

# Social

## Safety As Our Priority

Safety takes centrestage as a fundamental priority in our operations. Beyond conventional understanding of safety, our approach extends to building a work environment that encourages good health and well-being. We establish appropriate structures and develop well-defined processes to ensure a robust framework that supports safe operations for our Allstars and guests.

### 2023 Performance Overview



### Our Management Approach

We seek for everyone at Capital A to be conscious of safety and to practise safe behaviours all the time, guided by our:

- Safety Policy Statement
- Safety Management System (SMS) Manual
- Occupational Safety, Health and Environment (OSHE) Manual
- IATA Operational Safety Audits (IOSA)
- Flight Data Analysis (FDA) Manual
- Occupational Safety and Health Act 1994 (Act 514)
- Factories and Machinery Act 1967
- ISO 9001:2015 Quality Management System
- ISO 45001:2018 Occupational Health and Safety
- ICAO Annex 19 and Doc 9859
- ISO22000 Food Safety Management System

### Supporting the UN SDGs



## OPERATIONAL SAFETY

Our dedication to operational and technical excellence is anchored on the Safety Management System (SMS). It encompasses a robust and systematic approach to safety management through well-defined policies and processes as well as clear lines of accountability. We define our SMS framework in four aspects:

### Safety Management System

#### Safety Policy

Establishes management's commitment to continually improving our safety record through:

- Shared responsibility and accountability
- Key safety personnel
- Emergency response planning

#### Safety Risk Management

Determines the need for, and adequacy of, risk controls through:

- Hazard identification
- Risk assessment and mitigation

#### Safety Assurance

Evaluates the continued effectiveness of risk control strategies through:

- Safety performance monitoring and measurement
- Management of change
- Continuous improvement and audits

#### Safety Promotion

Inspires a positive safety culture across all levels of the workforce through:

- Training and education
- Safety communication

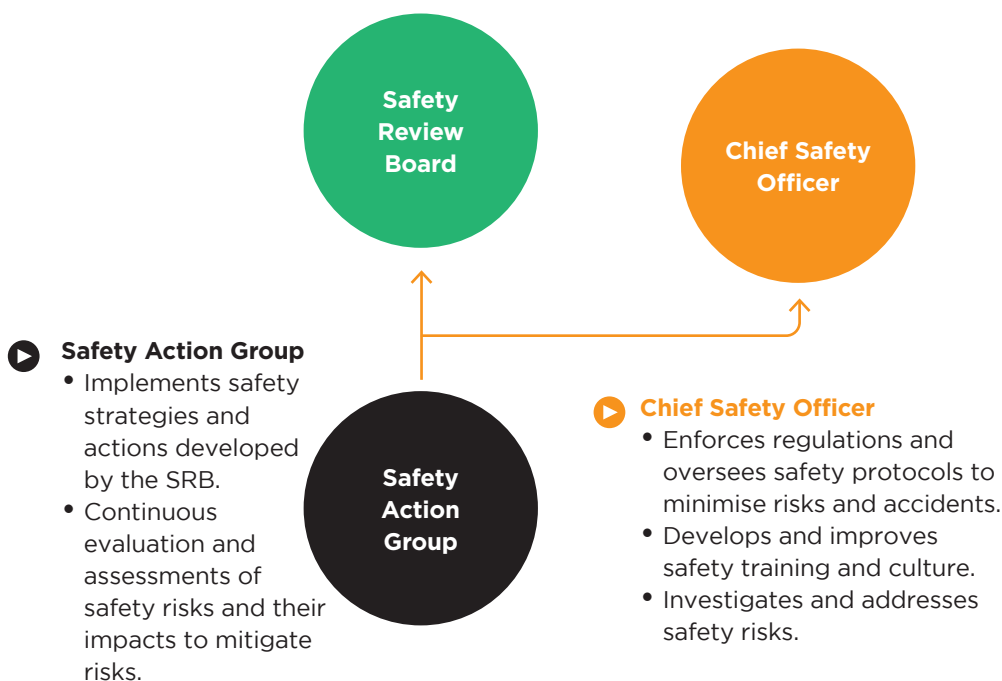


For more information on our Safety Policy Statement, please visit [https://www.capitala.com/misc/CapitalA-Safety\\_Policy\\_Statement.pdf](https://www.capitala.com/misc/CapitalA-Safety_Policy_Statement.pdf)

The SMS is overseen by the Safety Review Board (SRB) comprising the Chairman, Chief Executive Officer (CEO), Board members, our Chief Safety Officer, and the CEOs and senior management of our lines of business (LOBs). The SRB meets every quarter to analyse the Group's safety performance and practices. The CEO sets the tone by reinforcing the SMS while the Chief Safety Officer has oversight of enforcing protocols and managing any risks that arise.

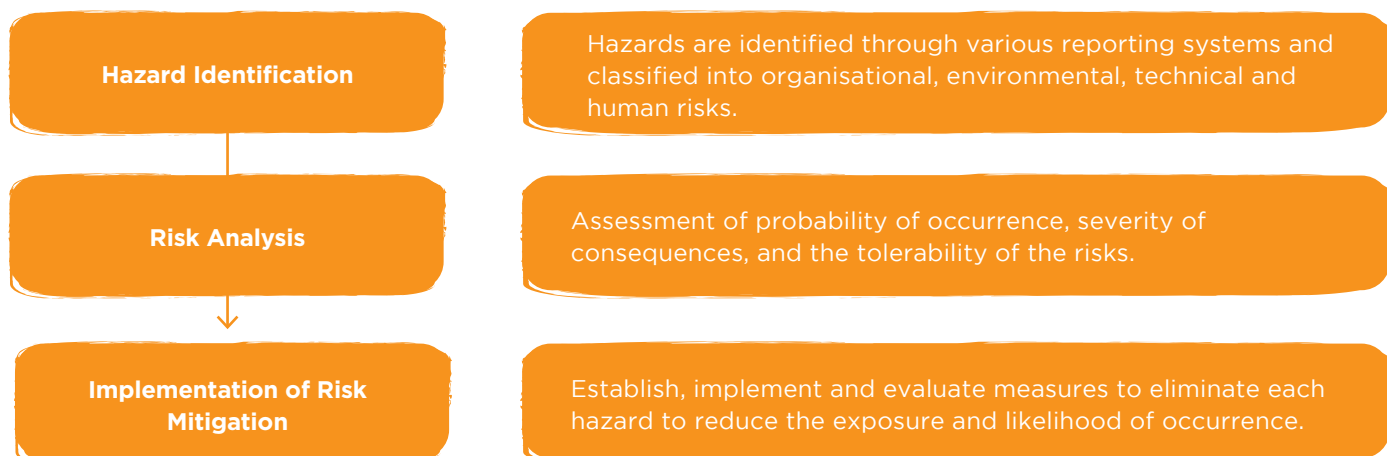
Strategies and action items deliberated at the SRB meetings will be communicated to the Safety Action Group (SAG) that meets every month to execute the assigned actions within an agreed timeframe. Upon completion of the action item, the Chief Safety Officer will report the results at the next SRB meeting.

- ▶ **Safety Review Board**
- Provides oversight of an effective and efficient implementation of the Group's Safety Policy and SMS.
  - Reviews regulations, standards and industry best practices to ensure best-in-class safety standards across the Group.
  - Develops high level safety policies and strategies to reduce operational risks.



## SAFETY RISK MANAGEMENT

Keeping abreast of developing operational risks and hazards is essential. We do this through continuous efforts to identify hazards as well as to assess and mitigate risks. By systematically managing our risks via this three-step process, we create a secure working environment where the likelihood of accidents and injuries is minimised.



## Safety Reporting

To secure a safety-first ecosystem, it is imperative that our Allstars actively engage in hazard identification and reporting to better understand safety issues and deficiencies at the operational level. We deploy digital tools where Allstars can raise safety issues via the Group's internal online safety reporting system.

All safety reports are channelled to the relevant Safety Departments where they are categorised, assessed and routed to the appropriate subject matter expert for investigation. Once investigations are completed, safety actions are formulated to mitigate the issues. Throughout the process, updates are shared with the reporters. Over time, trends are analysed to understand seasonal issues, allowing for predictive measures to be taken to improve the overall safety and efficiency of the organisation.

**23,250**  
**safety reports recorded**  
**in 2023**  
(In 2022: 15,960)

In 2023, there was a 31.4% increase in the number of safety reports from 2022 in tandem with growth in flight capacity throughout the year and the full return of Allstars to the office. Of the hazard reports, 83% were recorded cases whilst 17% were incident reports, all of which were addressed and closed with the appropriate action taken where necessary. This showcases a strong reporting culture amongst our Allstars. We analysed the safety reports for trends and conducted a systematic review at the SRB.

## Prioritising Well-being As A Foundation for Safety

Beyond physical safety, the mental well-being of our Allstars, especially pilots and cabin crew, is crucial to minimising fatigue, stress and substance-use across our operations. Controls and processes have been integrated into the SMS to identify and manage health and well-being risks.

### Fatigue Risk Management

Given the critical role played by pilots, fatigue management is widely discussed in initial and recurrent Crew Resource Management training. AirAsia also strictly adheres to established maximum Flight Duty Periods (FDP) and Minimum Rest Periods (MRP) to ensure pilots receive sufficient time off to rest and recuperate. These guidelines are available in our operations manual which complies with the civil aviation authorities of the countries where we operate.

### Systemic Substance Management Mechanism

The abuse of intoxicating substances, including drugs and alcohol, creates performance risks and jeopardises the safety of our guests. We take responsibility for the maintenance of a safe workplace through a systematic drug and alcohol management programme which has been approved by the Civil Aviation Authority of Malaysia (CAAM). This programme consists of three components: reporting and testing; medical intervention, rehabilitation and peer support; as well as continuous education. AirAsia continues to take all the necessary measures to ensure our flight crew adhere to our policies and are aware of the consequences of non-compliance.



## SAFETY ASSURANCE

Safety assurance involves the processes and activities undertaken to monitor and detect changes or deviations that may introduce safety risks or the degradation of existing risk controls. This includes three aspects: performance monitoring, management of change, and continuous improvement.

### 1. Performance Monitoring

All of AirAsia's AOCs are subject to mandatory safety audits by independent third-party verifiers to ensure the reliability and credibility of processes. AirAsia adheres to the IATA Operational Safety Audits (IOSA) Standards and Recommended Practices, widely recognised as the gold standard for airline operational safety and efficiency, as well as ICAO Annex 19 and Doc 9859. It is vital to demonstrate safe and effective practices to complete the independent audits successfully.

| Airline (AOC) | Latest IOSA Certification Date | Progress in 2023   |
|---------------|--------------------------------|--|
| MAA (AK)      | 8 Dec 2022-8 Dec 2024          | <ul style="list-style-type: none"> <li>GOQA Internal Operations Audit (IOA) was performed by GOQA Auditors in April 2023 to ensure IOSA Standards are maintained internally</li> <li>Next IOSA Renewal Audit is due in 2024</li> </ul>   |
| TAA (FD)      | 19 Feb 2020                    | <ul style="list-style-type: none"> <li>IOSA Certification lapsed during the pandemic</li> <li>IOA was performed by GOQA Auditors in September 2023 based on IOSA Standards to ensure these are maintained and for the AOC to be prepared for the IOSA Initial Certification Audit in 2025</li> </ul>                                     |
| IAA (QZ)      | 21 June 2019                   | <ul style="list-style-type: none"> <li>IOSA Certification lapsed during the pandemic</li> <li>Engaged in the IOSA Initial Audit by External IATA Approved Audit Organisation in August 2023</li> <li>IOSA Certification is ongoing and expected to be completed by the first half of 2024</li> </ul>                                     |
| PAA (Z2)      | 31 May 2019                    | <ul style="list-style-type: none"> <li>IOSA Certification lapsed during the pandemic</li> <li>Engaged in the IOSA Initial Audit with the aim of obtaining IOSA Certification in the second half of 2024</li> <li>IOA was performed by GOQA Auditors in November 2023, based on IOSA Standards, to ensure these are maintained</li> </ul> |

### Counselling

We recognise counselling as an essential support function facilitating recovery from stressful or traumatic events. For the well-being of our crew, we have partnered with Aarena Oasis for urgent counselling and 24-hour online support if our crew experience any untoward incidents during their flight. As with all Allstars, our pilots also have access to wellness support through the Naluri health app and the Allstars Peer Support programme.

Other internal audits carried out by the Group Operational Quality Assurance department include the joint station compliance audit (JSCA) as well as internal operations audit (IOA) as per regulatory requirements, IOSA standards and industry best practices. In 2023, we completed 77 JSCAs and five IOAs.

GOQA is an ISO 9001: 2015 certified department, conforming to a globally recognised standard for quality management. Holding ISO 9001 certification ensures that GOQA has established procedures, processes and qualified personnel to deliver effective quality management services and demonstrate commitment to quality management standards.

Non-conformities identified during audits are recorded in the audit reports which are shared with the AOCs. The AOCs will then conduct root cause analysis and implement the necessary corrective/preventive actions. These are assessed and, if found satisfactory, the non-conformity report (NCR) is closed. Analysis of NCRs, including trends and common findings, are shared with AOC Operational Quality Assurance stakeholders via periodic forums and also during Auditor Recurrent Training sessions.



For more information on how we support our Allstars' well-being please refer to the 'Good Health and Well-being' section of the 'Talent Attraction and Retention' chapter on pages 100 of this Sustainability Report 2023.



## SOCIAL

# SAFETY AS OUR PRIORITY

### 2. Management of Change

The management of change (MOC) process occurs when changes within or external to the organisation have the potential to affect the level of safety risks. The formal change management process is usually triggered by changes in new technology and equipment, operating environment, key personnel, regulatory requirements and staffing levels, among others. In 2023, a total of 266 MOC and risk assessments were carried out by all operational departments.

### 3. Continuous Improvement

To maintain or continuously improve the overall effectiveness of the SMS, safety assurance activities and internal audit processes are carried out. An effectiveness evaluation of the SMS is conducted at least once a year as part of efforts for continuous improvement.

#### ADE receives EASA Part 145 Maintenance Organisation approval



In November 2023, ADE received approval from the European Union Aviation Safety Agency (EASA) Part 145 Maintenance Organisation. This represents the gold standard in aviation maintenance, indicating the highest levels of safety and quality for industry-leading maintenance support in the region.

## SAFETY PROMOTION

Beyond processes and procedures, nurturing a safety culture involves building a collective mindset where every Allstar prioritises safety as an integral part of daily activity. Through training programmes that enhance technical competence and effective communication channels to disseminate safety protocols and awareness, our Allstars are instilled with a sense of responsibility and accountability for safety at all levels.

#### Just Culture

Our practice of building a culture of safety revolves around the Just Culture approach. This involves striking a balance between holding individuals accountable for their actions and understanding that mistakes occur. When they do, however, it is essential to learn from them to improve safety. Through peer-to-peer information sharing, this builds an environment of trust and learning from previous incidents in an open and non-punitive atmosphere. It's about supporting each other to do better and creating an environment where safety is everyone's responsibility.

## SAFETY TRAINING

We provide safety training to keep Allstars up to date with safety systems and procedures. As an employer, our responsibility is to provide our employees with the knowledge and skills necessary to do their jobs safely. We acknowledge the need for different training for different job scopes and operations, hence all our operating entities are responsible for setting their own comprehensive safety training regimes for their frontliners.

In 2023, we invested in approximately 300 training programmes related to safety:

More than **860**  
**Allstars**  
received over  
**200,586**  
hours of safety training  
(17,158 hours in 2022)

#### Functional Training for Airlines and Airline Services

Our airlines and airline services Allstars are trained in functional and technical areas to be able to ensure safe operations. We provide the following training to our Allstars:

- Safety Management System
- Competency Based Training Assessment for Dangerous Goods
- Emergency Response Plan (ERP)
- First Aider Training
- Human Factor Training
- Department of Environment (DOE) Scheduled Wastes Regulations 2005, Regulation 15 Training
- Aviation Security Training & Bomb Threat Training
- Crew Resource Management
- Ground Safety Training
- Wildlife Trafficking Awareness

### Training for Our Support Services

It is important that the external support services we engage with also adhere to our high standards of safety. We provide the following training to non-employees:

- Safety induction
- Chemical safety awareness
- Buggy inspection and defensive driving techniques
- Ergonomics awareness
- Hearing conservation

In 2023, we provided over 26 hours of safety training to more than 80 non-employees.

### “Safer Together, Stronger Together” Allstars Safety Campaign

We celebrated our month-long safety campaign with the motto “Safer together, Stronger together”, which signifies the importance of teamwork and prioritising safety above all. More than 12,495 Allstars across all AOCs, GTR and ADE took part in the Safety Day activities designed to create safety awareness. We awarded 26 Allstars the Safety Hero Award to recognise their contributions to workplace safety excellence as well as held various competitions for Allstars to share their creativity and safety knowledge.



### SAFETY ON TOUR

As part of the safety team’s initiative to promote safety awareness, AirAsia Thailand conducted a safety tour at the Phra Haruthai Don Mueang school. The purpose was to educate students about best safety practices as well as share experiences and incidents of ways we ensure safety in the airline industry. The tour for 135 students was led by Captain Kullavat Loykulnan along with 34 Allstars. The Group safety team aims to expand the initiatives for other schools in the countries in which we operate to take safety knowledge beyond the organisation.

## OCCUPATIONAL SAFETY AND HEALTH

Group Safety monitors the health and safety performance of Capital A, reporting key indicators on a monthly basis to senior management and the Board. Various key metrics are monitored, covering Aviation Operational Safety and Occupational Safety and Health Group-wide.

The table below summarises our safety performance:

| Indicators                       | 2021*      | 2022*      | 2023       |
|----------------------------------|------------|------------|------------|
| Total man-hours worked           | 16,906,680 | 29,792,304 | 38,881,088 |
| No. of fatalities                | 0          | 0          | 0          |
| Recordable work-related injuries | 65         | 69         | 68         |
| Lost time injury                 | 145        | 958        | 1,306      |
| Lost time incident rate (LTIR)   | 1.7        | 6.4        | 7.0        |
| Incident rate                    | 3.3        | 4.3        | 3.8        |
| Severity rate                    | 8.6        | 32.2       | 33.6       |

Note: Scope of occupational health and safety figures include MAA, PAA, IAA, TAA, Teleport, ADE, GTR and AASEA.

\*Figures restated for 2021 and 2022 to include TAA in the scope following the adjustment of reporting scope of the financial statement.

Calculations:

- Lost Time Incident Rate = total number of lost time injuries / total number of hours worked x 200,000
- Incident Rate = No. of accidents (E) X 1,000 /annual average of no. of employees
- Severity Rate = Total workdays lost (C) X 1,000,000 /total man-hours worked (Y)

Total man-hours worked increased by 30.5% due to the growth in number of employees as well as the full return of Allstars to work. We achieved a lower incident and severity rate of 3.8 and 33.6 respectively in 2023 as compared to 2022, however with a lost time incident rate of 7.0, a 0.6-point increase from 2022. This indicates that while the frequency and severity of injuries decreased, Allstars are taking prolonged medical leaves to recover due to the nature of their injuries. It is imperative to us that our Allstars take the time they need to recuperate fully before safely returning to work.

## SOCIAL

### SAFETY AS OUR PRIORITY

In recognition of our efforts to enhance health and safety measures, we received the following awards:



#### 7/7 Stars Safety Rating - Airline Ratings

AirAsia Group was named as among the top 20 safest low-cost airlines by AirlineRatings.com, an international airline safety ranking organisation. AirAsia Malaysia, AirAsia Thailand and AirAsia Philippines received 7-star ratings while AirAsia Indonesia received a 5-star rating, underscoring our collective efforts towards safety.



#### Gold Class 2 award - 41st Occupational Safety and Health (OSH) Awards

ADE received the Gold Class 2 award by the Malaysian Society for Occupational Safety and Health, which underscores the team's commitment to ensuring occupational safety and health excellence.

#### Occupational Safety and Health Audits

We conducted over 150 safety audits and assessments throughout the Group, including OSHA Noise Exposure Regulation 2019, ergonomic risk assessment, CAAM flight operation dangerous goods division and the MSOSH award audit.

The following assessments and audits were conducted for our entities:



- Systematic Occupational Health Enhancement Level Programmes (SOHELP)
- Malaysian Society for Occupational Safety and Health awards audit
- OSH Use and Standard of Exposure to Chemicals Hazardous to Health (USECHH) Regulation 2000, CHRA
- OSHA Noise Exposure Regulation 2019-Audiometric Baseline Test



- IATA Safety Audit for Ground Operations (ISAGO)
- Ground Handling Technical Approval Certificate
- Noise risk assessment



- Ergonomic risk assessment
- ISO45001:2018 Occupational Health and Safety Management System audit
- Hearing conservation test
- Baseline indoor air quality assessment

## FOOD SAFETY

Prioritising health and safety in food handling, preparation and storage is key for Santan to deliver the highest quality of food, establish trust and ensure customer satisfaction. Santan strictly follows all relevant health and safety regulations in the food and beverage industry, including the following standards and processes:

### HOW WE ENSURE FOOD SAFETY

- ISO 22000: 2018 Food Safety Management System
- Inflight Catering Food Safety & Quality Policy
- Food safety audit by Santan's internal quality assurance team
- Routine scheduled microbial, physical and chemical verification of water, food products & environmental
- Compliance with the requirements of Hazard Analysis and Critical Control Points (HACCP)
- Malaysia Halal Certification by JAKIM
- FSSC 22000 Food Safety Systems Awareness Training
- Food Safety Information System of Malaysia (FOSIM)

Santan conducts audits on supplier facilities and environment. In 2023, Santan's Quality Assurance Team conducted nine regular quality checks and compliance audits of suppliers and 17 compliance and performance audits at restaurants to monitor adherence to standards. There were zero incidents of non-compliance to food safety resulting in fines, penalties or warnings. In 2024, we aim to monitor suppliers' performance on food safety monthly.

### Nutrition Charter

Alongside delivering delicious meals, Santan prioritises the nutritional content of the food we offer our guests.

Santan's strategy for better nutrition comprises:

- **No preservatives**
- **Ensure allergen declaration, nutrition facts and product description on packaging**

We encourage our guests to make informed decisions on their food choices by marketing and labelling our products responsibly. Santan complies with applicable laws and regulations, such as the Malaysian Food Act 1983 and Food Regulation 1985, to ensure accurate and relevant nutritional information in our menus.

All pre-packed inflight meals are labelled with nutrition facts, whereas for Santan restaurants, the aim is to provide nutritional information on our website and wall posters within the outlets. In our commitment to producing nutritionally valuable food, we require all our meal suppliers to disclose additional nutrition facts, including total sodium and sugar content in their meals. This allows us to monitor the health aspects of meals we provide more closely while being transparent about our food contents.

## Moving Forward

We continue to identify ways to foster a workplace that is safe, healthy and conducive for both our Allstars and guests. Utilising technology and innovation, we consistently enhance our internal safety and quality systems along with a safety reporting platform to prioritise operational and occupational safety for everyone. In addition to physical safety, we prioritise the mental well-being of our Allstars as we cultivate a productive, healthy and high-performing workforce.



### Introducing plant-based meals

It is important to us that our passengers are offered healthy meals. In July 2023, Santan teamed up with Green Rebel to provide meatless alternatives for our signature meals so that more can enjoy dining in-flight. Santan introduced two meatless meals, including our plant-based Pak Nasser's Nasi Lemak and Schroom Wrap. Green Rebel conducts independent life cycle assessments of its plant-based proteins and found that the plant-based chicken and beef have a lower global warming potential compared to their traditional counterparts. Santan will continue to explore more nutritious and sustainable food options for its meals.



# Diversity & inclusion

GRI 3-3, 405-1, 405-2

Our focus on people starts with our Allstars. Given our foothold in a region rich in culture, diversity and talent, Capital A reflects the unity of Asean's shared heritage, values and authenticities. We nurture an inclusive culture where everyone, irrespective of gender, age, race, religion, sexual orientation, nationality or disability, is valued and treated with respect. As a result, we have been able to benefit from the enriched perspectives this brings to the Group.



## 2023 Performance Overview



**33.6%** women representation



**17%** women at Board level



**32%** women in leadership positions



**7%** female pilots



Established **DEI Committee (IAA)**

## Our Management Approach

- Code of Conduct and Ethics
- Anti-Harassment Policy
- Board Diversity Policy

## Supporting the UN SDGs



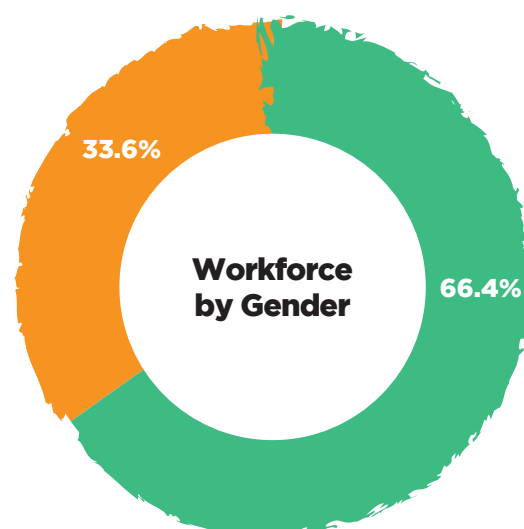
For diversity to flourish, there can be no discrimination in any form; hence, we will not tolerate discriminatory behaviour at any level, as stated in our Code of Conduct and Ethics. We practise a culture of equal opportunity to foster a more diverse and inclusive workplace for all.



For more information on our Code of Conduct and Ethics, visit our website: <https://www.capitala.com/corporate-governance.html>

In 2023, our workforce grew by 30.5% from the previous year, to total 21,063 Allstars of whom 33.6% were women. While male Allstars continue to predominate in each employment category, we remain committed to providing equal opportunities for shared growth among everyone. One of our key achievements in the year was getting all our retrenched Allstars back into operations. As we continue to rebuild and recover pre-pandemic levels of activity, we will recruit more diverse new talents to help grow our businesses.

## OUR WORKFORCE IN 2023



Male



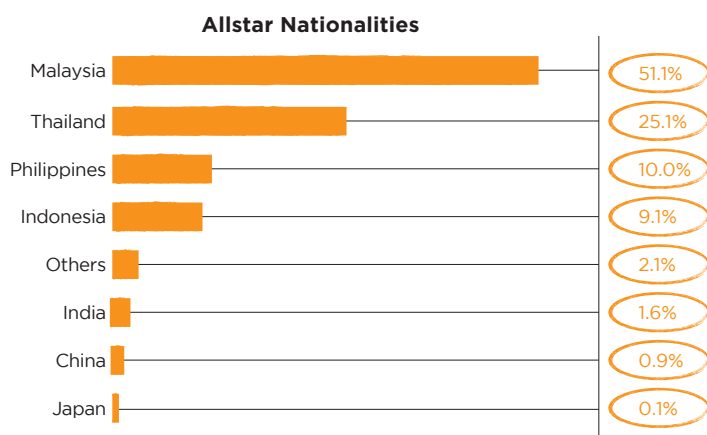
Female



## CELEBRATING ASEAN DIVERSITY IN OUR WORKFORCE

Our vision to unite Asean and beyond is deep-rooted within Capital A. While our headquarters are situated in Malaysia, we take pride in recruiting skilled professionals from across the Asia Pacific. Malaysians constitute the majority of our workforce at 51.1%, followed by 25.1% Thais, 10% Filipinos, and 9.1% Indonesians, with the remaining Allstars hailing from other Asia Pacific countries, as illustrated in the chart.

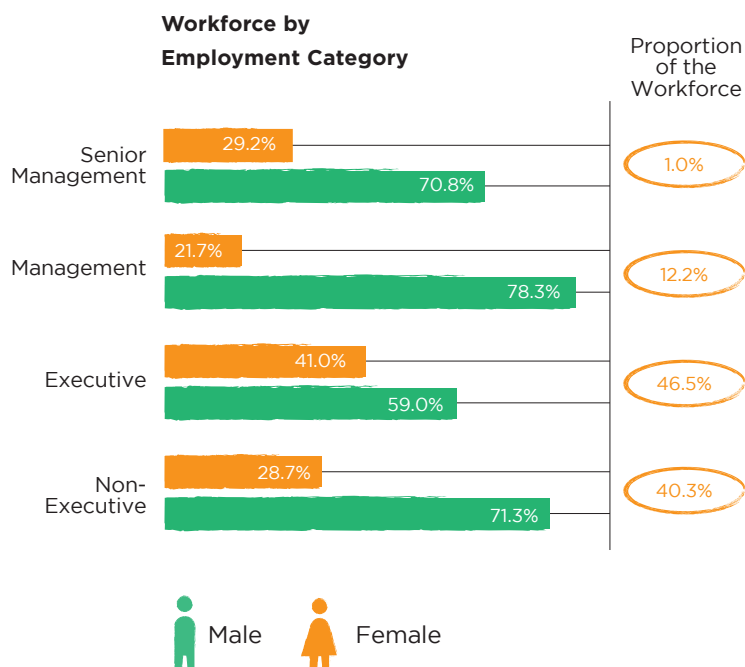
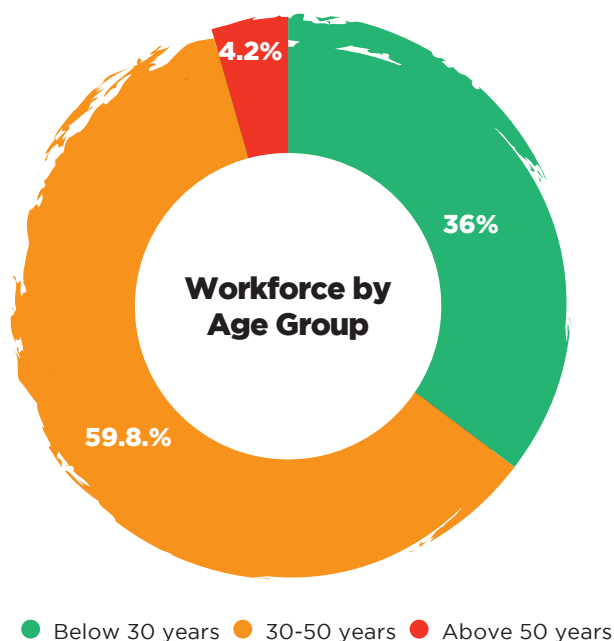
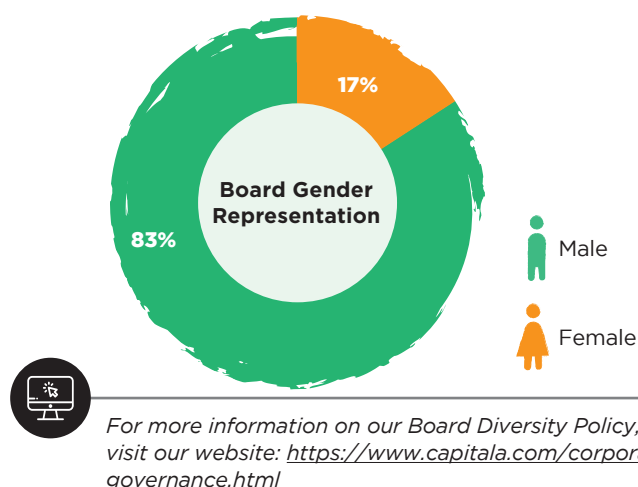
The rich tapestry of cultures and perspectives within Asean provides us with a distinct competitive edge, enhancing our ability to understand and cater to the diverse needs of our customers. By valuing and leveraging the unique strengths each individual brings, we not only foster a vibrant organisational culture but also position ourselves strategically to excel in the diverse and dynamic business landscape within Asean.



## WOMEN IN LEADERSHIP

With roots in the traditionally male-dominated airline sector, we have always defied the norms and challenged the status quo to create a more gender balanced environment. Among others, we actively support female Allstars to achieve leadership positions, especially in decision-making roles.

To increase women's current representation (17%) on the Board, the Nomination and Remuneration Committee (NRC) is actively seeking qualified women candidates to be considered for inclusion to our governing body. As noted in our Board Diversity Policy, a diverse and inclusive Board will give us access to a greater range of talent and their valuable experience, perspectives and skills lending us a greater competitive edge.





Across our entities, women hold 32% of decision-making roles, from managerial positions and above. We have a strong presence of women in leadership in most of our lines of business as highlighted below:



**15.2%**  
(2022: 10.5%)  
**84.8%**  
(2022: 89.5%)



**10%**  
(2022: 9.8%)  
**90%**  
(2022: 90.2%)



**39.3%**  
(2022: 37.9%)  
**60.7%**  
(2022: 62.1%)



**51.4%**  
(2022: 26.4%)  
**48.6%**  
(2022: 73.6%)



**37.8%**  
**62.2%**



**42.1%**  
**57.9%**



**35.7%**  
**64.3%**



**26.1%**  
**73.9%**



**39%**  
(2022: 41.7%)  
**61%**  
(2022: 58.3%)

**Notes:**

1. 'Others' include entities with less than 20 Allstars.
2. This chart only includes Allstars who hold managerial positions.

## GENDER PAY GAP REPORT

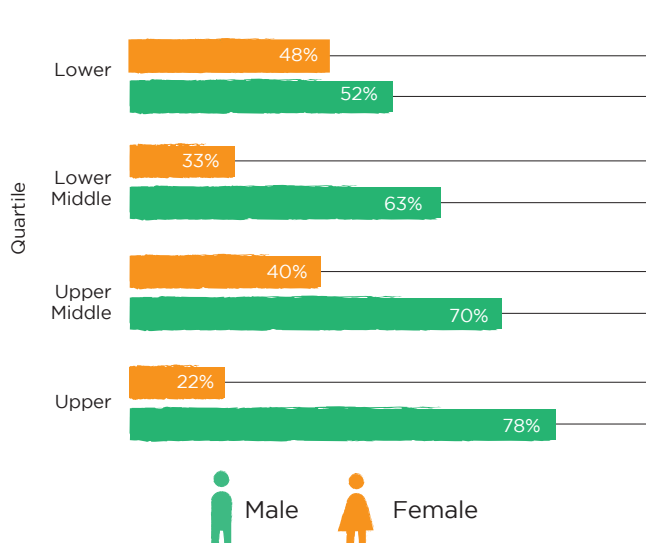
We are committed to addressing systemic gender bias by closely monitoring and assessing our gender pay gap. We conduct a detailed analysis of our pay scales across eight job grades adopting the UK gender pay gap reporting statutory guidance.

As Capital A comprises multiple lines of business in different sectors, we report our performance using two sets of data: one that is inclusive of all Allstars; and another that excludes our pilots, cabin crew, licensed aircraft engineers (LAE) and software engineers (SWE). This is based on the fact that gender representation in these occupations remains heavily skewed. By segregating our data, we are able to filter out extraneous distortions to see if biases can be found in the remaining areas.

Our performance on the hourly pay difference between male and female employees in 2023 is as shown:

### Group (all roles)

#### Proportion of Employees in Each Pay Quartile



**Gender Pay Gap**  
**Mean 54.3%**  
**Median 55.3%**

## Group

(excluding pilots, cabin crew, LAEs and SWEs)

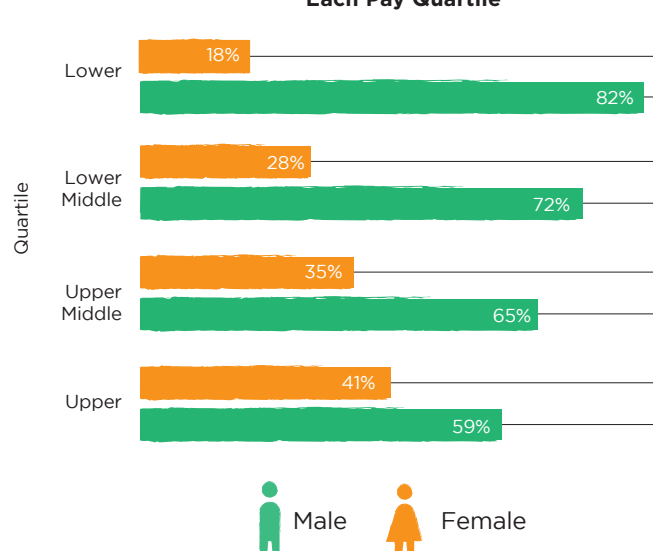
## Gender Pay Gap

**Mean -15.8%**  
**Median -22.5%**

### Notes:

- Entities with less than five employees have been excluded.
- The mean gender pay gap represents variance in the average hourly wages of female employees compared to their male counterparts.
- The median pay gap signifies the difference in hourly compensation between the woman positioned in the middle of a line-up of all female employees according to how much they are paid and the man similarly situated in the line-up of all male employees.
- A positive percentage indicates female employees are paid less than male employees, while a negative percentage indicates the opposite.

## Proportion of Employees in Each Pay Quartile



## What does the data tell us?

Our analysis reveals that, when considering the entire Group, the mean and median hourly pay of male Allstars are 54.3% and 55.3% higher than that of their female counterparts, respectively. This outcome is to be expected given gender imbalances within the industry, especially in male-dominated roles like engineering and piloting. These technical roles not only pay more, they are also more in number than other positions. This trend is supported by the finding that male Allstars make up 78% of the uppermost pay quartile, which comprises a significant number of pilots. In contrast, females make up 48% of the lower pay quartile.

When we exclude the four technical roles and concentrate on non-airline specific positions, the data indicate that women earn 15.8% and 22.5% more than men in terms of mean and median hourly pay, respectively. This is substantiated by the fact that women make up 41% of the highest pay quartile, while men constitute 82% of the lowest pay quartile. There are more men in the lowest quartile because of the physical demands and shift-based nature associated with these non-executive roles, such as ramp work in GTR and the riders and drivers of AirAsia MOVE. Consequently, the pay gap in favour of women is due to the gender distribution across the respective pay quartiles rather than any inherent gender-based pay biases.

As we endeavour to further enhance our gender balance, it is crucial to emphasise that our pay structure is gender neutral. We have established robust pay scale frameworks and recruitment guidelines for various

roles, including pilots, engineers and cabin crew.

The observed gender disparity stems primarily from women opting for non-technical roles, often influenced by the challenges of balancing work and family responsibilities.

## Towards a more balanced workforce

Efforts to improve our gender balance across STEM roles are bearing fruit, as demonstrated below:

**7%**

**Female pilots**  
(2022: 6.6%)

**8.9%**

**Women engineers**  
(2022: 4.5%)

Over the last decade, we have consistently recruited and provided training for more female pilots than any other airline in Asean. In 2023, the representation of female pilots increased to 7%, surpassing the global average of 5.8% in 2021 as reported by the International Society of Women Airline Pilots. Additionally, the percentage of women aircraft engineers rose to 8.9%, exceeding the Asia Pacific average of 4.4% according to ICAO.

Our commitment to closing gender gaps involves implementing substantial changes and taking positive actions to attract and recruit more women in the STEM careers we provide. We are actively working to reduce the barriers to entry and enhance our outreach initiatives. This includes reintroducing our cadet pilot programme, organising more industrial visits, and participating in more conferences as well as recruitment events.

## WOMEN IN TECH

As we progress in developing our digital portfolios, we strongly believe in championing women in tech roles to bring more diverse perspectives and approaches to problem-solving in our products and services. Despite significant advancements in recent years, gender diversity in tech roles continues to lag behind, with women being underrepresented in various sectors of the industry.

Within the Capital A group, a comprehensive group ICT initiative was launched, aimed at bringing about positive change and bridging the gender gap in tech. The ICT team changed its hiring policy to include gender diversity in its hiring process with the aim to improve women representation to 30%. The team also launched a “Meet Allstars: Women in Tech” series that featured our data analysts, programmers and project managers to demonstrate to potential female candidates the career opportunities available within our organisation. Through this hiring policy update, we saw women’s representation in IT roles increase 6.2 percentage points:

**23.9%**  
Women in IT  
(2022: 17.7%)

We also share our advocacy for women in tech with young women who aspire to make their mark in STEM. In November 2023, three of our female software engineers and data scientists were invited to participate in a panel at Universiti Kebangsaan Malaysia (UKM) with the aim of inspiring and empowering the next generation of STEM leaders. Our Allstars took the opportunity to share their personal experiences and journeys in navigating the male-dominated field, addressing gender stereotypes prevalent in their roles. A total of 106 students attended the panel discussion.

We collaborated with Women Techmakers KL, a women-led Google community, to conduct Google Cloud Platform (GCP) workshops for Allstars and the community in airasia academy aspiring to advance their Google Cloud technical skills and attain a professional data engineer certificate. The workshop served as an introduction to the knowledge needed for women who want to pivot into data engineering. A total of 81 participants attended.

# SUPPORTING WOMEN AT WORK

This year, we also focused on building a community of women that empowers each other to celebrate their achievements in the workplace and beyond. The Culture team introduced the #IAmRemarkable initiative, a global movement that started at Google, with the goal to enhance the self promotion, motivation and skills of women and underrepresented groups, as well as to challenge social perceptions around self promotion. It functions as a secure space where women can openly share their experiences, fostering the development of a community that promotes a strong sense of belonging. We had women from various departments share their experiences and challenges at work in several workshops held throughout the year. In addition to physical meetups, the Culture team also set up a group on our internal communication channel so that women can seek support from one another at any time.

**10**  
Workshops  
and meetups

**190**  
Female  
participants





### IAA's Diversity, Equity and Inclusion (DEI) Committee

Established in 2023, IAA's Diversity, Equity, and Inclusion (DEI) Committee is dedicated to fostering an inclusive workplace. At its core, the committee is focused on proposing new policies and refining existing ones, identifying significant issues, providing insights, and proposing initiatives. These efforts are aimed at cultivating a diverse, bias-free and inclusive company culture, with the overarching goal of making a meaningful positive impact on the lives of Allstars.

Chaired by the Chief Executive Officer, the committee consists of 15 members who are not in managerial roles, hailing from diverse backgrounds and departments to ensure a wide range of perspectives. Quarterly meetings are scheduled to facilitate the review and advancement of the committee's initiatives. Through collaboration and strategic planning, the DEI Committee is actively engaged in implementing initiatives that address key issues and contribute to the creation of an inclusive and equitable workplace environment.

At its first meeting in October, the committee focused on the following three areas:

#### *Review and update maternity policy*

The committee has successfully updated its maternity policy to allow female pilots two options during their pregnancy. They can either apply for unpaid leave or opt to be transferred to desk-based jobs during their pregnancy rather than to cease work entirely.

#### *Improve inclusivity*

The committee targets to improve the accessibility and ease of the recruitment process to encourage more people with disabilities (PWDs) to apply for roles within the Group. The committee is reviewing best practices that can be adopted at IAA for manager guidelines, hiring process, and policies in line with the United States Agency for International Development and Indonesian Ministry of Labour.

#### *Support working mothers*

The committee has proposed a lactation room for the RedHouse office to provide a space for working mothers to continue their breastfeeding needs. This is to support the transition of mothers back to work after childbirth. The room has been designed and is expected to be ready by the first quarter of 2024.

# Talent Attraction & Retention

GRI 2-7



Capital A strives to attract outstanding and diverse talent to enhance our organisational capabilities for long-term success. We provide our people with world-class training opportunities, competitive remuneration and benefits, attentive support and an inclusive environment, aiming to enhance both their professional careers and personal lives.

## 2023 Performance Overview



**Introduced**  
unconscious bias training



**>RM3.7 mil**  
invested in training and development



**100%** retrenched  
Allstars back into operations



**4,829** new hires



**7** average training  
hours per Allstar (aviation arm)



**25** score in employee NPS

## Our Management Approach

- Code of Conduct and Ethics
- Employee Handbook
- Anti-Bribery and Anti-Corruption Policy
- Remuneration Policy
- Learning and Development Policy
- Diversity Recruitment Guidelines

## Supporting the UN SDGs



## RECRUITING THE RIGHT TALENT

We actively recruit Allstars using multiple channels such as career fairs, social media, internships and internal referrals. Our approach is designed to attract top talent while ensuring we bring in the most suitable candidates for the job. Prospective candidates undergo thorough background checks and multiple rounds of interviews and assessments to validate the authenticity of their qualifications and assess their suitability for the role.

We introduced the Diversity Recruitment Guidelines to ensure the attraction and hiring of candidates with diverse backgrounds, experience and perspectives. The guidelines outline measures to reduce unconscious bias, such as utilising gender-neutral terms in job postings, anonymising resumes during the screening phase, adopting a skills and qualifications-focused interview process, and ensuring fair and equitable compensation practices, among others. This approach aims to cultivate a more inclusive environment and provide equal opportunities.



## Reducing Unconscious Bias in the Recruitment Process

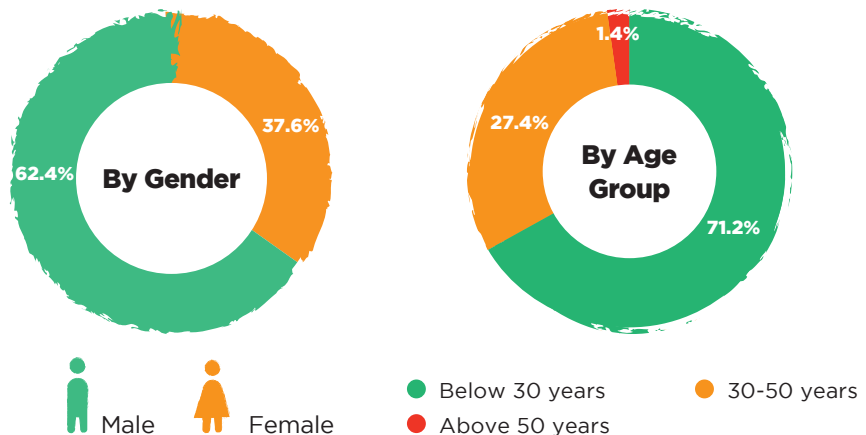
Recognising that everyone harbours unconscious biases, our Recruitment department is taking active steps to create awareness of this while introducing training to minimise such bias as far as possible in our hiring process.

In 2023, we introduced an unconscious bias training where Allstars received training on practical tips, case studies and best practices aimed at fostering a more impartial and equitable interview approach. As this was the pilot phase of the project, the training was only rolled out to selected hiring managers. Following positive feedback from the pilot, we will be getting more hiring managers on board and potentially rolling out the training across the Group.

## New Hires and Turnover

GRI 401-1

We welcomed back 100% of Allstars retrenched from the pandemic and over 4,829 new Allstars, a near two-fold increase from 2022. Our new hires are mainly from the under 30 years category (71.2%) to bring newer and better ideas and innovation into our organisation. Meanwhile, in recognition of the talent, knowledge and skills of existing Allstars, we filled 1,336 vacant roles with internal candidates whose growth we will continue to support.



A key attraction and retention factor at Capital A is the limitless prospect for growth within the Group, achieved through investments in functional, technical and future-oriented skills. The turnover and attrition rates of 14.4% and 20.7% for female employees compared to 10.7% and 14.8% male employees respectively indicate that female Allstars are joining and leaving the company at a faster rate than men. This trend could potentially be attributed to challenges related to achieving work-life balance, as well as the higher representation of men in key operational roles such as pilots and engineers.

## Becoming Malaysia's leading employer

### HR Asia Best Companies to Work for in Asia 2023

AirAsia MOVE was identified by its Allstars as one of Asia's best employers to work for.

### Malaysia Best Employer Brand Awards 2023

AirAsia MOVE was awarded by World HRD Congress in recognition of its exceptional HR practices.

### Best Talent Acquisition Team

The Group's recruitment team was recognised as the best talent acquisition team by LinkedIn.

### Organization Promoting Employment of People with Disabilities Award 2023

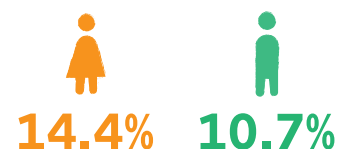
TAA received the award from Friendly Design Awards 2023 in recognition of its efforts to provide equal opportunities.

### Stellar Workplace Award 2023

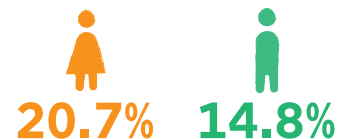
IAA won four awards from Kontan Business & Investment Media and GML Performance Consulting in the following categories:

- Top 5 Stellar Workplace in Social Era 5.0
- Top 5 Employer Branding for New Gen
- Stellar Workplace Recognition in Employee Commitment
- Stellar Workplace Recognition in Employee Satisfaction

### Turnover Rate



### Attrition Rate



Note:

- Turnover rate measures the pace at which employees voluntarily or involuntarily join and leave an organisation. It focuses only on employees whose positions an organisation plans to refill.
- Attrition rate is the pace at which employees leave an organisation voluntarily. Attrition means the employer has decided not to replace the employee or refill the position.



## INVESTING IN OUR ALLSTARS

GRI 401-1, 404-2

We support our Allstars' proactiveness in seeking opportunities that will contribute to their continuous learning and development. Our Learning and Development Policy highlights a strong culture of growth and commitment to developing talents who are dynamic, competitive and progressive.

Investment in Allstars in 2023:

**> RM 3.7  
MILLION**

in learning and  
development  
(Three-fold ↑ from 2022)

**7**

average training  
hours per Allstar  
(only for the aviation arm)

This year, we invested more than RM3.7 million in the training and development of our Allstars, a three-fold increase from 2022 with an average of seven hours per Allstar. We conduct most of our training through airasia academy where a mix of face-to-face, virtual and blended channels is used while we engage external trainers where necessary.

## SHAPING FUTURE-READY LEADERS

Having a robust leadership and talent pipeline is essential to securing the future of Capital A. We focus on coaching, mentoring and developing identified Allstars to take on leadership roles to ensure sufficient talent to accede to vacant leadership positions thus secure business continuity.

The team at the Centre of Excellence for Talent Development is responsible for organising training initiatives aimed at enhancing the skills of Allstars, preparing them to take on leadership roles in the future. Some of the key initiatives are:

## KEY TRAININGS IN 2023

### Group-Wide

- Anti-Trafficking Training - #Know The Signs
- Safe@Work
- Anti-Harassment Policy Training
- Information Security Awareness Education
- Anti-Bribery and Anti-Corruption Training

### Aviation

- Pilot Safety & Emergency Procedure Recurrent Training
- Pilot Simulator Training
- Cabin Crew Recurrent Training

### AirAsia MOVE

- Finance Training for Non-Finance Employees
- Legal Training for Non-Legal Employees
- Ecommerce Essentials

### Teleport

- Bomb Threat Awareness
- Temperature Controlled Cargo Operations
- Dangerous Goods Regulations Category 6 and 8
- Basic Cargo
- Security Awareness

### ADE

- Warehouse management training
- Fleet technical aircraft management training
- Scheduled Waste Management Awareness

### GTR

- Emergency Response Plan
- Dangerous Goods
- Human Factor
- Operations Training - Guest Service, Ramp & Cargo
- First Aid
- Airside Safety
- Scheduled Waste Management Awareness

### Santan

- Safety Induction and Chemicals Safety Training
- Food Safety and Halal Training
- Basic Service and Legendary Service Training
- New Product Roll-Out Workshop
- FSSC22000 v6 Lead Auditor
- First Aid Training
- OSH Training

### BigPay

- Managing Unconscious Bias
- Managing Harassment, Bullying at the Workplace - for Managers and Leaders
- Trained respondents - Investigation of Sexual Harassment Incidents

### Command Upgrade Leadership Programme

Introduced in February 2023, this 90-day initiative enhances the leadership and soft skills of our First Officers, contributing to the development of the next generation of pilots at AirAsia.

The primary goal is to empower technically proficient Captains to excel not only in their technical abilities but also in leadership. We cultivate a new generation of Captains with emotional intelligence, acknowledging that empathetic leadership is crucial for effective team management and to providing a consistently outstanding guest experience.

#### The modules focus on:

- Magic triangle of leadership
- Developing mental resilience
- Diversity, equality & inclusion
- Flight deck real-life scenarios
- Techniques to gain trust and teamwork
- Conflict resolution

#### Key achievements in 2023:

**90** First Officers graduated

**9** Cohorts of pilots trained

**92%** Satisfaction rate

Based on positive feedback, we are looking to expand our programme modules.

### Leading People

In 2023, we revamped our leadership programme by incorporating modules from Leading Team and Leading Others into the newly refreshed Leading People programme. Leading People is a 90-day journey designed primarily to support Allstars who have been recently promoted to leadership roles.

#### The modules focus on:

- Fundamentals of effective leadership
- High performance management
- Strategic thinking and growth mindset
- Design thinking
- Coaching and mentoring
- Conflict resolution

Integrating role play, real-life projects, self-paced e-learning and virtual mentorship, the programme equips individuals with the skills and knowledge necessary to lead and manage teams effectively, solve problems, make sound decisions, and foster a culture of innovation and growth.

#### Key achievements in 2023:

**63** Allstars completed the programme

**93.9%** Satisfaction rate



### Leading Self

This course is designed to help high-potential individuals develop skills and knowledge to become more effective in managing themselves. It focuses on the development of core capabilities necessary to manage themselves effectively, achieve their personal and professional goals, project professionalism and engage customers and stakeholders more impactfully.

#### The course covers several important topics including:

- Time management
- Growth mindset
- Managing different generations
- Situational leadership

#### Key achievements in 2023:

**56** Allstars completed the programme

**92.8%** Satisfaction rate



## PERFORMANCE EVALUATION

GRI 404-3

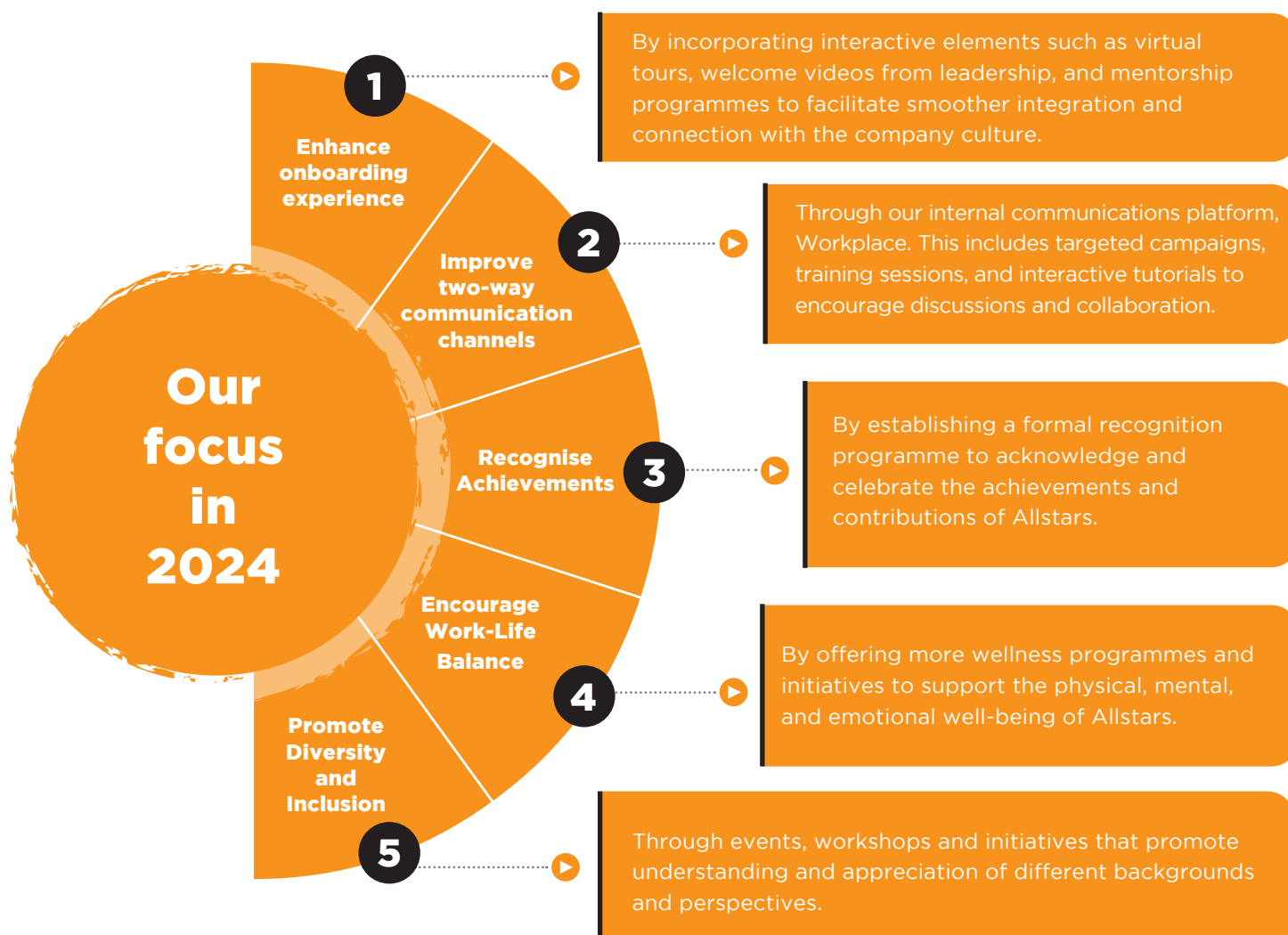
At Capital A, we use the Objectives and Key Results (OKR) framework to measure the performance of Allstars. OKR is a simple goal-setting approach to create better alignment, engagement and clarity towards achieving the Group's overall business plan. Since its introduction, the way we lead and the way we work have changed. The OKR framework helps to achieve our mission and vision, aids in Allstar engagement, and brings to the surface our top priorities. It allows performance to be more focused, creating alignment, ensuring commitment, and making goal-tracking easier as Allstars are stretched to realise their potential.

We conduct OKR reviews every quarter where Allstars will evaluate their performance with their line managers and amend any OKR goals, if needed. In 2023, 100% of our aviation team had the appraisal done.

## ENGAGING OUR ALLSTARS

Valuing our Allstars' feedback, we conduct annual employee engagement surveys across the Group to gauge how satisfied they are at work in terms of job clarity, growth and development, well-being and recognition. We have always viewed the survey as an excellent platform to understand any issues that may exist and to manage these to create an optimally conducive work environment.

We conducted an employee NPS survey (eNPS) in June 2023 where we achieved a 67% response rate and a score of 25%. The survey indicated that one out of two Allstars would recommend us as a place to work. Overall, our Allstars were satisfied with the skills and knowledge we provide, and understood their contributions to the Group's overarching goals. Areas in which we could improve include supporting the mental well-being of Allstars and recognising the ideas and opinions of each individual.



## REWARDING OUR EMPLOYEES

GRI 401-2

Part of our employee value proposition are the benefits that we provide. We strive to be the preferred employer with a competitive and attractive salary and benefit package. The salary package does not differ based on gender, race, religion, or sexual orientation. We continuously review market data to ensure we are above the minimum wage requirements and make necessary adjustments in a timely manner.

| Benefit                       | Description   |
|-------------------------------|---|
| Upskilling                    | Provide a host of development programmes and avenues through airasia academy allowing Allstars to continuously upskill and reskill.   |
| Career advancement            | We help Allstars to identify and leverage their strengths to explore new career opportunities through our internal talent marketplace powered by an intuitive AI system. We also structure stretch assignments through AirAsia Got Talent to help Allstars navigate their careers and create greater transparency in career pathways. |
| Financial health              | We offer financial education on Debt/Personal Financial Management/Legacy Planning with relevant providers.   |
| Flexible working arrangements | Depending on their roles, Allstars have the flexibility to decide how they work best.   |
| Work-life support             | We encourage rest and recovery through benefits such as Annual Leave, e-coupon/ID90 to allow Allstars to travel, an in-house gym and access to physiotherapy.   |
| Travel benefits               | Allstars can enjoy our flights via employee e-coupons and ID90 for travel needs.  |
| Medical/life benefits         | We provide medical insurance along with an in-house clinic, physiotherapy, and life as well as personal accident insurance coverage.  |
| Family well-being             | We offer paternity leave support, marriage leave, a creche and mother's room, and provide medical and bereavement support through the Red Heart Fund. In 2023, we extended our marriage leave from three to five days.  |

## CARING FOR ALLSTARS AND THEIR FAMILIES

GRI 401-3

We provide full-time Allstars support in their personal lives through maternity leave, paternity leave and marriage leave, among others. We also offer flexible work arrangements and have made available an on-site childcare centre and mother's nursing room at RedQ.

In 2023, we opened a new lactation room at our Indonesian office, RedHouse, as part of IAA's DEI committee's initiative. We also extended our marriage leave from three to five days to accommodate cultural traditions and practices. Additionally, we further enhanced our e-coupon/ID90 policy to allow the inclusion of more family members to enjoy this benefit.

### What We Can Look Forward to in 2024

Our goal is to launch a programme specifically tailored to address the unique challenges faced by working mothers, particularly those among our cabin crew and pilots. Both pilots and cabin crew are bound by restrictions within each airline's policies when it comes to planning their motherhood journey. To support our Allstars to achieve a harmonious balance between their professional responsibilities and family life, we are reviewing our pregnancy policy and will introduce measures to support working mothers and ease their return to work post-maternity.

## SOCIAL EMPOWERING ALLSTARS

### GOOD HEALTH AND WELL-BEING

We adopt a holistic approach to health where we support the physical, emotional and mental well-being of our Allstars.

Our Allstars Peer Support programme is an internal initiative by Allstars for Allstars designed to provide support and assistance to colleagues in need. It involves trained peer supporters who offer a confidential and empathetic ear to their fellow employees facing challenges, whether personal or work-related. In 2023, our team of peer supporters was 78-strong across all AOCs where they addressed 110 cases. We also offer a digital health solution Naluri that provides 24/7 access to an Allstar Health Coach in addition to interactive and educational help regarding physical and mental health online.

Cases that require a continuum of care through professional mental health support are referred to our employee assistance programme (EAP) for urgent counselling and psychiatric services through the mobile application. It is important to us that well-being support is accessible to our Allstars as mental health impacts productivity, quality work, collaboration and the workplace environment.



#### Return To Work Coordinator (RTW-C) Programme

In March 2023, Group Safety collaborated with PERKESO to conduct a two-day training course focusing on rehabilitation programmes for ill and disabled employees.

The RTW-C programme creates awareness about disability management as well as provides Allstars with basic knowledge on assisting employees with disabilities or are on prolonged medical leave. More than 36 Allstars from various departments at Capital A, including our LOBs, completed this course. Embracing theoretical and practical concepts, it helps Allstars to boost the efficiency and productivity of ill or disabled employees by offering them physical and mental support in the workplace.

Other initiatives during the year that supported Allstar health and well-being include:

#### World Mental Health Day

In conjunction with World Mental Health Day in October 2023, we raised awareness of the importance of safeguarding mental well-being through our “Ok tak?” campaign where we provided free mental health assessments and in-person chats with clinical psychologists and wellness coaches. Over 1,700 Allstars across our AOCs participated in the event.

#### After-Work Wellness Activities

A wide range of activities are available after work including futsal, basketball, boxing, muaythai, yoga, badminton, bootcamp and netball.

#### Health Screening

We held a health screening day at RedQ where 1,230 Allstars received free health screening in the office.

#### Long-Term Incentive Scheme

Our Long-Term Incentive Scheme (LTIS) is an equity-based employee compensation programme that is aimed at rewarding and retaining Allstars through alignment of the Group’s aspirations and goals with their individual OKRs that help drive sustainable growth and value creation for shareholders. To acknowledge the commitment of Allstars who have surpassed 10 years of service with our company, we also present a token of appreciation as a gesture of gratitude for their long-standing dedication.



## ATTRACTING THE BEST TALENT TO AVIATION

Capital A remains dedicated to inspiring, empowering and preparing young individuals for careers in the aviation and fintech sectors. To provide first-hand experience of working with us, we provide internship opportunities that emphasise on-the-job training, providing young talents with practical experience and essential skills to kickstart their professional journeys. In the year 2023, our internship program flourished, paving the way for 160 interns to transition into permanent employment with us.

### Girls in MRO Industrial Visit

Our maintenance and engineering complex, RedChain, hosted an industrial visit for Women In Aviation Asia (WiAA) and female students from local universities interested in pursuing aviation careers. The opportunity allowed the students to explore potential career paths within the engineering/maintenance, repair and operations (MRO) side of the aviation business. The visit included tours of the warehouse and workshop, along with insightful knowledge-sharing sessions. The experience concluded with a digital learning exploration session, featuring an augmented reality/virtual reality (AR/VR) presentation by the digital team. A total of 24 students took part in the visit.



### Student Connect Programme

We introduced the Student Connect Programme to showcase positive aspects of our company and share the distinctive work culture of Allstars. The objective is to establish a favourable impression, providing students with a first-hand glimpse into the unique qualities that make our workplace exceptional. We welcomed a total of 354 students to RedQ in 2023.



### Empowering and Inspiring Youth in 2023

### Scholarships and Training Collaboration with Civil Aviation University of China (CAUC)

AirAsia and CAUC signed a school-enterprise cooperation agreement to leverage the location advantages of the regional airlines under AirAsia and the teaching and research resources of CAUC to jointly support the resumption of China-Asean air routes and deepen China-Asean civil aviation cooperation. The scholarships serve to build a pipeline of STEM-trained graduates into the aviation industry.

## Moving Forward

Ensuring the well-being of our Allstars is a priority for us, addressing both their professional skills and personal support requirements. We are committed to investing in our Allstars to establish long-term relationships and contribute significantly to the Asean region. Our belief is that by consistently motivating and engaging them, we will inspire the generation of innovative ideas, foster effective collaboration, and facilitate adaptability to change, thereby amplifying our Allstar values of daring to dream and winning as one.



# Uplifting Communities in Asean

GRI 3-3, 413-1

As a key player in Asean, we are aware of social inequities across the region and are compelled to uplift/empower the communities we operate in. Accordingly, we make a conscious effort to contribute to various initiatives in the five impact areas of disaster relief, healthy communities, education, environmental stewardship and celebration.

## 2023 Performance Overview


**RM244,097**

awarded to support the growth and expansion of social enterprises in Asean through AirAsia Foundation


**RM119,616.70**

in contributions for uplifting and empowering communities in Asean


**914 Allstar**

volunteering hours

## Our Management Approach

- Sustainability Policy

## Supporting the UN SDGs



## GROWING ASEAN SOCIAL ENTERPRISES

Growing social enterprises in the region is crucial for economic development, addressing social challenges, and promoting sustainable and inclusive practices. These enterprises serve as catalysts for positive change, contributing to more resilient societies.

Since its inception in 2012, AirAsia Foundation has been consistent in supporting social enterprises across the region. Through the provision of grants and advisory, the Foundation helps scale up innovative ventures with various impact areas from women empowerment to poverty alleviation, indigenous livelihood, youth, arts and culture, heritage and the environment. The Foundation is governed by a Council of Trustees.

In 2023, the Foundation continued to impact lives by awarding grants to three new social ventures amounting to RM244,097. This underscores our commitment to making a tangible difference to communities in the region while showcasing the transformative power of social entrepreneurship.



AirAsia  
Foundation

## Our 2023 Performance

**3**

social ventures  
awarded grants

Total since 2012: 32

**142**

direct beneficiaries

Total since 2012: 3,375

**RM800**

invested per beneficiary

Total since 2012: RM2.6 million

**RM244,097**

awarded to social ventures

Total in 2022: RM51,051.50

**RM89,692.60**

disbursed to social ventures

**609**

families and communities

Total since 2012: 12,206

## ASEAN FOOTPRINT

Number of Social Enterprises We Support

|          |   |             |   |
|----------|---|-------------|---|
| Myanmar  | 1 | Vietnam     | 4 |
| Cambodia | 3 | Philippines | 5 |
| Thailand | 4 | Indonesia   | 5 |
| Malaysia | 9 |             |   |



## OUR GRANTEES

This year, the Foundation awarded grants to help three social enterprises to scale up as a way of empowering communities and enabling them to build sustainable livelihoods. We also continued to support the social enterprises that were awarded grants last year.

### Natural Aceh

INDONESIA

Natural Aceh focuses on empowering women living in coastal villages in Banda Aceh by upskilling them with new oyster cultivation methods. With better and bigger harvests, oyster farming has become an income generation opportunity for the coastal women.



#### Grant Amount

**RM79,061.40**

#### Amount Disbursed in 2023

**RM31,183.22**

#### Areas of Impact

- Women empowerment
- Climate resilience
- Product innovation



This grant is a follow-up to a successfully completed first grant awarded in 2018 for Natural Aceh to set up an oyster farm supporting 40 women harvesters. The second phase of the grant aims to enable Natural Aceh to expand its production facilities, set up a food outlet and expand the oyster farm so that more women can earn an income as oyster farmers. This supports several UN SDGs including Goal 5 (gender equality), and 8 (decent work and economic growth).



## SOCIAL

# UPLIFTING COMMUNITIES IN ASEAN

### Fisherfolk

Thailand



Fisherfolk is a women-led social enterprise in Nakhon Si Thammarat that promotes sustainable fishery and chemical-free seafood. They educate local fishermen on marine conservation and the use of sustainable fishing methods and only source from those that implement these practices by purchasing from them at 5-20% higher than the market rate. 20% of the profit from Fisherfolk goes back into marine conservation with the fishermen building artificial reefs using bamboo and setting them up in agreed zones.



The grant was awarded to improve Fisherfolk's production facilities for pre-cooked frozen meals and to provide marketing support for business expansion. By supporting the business growth of Fisherfolk, we can contribute to the preservation of marine biodiversity with a lasting impact. This supports several UN SDGs including Goal 5 (gender equality), 8 (decent work and economic growth), and 14 (life below water).

| Grant Amount       | Amount Disbursed in 2023 | Areas of Impact   |
|--------------------|--------------------------|---|
| <b>RM91,360.04</b> | <b>RM50,382.38</b>       | <ul style="list-style-type: none"> <li>• Women empowerment</li> <li>• Sustainable fishing practices</li> <li>• Marine conservation</li> <li>• Product innovation</li> </ul> |



### Bambuhay

Philippines



Bambuhay is a greentech social enterprise focused on promoting a circular economy and generating opportunities for indigenous people and former rebels through the process of peace building and environmental restoration and protection. The organisation's objectives are to resolve issues such as poverty, plastic pollution and deforestation through the use of bamboo and technology. The social enterprise produces home and personal care bamboo products.

The grant was given to improve Bambuhay's production capacity and to train bamboo farmers in bamboo harvesting to earn an income. This supports several UN SDGs including Goal 1 (no poverty), 8 (decent work and economic growth), 13 (climate action) and 15 (life on land).

The project is expected to commence in January 2024.

| Grant Amount       | Amount Disbursed in 2023 | Areas of Impact   |
|--------------------|--------------------------|---|
| <b>RM73,675.98</b> |                          | <ul style="list-style-type: none"> <li>• Reduce poverty</li> <li>• Waste management</li> <li>• Circular economy</li> <li>• Reforestation</li> </ul> |



### Auntie Wanders

Malaysia



In August 2022, the Foundation awarded RM51,051.50 to Auntie Wanders, a social enterprise that provides transport and companionship services to enable women, the elderly and people with special needs to get out and about safely with lady drivers.

During the course of the year, Auntie Wanders made progress in training 25 women companions in basic life support and elderly care to expand their services. AirAsia Foundation also provided a pro bono rebranding counsel in collaboration with The One Academy which enabled them to improve on their branding and marketing efforts to reach out to more customers.



| Grant Amount       | Amount Disbursed in 2023 | Areas of Impact   |
|--------------------|--------------------------|---|
| <b>RM51,051.50</b> | <b>RM8,127</b>           | <ul style="list-style-type: none"> <li>• Women empowerment</li> <li>• Access to mobility</li> </ul> |



For more information on AirAsia Foundation's grants, please visit <https://www.airasiafoundation.com/>



In 2023, the Foundation held two introductory events explaining the criteria and application process to receive grants. A total of 55 participants attended these sharing sessions which were organised in collaboration with the Chambers of Social Enterprise Development Malaysia and Asia School of Business. At the end of the sessions, three participants submitted applications for the grant and we anticipate more to come as we continue to build awareness of the grant.

**Creating Sustainable and Thriving Urban Communities**

During the year, AirAsia Foundation collaborated with Central Market, Think City and Haute & Gold to curate a series of workshops and talks fostering sustainable development and community empowerment in urban spaces for Malaysian social entrepreneurs.

Jom Makcik, The Basikal, The Fourth, and Eats, Shoots & Roots were invited to share their social enterprise journeys and the impact they have created in urban spaces, two of which were recipients of AirAsia Foundation's Social Enterprise Grant Funding. In addition, 11 social enterprises from West and East Malaysia were invited to open booths enabling the public to shop for a difference, earning an estimated RM4,500 in sales. The social enterprises included Destination GOOD; Eat, Shoots, Roots; Asli & Co Craft; Hara Makers; Kraf Kadamaian; Sluvi; Oililin; Coffee for Good; Jom Makcik; Gerai OA; and Athena Empowers. A total of approximately 1,300 participants attended the event. Following its success, the Foundation hopes to curate similar events next year and expand its reach to build a stronger network of social enterprises in the region.



Destination GOOD is AirAsia Foundation's social enterprise online retail platform that retails over 400 responsibly and ethically produced goods sourced from over 40 social enterprises in Asean. It is a movement for mindful travelling and shopping.



The Foundation continued to grow its Destination GOOD social enterprise shop to help generate income for the 48 enterprises supported on the platform. Through increasing brand awareness via pop-ups and community events, Destination GOOD's sales statistics are as follows:



In conjunction with mental health day, the Foundation introduced a new brand, Jiwa, created by Indonesian visual artist Vindy Ariella, who uses art as therapy for her bipolar disorder. Jiwa aims to create awareness and break the stigma surrounding mental health issues through art. This resonates with the Group's commitment to ensure the mental well-being of our internal and external communities.



For more information on products sold on Destination GOOD, please visit <https://destinationgood.com/>

## CELEBRATING AND SUPPORTING THE ASEAN COMMUNITY

AirAsia and AirAsia Foundation joined over 10,000 Malaysians to celebrate Malaysia Day at the annual Keretapi Sarong event in the heart of Kuala Lumpur. Dressed in traditional attire, our Allstars demonstrated their joie de vivre via flash mobs and the joget lambak (a local dance). They also warmly welcomed people to partake in fun games, batik painting and lucky draws while the Foundation showcased products from local social enterprises.

Embracing the spirit of supporting Asean, here are three impact areas the Group addressed in 2023 to uplift communities in the region:



### 1 REBUILDING FOR CLIMATE RESILIENCE

#### Flood Relief



Over the past few years, there has been an increase in frequency of flash floods and typhoons in the region brought about by climate change. While doing our best to arrest the global issue, we also do our part to assist those affected by its consequences.

Following the floods in Batu Pahat, Johor in March, 34 Allstar volunteers from GTR, ADE, Cabin Crew and Capital A devoted two days to support relief efforts and participate in the cleanup of affected areas. Collaborating with the Southern Volunteers Negeri Johor, these Allstars helped to clear debris, relocate household items, and assist families that suffered huge losses.



Over in south India, we provided monetary support to assist Allstars and their families to replace damaged household items following torrential rains brought about by Cyclone Michaung in December 2023.

#### Promoting Sustainable Agriculture with BANTU Heroes



In November 2023, AirAsia Grocer teamed up with food aid distribution platform BANTU Heroes, to introduce a collaborative initiative called BANTU Farm “Kebun Komuniti sebagai Sumber Pendidikan” programme. The aim is to raise awareness among youth about the importance of urban agriculture in ensuring food security by incorporating sustainable agriculture as a topic in the school curriculum. The programme has established urban farms in two schools, one in Sabah and another in the Klang Valley, with the Sabah-based BANTU Farm already operational, distributing its produce to local markets. The Klang Valley farm will follow suit soon. This initiative is set to impact 24 schools across Malaysia.



## 2 PROVIDING ACCESSIBLE STEM EDUCATION

airasia academy joined forces with MyCreative Ventures to launch the Bina Kerjaya Programme equipping gig workers, freelancers and the self-employed with Industrial Revolution 4.0 (IR4.0)-relevant skills. This is to foster a dynamic and resilient workforce in the face of rapidly evolving job markets. Specialised training opportunities include digital marketing, software engineering, cloud infrastructure, cybersecurity, data analytics and Google productivity. A total of 500 individuals have enrolled in the initiative, and 100 successfully completed their courses in 2023. The ultimate objective is to reach 4,000 Malaysians.



## 3 SUPPORTING COMMUNITIES IN NEED



### Beach Clean Up



Allstars from AirAsia Indonesia (IAA) participated in Bali's Biggest Clean Up 2023 event in February. The 90 volunteers included members of Cabin Crew, Brand & Communication, Ground Operations, Aviation Security, and People & Culture. Together, they contributed to the collection of 270kg of waste.

### For Healthy Communities



Under its now three-year partnership with Operation Smile Philippines, AirAsia Philippines (PAA) raises funds for children and individuals with cleft lips and palates. It also sponsors flights for medical volunteers and children to travel to Manila to undergo corrective procedures. As of today, PAA has donated more than RM100,821 from inflight donations and its "Swing for Smiles" golf tournament fundraiser to fund 834 palatoplasty surgeries. To date, it has helped transform the lives of 1,400 beneficiaries and their families through this programme.

Additionally, IAA and PAA also organised blood donation drives with the Indonesian Red Cross Society and Philippines Red Cross Society, which saw a total of 138 Allstars donating blood to those in need.

### Humanitarian Aid



In response to the conflict in the Levant, IKHLAS and the Malaysian Humanitarian Aid and Relief aim to raise RM1 million in funds to aid 7,000 families in Palestine. This is to be used for emergency assistance like hot food packs, basic essentials, medical aid and water, among others. Since its activation in October, a total of RM345,185 has been collected and disbursed.



### Festive Cheer



Throughout the year we held many festive celebrations across our AOCs. As an example, IAA hosted a Ramadhan breaking of fast with 121 children from Yatim Mandiri at RedHouse while donating RM7,871 to the home.

## Moving Forward

As we advance in our journey towards becoming a digital and lifestyle brand, we remain focused on our mission of connecting people and transforming lives. Through AirAsia Foundation, we will continue to provide grants to social enterprises in the region and support them in creating long-lasting positive impacts in their communities. As a Group, we will broaden our community investment initiatives, offering assistance to enhance climate resilience, promote access to education, and ensure the well-being of everyone.