 - Eligibility of dependents has been expanded to include employees who have a common law partner or identify as a member of the LGBTQIA+ community.
- **Emergency leave enhancement:** Emergency leave definition increased its scope from threat to oneself to covering family members' emergencies as well.



also reduced the turnaround time for requests from days or hours to mere seconds.

Employee Benefits and Participation Rates

List of Benefits	Percentage of female employees who availed	Percentage of male employees who availed
Statutory Benefits		
SSS	13%	7%
PhilHealth	5%	3%
Pag-ibig	6%	5%
Maternity Leave	5%	N/A
Paternity Leave	N/A	3%
Parental Leave - Solo Parent	0.2%	None
Parental Leave	5%	3%
Vacation leaves	89%	82%
Sick leaves	79%	65%
Voluntary Benefits		
Medical benefit (HMO)	94%	89%
Retirement (aside from SSS)	1%	1%
Further education support	1%	2%
Company stock options	0%	0%
Telecommuting or Work from Home	35%	38%
Flexible working hours	28%	18%
Life Insurance	2,060	1,742
Rice subsidy and medical allowance	2,090	1,777
Christmas allowance	2,200	1,929
Free flights (employees and dependents)	Employee: 58,847 (94% ↑ vs. 2022) Dependent: 52,951 (86% ↑ vs. 2022)	
Travel insurance	1,477	1,197

Collective Bargaining Agreement 2-30 3-3 402-1

A Collective Bargaining Agreement (CBA) ensures that the interests of employees are heard and addressed by Cebu Pacific. Constant and open communication between management and employees enables the organization to address issues as they arise.

Cebu Pacific provides avenues for collaborative interaction and communication between management and its employees. Management is also accessible, and employees are encouraged to reach out and bring up any issues with them directly. Cebu Pacific did not incur work disruptions caused by labor issues among its flying crew in 2023 or in the past three years. Its pulse engagement score from Cabin Service and Flight Operations (departments that were heavily impacted by the effects of the pandemic in 2020-2021) remained high at 85%.

Pulse Engagement Score

	2022	2023
Flight Operations	85%	85%
Cabin Crew	83%	85%

Cebu Pacific's strategy for maintaining good relationships and interactions with its employees is based on its 5C approach: Credibility, Cadence, Communication, Clarity, and Compassion. Cebu Pacific unionized in 2019 with the establishment of the Juan Wing Association of the Philippines (JWAP). Affiliated with the Associated Labor Unions-Trade Union Congress of the Philippines (ALU-TUCP), JWAP represents 1,404 cabin crew members as of 2023.

Collective Bargaining and Policy Consultations

	2022	2023
Percentage of employees with Collective Bargaining Agreements	0%	32%
Number of consultations conducted with employees concerning employee-related policies	15	5

At the heart of Cebu Pacific's dialogues with its employees is genuine *malasakit* or concern. The Group is sincere in its commitment to supporting its employees to ensure their welfare.

Enhancing Benefits Through Collective Bargaining Agreement



In May 2023, Cebu Pacific and the cabin crew union organization, JWAP together with ALU-TUCP, the biggest confederation of workers union across the Philippines gathered together for the momentous CBA signing event. During the event, the increase in salary and enhancement of benefits for cabin crew union members were approved. Covering the years 2023-2026, the successful CBA between employees and Cebu Pacific management is a step towards truly promoting employee welfare and interests.

To be able to reach such a positive outcome, Cebu Pacific and its union organizations held monthly Labor Management Council meetings that involved Cabin Services, Crew Scheduling, HR, Union Officers, and the Federation, according to Felix Dan S. Lopez, Chief Human Resources Officer and Chairman Management Negotiating Panel.



“By signing this collective bargaining agreement, we may look eagerly towards the future, a future filled with 4Ps: a future filled with Promise, Prosperity, Progress, and Peace.”

Alexander Raneses
President, JWAP



Diversity, Equity, and Inclusion

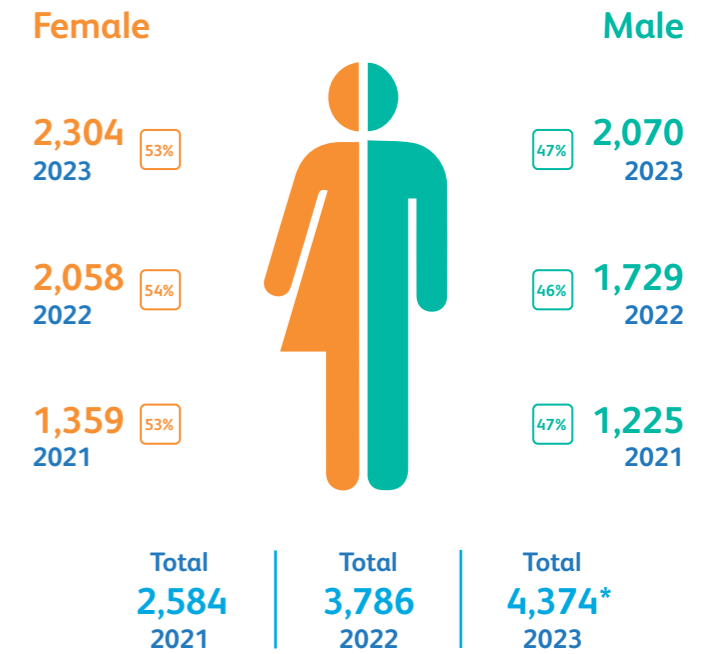
2-7 3-3 405-1

Cebu Pacific strongly believes that diversity, equity, and inclusion (DEI) are essential to fulfilling its organizational mission. Just as the Group provides affordable flights and makes moments happen for passengers, Cebu Pacific ensures that employees' needs are also met and that they are provided with a workplace that upholds respect and an environment that does not discriminate based on sexual orientation, gender identity, or expression. Cebu Pacific's existing Diversity and Inclusion Policy formalizes this commitment.

Furthermore, Cebu Pacific developed the IncluCEB Space in 2023 to further foster diversity, equity, and inclusion within the organization. IncluCEB Space serves as the umbrella program for all DEI activities and is the Company's main platform for nurturing a culture of acceptance and the empowerment of underrepresented groups, ultimately driving positive change within the organization.

Strong DEI policies and programs reduce conflict and misunderstandings between employees that can be detrimental to the organization. In support of its DEI thrust, Cebu Pacific continues to review and, when necessary, amend and/or repeal existing company rules, regulations, and policies that may be found to be misaligned with the Group's Diversity and Inclusion Policy.

Employee Diversity by Gender

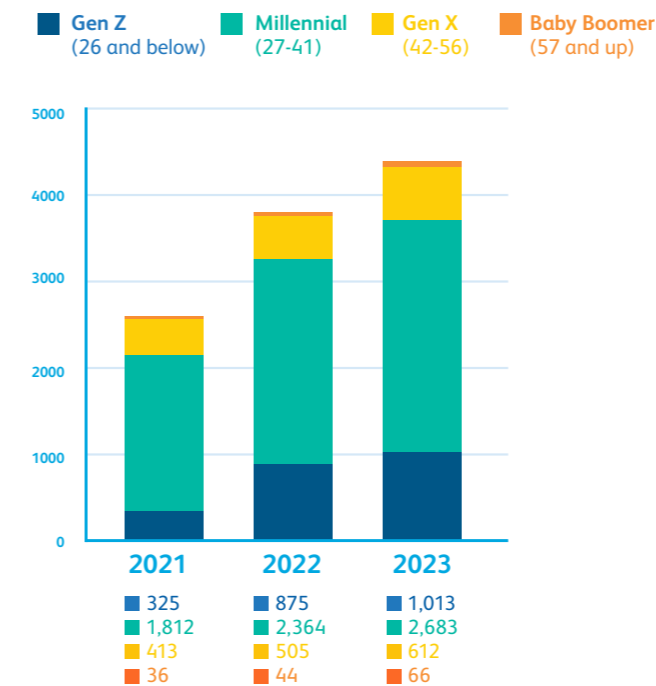


*17 gender specified by the employee themselves, 4 gender not disclosed.

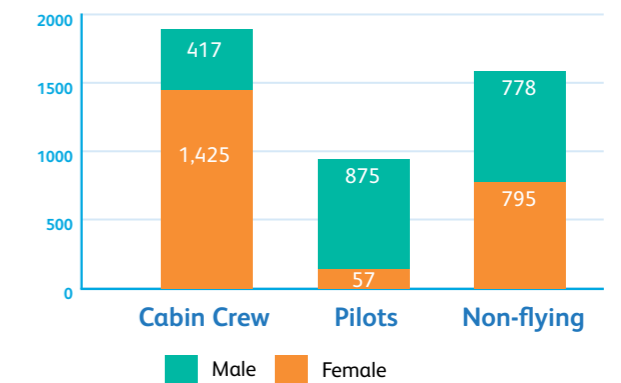
Cebu Pacific works for the promotion and fulfillment of gender equality. It ensures decent work standards in conditions of freedom, equity, security, and human dignity, including the following areas:

- a. Employment, training, and development;
- b. Employee records and company database;
- c. Health and support services; and
- d. Facilities, uniform, and employee identification.

Employee Diversity by Age



Employee Diversity by Gender across Employee Subgroups



Employee Nationality Distribution: Filipino vs. Non-Filipino

Cebu Pacific also employs non-Filipino workers in different stations around the world. There are 275 non-Filipino employees in Cebu Pacific, covering thirty (30) countries.



Number of Employees by Contract Type (2023)

Contract Type	Quantity
Regular	3,897
Consultant, Full-time Equivalent (FTE), and Project-Based	38
Probationary	439

Board of Directors

	2021	2022	2023
Male	7	7	7
Female	2	2	2
Total	9	9	9

Share of Women in Management Positions

	2021	2022	2023
Share of women in all management positions, including junior, middle and top management (as % of total management positions) (%)	52	55	54
Share of women in junior management positions, i.e., first level of management (as % of total junior management positions) (%)	59	59	58
Share of women in top management positions, i.e., maximum two levels away from the CEO or comparable positions (as % of total top management positions):	46	51	50
Share of women in management positions in revenue-generating functions (e.g., sales) as % of all such managers (i.e., excluding support functions such as HR, IT, Legal, etc.) (%)	60	67	64
Share of women in STEM-related positions (as % of total STEM positions) Note: Including employees from Finance, EFM, Flight Ops, IT, NCC, Fuel, T&S OCAM, SQS, EA)	31	28	27

Employee Diversity by Gender across Different Management Levels

Executives/Senior Management	2023		2022		2021	
	F	M	F	M	F	M
Gen Z	0	0	0	0	0	0
Millennial	11	7	9	7	14	10
Gen X	24	22	21	21	15	21
Baby Boomer	4	8	4	7	4	5
Manager (Mgr, Pilots)						
Gen Z	9	17	5	21	5	25
Millennial	137	615	112	524	83	383
Gen X	54	305	47	245	37	186
Baby Boomer	1	47	1	28	2	18
Supervisor (Sup, AM)						
Gen Z	44	25	44	20	35	9
Millennial	137	50	118	45	93	44
Gen X	24	22	15	18	20	17
Baby Boomer	0	0	0	1	0	1
Professional/Technical (IT, NCC, EFM)						
Gen Z	44	60	27	39	20	37
Millennial	86	223	71	211	68	179
Gen X	29	62	21	52	18	45
Baby Boomer	0	3	0	3	0	4
Rank & File						
Gen Z	631	183	579	140	172	22
Millennial	1,048	369	967	300	760	178
Gen X	22	48	17	48	15	39
Baby Boomer	0	2	0	0	0	2

IncluCEB Space: Upholding Equity and Promoting Inclusivity

The Group aims to expand partnerships with business network groups, such as the Philippine Business Coalition for Women Empowerment (PBCWE), the Philippine Financial and Inter-Pride (PFIP) network for LGBTQIA+ members, and the Philippine Business Disability Network (PBDN) for persons with disabilities, to further strengthen its DEI programs. The following DEI programs were also conducted in 2023 as part of IncluCEB space:

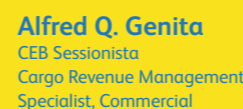
- Celebration of Pride Month
- Gender and Equality Assessment Review with PBCWE
- Equity, Diversity and Inclusion Policy Review with PBCWE
- Self-Identification Survey (June 2023)
- Embracing Equity Training (June 2023)
- Sexual Orientation, Gender Identity, and Expression (SOGIE) 101 Training (December 2023)
- Featured Women Value Awardees for Women's Month Celebration
- Operated a Pride flight with an all LGBT+ crew and painted the CEB Crosswalk with rainbow colors to commemorate Pride Month



"Belonging to a group with similar gaming interests boosts enjoyment, teamwork, skill growth, community, resource sharing, competitive edge, and long-term engagement."



"Sharing the same passion with people within CEB allows us to grow as one company. This will result in a more efficient collaboration among Moment Makers from different departments."



Celebrating Diversity Through Juan CEB Community and Promoting Inclusivity

Juan CEB Community celebrates diverse interests at Cebu Pacific through the formation of 13 groups representing the shared passion of its employees, ranging from sports (Juan Spikers) and hobbies (LifeAtCEB) to holistic wellness (CEB Cares), among others. These communities pave the way for employees to create fun and memorable moments together outside of their day-to-day work. Juan CEB Community also provides channels for connection and creativity, strengthening employees' sense of belonging to the organization and the people they work with.

During Juan CEB Community Day in September 2023, close to 1,000 employees signed up for membership in the different groups led by employees from different departments.

Juan CEB Communities:

- Juan eSports
- CEB Skyballers
- Cebu Pacific Football Club
- Juan Spikers
- Juan Fitness Society
- LifeAtCEB
- CEB Sessionistas
- CEB Smashers
- CEB Innovation Network
- CEB Boarders
- CEB Cares
- Shutterjuans
- CEB Runners

Juan CEB Community 2023 activities:

- BUDminton Tournament
- Call of Duty Mobile Tournament
- CEB Skyballers League Season 1
- Football Tournaments
- Juan Fitness Wellness Programs

People Development and Training

3-3 404-1 404-2

Cebu Pacific is committed to honing its employees' personal and professional development by exposing them to a wide variety of educational training. The training programs provided for employees are customized and aligned to emerging skills and are anchored to the Group's goals while incorporating company culture and values.

Cebu Pacific's People Department oversees basic courses, people engagement training programs, and management and leadership programs. As operations returned to normal and threats of COVID-19 completely eased, Cebu Pacific ramped up its skills development activities, with a total of 29,522 training hours provided to employees compared to 9,289 hours in 2022.

Cebu Pacific has also become more intentional in its employee development programs by providing increased targeted programs to selected talent pools through SkyCAMP (Careers in Aviation Made Possible) and Cadet 2.0.

Cebu Pacific widened its breadth of program offerings and increased ways to engage employees in training through CEB University Accelerated Program and CEBTalks. The Group included the implementation of Individual Development Plans, as well, for key talents and leaders, not only in Human Resource's metrics, but also in senior executives' scorecards.

Empowering its employees with essential skills and preparing them for future roles is crucial for the Group's success, as skilled employees contribute to innovation, operational efficiency, and improved customer service.

Average Training Hours by Gender (hours/employee)

	2021	2022	2023
Male	3.8	2.2	4.6
Female	4.7	2.6	8.6
Total	4.3	2.5	6.7

Average Training Hours by Employee Category (hours/employee)

	2022	2023
Executives/Senior Management	30	56
Managers and Supervisors	3	6
Rank and File	2	7

Total Training Hours Provided

10,983	9,289	29,522
2021	2022	2023

Igniting Our Heroes Within: Emergency Response Family Assistance with Gabays

Cebu Pacific takes the meaning of "gabay" (assistance/guidance) to heart through its emergency response family assistance program. Gabays are trained employee volunteers who are set to cater to the needs of passengers, employees, and the next of kin in case of an emergency. Under the program, Gabays will be deployed to the

accident site to serve as the care team for everyone on board the flight. As a response, they may offer immediate care and assistance and act as a liaison between the Cebu Pacific and all crew, passengers, and their families, as well as persons injured or victims on the ground and their families.

Investing in Skills Development for Employees' Total Growth

In 2023, Cebu Pacific expanded its program offerings and enhanced employee engagement in training through the addition of SkyCAMP, Sustainability 101 training, CEB University Accelerated Program, and CEBTalk to its development program roster.

SkyCAMP: Careers in Aviation Made Possible is Cebu Pacific's 6- to 12-month apprenticeship program, open to internal talents and external applicants. Through SkyCAMP, existing cabin crew members within the Group have the opportunity to pursue leadership roles such as

Team Manager, Safety Manager, or Instructor, based on organizational needs and individual capabilities.

The 12 graduates of the batch one cabin crew program began their training in 2022 and completed the course in July 2023. Meanwhile, batch two has finished their onboarding and will soon complete their six-month training course. Graduates of the programs have commended the hands-on approach and comprehensive design of SkyCAMP.



The CEB University 2023 Accelerated Program is a leadership training program that aims to accelerate the leadership readiness of Cebu Pacific's successors and critical talents. The program design was a combination of lectures and Harvard business cases that participants had to work on together with their teams.

Sustainability 101 was conducted to increase employees' awareness of sustainability topics and how they can contribute to the company's sustainability goals. This program is also offered through CEB University.

CEBTalk: Learnings Worth Sharing are 15-minute blended learning sessions that feature operational topics discussed by subject matter experts from different departments. Episodes can also be streamed after the live sessions and are intended to strengthen employees' knowledge of airline operations. In 2023, the Group produced 10 CEBTalk episodes, which reached a total of 1,499 non-unique learners and accumulated 267 learning hours. These "bite-sized" information sessions offer flexibility in learning, as employees can access the content at their convenience.

Looking forward, the Company is ensuring that employees stay abreast of emerging skills, making them ready for the demands of a new work environment. Cebu Pacific is also taking steps to be more innovative in its learning methodologies and widening the scope of its course offerings. By 2024, the Company will be expanding CEB University to cover eight schools, including new ones that will address topics on diversity & inclusion, digital transformation, customer centricity, and more.



Participants from the Cadet 1.0 program

Cadet 2.0: Preparing Pilots as Cebu Pacific Expands

With Cebu Pacific poised for growth and set to expand its aircraft fleet, the Group has reinstated its initiative to educate a new generation of Filipino pilots. Through its Cadet 2.0 program, Cebu Pacific endeavors to enhance pilot training standards nationwide and ensure the proficiency of its future cadets.

The Group's Cadet 1.0 program was launched in 2017 in partnership with Flight Training Adelaide, a flying school in Australia. The first version of the program trained 72 cadets who now work in Cebu Pacific as First Officers. To diversify its talent pool and encourage growth, Cebu Pacific revived the program in 2023 under the name "Cadet 2.0."

Cadet 2.0 is designed to span 96 weeks, with the first batch of participants expected to graduate in 2026. Upon satisfactory completion of basic flight training, cadets will receive guaranteed job offers from Cebu Pacific. The program will commence with 24 to 32 cadets in its inaugural year and is slated to expand to accommodate 48 to 80 cadets annually thereafter. Its duration is set at five years.

Performance Appraisals: Evaluating Employee Engagement

Each year, all Cebu Pacific employees undergo a comprehensive assessment aimed at fostering continuous learning and professional development. The employee performance assessment process is holistic, encompassing both performance and behavior evaluations. In terms of criteria, 80% of an employee's total score is determined by their attainment of performance goals outlined in their balanced scorecard, while the remaining 20% is based on their alignment with Cebu Pacific's core values.

Prioritizing Safety for Employees and Customers

3-3 403-2 403-3

(Safety, Quality and Security and Occupational Health and Safety)

Cebu Pacific promises to ensure a safe and secure environment for all its passengers and employees. To uphold its safety-first commitment, its flight crew undergoes a stringent process of safety and security training and licensing to guarantee adherence to safety regulations and global aviation standards. The Group's Safety Team conducts a quarterly virtual Safety Cascade for cabin crews, with a focus on discussing key performance indicators on workplace safety, safety reports, and current safety issues. In addition, Cebu Pacific adheres to the rigorous standards of the IATA Operational Safety Audit (IOSA) program. The IOSA program is an

internationally recognized evaluation system designed to assess the operational management and control systems of an airline. Cebu Pacific's IOSA certification is valid until 2025.

The Group complies with the Occupational Health and Safety Standards set by the Department of Labor and Employment-Bureau of Working Conditions and submits a monthly Occupational Health and Safety Performance Report to its parent company, JG Summit Holdings, Inc. (JGSHI).

Cebu Pacific also conducts an annual simulation of potential emergency responses to ensure the readiness of the Cebu Pacific Emergency Management Team (CEBEMT) and operations staff during emergency situations. The conduct of annual emergency simulations supports the Group's goal of building a resilient company through prompt crisis response.

Safety reporting and prompt follow-through on unsafe condition reports are embedded in the Group's operations. In ensuring that risks are mitigated before escalating into injury or illness, Intellex, a safety solution software, is used for reporting hazards, incidents, and accidents. It allows analysis and trending of reports, including risk assessment and mitigation, to further reduce the risk to an acceptable level.

Occupational Health and Safety 403-1

Cebu Pacific's Occupational Safety and Health Policy protects every employee against the dangers of injury, sickness, or death through safe working conditions and health and wellness programs. The policy supports the overall well-being of the Group's workforce and the prevention of loss or damage to lives and properties, consistent with national development goals and with the country's commitment to the total development of every worker.

Cebu Pacific prioritizes the well-being of its flight crew and ground support staff in recognition that a healthy workforce is essential for optimal passenger safety. This commitment extends to the Group's safety programs, which not only safeguard employees but also strengthen Cebu Pacific's overall approach to passenger well-being.

In 2023, Cebu Pacific initiated programs to further strengthen its commitment to safety and security. These programs include the enhanced wildlife management program, FOD walks, safety walks, implementation of FRMS, crash and rescue exercises, as well as a program for employee mental health and wellness.



Addressing Bird Strike-Related Incidents

403-7

An increasing number of bird strike-related incidents were reported in 2023. A common issue encountered by most aircraft carriers in the Philippines, bird strike incidents pose safety risks such as damage to the aircraft and flight delays. To address this issue, Cebu Pacific implemented an enhanced wildlife management program to strengthen monitoring and oversight, employ a more scientific approach to addressing wildlife hazards in airports, and capacitate relevant personnel to understand bird behavior and their needs.

As part of the program, Cebu Pacific Safety initiated a Wildlife Hazard Management training for its team together with representatives from domestic outstations, ACAP, and select airport authorities.

The field training exposed participants to real-time wildlife surveillance methodologies and strategies that can be applied at their respective stations to help local airport authorities address wildlife concerns. Additionally, participants learned about the identification of high-risk bird species, understanding the relationship between bird habitats and food sources, and the implementation of effective dispersal methodology methods and techniques. Cebu Pacific Safety also conducted three in-depth airport

airport assessments with data on high-risk strikes as part of the training.

The enhanced wildlife management program also included monitoring the implementation of wildlife management activities through regular coordination meetings with station representatives and increasing collaboration activities with 1Aviation Groundhandling Services, Corp. station representatives and airport authorities.

By integrating wildlife and FOD management into a comprehensive safety program, airports can minimize the risks associated with these hazards and enhance the overall safety of aviation operations.

Safety Walks 403-2

Cebu Pacific also initiated Safety Walks during the Group's Safety Week in July 2023. The initiative aims to increase the visibility of department heads, line managers, supervisors, and officers across different operational areas and facilitate proactive identification and mitigation of potential hazards on the ground. Observations from the activity are reported to higher management, such as the ASRC and the Management Committee.



Fatigue Risk Management System (FRMS)

Cebu Pacific adopted a proactive hazard identification process to manage crew members' fatigue-related risks through the implementation of the FRMS. The system analyzes crew schedules and known fatigue factors to preemptively mitigate these risks, reduce exposure to them, and enhance overall operational safety.

Cebu Pacific's FRMS is a continuous initiative launched in 2017 and 2019 for the A330 and A320 fleets.



Elevating Emergency Response Preparedness 403-5

As part of Cebu Pacific's ongoing goal of building a resilient organization capable of responding to crisis events, the Company has continued to collaborate with external stakeholders to conduct crisis response simulations. These simulations allow Cebu Pacific to test its crisis response system and enable both internal and external stakeholders to work together and understand how to effectively manage a crisis situation.

As part of emergency preparedness, Cebu Pacific has collaborated with MIAA in August 2023 to conduct and participate in an Emergency Crash Drill that would demonstrate the effectiveness of the response of the authority as well as the activation of the Family Assistance Center (FAC) to manage next of kin and passengers involved in an aircraft accident. The following drills were simulated during the event: Incident 1: Crash and Rescue; Incident 2: Survivor Reception; and Incident 3: Activation of the FAC (5J and 1Aviation).

The Emergency Crash Drill is a first-of-its-kind collaboration between MIAA and an airline company. It demonstrated Cebu Pacific's drive in building an effective emergency response strategy.

Cebu Pacific's vision is to become world-class in disruption management, including emergency situations. The exercise allows us to build strong relationships with different stakeholders as well as assess our processes and prepare ourselves in responding to a crisis.

Daaniel D. Aco
 Manager, Business Resilience & Assurance Network Control & Operations Support



Workplace Safety Performance Metrics 403-8 403-9 403-10

	2021	2022	2023
Safe man-hours	5,157,072	6,363,360	7,955,480
No. of work-related injuries	9	22	28
No. of work-related fatalities	0	0	0
No. of work-related ill-health	0	0	0
No. of safety drills	0	1	2

Promoting Employee Mental Health 403-6

Cebu Pacific recognizes the importance of the mental well-being of its employees and their dependents, who act as their support system. With this, Cebu Pacific started the CEB's CARES (Compassion, Affirmation, Respect, and Empathy) Mental Health Program and the Juan CEB Community.

As part of the CEB CARES program, an employee and five (5) of their dependents can avail of ten (10) free tele-mental health consultations. Employees who were exposed to traumatic or stressful incidents at work can also undergo stress debriefing sessions as part of their mental health package. Stress debriefing became a crucial service in 2023. Mindcare Club, Cebu Pacific's partner for its mental health program, reported that it has turned into the most sought-after consultation service for cabin crew members after responding to medical emergencies on board.

62
 No. of employees who availed mental health consultations in 2023

Cebu Pacific continues to prioritize employee health and safety through the CEB CARES initiative. Launched by the People Department, it fosters a supportive workplace where employees can freely address concerns and promote mental well-being. Activities such as talks and retreats ensure a balanced work-life environment.

Lee Christian Lyle S. Mampolino
 Manager, Technical Publications Network Control & Operations Support



Cebu Pacific also has the CEB CARES Community. Composed of Moment Makers, the group's mission is to listen and offer necessary support on how their colleagues can better understand and deal with emotions and changes.

Mental Health Day is celebrated within the Group as well. During the 2023 celebration in October, employees participated in mindfulness activities, exercises, and talks. In the same month, 30 employees volunteered in a Mental Health First Aid Certification conducted by Mind Nation. This equipped them with the skills necessary for peer counseling and support.



Safety Week at Cebu Pacific

Cebu Pacific’s Safety, Quality, and Security Department spearheaded the celebration of the Group’s Safety Week in July 2023. Filled with engaging activities aimed at increasing awareness about various safety issues, potential hazards, and best practices, it solidified the Group’s commitment to creating a safer work environment for employees.

The week started with a Safety Pledge that everyone signed on the Safety Pledge Wall, signifying their personal dedication to safety practices. A safety talk focusing on building a strong safety culture, led by Airbus Regional Safety Director for South East Asia, Capt. Adrian Abraham, was also conducted.

An interactive Safety Walk with the Safety Team allowed participants to observe and assess potential risks at key locations in the AOC Building, A+ Hangar, Air Juan Warehouse, and NAIA Terminals 3 and 4. This hands-on experience equipped Moment Makers with the skills to recognize and mitigate potential hazards, contributing to a proactive safety approach.

The event culminated with the Safety Champion Awards, which recognized individuals and teams who actively participated and made significant contributions to safety initiatives.

Safety Week is part of Cebu Pacific’s commitment to elevate its safety practices and procedures. The lessons learned and best practices identified during these activities are integrated into ongoing safety programs and other communication channels, ensuring continuous improvement in safety standards.

Passenger Health and Safety 416-2

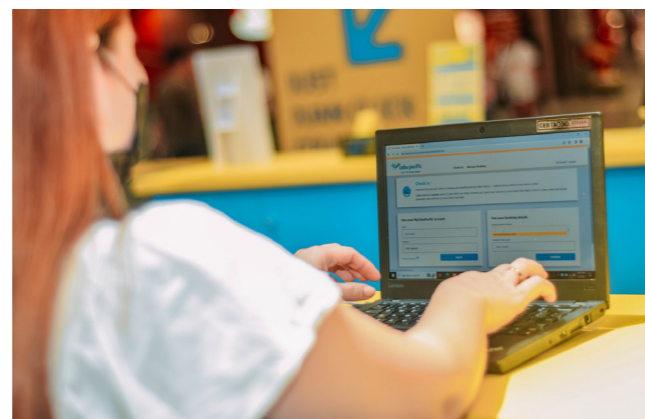
Passenger safety remains the priority of Cebu Pacific. The Group continues to implement strict safety measures designed to reassure travelers and protect the public from unnecessary dangers.

Cebu Pacific has maintained air safety certification by IATA through the IOSA program. The Group’s operations are subject to continuous audits and surveillance programs by civil aviation authorities.

	2021	2022	2023
Number of substantiated complaints on service health and safety	0	13	2
Number of complaints addressed	0	13	2

Product and Service Innovation 3-3 416-1

Embodying the customer-first mindset, Cebu Pacific finds ways to enhance its customer experience journey, starting from booking to baggage claim. Since 2017, it has adopted the use of integrated technology for social intelligence and customer engagement in Asia. In 2023, the Group further invested in upgrading its digital pathways, ensuring convenient and efficient services for its customers. Using the power of technology, and artificial intelligence (AI), the Customer Experience, Customer Care, and IT teams collaborated to develop solutions to assist customers with their concerns. These collaborative efforts resulted in the launch of the CEB Help Center and a new virtual assistant named Charlie. Cebu Pacific also initiated improvements in digital self-service channels and launched service upgrades to cater to current customer needs.



Improvement in Digital Self-Service Channels

Cebu Pacific continued to enhance its digital self-service channels, specifically its website and mobile application, by providing more features, improving ease of use, and increasing digital adoption. Almost 91% of the 20.8 million passengers flown in 2023 were booked through Cebu Pacific’s online channel. Online check-ins also increased, from 5.89 million passenger check-ins in 2022 to 9.6 million in 2023. The Cebu Pacific mobile application has also garnered 5 million downloads.

Cebu Pacific’s digital self-service improvements in 2023 focused on four aspects and sought to be more inclusive of culture, improve the payment and membership experience, and increase the availability of baggage products.

To increase the accessibility of the Cebu Pacific website and mobile application and show appreciation for the diversity of Asian languages, both digital products currently support the local languages of customers from Japan, South Korea, Taiwan, and China.



Enhanced Customer Flexible Options Policy

Apart from digital and product improvements, Cebu Pacific also upgraded its service policies, giving more flexibility and options for customers.

Services	Upgrades
Options for disrupted flights	Deadline to select an option for disrupted flights: Revised from 30 days from the date of disruption notification to no deadline
Travel Fund	Expiry of travel fund upgraded from a validity of 6 months to non-expiring funds
Refund processing	Reduced refund processing days from 2 months to 15 working days
Travel Voucher	Increased validity from 180 days from issuance to 18 months

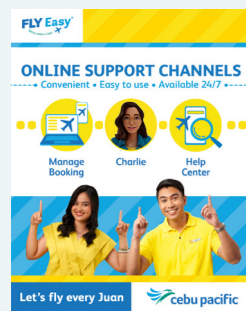
As part of the Group’s improvements in payment experience, booking changes are now only saved upon successful payment. This enhancement positively impacts the payment experience for both Cebu Pacific and its valued customers. By implementing this change, Cebu Pacific not only improved efficiency and clarity in the booking process but also encouraged responsible booking behavior.

Additionally, the log-in and sign-up process in MyCebuPacific has been simplified, making it easier for customers to become members and to check their bookings. In addition, customers now have more options for their baggage allowance with the new baggage product offerings: they can now purchase up to 3 pieces of 20 kg checked baggage and add 4 kg, 8 kg, or 12 kg more weight allowance, as needed.

CEB Help Center and Charlie Goes Live!

To lessen wait times and resolve customer concerns faster, Cebu Pacific implemented the CEB Help Center and introduced its new AI virtual assistant, Charlie. Led by the Customer Experience department and implemented together with Customer Care, and the Information Technology department, these projects ensure that customers have multiple ways to get help and connect with Cebu Pacific regarding issues and concerns.

The CEB Help Center was launched in April 2023 on Cebu Pacific’s website and mobile application. The tool provides customers with the ability to search for everything customer-related without having to wait for assistance from a live agent. CEB Help Center is backed by the CEB Wiki, which is the internal reference tool used by employees for policies, procedures, and work instructions.



In October 2023, the new virtual assistant, Charlie, was relaunched on Cebu Pacific’s website, mobile application, and Facebook Messenger. Charlie has a new flow, improved intelligence, and several integrations to resolve customer concerns using automated responses.

Customer Experience



Cebu Pacific uses a combination of digital and traditional channels to communicate with its customers. These tools are used to listen to customers’ feedback and concerns, resolve their complaints, and identify pain points in the whole customer experience. Regular measurement of customer satisfaction allows Cebu Pacific to continuously improve its services to passengers.

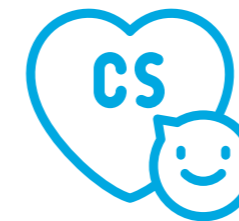
Cebu Pacific conducts and administers Customer Satisfaction (CSAT) satisfaction surveys regarding all customer touchpoints. Other surveys include: Customer Care, Ticketing Office Booking Survey, Web Booking Survey, Mobile App Booking Survey, and Mobile App Check-in Survey. With many organizational needs, the Group prioritizes resolving issues regarding customer pain points based on the biggest noise and impact.

To activate, engage, and establish strategic collaboration with stakeholders involved in disruption handling, Cebu Pacific initiated the establishment of its Customer Journey Management Team in 2023.

Through the effective management of network-wide minor to major disruptions of the team, Cebu Pacific recovered its NPS and CSAT scores starting in September 2023, while receiving decreased social media noise and having zero unmanageable queues at the ticketing office during cancellations.



Post-Flight Customer Satisfaction Metrics



CSAT tracked full year (Post-Flight) Rating scale of 1-5, with 5 as the highest	2021	2022	2023
Value for Money	4.08	3.60	3.52
Bag Drop and Check In Queuing Time	4.02	3.78	3.73
Boarding Experience	4.09	3.74	3.66
Bag Delivery Speed	4.05	3.69	3.69
Agent Service	Not Tracked	3.79	3.76
Cabin Crew Score	4.16	4.09	4.05
Inflight Announcements	4.17	4.05	4.02
Cabin Interiors	4.11	3.93	3.81
Pre-Ordered Meals	3.70	3.42	3.49

Ensuring Passenger Support During Peak Season

The Christmas holidays are some of the busiest times of the year. In Metro Manila, airports receive up to a daily average of 23,000 passengers, making passenger management a challenge.

In an effort to provide prompt issue resolution as well as personalized experiences despite periods of increased demand or unforeseen disruptions, the Customer Journey Management Team created an effective plan to navigate the Christmas holiday season at NAIA Terminal 3.

By adopting a proactive strategy focused on peak preparation and collaboration, they ensured efficient manpower deployment and developed comprehensive plans for various customer touchpoints at the airport.



Additionally, their responsive strategy involved actively monitoring and addressing various pain points and disruptions, whether related to passengers or baggage.

The team’s efforts resulted in maintaining CSAT scores and minimal social media buzz, proving the effectiveness of the team’s skills.

Establishment of the Customer Journey Management Team

Cebu Pacific established its Customer Journey Management Team in July 2023 to ensure customer well-being and minimize inconvenience by providing proper assistance, felt support, and real-time updates to passengers. The Customer Journey Management Team ensures three key points:

- **Define disruption handling** to ensure that no disrupted guest will leave the airport without being recovered through the provision of caring and efficient service.
- **Spearhead the Efficient Service Culture** to establish one service language across all personal touchpoints, especially during disruptions and service recovery.
- **Transform the communication culture during disruptions** to streamline available communication channels and empower frontline teams to deliver intentional communication to passengers.

Benefits for Vulnerable Groups

3-3 203-1 203-2



In line with the Group’s mission, Cebu Pacific continuously evaluates opportunities to partner with stakeholders to contribute to government and civic programs and initiatives that require air transport services.

In 2023, the Group strengthened its support of athletes with discounted flights and its benefits for vulnerable groups such as senior citizens and persons with disabilities. This resulted in more vulnerable passengers receiving discounted fares compared to previous years.

Cebu Pacific provided discounted airfares to a total of 498,130 passengers, including senior citizens, persons with disabilities, students, and athletes.

In 2023, the Group airlifted more than 258 metric tonnes of humanitarian cargo, showcasing the airline’s dedication to supporting communities in times of crisis.

Number of Discounted Flights by Customer Group

Disclosure	2021	2022	2023
Discounted flights for Senior Citizens	46,553	330,395	422,074
Discounted flights for Persons with Disabilities	8,833	48,208	75,794
Student and athlete discounts	31	153	262

Corporate Social Responsibility

Cebu Pacific’s corporate social responsibility (CSR) projects tackle environmental and social-related issues. In 2023, the Group was involved in nature-based solutions as well as partnerships with six different organizations to give support to various projects focused on empowering children, special needs kids, and Overseas Filipino Workers (OFWs).

Nature-based solutions



To support the conservation and restoration of mangroves in Cebu and to contribute to environmental preservation, disaster resilience, and community livelihood, Cebu Pacific partnered with the Ramon Aboitiz Foundation, Inc. One to Tree program (RAFI-OTT) and the Tapon Fisherfolk Association. The partnership planted 10,000 mangrove seedlings.

The project included the identification, establishment, planting, maintenance, and monitoring of a 5-hectare mangrove area in Barangay Tapon, Dumanjug, Cebu. Initiated in July 2023, the project also supports the livelihoods of the Dumanjug community, particularly through the involvement of the Tapon Fisherfolks Association in project development and implementation.

Currently, over 20 community partners from the Tapon Fisherfolks Association actively participate in the project. They have also received capacity building training provided by RAFI.



CSR for Social Action

Raising Funds for UNICEF

Cebu Pacific and UNICEF, which aims to promote and protect children’s rights, continue their partnership for the Change for Good initiative. In 2023, Cebu Pacific raised PHP 10.9 million through the program. The funds were channeled into various UNICEF programs that helped Filipino children gain access to education, health care, and humanitarian aid.

Launched in 2016, the joint initiative has already reached PHP 91 million in donations. To date, CEB is the first and only airline partner of UNICEF in Southeast Asia for the Change for Good campaign. It is also the only local carrier that actively raises funds to support children in its home country.



“ Our partnership with UNICEF has allowed us to channel the collective goodwill of our passengers into meaningful initiatives that will positively impact the lives of Filipino children.

Candice A. Iyog
Chief Marketing and Customer Experience Officer

United Filipino Global Partnership



In October 2023, Cebu Pacific signed a MOU with the United Filipino Global (UFG) for a partnership that aims to establish long-term collaboration with Overseas Filipino Workers (OFWs) and provide them and their families with essential support and opportunities. The partnership between Cebu Pacific and UFG encompasses the following components:

- **Provision of Free Flights:** Offering free flights to select OFW beneficiaries.
- **Scholarship Opportunities:** Granting scholarships to deserving students belonging to families of OFWs.

- **Humanitarian Assistance:** Providing aid and transport to distressed OFWs.
- **Internship Opportunities:** Offering internships for the children or family members of OFWs.
- **Information Campaigns:** Conducting campaigns to update OFWs on safe and responsible air travel practices.

The partnership addresses multiple facets of OFW welfare, including travel assistance, education, and humanitarian aid.

Autism Angels Take Flight



The Autism Angels Take Flight initiative, conducted on November 2023, provided an opportunity for children with autism to enjoy an immersive experience that featured different airport travel procedures. The event was designed to give them insights into navigating an airport and contribute to their understanding of air travel. This initiative with the Autism Society of the Philippines (ASP) highlighted the following values:

- **Inclusivity in Action:** The initiative demonstrated Cebu Pacific’s commitment to inclusivity by providing a mock airport setting tailored to the needs of individuals on the autism spectrum.
- **Education and Awareness:** More than just a simulation, the activity contributed to educating individuals with autism about air travel procedures, potentially easing future travel experiences.
- **Collaborative Partnership:** The collaboration between Cebu Pacific and ASP showcased the importance of public-private partnerships in creating positive social impact.

Airlink Partnership for Disaster Resilience



In June 2023, Cebu Pacific partnered with Airlink for Disaster Resiliency and Response in a collaborative effort to enhance disaster response capabilities and contribute to logistical solutions and support during disasters and emergencies. Under the partnership, Cebu Pacific and Airlink conducted a workshop focused on logistics preparedness for nonprofits responding to humanitarian crises in Asia and the Pacific.

The workshop resulted in enhanced logical preparedness as participants gained skills to organize quick and effective logistical responses during emergencies. It also strengthened relationships and increased attendees’ understanding of the technical aspects involved in disaster response.

Fun For Little Juans and Brigada Eskwela

Cebu Pacific, AHA! Learning Center, and the Epifanio Delos Santos Elementary School partnered for the success of the Fun for Little Juans (FFLJ) and Brigada Eskwela initiatives in 2023.

The activities provided both tangible support and experiential learning opportunities for students and communities. For FFLJ, Cebu Pacific facilitated a visit to Manila Ocean Park for 181 children and 139 guardians from Better World Tondo. Meanwhile, Cebu Pacific employees volunteered to pack 300 school kits and paint murals during the Brigada Eskwela back-to-school preparations.





Caring for Juan Planet

Cebu Pacific advocates for responsible environmental stewardship, aligning its sustainability goals with the aviation industry's long-term global aspiration of achieving net-zero carbon emissions by 2050. Cebu Pacific is also implementing a decarbonization strategy based on five pillars— Fundamentals, Fleet, Fuel, Footprint, and Finance. The Group additionally promotes the efficient use of resources such as energy, water, and materials in its operations and partnerships with internal and external stakeholders.



2023 Highlights for Cebu Pacific's Decarbonization Strategy 3-3

Cebu Pacific employs various metrics to track its progress on climate-related objectives. The Group is executing a robust five-pillar decarbonization strategy, focusing on Fundamentals, Fleet, Fuel, Footprint, and Finance, to ensure effective management of risks and opportunities associated with climate change. Each pillar corresponds to specific goals that the Group actively implements and develops plans for.

Fundamentals

Fundamentals focus on sustainability awareness within the Group and start with employee education. The Sustainability 101 initiative was conducted in 2023 to increase employees' awareness of the many aspects of sustainability and how they can contribute to the initiative. Cebu Pacific has also partnered with a third-party climate advisory group to conduct a detailed inventory of its greenhouse gas emissions. The GHG accounting report will be the basis of the Group's near-term and long-term emission reduction pathways, which will be aligned with global temperature targets. In addition, Cebu Pacific partnered with Deloitte Philippines for the identification of its climate-related risks and opportunities.

Fleet

Fleet details Cebu Pacific's fleet modernization program through the shift to all NEO-powered aircraft by 2028. The Group made this commitment in 2019 and took delivery of its first Airbus A231neo in the same year. 43% of Cebu Pacific's fleet is NEO, with the goal of modernizing to an all-NEO fleet by 2028. In 2023, 15 NEO aircraft were added to its fleet, which today has a strong base of 88 aircraft. NEO-powered aircraft are known for their fuel efficiency compared to CEO aircraft and are estimated to reduce fuel burn by at least 15-25%.

Cebu Pacific's route optimization strategy, aligned with its LCC business model, also contributes to emissions reduction. This entailed operating bigger capacity A330s and A321s for high-density and thicker routes, deploying the correct aircraft to match demand. Additionally, the Group's high-density aircraft configuration reduces emissions per passenger, with the A330neo offering the lowest carbon footprint per passenger per kilometer in the industry.



Fuel

The **Fuel** pillar pushes for the implementation of fuel-saving initiatives, as well as the utilization of SAF across Cebu Pacific's commercial network by 2030. As part of its fuel efficiency program, Cebu Pacific implemented the RFLA, Green Routes, and flight optimization initiatives, which aim to reduce distances to alternate aerodromes. In addition, the Group has an ongoing, long-term program to transition its ground transport and GSE to an electric, zero-emission fleet.

Under its SAF initiative, Cebu Pacific operated Flight 5J 5055 from Narita to Manila with SAF, making it the first Philippine carrier to do so on a commercial flight from Japan. Cebu Pacific remains dedicated to incorporating SAF in delivery flights, as demonstrated by its use during the delivery of the 1st Airbus A320neo from the Tianjin facility in June 2023.

Cebu Pacific has also established partnerships with Shell Aviation in 2022 and NESTE in 2023 to establish its supply of SAF.

Footprint

The **Footprint** pillar further strengthens decarbonization strategies and seeks to mitigate Cebu Pacific's environmental impacts. Cebu Pacific's plan of installing onsite renewable energy facilities, as well as its green building certification through EDGE and its partnership with the RAFI-OTT unit to focus on expanding nature-based initiatives, fall under the Footprint pillar.

Finance

Lastly, through the **Finance** pillar, Cebu Pacific aims to incorporate climate responsibility into business continuity and investments, including consideration of sustainability financing options to fund its long-term decarbonization strategy and overall sustainability vision. However, this metric is not yet under observation in 2023.

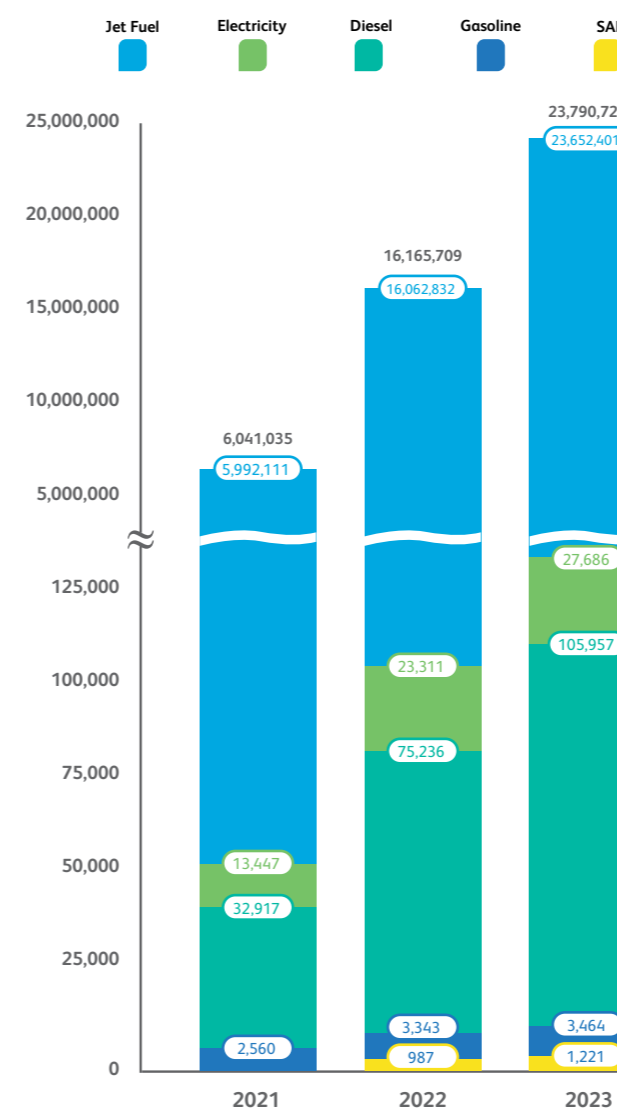
With its Fundamentals, Fleet, Fuel, Footprint, and Finance strategy, Cebu Pacific is making strides towards sustainable aviation in the Philippines. Cebu Pacific was able to accomplish fuel efficiency practices in 2023 that yielded 16 million kilograms in jet fuel savings. The Group was also able to implement resource efficiency strategies through improved management of its water consumption, waste, and materials.

Fueling Flights and Operations 3-3 302-1 302-3

This section covers the energy consumption of the Group. Cebu Pacific employs the use of SAF, jet fuel, gasoline, diesel, and electricity to power its flights and to run its operations.

As a low-cost carrier, improving operational efficiencies is a priority for Cebu Pacific. Conserving and making efficient use of energy helps reduce operational costs while reducing the adverse impact on the environment. However, as the Group's operations ramped up in 2023, overall energy consumption significantly increased compared to 2022.

Energy Consumption by Source (in GJ)



Note: 1 GJ is equivalent to 1x10⁹ joules

The increase in energy consumption can be attributed to the resumption of operations at pre-pandemic levels as the economy gradually recovered. Additionally, it is also important to note that starting in 2022, the Group began accounting for electricity consumption for 25 of its outstations, further contributing to the overall increase in energy consumption.



Energy Intensity

Unit	2021	2022	2023
Fuel efficiency (pax-km/L) ^a	27	25	30

Note: Data presented accounts for jet fuel consumption only.

a. Pax-km/L (Passenger-kilometers per Liter) represents a broader representation of fuel efficiency of the entire operation. A higher pax-km/L also suggests better fuel efficiency.

Best Industry Practices:

Reduce Flaps at Landing and Flight Plan Optimization

Jet Fuel Consumption and Savings Comparison for 2023

Jet Fuel Savings in 2023	Actual Jet Fuel Consumption in 2023	Estimated Jet Fuel Consumption without Fuel-Efficient Practices	Share of Fuel Saved in 2023	
~16M kg. (~16,100 metric tonnes) Jet Fuel	535,173 metric tonnes	551,270 metric tonnes	Continuous descent approach	20%
	23,652 TJ	24,383 TJ	Single engine taxiing	35%
			Reduced acceleration altitude	33%
			Idle reverse thrust	6%
			Optimized fuel load	6%

Specific Fuel Consumption for Cargo Transport

	2021	2022	2023
Specific fuel consumption for passenger transport (Liters/100 passenger-kilometers)	5.55	4.06	3.29
Data Coverage (as % of denominator)	100%	100%	100%
Percentage of: Passenger Flights			

Specific Fuel Consumption for Passenger Transport

	2021	2022	2023
Specific fuel consumption for cargo transport (Liters/TKT)	0.59	0.78	0.72
Data Coverage (as % of denominator)	100%	100%	100%
Percentage of: Cargo Flights			

Note: Ton Kilometers Transported (TKT)

Reduce Flaps at Landing

The Reduce Flap at Landing (RFLA) initiative revolves around landing with reduced flap configuration, representing an operational best practice designed to yield fuel, GHG emissions, and cost savings for Cebu Pacific. Through RFLA implementation, Cebu Pacific stands to achieve significant fuel savings, with potential savings per landing estimated at 7 to 10 kg of fuel for Airbus A320's and 25 kg of fuel for Airbus A330's. The RFLA initiative is led by the Flight Operations and Network Control and Operations Support Department.

Flight Plan Optimization: Green Routes and Reduction of Distance to Alternate Aerodrome

The Green Route project follows direct routing on domestic routes instead of following traditional planned airways on the operational flight plan. This project reduces flight distances, which aligns with the Group's overarching goal of reducing fuel consumption and consequent GHG emissions. Since its implementation, the Group has achieved total fuel savings of 245,429 kg from June to December 2023.

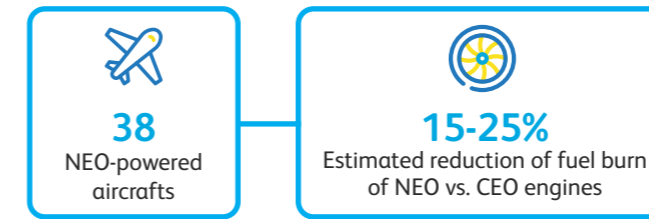
Complementing the Green Route project is the Flight Plan Optimization initiative, which aims to reduce distances to alternate aerodromes, targeting reductions in fuel consumption and GHG emissions.

Flight Plan Optimization has helped Cebu Pacific achieve the following reductions in fuel consumption to a total of 8.3 million kg.

In 2023, Cebu Pacific implemented fuel efficiency practices that resulted in a total of 16 million kilograms of jet fuel savings. These include savings from Reduce Flaps at Landing (RFLA), flight optimization, including distance reduction and direct routing, and other best practices such as the continuous descent approach, single-engine taxiing, reduced acceleration altitude, idle reverse thrust, and optimized fuel load.

Additionally, the Group utilizes the SkyBreathe Fuel Management System, which efficiently optimizes flight operations using the latest technology. Data from each flight is analyzed to develop fuel-saving plans, ultimately resulting in lower fuel consumption.

Modernizing the Fleet



In 2023, Cebu Pacific welcomed 15 new Airbus NEOs, marking progress toward its goal of transitioning the entire fleet to NEOs by 2028.

Cebu Pacific's modern fleet totaled 88 passenger aircraft in 2023, consisting of 69 Airbus jet engines and 19 ATR turboprops. With an average fleet age of 5.9 years, Cebu Pacific stands as one of the youngest fleets globally. Notably, 38 out of the 88 aircraft are equipped with the New Engine Option (NEO) from Airbus, renowned for its fuel efficiency compared to the Classic Engine Option (CEO). These NEO aircraft also feature increased seating capacity, enabling Cebu Pacific to accommodate more passengers while reducing average emissions per passenger. The Group's NEO fleet contributed to a reduction of 161,655 tCO₂-e in our 2023 GHG emissions.

Integration of Sustainable Aviation Fuel

In October 2023, as part of its long-term readiness program for SAF integration, Cebu Pacific achieved a noteworthy milestone by operating Flight 5J 5055 from Narita to Manila using SAF, making it the first Philippine carrier to do so on a commercial flight from Japan. CEB remains dedicated to incorporating SAF in delivery flights, as demonstrated by its use during the delivery of the 1st Airbus A320neo from the Tianjin facility in June 2023. A total of nine aircrafts were delivered to Cebu Pacific in 2023 using SAF blended jet fuel.

In addition, Cebu Pacific signed a memorandum of understanding with Neste, a Finland-based oil refining company, to collaboratively work towards establishing future SAF supply.



The use of 40% blended SAF in the A321neo resulted in a 44% reduction in carbon emissions per passenger during the NRT-MNL route.



Cebu Pacific Chief Strategy Officer Alex Reyes and Neste Asia-Pacific Renewable Aviation Acting Executive Vice President Sami Jauhainen during the Neste 5-year MOU signing for SAF supply.



Cebu Pacific's Juander Shuttle Service is now 100% electric through the COMET.



Electric Vehicle Transition Program

Part of Cebu Pacific's ongoing long-term decarbonization strategy is to transition to electric vehicles. The following projects are in line with this initiative:

Juander Shuttle: The implementation started in April 2023 and currently serves three routes: Cavite, Paranaque, and Cubao. The bigger mini bus called Community Optimized Managed Electric Transport, or COMET, is 100% electric and serves as Cebu Pacific's employee shuttle service. The COMET can accommodate 90 passengers per way, compared to the previous shuttle's 54-person seating capacity.

Electric Passenger Shuttle Bus: Pilot implementation of two electric shuttle buses

Cebu Pacific will also conduct a trial run for the use of electric baggage tractors and the installation of a fast charging station in partnership with TLD Asia Limited.

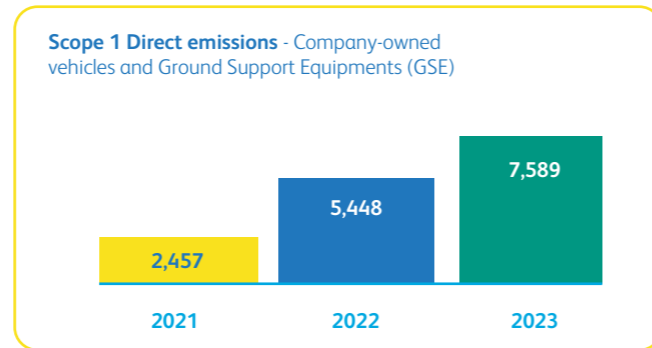
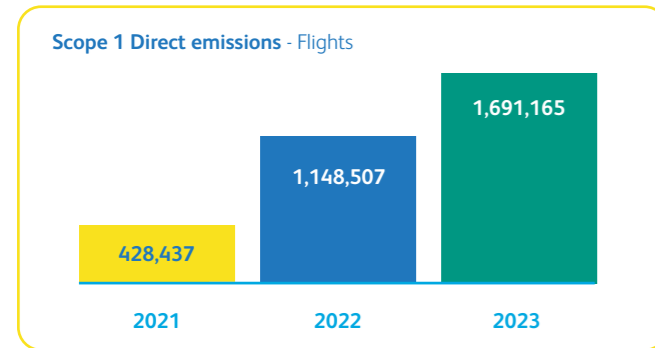
Emissions

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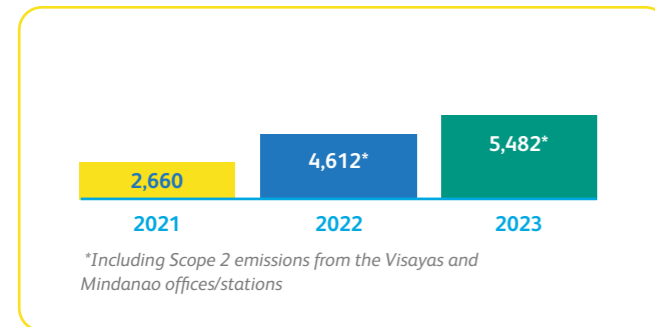
Aircraft emissions, primarily due to jet fuel use, constitute the bulk of Cebu Pacific’s GHG emissions. As such, the Group’s foremost priority is to manage and reduce these emissions. In 2023, the Group continued implementing strategies that address Scope 1 emissions and has likewise started developing additional strategies to address Scope 1 emissions from other sources together with Scope 2 emissions.

In a move to present a more detailed emissions inventory, Cebu Pacific has likewise disclosed its Scope 3 emissions in this report, which cover activities up and down its supply chain. The Group has partnered with South Pole, a third-party climate advisory group, to conduct a detailed baseline inventory of its GHG emissions. The GHG accounting report will be the basis of the Group’s near-term and long-term emission reduction pathways, which will be aligned with global temperature targets.

Direct (Scope 1) Emissions in tCO2e



Indirect (Scope 2) Emissions in tCO2e



Other Indirect (Scope 3) Emissions in tCO2e



Cebu Pacific referenced the GHG Protocol’s Corporate Value Chain Accounting and Reporting Standard, as well as the Corporate Accounting and Reporting Standard by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) in calculating Scope 3 emissions. In 2023, Cebu Pacific reports its Scope 3 emissions, focusing on categories with the most significant impact. The reported categories and boundaries are as follows:

Category 01 - Purchased goods and services

Reporting boundary: Includes non-flight related, flight-related, food and beverages, water supply

Category 02 - Capital goods

Reporting boundary: Includes aircraft, non-flight related and IT-related

Category 03 - Fuel- & energy-related activities

Reporting boundary: Includes jet fuel, sustainable aviation fuel, diesel, gasoline and grid

GHG Emissions Intensity

	2021	2022	2023
gCO ₂ e/RPK	138	101	81
gCO ₂ e/ASK	62	65	61

Note: Emissions intensity is calculated based on jet fuel Carbon emissions only.

Cebu Pacific Receives the CAPA Gold Rating for Environmental Sustainability



Cebu Pacific received a Gold rating in sustainability in the 2023 CAPA-Envest Global Airline Sustainability Benchmarking & Rating Report. Being awarded the Gold rating recognized Cebu Pacific’s initiatives in reducing carbon emissions by integrating SAF into its operations, and disclosing its sustainability metrics.

The award places Cebu Pacific as the highest-rated airline in the Philippines in terms of sustainability. In Southeast Asia, the Group is one of only two LCCs to have received the recognition.

Alex Reyes, chief strategy officer of Cebu Pacific, says that the distinction motivates the Group to further explore solutions that will reduce the environmental impact of the airline’s operation, and contribute positively to the community.

Cebu Pacific strengthened its fuel efficiency practices by launching a series of initiatives that targeted jet fuel use, flight routes, and landing procedures in 2023.

Since 2020, Cebu Pacific has been actively sharing crucial information on best industry practices for fuel efficiency with its pilots. These Fuel Efficiency Briefings focus on fuel and cost efficiency, company policies, applications, and limitations of current best industry practices. Skybreathe, which measures metrics such as the amount of fuel saved, compliance rate, missed opportunities, and remaining potential fuel savings, was also introduced for performance monitoring.

As a result of the consolidated contributions of the pilot community, Cebu Pacific has saved close to 8 million kilograms of Jet A1 fuel amounting to over USD 8.2 million for 2022. In 2023, the initiative of the Group was able to yield 16.1 million kilograms in jet fuel savings.

“Carbon emissions are a central sustainability issue for any airline. We are proud that at Cebu Pacific the decarbonization programs that we have initiated are yielding positive results as evident through the improvements in our emissions intensity over the years.”



Ves D. Yraola
Manager, Corporate Sustainability

Air Pollutants 305-7

	2021	2022	2023
NOx (metric tonnes)	340	968	1,155
SOx (metric tonnes)	26	72	85

Note: Data from flight only

NOx and SOx Emissions for Passenger Transport

	2021	2022	2023
NOx (tonnes)	257	942	1168
NOx Grams/PKT	0.12	0.09	0.06
SOx (tonnes)	21	70	86
SOx Grams/PKT	0.00931	0.00658	0.00430

Note: Passenger Kilometers Transported (PKT)

Specific NOx and SOx Emissions for Cargo Transport

	2021	2022	2023
NOx (tonnes)	80.07	22.40	0.00900
NOx Grams/PKT	0.00105	0.00166	0.00007
SOx (tonnes)	5.10	1.38	0.00081
SOx Grams/PKT	0.00007	0.0001	0.00001

Note: Passenger Kilometers Transported (PKT)

Resource Management

Resource management covers Cebu Pacific’s water, effluent, and solid waste management, as well as disclosures on environmental compliance.

Water and Wastewater Management

Cebu Pacific has three sources of water, namely: private concessionaires, rainwater recovery, and recycled water from wastewater treatment systems. Most of the Group’s water is sourced from Maynilad.

Water is an important resource for Cebu Pacific, as a lack of access to water may impact ground support operations such as maintenance and aircraft servicing. At the same time, water conservation is also essential to the business, as conserving and using water more efficiently reduces utility costs. Effectively treating and reusing water contributes to the efficient use of the resource, which impacts the water supply of communities adjacent to where Cebu Pacific operates.

As a move towards resource efficiency, Cebu Pacific invested in a wastewater treatment system with a capacity to process 80 cubic meters (m³) of wastewater per day, recycling up to 40 m³ of water per day for reuse for non-potable purposes. In 2023, the engine core wash/Cyclean Program was introduced, which also contributes to better water efficiency measures.

Water Management Data in cubic meters

2-4 303-3
303-4 303-5

	2021	2022	2023
Water withdrawal	12,606	22,281	31,668
Water discharge	7,300	13,060	15,060
Water consumption	5,306	9,221*	16,608

*Restated to reflect the amount as the difference between water withdrawal and water discharge. The previous year equated water consumption to water withdrawal.

Water Recycled in cubic meters

	2021	2022	2023
Water recycled and reused	2,626	9,320	10,707

The Group also enhanced its water disclosure monitoring and reporting by incorporating data on water usage from five (5) outstations, consequently increasing the amount of water withdrawn for this reporting year.

Water Conservation through Cyclean®

The use of Cyclean® for engine core wash was introduced in 2023. It aimed to optimize engine performance by addressing temperature considerations through the implementation of the wash/cyclean process. In addition to contributing to more efficient fuel burn and reducing aircraft ground time, the Cyclean® process is faster engine wash than traditional engine cleaning methods, diminishing engine wash from 16 hours to 3 hours for every A330 NEO engine and from 8 hours to 1 hour for every A320 NEO engine. With the faster completion time, water use for engine washes is significantly diminished, leading to better resource conservation.



The Cyclean® process also efficiently gathers maintenance wastewater through a 40-liter container positioned at the center of the engine water drain catch. It complies with NAIA Terminal 3 policies, ensuring zero spillage. With 100% wastewater collection, the program eliminates potential environmental impacts on airport water systems.



Wastewater Management

Cebu Pacific’s wastewater treatment system efficiently processes 80 cubic meters of wastewater daily, ensuring strict adherence to water discharge standards. In addition, the AOC head office features a rainwater collection system, utilizing collected rainwater for various non-potable purposes.

Cebu Pacific conducts quarterly sampling of wastewater at the AOC Head Office in partnership with Intertek, in compliance with wastewater standards DAO 2019-21 set by DENR-EMB / LLDA. The tests include PH 6.5-9, BOD5 50, COD 100, TSS 100, Color150, Oil and Grease 5, Coliform count 10000.

Waste Management

3-3 306-1 306-2

Cebu Pacific operates a Materials Recovery Facility (MRF) at its head office for managing its solid waste, including gathering recyclable materials. These recyclables are then sold to third-party buyers. In June 2023, the Group partnered with New Leaf, a waste hauler company for cargo, ramp, and catering waste management, including cabin waste. This partnership contributes to better monitoring of waste across the Group’s operations, which explains the notable increase in waste generated in 2023 compared to previous years.

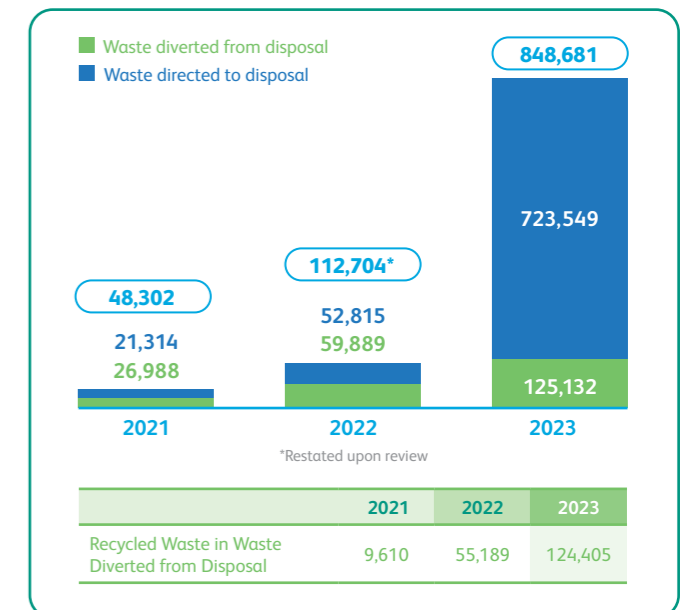
Cebu Pacific, as a part of the Gokongwei Group collective, also complies with the Extended Producer Responsibility (EPR) Act of 2022. The Corporate Sustainability Manager is the designated officer for Cebu Pacific’s EPR compliance. In 2023, Cebu Pacific’s plastic packaging footprint quantified as part of the EPR totaled 1,398 kg.

Waste Management Data (in kg)

2-4 306-3 306-4 306-5

Cebu Pacific saw an increase in total waste generated in 2023 as more onsite activities occurred, coupled with the rise in operational flights. Most wastes come from operational activities such as cargo, ramps, catering, and cabin.

Cebu Pacific constantly looks for more ways to integrate waste management into its core business activities. Two programs that make this mission a reality are the On-Board Plastic Bottle Segregation Project and the Green Product Cycle Initiative, which repurposes waste materials into useful products.



Recycled Waste Breakdown (2023)

	Amount (metric tonnes)
Packaging Material/ Plastic Packaging	379
Food Waste & Loss	62

On-Board Plastic Bottle Segregation



Recycled
28,000 kg
of PET bottles.

Through the Group’s On-Board Plastic Bottle Segregation project, waste PET bottles collected from flight operations are recycled instead of going into landfills. The program requires cabin crew members to separate plastic bottles from other materials collected during the in-flight waste collection process. The plastic bottles are then transported to a segregation site before being sent to a recycling facility for processing into pellets and flakes, which serve as raw materials for creating textiles in Taiwan, China, and Japan.



Since its reinstatement, the initiative has recycled 28,000 kg of PET bottles.

The Green Product Cycle Initiative

Cebu Pacific’s Green Product Cycle Initiative breathes new life into beyond economical repair (BER) aircraft parts, integrating them back into its operations instead of discarding them into landfills.

In 2023, BER parts served as materials for crafting awards under the Engineering and Fleet Management (EFM) Department’s “That Juan Moment Maker” employee recognition program. Scrap aircraft parts were repurposed to create awards presented to employees who demonstrated exceptional dedication during EFM’s 2023 Transformation and Continuous Improvement Initiatives.

In addition to being utilized for awards, aircraft parts are contributed to Repurpose with Purpose, a global

10,103,750
units of single-use plastic inflight utensils, cups, and packaging replaced by biodegradable materials



On-board plastic bottle segregation is a practice that can be implemented across various industries. This is exactly what Cebu Pacific has done.

Pacifico A. Sampang Jr.
Operations Supervisor,
Customer Service Operations

initiative dedicated to upcycling items like leather seat covers and expired life vests. Through this initiative, these materials are transformed into practical products, thereby mitigating waste in landfills and fostering social and economic opportunities for communities in need.

EFM has also provided aircraft parts to Rags to Riches, a non-profit organization empowering women in Payatas to become weavers and artisans. Additionally, the Group has donated phased-out airplane seats to aviation training schools and universities. These seats serve as valuable resources for student training and capstone projects, contributing to the development of future aviation professionals.



The Green Product Cycle Initiative is inspired by the success of Southwest Airlines' Repurpose with Purpose Program. Engineering and Maintenance wants to diminish its environmental impact, but at the same time provide social and economic opportunities to the local community. It advocates the engineering philosophy of creating something "beyond profit but of purpose."

Jeanne Rachelle M. Dimalanta
Manager, Technical Projects, Engineering & Fleet Management



Hazardous Waste Management

The leakage of hazardous waste poses serious health and safety risks and has an impact on the reputation and operations of Cebu Pacific. Additionally, unlawful discharges by third party contractors may result in environmental penalties.

To manage hazardous waste, the Admin and Facilities Department contracts with accredited Treatment, Storage, and Disposal (TSD) facilities for proper waste treatment before disposal. The Pollution Control Officer oversees these processes.



Environmental Compliance 2-27

Cebu Pacific’s environmental performance and compliance are monitored monthly through the DBSB. All identified issues are being reported to the Board Risk Oversight Committee (BROC) on a semi-annual basis.

Cebu Pacific takes matters of environmental compliance seriously and is committed to complying with government laws and regulations. Any allegation presented is sufficiently investigated and negotiated, as non-compliance with environmental standards and regulations may lead to damage to the environment, as well as sanctions and penalties for Cebu Pacific and reputational damage to the Group.

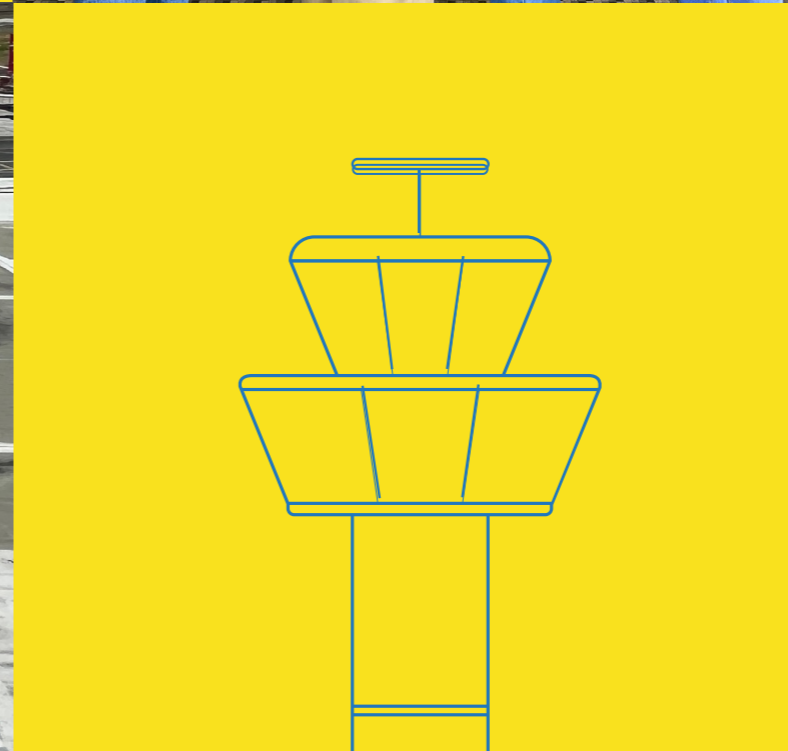
Non-compliance with Environmental Laws and Regulations

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



Building Juan Community

Cebu Pacific builds a culture of effective and responsible business practices to support the Group's growth and sustainability.



Corporate Governance

Cebu Pacific’s adherence to the best corporate governance standards and practices among Filipino publicly listed companies are driven by its goal to be every Juan’s airline of choice. Cebu Pacific constantly improves its systems to ensure that its operations and services are relevant to the needs of its internal and external stakeholders. With this, Cebu Pacific proudly complies with the standards set by the following regulators:

Airline Industry Standards

International Civil Aviation Organization (ICAO)	Air Carriers Association of the Philippines (ACAP)
International Air Transport Association (IATA)	Air Operators Council (AOC)
Civil Aviation Authority of the Philippines (CAAP)	International Air Transport Association (IATA)
Civil Aeronautics Board (CAB)	Board of Airline Representatives (BAR)
	Philippine Business for Social Progress (PBSP)
	Philippine Management Association of the Philippines (PMAP)

Cebu Pacific is a member of the following associations: 2-28



Cebu Pacific Receives Golden Arrow Award for Best Corporate Governance Practices

Integrated Annual Corporate Governance Report Accomplishment

In compliance with the Securities and Exchange Commission (SEC) requirements and the SEC Memorandum Circular No. 19, Series of 2016 or the Code of Corporate Governance for Publicly Listed Companies, Cebu Pacific has completed its 2023 Integrated Annual Corporate Governance Report (IACGR). The IACGR is done every year by the Corporate Governance team. The report encompasses 16 guiding principles, covering both recommended and optional corporate governance practices. The company complies with both categories, addressing essential components such as:

- a. The Board’s Governance Responsibilities;
- b. Disclosure and Transparency;
- c. Internal Control System and Risk Management Framework;

- d. Relationship with Shareholders; and
- e. Duties to Stakeholders.

The accomplishment of the IACGR facilitates the development of a strong corporate governance culture. It also promotes continuous improvement in corporate governance practices by keeping the Group informed of the latest developments on the topic.

With its robust corporate governance policies in place, Cebu Pacific received two Golden Arrow Awards from the ASEAN Corporate Governance Scorecard on September 2023 and has maintained its status as an awardee for two consecutive years.

Corporate Governance and Socioeconomic Compliance

2-9 2-12 2-14

Board of Directors

The Board of Directors (BoD) is entrusted with governing the Group and providing an independent check on its management. It should be composed of at least five (5) but not more than nine (9) Executive and Non-executive members who are elected by the shareholders. The BoD shall have at least two (2) Independent Directors, or such number of Independent Directors that constitute twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2). The BoD is primarily responsible for upholding Cebu Pacific’s policies and regulations and managing the Group’s executives. They are also charged with aligning the Group’s competitiveness and profitability with its corporate objectives.

Individual Directors

The Directors set the strategy to achieve Cebu Pacific’s vision and goals. Each Director is responsible for making impartial business decisions and must exercise independent judgment, carefully evaluate issues, and seek clarification when necessary.

A Director must be familiar with statutory and regulatory requirements and maintain confidentiality while ensuring the soundness and effectiveness of the Corporation’s control systems. A Director must also disclose any trading of the Corporation’s shares to relevant authorities. These responsibilities are designed to ensure that the Directors act in the best interests of Cebu Pacific and its stakeholders.

To become a Director, three requirements must be met: own at least one share of Cebu Pacific’s stock, understand its business, and possess integrity and probity.

Board Committees

Cebu Pacific has established four Board Committees: Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee, and Related Party Transaction Committee. Each committee has its own Charter that governs its duties and responsibilities.

The Audit Committee’s main role is to oversee internal and external audit processes. It also supervises financial reporting, manages internal control systems, and monitors compliance.

The Corporate Governance Committee ensures that Corporate Governance principles and policies are developed and implemented.

The Board Risk Oversight Committee manages the risk management framework and ensures the effectiveness of risk management strategies.

The Related Party Transaction Committee establishes a policy and system governing Material Related Party Transactions (MRPTs) to ensure fairness and transparency.

Officers and Management Team

The Chairman presides over meetings, ensures compliance with corporate governance policies, and evaluates the Board’s performance once a year.

The CEO is responsible for implementing Cebu Pacific’s vision, mission, and strategy, managing resources, building corporate culture, and communicating with stakeholders.

The Corporate Secretary preserves the integrity of meeting minutes and official records, advises the Board on relevant issues, and works fairly and objectively with stakeholders.

The Compliance Officer ensures that the Group and its Officers and Directors comply with the Corporate Governance Manual and relevant laws, rules, and regulations. This includes monitoring, reviewing, evaluating, and reporting violations to the Board, as well as recommending disciplinary actions. The Compliance Officer must also ensure accuracy of all regulatory submissions, collaborate with other departments to address compliance issues, identify areas of compliance risk, and ensure that Board members and key Officers attend relevant trainings.

Additionally, the Compliance Officer assists the Board and the Corporate Governance Committee in performing their governance functions and may perform other duties as directed by the SEC.

The Internal Auditor’s main role is to independently assess the Group’s controls and processes to guarantee compliance with policies, regulations, and laws, as well as to achieve goals, objectives, and guide appropriate employee conduct.

Corporate and Governance Policies

2-15 2-23 2-24

Corporate and Governance

Best practices on good corporate governance are incorporated in Cebu Pacific's [Governance Manual](#), Code of Business [Conduct and Ethics](#), and other related SEC Circulars aligned to related rules and regulations. The Group also has several policies in place to ensure a fair working environment.

Board Diversity Policy

Cebu Pacific recognizes the vital role of diversity within its board, recognizing its pivotal contribution to fostering effective decision-making processes that ultimately benefit stakeholders.

Consequently, Cebu Pacific consistently updates its Board Diversity Policy to ensure that the board comprises individuals with diverse backgrounds, skills, and expertise.

This policy underscores Cebu Pacific's steadfast commitment to cultivating an inclusive and equitable environment, free from biases related to age, gender, race, nationality, educational background, ethnicity, or religion.

By advocating for diversity across all levels of leadership, Cebu Pacific aims to foster a vibrant and innovative atmosphere conducive to achieving success and maximizing value for stakeholders.

In alignment with its Board Diversity Policy, Cebu Pacific has successfully diversified the board's competencies in 2023 to ensure a balanced composition that encompasses a wide range of knowledge, experience, competence, and expertise.

Whistleblowing

Cebu Pacific's whistleblowing policy encourages employees, third-party service providers, on-the-job trainees, business partners, and other stakeholders of the Group, its subsidiaries, and affiliates to report actual or suspected violations of Cebu Pacific's policies, code of conduct, criminal or unlawful acts, and risks that endanger health and safety.

Conflict of Interest

Cebu Pacific's Code of Business Conduct and Ethics and Conflicts of Interest policy require employees to consciously avoid conflict of interest situations in which an employee might be influenced by personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.

Anti-bribery and Anti-corruption 3-3

Cebu Pacific is committed to maintaining high ethical standards and avoiding any form of bribery or corruption. The policy aims to prevent bribery and corruption through guidelines based on the Group's code of conduct and conflict of interest policies. The policy also sets clear limitations and provides guidance to employees and third parties for identifying and dealing with such issues.

Cebu Pacific asserts its compliance with anti-bribery and anti-corruption laws in all jurisdictions where it operates. The Group also conducts anti-corruption training programs for its stakeholders.

Communication and transparent anti-corruption policies across the organization facilitate a culture of trust. This reduces the possibility of corruption occurring.

As part of the anti-corruption programs and initiatives of the Group, employees are reminded through internal communications channels of updates on anti-corruption policies and news. The Group also conducts trainings on anti-corruption initiatives for all employees through the Human Resources Group. The same is also included in the on-boarding orientation program attended by new employees.

In 2023, Cebu Pacific revised its Anti-Bribery and Corruption policy to reinforce its anti-corruption commitment. The revised policy also conforms to the Company's Whistleblowing policy.

Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Group observes good governance and management practices. This is to assure the shareholders that the Group conducts its business with the highest level of integrity, transparency, and accountability.

Communication and Training About Anti-corruption Policies and Procedures

205-1 205-2 205-3

Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated	100%
Percentage of directors and management that have received anti-corruption training	100%
Percentage of employees that have received anti-corruption training*	100%

*This is cumulative data. All Cebu Pacific employees received anti-corruption training as an integral part of the onboarding process.

Succession Planning and Remuneration Policy 2-10

Cebu Pacific ensures its continued effective performance and sustained growth through leadership continuity for the benefit of all its stakeholders.

The objectives of the Succession Planning Program are:

- To identify and nominate suitable candidates for the Board's approval to fill the vacancies that arise from time to time
- To identify the competency requirements of critical and key positions, assess potential candidates, and develop required competency through planned developments and learning initiatives
- To identify the key job incumbents in Senior Managerial positions and recommend whether the concerned individual may be granted an extension of term/service or be replaced with an identified internal or external candidate and whether there is a need to recruit suitable candidate/s
- To ensure the systematic and long-term development of individuals at the senior management level as ready replacement when the need arises due to deaths, disabilities, retirements, and other unexpected occurrences

Remuneration of Executive and Non-Executive Directors 2-19 2-20

The Corporate Governance Committee recommends and the Board of Directors approves the remuneration of Executive and Non-Executive Directors.

- Fixed remuneration for Non-Executive Directors (including Independent Directors) shall reflect the time commitment and responsibilities of the role.
- The remuneration of Executive Directors may be a combination of fixed monthly salary in terms of their appointment as approved by the Board and variable pay based on the Company's and individual performance. The Corporate Governance Committee determines and decides the performance parameters and/or measurable standards applicable to the Executive Directors that will serve as the basis for the variable pay.
- The Corporate Governance Committee may consider aligning Key Executives and Board remuneration with the longer-term interests of the company and its shareholders.

Labor Laws and Human Rights 2-23

Although there are no policies specific to forced labor and child labor, Cebu Pacific adheres to standards and regulations set forth by the Department of Labor and Employment.



0

No. of legal actions or employee grievances involving forced or child labor

Policies on Labor Laws and Human Rights

Topic	Y/N	Reference
Forced Labor	N	
Child Labor	N	
Human Rights	Y	Sexual Harassment Policy Solo Parent Leave (SPL) Magna Carta Special Leave for Women



Enterprise Risk Management

2-16 2-25 2-26

Cebu Pacific identifies potential risks that could impact the Group and its stakeholders. Its Enterprise Risk Management Group is responsible for applying its risk management framework to identify, analyze, evaluate, mitigate, monitor, and prevent risks by implementing effective policies and strategies.

Risks are reported monthly to three management-level committees: the Data Privacy, Business Continuity, and Sustainability Board (DBSB); the Airline Safety Review Committee (ASRC); and the Treasury Risk Management Committee (TRM). They evaluate risks and trends and analyze the effectiveness of risk interventions. Risks that are rated Very High or High are consequently reported to the Board Risk Oversight Committee (BROC) every six months. The Board of Directors provides guidance in managing the risk exposure of the Group.

ESG-Related Risks

Cebu Pacific’s Corporate Strategy Office monitors and addresses ESG-related risks. Specifically on environment-related risks, the Sustainability Manager assesses the Group’s performance against environmental benchmarks and reports findings monthly at the DBSB meetings.

Procurement Practices

3-3 204-1

Cebu Pacific’s accreditation process is handled internally and is based on the technical evaluation and recommendations of internal end-users on the potential product for purchase. Cebu Pacific also has a Procurement Manual, which serves as a guide in the conduct of procurement activities. In 2023, an ESG questionnaire was developed and incorporated into the Procurement Manual which is undergoing finalization and routing.

Cebu Pacific deals with both local and foreign suppliers for non-aircraft purchases. The data below covers local, non-aircraft-related purchases only.

Percentage (%) of the procurement budget spent on local suppliers

77% 2021 | 62% 2022 | 62% 2023

Supply Chain Management

3-3 308-1 408-1 409-1

Cebu Pacific’s accreditation process is being facilitated by the Business Unit Supplier Accreditation Team (BUSAT). The BUSAT reviews local and foreign suppliers and vendors that will provide products and services essential in the operations of the business. The accreditation criteria covers the commercial (operations capability, quality, competitive costs, payment terms, logistics and communications support) and financial (liquidity, asset efficiency, financial leverage, sales) aspects, as well as an ESG questionnaire covering compliance to mandatory laws on labor and safety. The Procurement team is trained in Purchasing, Ethics, Negotiation, and Strategic procurement to enable sound procurement decisions. Supplier relationship management is a key strategy to ensure that suppliers are compliant to best practices implemented and uphold with utmost integrity all dealings with Cebu Pacific.

In January 2023, Cebu Pacific finalized the Vendor Compliance Addendum that warrants its vendors to comply with all applicable laws and regulations in relation to health, labor, safety and welfare of its employees and communities where it operates, and environmental laws, regulations and standards.

Topics covered by the Vendor Compliance Addendum

- Environmental Performance
- Forced Labor
- Child Labor
- Human Rights
- Bribery and Corruption



Data Privacy

3-3 418-1

Customer Privacy

Cebu Pacific protects the privacy of its data subjects. Cebu Pacific’s Data Privacy Management Office (DPMO) and Data Protection Officer handle data privacy issues and complaints. The Group’s DPMO conducts an annual review of its Data Privacy Manual to ensure that the process of handling data subject complaints remains effective and efficient.

In October 2023, the DPMO codified a clear policy on retention and disposal in its Data Privacy Manual. Additionally, it updated its Privacy Management Program.

Data Privacy Manual

The Data Privacy Manual standardizes how the Group implements organizational, physical, and technical measures that will protect the personal information of its data subjects, including employees and passengers, in the course of its business operations and processes. It also shows the compliance of the Group with the Data Privacy Act (DPA). It covers the policies, procedures, and protection measures of the Group from the collection of personal information, going through their use, storage, and transfer, up to whether retaining them or disposing of them securely. Cebu Pacific’s DPMO conducts an annual review of its Data Privacy Manual to ensure that the process of handling data subject complaints remains effective and efficient.

Privacy Management Program

The Privacy Management Program documents how the Group embeds privacy and data protection in its strategic framework and daily operations and maintains it through organizational commitment and oversight of coordinated projects and activities. It includes Vision/Mission/Purpose, Management Buy-In, risk management via privacy impact assessments, program oversight, capacity building through training, and DPA compliance such as registering the Data Protection Officer and Data Processing Systems.

“In Cebu Pacific, we acknowledge how powerful data can be. However, we strongly believe that data privacy is a primordial human right, and hence, we have a continuous commitment towards protecting and respecting every Juan’s data. We take comfort in the fact that safe data immensely contributes to customer satisfaction.”



Randall A. Evangelista
Director, Data Privacy Management Office

Customer Privacy Complaints Received and Addressed

Disclosure	2021	2022	2023
Number of substantiated complaints on customer privacy	0	1	0
Number of complaints addressed	0	1	0
Number of customers, users, and account holders whose information is used for secondary purposes	0	0	0

Cybersecurity Awareness Training and Testing Program

Cebu Pacific’s Cybersecurity Awareness Training and Testing Program focuses on building the employees’ knowledge of different cyber threats, social engineering, and cyber hygiene. It aims to increase the employees’ understanding of cyberthreats, promote good cyber hygiene practices, and empower employees to act as a “human firewall.” Ultimately, the goal of the program is to protect customer data and business information.

Annual training activities are defined and implemented throughout the year. The training and awareness campaigns, where a self-assessment is sent at the start of the year, are conducted to assess the cyber strengths and weaknesses of users. Depending on the results, relevant topics will be launched, and training will be held twice a year. Quarterly phishing tests are also conducted to gauge the user’s ability to identify potential phishing attacks. Those who failed will undergo specific training and testing.

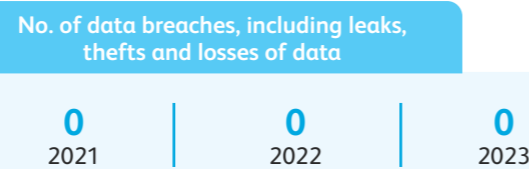


Cybersecurity

Data breaches compromise the privacy of customers and sensitive business information. In order to avoid breaches and other information security risks, the Group consistently monitors cyber threats and evaluates all aspects of the cyber landscape, including people, processes, and technology. Emerging risks are promptly identified and addressed to mitigate potential impacts on both the business and its customers. Critical and high-security risks, along with data privacy risks, are reported monthly to the Data Security, Data Privacy, Sustainability Board and semi-annually to the Board Risk Oversight Committee.

Cebu Pacific’s information security management is complemented by the regular updating of its IT and Cybersecurity Policies and Procedures Manual, ensuring adequacy and responsiveness to emerging threats. Incident Response Procedures are also in place to guide unwanted events

Additionally, to enhance the capability of all employees against social engineering attacks, an Information



Security Awareness Training Policy is implemented. The Group maintains other relevant policies and procedures in collaboration with internal and external stakeholders, to further strengthen its cybersecurity posture.

Cebu Pacific regularly invests in security solutions, conducting regular assessments of emerging risks through vulnerability management and penetration testing and effectively mitigating identified threats.

The Group actively engages in internal and external audits to ensure compliance with standards, laws, and regulations, while also monitoring the organization’s risk posture and cybersecurity maturity level.



Internal and External Audit Engagements

Committed to protecting customer data and business information, Cebu Pacific engages in audits to help the Group gain a clearer picture of its IT position in relation to different IT security control requirements. Audits also assess the organization’s maturity and risk posture.

In 2023, various stakeholders from internal and external parties conducted an audit to gauge the IT department’s compliance and maturity level against defined requirements from governance standards, emerging cyber risks, and regulations. Cebu Pacific’s IT audit engagements for 2023 included the following:

- **SGV & Co.** – The assessment focused on IT’s general controls of Cebu Pacific applications related to finance and operations;
- **Payment Card Industry Data Security Standard (PCI – DSS) attestation exercise** – This activity focused on compliance with card holder data security;
- **Safety Inspection** - The IT area was assessed to see how the department complies with Occupational, Health and Safety;
- **IOSA Audit** – An assessment in IT focused on data security, back-up process, and IT business continuity;
- **National Privacy Commission Compliance Visit** – The onsite audit focused on assessing Cebu Pacific’s data privacy compliance.

The entire IT team was part of the engagements, supported by IT Leaders, with IT Governance, Risk and Compliance leading the entire team of SMEs that served as auditees/interviewees.

Marketing and Labeling

3-3 417-2 417-3

Cebu Pacific continues to proactively address the needs of its customers through appropriate marketing communications. It also adheres to the Ad Standards Council and Department of Trade and Industry regulations in the Philippines to ensure commitment to responsible advertising and upholding the highest standards of ethics.

Substantiated Complaints Received and Addressed on Marketing and Labeling

Disclosure	2021	2022	2023
No. of substantiated complaints on marketing and labeling	0	13	0
No. of complaints addressed	0	13	0



Performance Index

Operational Highlights

	2021	2022	2023
No. of Passengers flown	3,411,396	14,844,503	20,868,414
No. of Available Seats	5,631,832	19,719,205	24,836,003
No. of Destinations	45	52	60
Domestic	32	33	35
International	13	19	25
No. of Routes	61	79	104
Domestic	46	57	68
International	15	22	36
Number of Departures	34,463	108,329	140,730
Available Seat Kilometers (ASK)	4,878,304,004	17,205,944,420	27,573,157,304
Revenue Passenger Kilometer (RPK)	2,479,431,884	11,116,779,530	21,933,556,273
Passenger Load Factor (%)	61	75	84
On-Time Performance (%)	88	71	72
Fuel efficiency (pax-km/L)	27	25	30
Cargo Flown (tonnes)	120,665	129,461	127,544
No. of Aircraft	74	76	88
Average Fleet Age	6.4	6.1	5.9
Customer Net Promoter Score	+44	+19	+14
Employee Net Promoter Score	+41	+35	+38

Economic Performance

	2021	2022	2023
Economic value generated	15,602,804,603	56,946,360,605	91,474,067,418
Economic value distributed	41,318,045,222	71,570,280,038	87,405,729,581
Operating costs	15,174,202,068	14,686,338,601	17,464,900,773
Employee wages and benefits	3,244,741,375	5,482,907,997	8,667,486,376
Payments to suppliers, other operating costs	20,354,393,063	47,996,640,130	55,824,901,845
Dividends given to stockholders and interest payments to loan providers	2,511,760,313	3,381,926,823	5,529,547,275
Payments to government by country	28,724,503	21,876,769	183,420,923
Community investments	4,223,900	589,718	5,472,389
Economic value retained	(25,715,240,619)	(14,623,919,433)	4,068,337,837

Social

Training/ People Development

	2021	2022	2023
Total Training Hours provided to employees	10,983	9,289	29,522
Female Employees	6,385	5,440	19,909
Male Employees	4,598	3,849	9,613
Average Training hours provided to employees	4.3	2.5	6.7
Female Employees	4.7	2.6	8.6
Male Employees	3.8	2.2	4.6

Employee Data

	2021	2022	2023
Total number of employees	2,584	3,787	4,374
Number of Male employees	1,225	2,058	2,070
Number of Female employees	1,359	1,729	2,304
New Hires (Permanent and Temporary)	192	1,717	945
Turnover	272	511	478
Attrition rate (%)	10	13	11

Employee Benefits and Participation Rates

List of Benefits	No. of female employees who availed		No. of male employees who availed	
	2022	2023	2022	2023
Statutory Benefits				
SSS	402	293	186	148
PhilHealth	70	105	28	56
Pag-ibig	64	134	59	108
Maternity Leave	143	117	0	0
Paternity Leave	0	0	50	56
Parental Leave - Solo Parent	8	4	0	4
Parental Leave	151	121	50	56
Vacation leaves	1,566	2,031	1,122	1,683
Sick leaves	1,254	1,808	758	1,336
Voluntary Benefits				
Medical benefit (HMO)	1,788	2,156	2,250	1,831
Medical: Psychological Counseling	57	31	23	20
Retirement (aside from SSS)	49	23	19	27
Further education support	10	31	12	47
Company stock options	4	0	12	0
Telecommuting or Work from Home	Applicable to all employees with support/back-office function.	795	Applicable to all employees with support/back-office function.	786
Flexible working hours	594	651	335	381
Travel insurance	1,658	1,477	1,208	1,197
Life Insurance	2,337	2,060	1,837	1,742
Rice subsidy and medical allowance	1,788	2,090	1,411	1,777
Christmas allowance	2,370	2,200	1,853	1,929
Uniforms	58	32	123	539
	2022		2023	
Free flights (employees and dependents)	Employee: 39,906 Dependent: 34,977		Employee: 58,847 Dependent: 52,951	

Labor Management Relations			
	2021	2022	2023
Percentage of employees with Collective Bargaining Agreements	0	0	32%
Number of consultations conducted with employees concerning employee-related policies	9	15	5

Diversity and Equal Opportunity			
	2021	2022	2023
Percentage of female employees	53%	54%	53%
Percentage of male employees	47%	46%	47%

Workplace Conditions			
	2021	2022	2023
Safe Man-hours	5,157,072	6,363,360	7,955,480
Number of work-related injuries	9	22	28
Number of work-related fatalities	0	0	0
Number of work-related ill-health	0	0	0
Number of safety drills	0	1	2

Environment

Energy Consumption Within the Organization (in GJ)			
	2021	2022	2023
SAF	0	987	1,221
Jet fuel	5,992,111	16,062,832	23,652,401
Gasoline	2,560	3,343	3,464
Diesel	32,917	75,236	105,957
Electricity	13,447	23,311	27,686
Total	6,041,035	16,165,673	23,790,729

Customer Health and Safety			
	2021	2022	2023
Number of substantiated complaints on product or service health and safety	0	13	2
Number of complaints addressed	0	13	2

Customer Management			
	2021	2022	2023
Customer Satisfaction – Net Promoter Score (Post-Flight)	+44	+19	+14

CSAT Tracked Full Year (Post-flight)			
	2021	2022	2023
Value for Money	4.08	3.60	3.52
Bag Drop and Check In Queuing Time	4.02	3.78	3.73
Boarding Experience	4.09	3.74	3.66
Bag Delivery Speed	4.05	3.69	3.69
Agent Service	N/A	3.79	3.76
Cabin Crew Score	4.16	4.09	4.05
Inflight Announcements	4.17	4.05	4.02
Cabin Interiors	4.11	3.93	3.81
Pre-Ordered Meals	3.70	3.42	3.49

Energy Consumption Within the Organization (Activity Data)			
	2021	2022	2023
SAF (liters)	0	27,905	34,541
Jet fuel (tonnes)	135,581	363,447	535,173
Gasoline (liters)	72,631	94,830*	98,283
Diesel (liters)	859,372	1,964,199*	2,766,247
Electricity (megawatt-hours)	3,735	6,475*	7,690

*Restated

GHG Emissions (in tCO2e)			
	2021	2022	2023
Direct (Scope 1) emissions – Flights	428,437	1,148,507	1,691,165
Direct (Scope 1) emissions – Company-owned vehicles and Ground Support Equipment (GSE)	2,457	5,448	7,589
Indirect (Scope 2) emissions	2,660	4,612*	5,482*
Other indirect (Scope 3) emissions	Not tracked	316,533	533,068

*Including Scope 2 emissions from the Visayas and Mindanao offices/stations

Air Pollutants (in metric tonnes)			
	2021	2022	2023
Nitrogen oxides	340	968	1,155
Sulfur oxides	26	72	85

Note: Data from flight only

Water and Effluents (in cubic meters)			
	2021	2022	2023
Water withdrawal	12,606	22,281	31,668
Water discharge	7,300	13,060	15,060
Water consumption	5,306	9,221*	16,608
Water recycled and reused	2,626	9,320	10,707

*Restated to reflect the amount as the difference between water withdrawal and water discharge. The previous year equated water consumption to water withdrawal.

Governance

Supply Chain Management			
	2021	2022	2023
Procurement budget spent on local suppliers (non-aircraft related)	77%	62%	62%

Supplier Accreditation Policy			
	2021	2022	2023
Environmental Performance	No	Yes	Yes
Forced Labor	No	Yes	Yes
Child Labor	No	Yes	Yes
Human Rights	No	Yes	Yes
Bribery and Corruption	No	Yes	Yes

Waste (in kg)			
	2021	2022	2023
Waste diverted from disposal	26,988	59,889	125,132
Recycled	9,610	55,189	124,405
Other disposal operations	17,378	4,700	727
Waste directed to disposal	21,314	52,815	723,549
Total waste generated	48,302	112,704*	848,681

*Restated

	2021	2022	2023
Non-hazardous waste	30,924	108,004	847,954
Hazardous waste	17,378	4,700	727

Environmental Compliance			
	2021	2022	2023
Total amount of monetary fines for non-compliance with environmental laws and regulations	0	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
Number of cases resolved through dispute resolution mechanism	0	0	0

Customer Privacy			
	2021	2022	2023
Number of substantiated complaints on customer privacy	0	1	0
Number of complaints addressed	0	1	0
Number of customers, users and account holders whose information is used for secondary purposes	0	1	0

Information Security			
	2021	2022	2023
Number of data breaches, including leaks, thefts, and losses of data	0	0	0

Marketing and Labeling			
	2021	2022	2023
Number of substantiated complains on marketing and labeling	Not tracked	0	0
Number of complaints addressed	Not tracked	0	0

Disclosure on Benefits for Vulnerable Groups			
	2021	2022	2023
Discounted flights for Senior Citizens	46,553	330,395	422,074
Discounted flights for Persons with Disabilities	8,833	48,208	75,794
Student and athlete's discount	31	153	262

Anti-corruption			
	2021	2022	2023
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100 %	100 %	100 %
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100 %	100 %	100 %
Percentage of directors and management that have received anti-corruption training	100 %	100 %	100 %
Percentage of employees that have received anti-corruption training*	100 %	100 %	100 %

*This is cumulative data. All Cebu Pacific employees received anti-corruption training as an integral part of the onboarding process.

Incidents of Corruption			
	2021	2022	2023
Number of incidents in which directors were removed or disciplined for corruption	0	0	0
Number of incidents in which employees were removed or disciplined for corruption	0	0	0
Number of incidents in which business partners were removed or disciplined for corruption	0	0	0

Labor Laws and Human Rights			
	2021	2022	2023
Number of legal actions or employee grievances involving forced or child labor	0	0	0

Corporate and Governance Policies			
	2021	2022	2023
Forced Labor	No	No	Yes
Child Labor	No	No	Yes
Human Rights	No	No	Yes

GRI Content Index

Statement of use Cebu Air Inc. has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) None

GRI Standard / Other Source	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	
GRI 2: General Disclosures 2021	2-1 Organizational details	4			A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	2-2 Entities included in the organization's sustainability reporting	9			
	2-3 Reporting period, frequency and contact point	4			
	2-4 Restatements of information	61, 90, 91			
	2-5 External assurance	The report has not been externally assured.			
	2-6 Activities, value chain and other business relationships	10-11			
	2-7 Employees	65-66			
	2-8 Workers who are not employees	66			
	2-9 Governance structure and composition	97			
	2-10 Nomination and selection of the highest governance body	99			
	2-11 Chair of the highest governance body	The chair of the highest governance body is not the senior executive in the organization.			
	2-12 Role of the highest governance body in overseeing the management of impacts	97			
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	45			

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	97				
	2-15 Conflicts of interest	98				
	2-16 Communication of critical concerns	100				
	2-17 Collective knowledge of the highest governance body	The Board attends regular trainings to broaden their knowledge on sustainable development. In 2023, the Board attended an Environmental, Social, and Governance training.				
	2-18 Evaluation of the performance of the highest governance body	Board Nomination and Election Policy , Cebu Pacific website				
	2-19 Remuneration policies	99				
	2-20 Process to determine remuneration	99				
	2-21 Annual total compensation ratio		2-21	Information Unavailable	Information Unavailable	
	2-22 Statement on sustainable development strategy	6-7				
	2-23 Policy commitments	98				
	2-24 Embedding policy commitments	98				
	2-25 Processes to remediate negative impacts	100				
	2-26 Mechanisms for seeking advice and raising concerns	100				
	2-27 Compliance with laws and regulations	93 The Group recorded 0 significant instances of non-compliance with laws and regulations in 2023.				
	2-28 Membership associations	97				
	2-29 Approach to stakeholder engagement	34-36				
2-30 Collective bargaining agreements	63					

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	Explanation	
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	32-33	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	32-33				
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	15				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	16				
	201-2 Financial implications and other risks and opportunities due to climate change	38-39				
	201-3 Defined benefit plan obligations and other retirement plans		201-3 a-e	Information Unavailable	The Group has not yet gathered the required information.	
	201-4 Financial assistance received from government		201-4 a-c	Information Unavailable	The Group has not yet gathered the required information.	
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	77-78				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	77-78				
	203-2 Significant indirect economic impacts	77-78				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	100				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	100				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	98				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	98				
	205-2 Communication and training about anti-corruption policies and procedures	98				
	205-3 Confirmed incidents of corruption and actions taken	98				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	84-88				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	85				
	302-2 Energy consumption outside of the organization	85				

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	Explanation	
GRI 302: Energy 2016	302-3 Energy intensity	85				
	302-4 Reduction of energy consumption	The Group did not observe a reduction in energy consumption in 2023 compared to 2022.				
	302-5 Reductions in energy requirements of products and services		302-5 a-c	Information Unavailable	The Group has not yet gathered the required information.	
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	90-91				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	90-91				
	303-2 Management of water discharge-related impacts	90-91				
	303-3 Water withdrawal	90				
	303-4 Water discharge	90				
	303-5 Water consumption	90				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	84-88				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	88				
	305-2 Energy indirect (Scope 2) GHG emissions	88				
	305-3 Other indirect (Scope 3) GHG emissions	88				
	305-4 GHG emissions intensity	88				
	305-5 Reduction of GHG emissions	The Group did not observe a reduction in Scope 1 and Scope 2 GHG emissions in 2023 compared to 2022.				
	305-6 Emissions of ozone-depleting substances (ODS)		305-6 a-d	Information Unavailable	The Group has not yet gathered the required information.	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	89				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	91-92				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	91-92				
	306-2 Management of significant waste-related impacts	91-92				
	306-3 Waste generated	91				

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	Explanation	
GRI 306: Waste 2020	306-4 Waste diverted from disposal	91				
	306-5 Waste directed to disposal	91				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	100				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	100 % of new suppliers are screened using environmental criteria.				
	308-2 Negative environmental impacts in the supply chain and actions taken	100				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	60-61				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	62-63				
	401-3 Parental leave	The Group recorded a 100 % parental leave return to work rate and retention rate in 2023.				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	63				
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	63				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	71				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	71				
	403-2 Hazard identification, risk assessment, and incident investigation	71				
	403-3 Occupational health services	71				
	403-4 Worker participation, consultation, and communication on occupational health and safety	The Cebu Pacific Safety Department publishes the Safety Digests, a quarterly publication distributed to the entire organization for all flight and ground safety related information and updates.				

GRI Standard / Other Source	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	72			
	403-6 Promotion of worker health	73			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	71			
	403-8 Workers covered by an occupational health and safety management system	73			
	403-9 Work-related injuries	73			
	403-10 Work-related ill health	73			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	68			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	68			
	404-2 Programs for upgrading employee skills and transition assistance programs	68-70			
	404-3 Percentage of employees receiving regular performance and career development reviews	100%			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	65			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	65-66			
	405-2 Ratio of basic salary and remuneration of women to men		405-2 a-b	Information Unavailable	The Group has not yet gathered the required information.
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	65-67			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	65-67			
Child labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	99-100			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor				Cebu Pacific has a Vendor Compliance Addendum to monitor operations and suppliers with a significant risk of child labor

GRI Standard / Other Source	Disclosure	Location	Omission		GRI Sector Standard Ref. No.
			Requirements Omitted	Reason	
Forced or compulsory labor					
GRI 3: Material Topics 2021	3-3 Management of material topics	99-100			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor				Cebu Pacific has a Vendor Compliance Addendum to monitor operations and suppliers with a significant risk of forced labor.
Supplier social assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	99-100			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria				100% of new suppliers are screened using social criteria.
	414-2 Negative social impacts in the supply chain and actions taken	99-100			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	74-75			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	74-75			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	74			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling			17-1 a-b	Information Unavailable
	417-2 Incidents of non-compliance concerning product and service information and labeling	103			The Group has not yet gathered the required information.
	417-3 Incidents of non-compliance concerning marketing communications	103			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	101			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	101-102			

