capital A

A New Horizon

ADE • AirAsia MOVE • teleport • santan *Good Food . Good Coffee . Good Value* • Abc. • bigpay • AirAsia • GTR *A BATA COMPANY*

Inside this Report

About this Report

(GRI 2-1)

Capital A Berhad (Capital A or the Group) is proud to present the second edition of our standalone Sustainability Report. This report provides a detailed overview of our ongoing sustainability journey, demonstrating our long-term commitment to transparent and accountable reporting.

In this report, we share updates on our sustainability initiatives, focusing on our approach, performance and achievements across economic, environmental and social (EES) dimensions. We highlight our efforts to create long-term sustainable value for all our stakeholders while showcasing our proactive management of sustainability risks and opportunities that impact both our business operations and stakeholders.

This year's focus was on raising awareness of the challenges and opportunities in aviation sustainability within Asean while strengthening partnerships to accelerate progress toward net-zero emissions by 2050. In addition, we describe new initiatives introduced as well as the progress of existing initiatives throughout the year.

This report should be read along with our 2024 Annual Report for more comprehensive disclosures on our operating and financial performance.

Reporting Framework & Guidelines

This report was developed based on various international and local sustainability guidelines and standards to provide our stakeholders with meaningful disclosures. The list includes Bursa Malaysia Securities Berhad (Bursa Malaysia)'s Main Market Listing Requirements on Sustainability Statements in Annual Reports with guidance from its Sustainability Reporting Guide (3rd Edition). We have also referred to the Global Reporting Initiative (GRI) Standards 2021.

Other frameworks and guidelines taken into consideration include:

- FTSE4Good Bursa Malaysia (F4GBM) Index
- Dow Jones Sustainability Index (DJSI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations' Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance (MCCG)

We acknowledge the National Sustainability Reporting Framework (NSRF) announced on 24 September 2024, which aligns Malaysia's sustainability reporting with the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB). As a Group 1 entity, we will adopt IFRS S1 and S2 in our reporting for the 2025 version of the report, in compliance with the 1 January 2025 deadline.

Reporting Scope & Boundaries

This report covers the sustainability performance of Capital A and its subsidiary companies for the reporting period from 1 January 2024 to 31 December 2024, unless stated otherwise. Throughout the report, the terms "we" or "the Group" refer to Capital A while each subsidiary is referred to by its own name, and the airlines collectively are referred to as AirAsia. Where relevant and available, this report provides comparative historical data.

Disclosures for the airlines include AirAsia Malaysia (MAA), AirAsia Thailand (TAA), AirAsia Indonesia (IAA), AirAsia Philippines (PAA) and AirAsia Cambodia. In 2022, we reported only on MAA, IAA and PAA, while TAA statistics were reported separately in Asia Aviation Public Company Limited's sustainability statement. Since 2023, TAA has been reincorporated into our reporting scope in line with the Group's acquisition of full equity in the airline. AirAsia Cambodia is being covered for the first time in this report as it was set up only in late 2023.

All monetary values in this report are expressed in Ringgit Malaysia (RM), consistent with the Malaysian Financial Reporting Standards, unless stated otherwise.

Forward-Looking Statements

This report contains certain forward-looking statements which reflect the Group's expectations of future value creation as well as financial and non-financial performance. Such statements are based on current assumptions and circumstances which could change, hence necessarily involve uncertainties. Unforeseen events and risks may arise beyond the Group's control, leading to actual results differing from those stated in the statements.

Assurance

To ensure the accuracy and integrity of our disclosures, this report has been reviewed by Capital A's Sustainability Working Group (SWG), audited by the Group's internal audit department in line with the International Professional Practices Framework, and endorsed by the Board of Directors. International carbon emissions have been verified by International Civil Aviation Organization (ICAO) approved verification bodies as part of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) Monitoring, Reporting, and Verification (MRV) process.

The Board has, further, validated the report's relevance to the Group's business and performance. Moving forward, we aim for a more comprehensive internal audit to further strengthen the credibility of our sustainability reports.

Contact Us

In order to continuously improve our reporting and sustainability efforts, we welcome ideas and comments from our stakeholders. Please direct your enquiries, feedback and/or comments on Capital A's 2024 Sustainability Report to:

sustainability@airasia.com

www.capitala.com/sustainability.html

Message from the Chief Sustainability Officer
(GRI 2-22)

As we were starting preparations for this year's report, major changes on the environmental, social and governance (ESG) fronts were already appearing on the horizon. Prominent companies, which once took the lead in ESG innovation, began scaling back and removing mention of ESG programmes on their websites.

At Capital A, we remain steadfast to our commitments. Since starting our sustainability journey, we have introduced numerous cross-departmental initiatives and collaborative engagements which have delivered real and measurable results. These initiatives have not only contributed to lowering our cost per seat, improving our fuel and CO_2 efficiency, but also won Capital A record scores in the Bursa Malaysia FTSE ESG rating and S&P Global Corporate Sustainability Assessment.

Of these initiatives, I would like to highlight one from each of the three ESG pillars. AirAsia's drive to cut CO_2 emissions was boosted by the introduction of our first Combo units in October 2024 through a joint project between our flight, ground operations and GTR teams. With AirAsia's fuel efficiency programme at close to optimal implementation, this new measure unlocked new opportunities to cut cost and fuel usage. Trials in 2024 showed that at full deployment, AirAsia stands to reduce over 40,000 tonnes of CO_2 per year, or almost 1% of total emissions.

Teamwork also helped us manage the biggest disruption to AirAsia's operations in 2024 caused by the Crowdstrike outage. While ICT and Infosec teams worked to restore systems, we activated AirAsia's Business Continuity Plan, bringing together ground staff, customer care staff and Allstar volunteers to support affected guests. AirAsia maintained a proud record of not cancelling any flights during this period, flying all our guests to their destinations.

This event, coupled with the persistent global shortage of aircraft parts, resulted in slight dips in our On-Time Performance and Net Promoter Score but we expect these to be back on track as AirAsia continues to upgrade its fleet and as ADE, Capital A's maintenance, repair and overhaul (MRO) arm, scales up capacity at its new 14-line maintenance hangar in KLIA.

In the Social pillar, a new Safety initiative between AirAsia's safety and flight operations team saw the implementation of a series of measures to address the increasing frequency and unpredictability of turbulence. Throughout 2024, the teams strengthened safety protocols, enhanced pilot training and refined flight planning. These measures, together with real-time weather monitoring, have already led to fewer reported cases of crew and guests being affected by turbulence. In October 2024, AirAsia's was re-certified as a seven-star airline group by AirlineRatings.com under enhanced safety ratings criteria.

These examples illustrate how we are making meaningful progress in integrating ESG into our business operations and planning. Our collaborative approach extends beyond internal initiatives, to our engagement with key stakeholders, including aircraft manufacturers, fuel producers, regulators and policymakers, creating the basis for multiple joint activities throughout 2024, as detailed in our Climate Strategy and Responsible Marketing & Communications sections.

The trust and confidence built through these efforts are beginning to bear fruit, opening doors to discussions and measures that support the aviation industry in achieving its sustainability goals. As we navigate a period of global economic uncertainty, these partnerships will strengthen our resilience and competitiveness. Looking ahead, we will continue to focus on innovation, collaboration and measurable impact to ensure that Capital A not only thrives but leads in sustainability and industry excellence.

With regards,

Yap Mun Ching
Chief Sustainability Officer
Capital A Berhad

Achieved new record scores!

- **Bursa Malaysia FTSE ESG rating**
- **S&P Global Corporate Sustainability Assessment**

(see page 6 - 2024 Sustainability Highlights)

On track to reduce over
40,000 tonnes
of CO_2 per year

Re-certified as a seven-star airline group by AirlineRatings.com

Our Sustainability Journey

2002
- AirAsia goes ticketless

2003
- Extension of cabin crew retirement age to 55 years
- Employed first female pilot, Captain Janet Chen Nyuk Jin

2005
- First batch of cadet pilots completed training
- Received first Airbus A320ceo reducing carbon emissions by 15% per seat
- Launched mobile bookings

2006
- First in the region to have Airbus A320 full-flight simulators at the new AirAsia Academy
- Hosted first EU-Malaysia civil aviation safety conference

2007
- Employed first in-house counsellor

2008
- Introduced ambulift facility for disabled guests

2010
- Introduced self check-in kiosk facilities

2012
- AirAsia Foundation established to contribute to Asean community building
- First airline in the world to operate the Airbus A320 with Sharklet wingtips

2013
- Launched Malaysia's first baggage self-tagging service
- First to adopt the Required Navigation Performance Authorisation Required (RNP-AR) approach for flight paths in Malaysia

2014
- Raised USD 2.17 million through 'To Philippines with Love' campaign to aid reconstruction efforts in Typhoon Haiyan affected areas
- INTERPOL and AirAsia reaffirmed commitment to integrate I-Checkit system for enhanced international travel security
- Launched onboard Wi-Fi service to increase connectivity

2015
- e-boarding pass available for all flights

2016
- First airline in Asean to fly the Airbus A320neo aircraft, improving fuel efficiency by 16%-20% and saving up to 666 litres of fuel per flight

2017
- Launched anti-human trafficking training, #KnowtheSigns
- RNP-AR approach extended to other flight paths in Asean

#KNOW THE SIGNS

Onwards #NeverStop

2018
- Opened a creche at RedQ to support Allstar parents
- Launched Malaysia's first airport facial recognition system, Fast Airport Clearance Experience System (FACES)
- Debuted the new Mirus Hawk seats that avoid 200 tonnes of carbon emissions per aircraft per year

2020
- Listed on FTSE4Good Bursa Malaysia (F4GBM) Index for the first time
- Revised and strengthened the Anti-Bribery and Anti-Corruption Policy

2022
- Appointed the Group's Chief Sustainability Officer
- Officially a TCFD supporter
- Published the Group's Sustainability Policy
- Launched the Group's sustainability strategy for the next five years under Sustainability Redbook
- Participated in the Bloomberg Gender Equality Index for the first time
- Introduced Digital Trip Files to reduce paper printing and manual workflow on the ground

2024
- Participated in Asean's largest sustainability expo, Thai Sustainability Expo
- Organised the Thai Aviation Sustainability Day with the Airline Association of Thailand and Civil Aviation Authority of Thailand
- Partnered with Airbus to explore alternative feedstock for Sustainable Aviation Fuel and improve air traffic management
- Launched the Positive Altitude podcast to share the latest developments of aviation sustainability in the region
- Santan replaced single-use plastic packaging with those made of biodegradable, compostable materials
- First airline in Malaysia to adopt the combo ground power and air condition unit to provide electrical power to an aircraft that is on ground

2023
- Hosted our first Sustainability Day for key stakeholders
- Publication of Doing More with Less: AirAsia's Guide to Aviation Sustainability
- Contributed to the national State Action Plan version 4, incorporating updated emissions mitigation measures and more ambitious targets
- Introduced the Group's Diversity Recruitment Guidelines
- Appointed to the ICAO Committee on Aviation Environmental Protection Experts' Working Group
- Appointed as an adviser on the national climate change advisory panel
- CAPA Gold Environmental Sustainability Rating

2021
- Announced goals towards net zero carbon emissions by 2050
- Established the Board Risk Management and Sustainability Committee (RMSC)
- Aligned with the Task Force on Climate-related Financial Disclosures (TCFD) for the first time
- Published the Group's gender pay gap analysis
- Introduced the Group's Anti-Harassment Policy

2019
- Received the first Airbus A321neo, which brings 20% fuel savings per seat
- Launched artificial intelligence (AI) powered chatbot, AVA, to improve the customer experience
- Published the Group's Environmental Policy
- Opened the first social enterprise hub, Destination GOOD

hi, i'm plastic-free!
Made from compostable materials

2024 Sustainability Highlights

ESG RATING

ESG Rating by FTSE Russell
3.5/5
nine percent improvement
from 2022
(2023: 3.2)

S&P Global Corporate Sustainability Assessment
47%
7 percentage point improvement
from previous year
(2023: 40%)

The Stock Exchange of Thailand
83%
two percentage point increase
from the reporting year 2022
(2023: 81%)

ECONOMIC

Net Promoter Score
46
(2023: 52)

6.4
mishandled per 10,000 passengers
(Global average: 69; 2023: 7.3)

76%
on-time performance
(2023: 77%)

22.2%
expenditure local suppliers
(2023: 42%)

100%
new Allstars completed anti-bribery and anti-corruption
(2023: 100%)

ENVIRONMENTAL

CO_2 **63.7**
gCO$_2$/ASK
(2023: 64.4)

CO_2 **72.3**
gCO$_2$/RPK
(2023: 74)

USD 34.3 mil
fuel cost saved from fuel efficiency measures
(2023: USD39.8)

7.3 mil tCO$_2$e
total CO$_2$ emissions
(2023: 6 mil tCO$_2$e)

62%
waste diverted from disposal
(2023: 49%)

SOCIAL

6.2
lost time incident rate
(2023: 7.0)

20.7%
women in leadership positions
(2023: 32%)

>RM2.9 mil
invested in training and development
(2023: RM3.7 mil)

Average
8 training hours
per employee
(2023: 7 hours per employee)

RM176,150
awarded to social enterprises through the AirAsia Foundation
(2023: RM244,097)

Our Sustainability Approach

(GRI 2-23, 2-24)

Sustainability Framework

Throughout the years, we have progressively strengthened the foundation laid to embed sustainability across our business. Our approach to sustainability can be visualised in the framework below:

Vision
To be the brand for sustainable business setting industry
standards to strengthen our competitive advantage

Mission
To think (and be) sustainable by integrating sustainability into our corporate DNA

Pillars	ECONOMIC	ENVIRONMENTAL	SOCIAL
Strategic Drivers	Strive for best practice	Reduce carbon footprint	Create an enabling and inclusive workplace
	Innovate to raise the bar	Minimise waste	Invest in our communities
Our Material Matters	Corporate Governance	Climate Strategy	Health and Safety
	Sustainable Supply Chain		Diversity and Inclusion
	Guest Experience		Talent Attraction and Retention
	Technology and Innovation	Waste Management	Human Rights
	Information Security and Data Privacy		Community Investment

Key SDG Alignment

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

Complementing the Group's five-year business strategy, our sustainability roadmap is driven by six strategic drivers under the EES pillars and comprises a total of 12 material topics. We have set internal time-bound targets for the short and medium terms for key environmental and social material areas in order to measure and track our progress towards our goals.

Our Sustainability Approach

Sustainability Governance
(GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18)

As the highest governing body at Capital A, the Board of Directors (BOD) is responsible for guiding Management, supervising and resolving crucial issues pertaining to sustainability-related matters.

In 2024, the Group Sustainability Department organised the inaugural annual Board Sustainability Briefing, bringing together the Boards of all five AOCs, as well as the Boards of our engineering arm, ADE and ground services, GTR. The briefing focused on the developments of CORSIA compliance and their implications to the Group, our decarbonisation strategies, amongst other emerging matters.

Capital A Berhad
Board of Directors

Risk Management and Sustainability Committee

Chief Sustainability Officer

Sustainability Working Group | **Group Sustainability Department**

Head of Department | **Chief of LOBs**

Oversight Level	Responsibilities
Capital A's Board of Directors	• Overall responsibility for the Group's sustainability strategy and approach to climate change with the assistance of the Risk Management and Sustainability Committee (RMSC). • High-priority sustainability matters are reported to the Board quarterly.
Risk Management and Sustainability Committee (RMSC)	• Responsible for providing Board-level oversight and assessing the Group's strategic direction, policies, principles and practices on sustainability and risk management matters. • Meets every quarter.
Chief Sustainability Officer (CSO)	• Reports to the RMSC and Board of Directors on key sustainability topics every quarter to support them in making informed decisions that incorporate sustainability perspectives into business decisions. • Chairs the SWG to review and advise on initiatives and efforts undertaken by the various heads of business units. • Leads the Group Sustainability Department and spearheads Capital A's sustainability efforts through the Group's sustainability strategies and initiatives.
Sustainability Working Group (SWG)	• A cross-functional committee comprising heads of department and sustainability representatives from all business units. • At quarterly SWG meetings, matters such as new reporting requirements, best practices and ongoing sustainability initiatives are discussed.
Group Sustainability Department	• Reports and identifies key sustainability risks and opportunities, stakeholder engagement and the implementation of sustainability initiatives. • Leads the rollout of sustainability initiatives.

During the reporting year, the SWG and RMSC convened to discuss the following matters:

✳ **ESG assessment outcomes**

✳ **Sustainability strategy, targets and initiatives**

✳ **Sustainability performance and updates**

ESG performance was integrated into the senior executive remuneration framework by the People Department. The People Department is collaborating with the Sustainability and ICT teams to develop a KPI dashboard that will enable seamless tracking and transparent monitoring of business performance and ESG targets.

Sustainability Policy

Our Sustainability Policy highlights our commitment to minimising our environmental footprint by avoiding and reducing pollution, improving efficiencies, ensuring the integrity of our systems, investing in our talent, and serving our communities. The policy was approved by the Risk Management and Sustainability Board Committee and AirAsia Aviation Group Limited Sustainability Committee in the first quarter of 2023, further strengthening our commitment towards advancing our sustainability agenda. It will be reviewed periodically to ensure continuous alignment with our business and sustainability progress. Our overall ambition is to do more with the resources we have and be the brand for sustainable business.

For more information on our Sustainability Policy, please visit https://www.capitala.com/misc/Capital_A_Sustainability_Policy_2023.pdf

Stakeholder Engagement
(GRI 2-29)

Our stakeholders are important to us as they have a significant interest in, while impacting and influencing our business. We ensure that all our stakeholders' concerns, interests and expectations are addressed through regular communication across multiple platforms.

Stakeholder Group	Engagement Channels	Areas of Interest	How We Respond
Board of Directors	• Board meetings • Annual General Meetings • Corporate events • Extraordinary General Meetings	• Financial performance • Corporate governance (CG) & strategies • Business development & partnerships • Human capital management • Environmental practices	• Focus on enhancing our branding and expanding lines of business • Sustainability practices
Employees (Allstars)	• Meta Workplace • Employee appraisals • Community engagement • Online surveys • Townhalls • Cultural, sports, well-being & appreciation events • Open office layout • Google Chat	• Diversity, inclusion & equal opportunity • Corporate CG practices • Training & career development • Work-life balance • Financial performance • Fair remuneration & compensation • Security, safety & welfare • Mental health support system	• Foster inclusivity and positive relationships through employee engagement programmes • Provide frequent updates on the Group's performance and changes in policies and procedures • Provide training and skills enhancement opportunities • Ensure fair compensation • Provide safe and healthy working environment • Daycare centre/creche and lactation room
Business Partners	• Regular meetings • Financial institutions & aircraft investor credit roadshows • Workshops & seminars • Global aviation finance conferences • Technical support based in RedQ • Commercial support with GE based in KL & Airbus based in Singapore	• Agreeable terms and contracts • Service delivery and cost • Securing supply and risk management • Regulatory compliance • Creating shared value	• Strengthen partnerships with agreeable terms and contracts
Customers (Guests)	• Continuous customer satisfaction surveys • Online submissions • Customer support live chat • Messenger channels • AirAsia sales offices, travel & service centres	• Customer experience • Process efficiency • Competitive pricing & experience throughout physical/digital journey • Data privacy & security • Safety & well-being • Loyalty rewards	• Provide fast and prompt response to customer needs • Continue to increase customer satisfaction through process efficiency • Protect customers' data as well as their health and safety • Responsible marketing and communications

Our Sustainability Approach

Stakeholder Group	Engagement Channels	Areas of Interest	How We Respond
Investors	• Investor meetings & conference calls • Annual General Meetings & Extraordinary General Meetings • Investor Relations website • Quarterly investor briefings by Senior Management • Annual Reports • Analyst and investor events	• Financial performance • CG practices • Long-term business strategy • Brand management • Operational performance • Occupational health & safety • Customer relationship management • Innovative initiatives • Environmental management	• Actively communicate with investors • Provide timely updates on business performance & strategies • Focus on enhancing our branding and expanding lines of business • Ensure safe & healthy working environment • Sustainability practices
Market Analysts	• Analyst briefings, meetings & conference calls • Media interviews & releases • Investor Relations website • Annual Reports • Analyst events	• Financial performance • CG practices • Long-term business strategy • Brand management • Operational performance • Guest experience • Environmental management • Data privacy & security	• Continued engagement with analysts • Timely and regular updates on business performance & strategies • Focus on enhancing our branding and expanding lines of business • Sustainability practices
Regulators/ Governmental Bodies	• Regular dialogue through face-to-face meetings & official correspondence • Parliamentary sessions • Formal meetings with government officials initiated by Capital A • Tours and familiarisation visits to Capital A premises	• CG practices • Policy & regulatory compliance • Risk & crisis management • Data privacy & security • Environmental management	• Engage closely with regulators and governmental bodies • Announce or report relevant information in a timely manner • Maintain standards and certifications
Social Enterprises	• Corporate community programmes • Funding of social enterprises through AirAsia Foundation • Regular dialogue • Events	• Ethics & integrity • Innovation • Job creation • Economic development • Sustainable travel • Climate resilience	• Create support system for social enterprises • Actively communicate with social entrepreneurs • Increase employability and job creation
Suppliers	• Regular dialogue and reviews • One-to-one meetings • Questionnaire & feedback	• Agreeable terms & contracts • Service efficiency, value, delivery & cost • Health & safety	• Ensure consistent communication with suppliers on contracts and Supplier Code of Conduct • Compliance with required policies • Provide safe and healthy workplace
Local Communities	• Community development programmes • Corporate social responsibility initiatives • Partnerships and employee volunteerism • Websites and social media platforms	• Community engagement • Rural development & empowerment • Environmental impact	• Undertake empowerment programmes, volunteerism and donations • Provide humanitarian assistance and post-disaster relief

Membership Associations

(GRI 2-28)

Malaysia

- Member of the CEO Action Network (CAN) since 2020, focusing on sustainability and ESG best practices.
- CEO is a council member of the ASEAN Business Advisory Council (ASEAN-BAC), aiding ASEAN's economic integration.
- CSO serves as an advisor to Malaysia's national climate change advisory panel and chaired the Task Force on CORSIA for CAAM.
- ADE is a member of the Aviation Suppliers Association (ASA), supporting aviation through logistics, purchasing, and parts distribution.

Thailand

- Strong engagement with the Civil Aviation Authority of Thailand (CAAT) through events, investor days, policy advocacy, and high-level meetings.
- Collaboration with government agencies under the Ministry of Energy and Ministry of Natural Resources and Environment on policy implementation.
- Member of the Airlines Association of Thailand (AAT) and Tourism Council of Thailand, advocating for aviation, tourism, and sustainability policies.
- Head of Government Relations at TAA serves as a board member and secretary of AAT and Deputy President of Tourism Council of Thailand, leading efforts to reduce government fees and implement favourable regulations.

Indonesia

- Close engagement with the Directorate General of Civil Aviation (DGCA) and Indonesia Air Carriers Association (INACA) on aviation initiatives.
- IAA's Head of Government Relations appointed as an Expert to INACA in October 2022, focusing on a competitive business environment, fuel pricing, lessor taxation, spare parts importation, and air connectivity for tourism recovery.
- IAA's Head of Government Relations re-elected as President of the ASEAN Tourism Association (ASEANTA) for the 2023-2025 term, focusing on revitalising tourism through collaborations with National Tourism Organizations (NTOs) and stakeholders.
- Key ASEANTA initiatives include advocating for an ASEAN-India open skies policy, expanding routes and destinations, and removing travel levies for intra-ASEAN travel under the ASEAN Tourism Agreement.

Philippines

- PAA works closely with the Civil Aviation Authority of the Philippines on aviation-related matters.
- Active members of the Air Carriers Association of the Philippines (ACAP) and the Board of Airline Representatives (BAR), promoting tourism, trade, and addressing airline concerns.
- Member of the Cebu Chamber of Commerce.
- Collaborates with the Philippine Tourism Promotions Board (TPB) and local hotel, restaurant, and travel agency associations in destinations served.
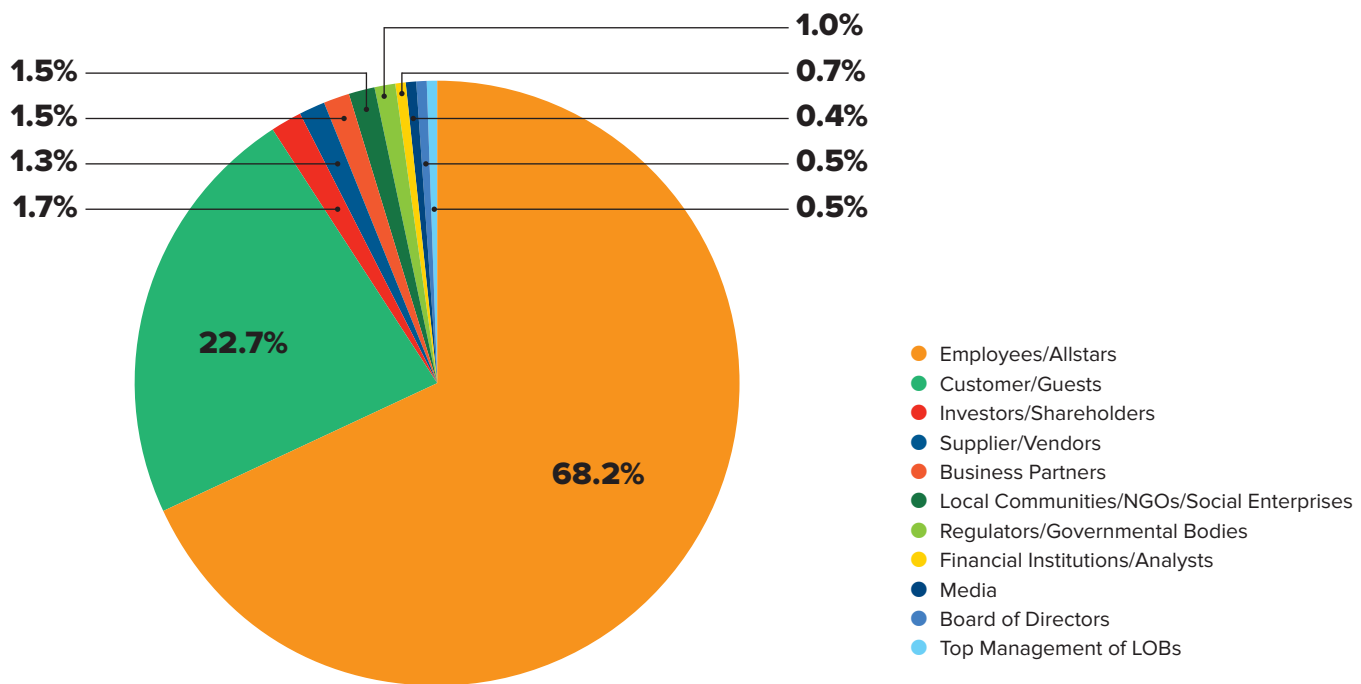
Cambodia

- AAC's CEO appointed to the Cambodia Tourism Board (CTB), fostering private-public sector collaboration to revitalise Cambodia's tourism and promote sustainable development.
- AAC is the only airline collaborating with the National Bank of Cambodia to promote the Bakong Tourists App, a mobile payment platform integrating e-wallets, mobile payments, online banking, and financial services for seamless transactions.
- Works closely with the ASEAN Secretariat, collaborating with the Office of the Secretary-General to enhance regional aviation and connectivity.

Material Matters

(GRI 3-1, 3-2)

Materiality assessments are integral to our sustainability strategy as they enable us to identify EES issues that might affect our business and our stakeholders. To ensure that the EES issues remain relevant and aligned with evolving market trends and regulatory shifts, we undertake materiality assessments every two years and review the material matters annually. The annual reviews allow us to respond proactively to emerging challenges, and effectively manage our sustainability risks and opportunities.

Stakeholder Feedback Profile

Pie chart values:
- 1.0%
- 0.7%
- 0.4%
- 0.5%
- 0.5%
- 1.5%
- 1.5%
- 1.3%
- 1.7%
- 22.7%
- 68.2%

Legend:
- Employees/Allstars
- Customer/Guests
- Investors/Shareholders
- Supplier/Vendors
- Business Partners
- Local Communities/NGOs/Social Enterprises
- Regulators/Governmental Bodies
- Financial Institutions/Analysts
- Media
- Board of Directors
- Top Management of LOBs

Materiality Assessment

We benchmarked our 2023 materiality assessment against current industry trends and confirmed that it remains relevant. The comprehensive exercise in 2023 was designed to identify key EES issues that are most pertinent to our business, aligned with our stakeholders' expectations. The assessment involved 1,101 key internal and external stakeholders, and was conducted in three systematic steps:

01 Identify

Following a review of our existing material matters, we researched potential material issues based on emerging risks, Bursa Malaysia's common set of prescribed sustainability matters, international sustainability rankings and indices as well as peer companies' sustainability disclosures. A total of 12 material matters were identified.

02 Prioritise

An online materiality survey was distributed to all key stakeholders, inviting them to rank our 12 identified material matters according to the level of importance to them as well as our performance thus far. Results of the assessment were plotted in a materiality matrix graded from high to very high importance.

03 Validate

The final list of material matters, together with stakeholder feedback and the materiality matrix, were presented to the Board of Directors for review and validation.

Significance of Capital A's EES Impact

● Economic   ● Environmental   ● Social

Note:

In line with Bursa Malaysia's enhanced sustainability reporting requirements under the Listing Requirements on common material matters:

1. *"Anti-Corruption" is covered under Corporate Governance*
2. *"Energy Management" and "Water" are managed under Climate Strategy*
3. *"Labour Practices and Standards" are managed under "Diversity & Inclusion" and "Human Rights"*

For more information on updates to our material matters based on the 2023 assessment, please refer to our Sustainability Report 2023: https://www.capitala.com/misc/sr2023.pdf

Material Matters

ECONOMIC				
Material Matter	**Description**	**Why It Matters**	**Risks**	**Opportunities**
Corporate Governance	Operating with integrity and transparency by upholding the highest standards of corporate governance and ethical conduct to ensure the trust and best interests of our stakeholders.	Given that our business covers a broad range of portfolios (airlines, aircraft MRO, ride-hailing, delivery, fintech, e-commerce, logistics, edutech, etc.), it is important for us to practise the highest standards of integrity.	Breaches of laws and regulations and activities such as corruption resulting in reputational and financial loss.	Adherence to the highest standards and best practices.
Sustainable Supply Chain	Reinforcing a sustainable supply chain through our Supplier Code of Conduct where our suppliers are expected to meet our expectations of ESG best practices.	As a responsible organisation with a wide range of critical suppliers across our LOBs, our supply chain can impact the Group's sustainability progress.	Exposure to high ESG risk suppliers resulting in loss of competitive advantage.	By integrating sustainability practices into the supply chain, we are able to mitigate risks associated with environmental, social and regulatory factors.
Guest Experience	Building trust and loyalty with customers through the continuous improvement of our customer experience and service quality for greater satisfaction.	Our continued success is dependent on our customers' experience and satisfaction. By staying ahead of customers' expectations, we create long-term value for them.	Inability to meet customers' demands might damage our brand and reputation.	Regular interaction with customers enable continuous improvement of our products and services.
Technology & Innovation	Harnessing the capabilities of technology to innovate, build partnerships and unlock new opportunities for business growth in our transformation to become a digital lifestyle and travel brand.	Technology and Innovation are key to our success and sustainable growth. By providing seamless digital solutions, we ensure the company's competitive advantage against competitors.	Loss of competitive advantage and relevance, and market share erosion.	Creating a digital experience that is both seamless and distinctive for customers.
Information Security & Data Privacy	Safeguarding data privacy and information security of Allstars, customers and all third parties by upholding robust cybersecurity systems.	Given the extensive volume of data pertaining to Allstars and customers, it is essential for us to safeguard sensitive information and uphold regulatory compliance.	Exposure to data breaches and leakage due to ineffective cybersecurity measures resulting in the loss of business and customer information and trust.	Execution of strategic information security programme to achieve world-class standards.

ENVIRONMENTAL				
Material Matter	**Description**	**Why It Matters**	**Risks**	**Opportunities**
Climate Strategy	Taking responsibility for our climate impact by putting in place a net zero strategy and managing our climate-related risks and opportunities. It encompasses the management of our greenhouse gas emissions, energy consumption and water usage.	With the increase in climate change events in recent years, it is important to mitigate and adapt to climate-related risks, and ensure proper resource management for business resilience.	Deprioritised from getting business funding by financial institutions as well as reputational damage.	Effective emissions management and strategic net zero roadmap will help raise our ESG valuation.
Waste Management	Monitoring and managing waste generated by practising the principles of reduce, reuse and recycle. It includes waste from our offices, operations and packaging.	Efficient waste management prevents unnecessary waste generation while contributing to operational efficiency and cost savings, enhancing brand reputation and supporting long-term sustainability.	Failure to meet stakeholders' expectations in terms of managing waste may pose reputational risks.	Effective waste management inculcating sustainable practices in Allstars and communities.

SOCIAL				
Material Matter	**Description**	**Why It Matters**	**Risks**	**Opportunities**
Health & Safety	Prioritising and protecting the health and safety of Allstars and customers throughout our operations. We inculcate a culture of safety through robust operational and occupational management systems and awareness initiatives.	Ensuring the health and safety of our stakeholders is of utmost importance as it directly influences our licence to operate and the trust customers place in us.	Poor Occupational Safety, Health and Environment (OSHE) performance resulting in business and operational impact.	Inculcation of a safety culture among Allstars leading to increased operational reliability.
Diversity & Inclusion	Embracing a diverse and inclusive workforce where representation is reflected at all levels and Allstars are treated with respect and dignity, receiving equal opportunities.	Diversity brings in different ideas and experiences, and widens access to the best talent, leading to an improved corporate culture.	Lack of diversity can limit the variety of perspectives and ideas, hindering innovation and creativity.	By leveraging diversity and inclusion, we can create a more equitable workplace and drive positive business outcomes.
Talent Attraction & Retention	Attracting top talent and investing in the training and development of our talent pool, while nurturing Allstars to achieve personal and professional growth.	The implementation of our business strategies relies heavily on our Allstars. As a responsible employer, we aim to provide a safe and decent working environment for our people.	Insufficient pool of competent persons to drive sustainable values across the LOBs.	Robust talent management plans to produce capable talent.
Human Rights	Commitment to respecting the fundamental rights and freedom of Allstars as well as, preventing human trafficking, forced labour, child labour and discrimination in our business and value chain.	Like all businesses, we face the risk of being exposed to human rights abuses in our own operations and supply chain, especially given that the aviation industry affects several industries with human rights impact.	Violations of human rights might lead to reputational damage and loss of stakeholders' trust.	Reputation as a fair employer attracts various benefits and high-quality talents.
Community Investment	Empowering and investing in our communities through initiatives that support gender equity, sustainable travel and Asean community building.	As a Group that operates across Asean, we have the responsibility to empower people through skills development and education programmes.	Potential financial/ brand implications when there is imbalance in social, economic and environmental needs.	Investment in communities strengthens not only our relationships, but our credibility and sustainability outcomes.

For further information on our risk management please refer to the Statement on Risk Management & Internal Control section in our 2024 Annual Report.

ECONOMIC
Good Governance

Corporate Governance
(GRI 3-3)

Our Management Approach

- Code of Conduct and Ethics (the Code)
- Anti-Bribery and Anti-Corruption (ABAC) Policy
  - Gift Declaration Form
- Whistleblowing Policy
- Conflict of Interest Policy
- Disciplinary Policy
- Anti-Fraud Policy
- Remuneration Policy
- Board Diversity Policy
- Enterprise Risk Management (ERM) Policy ISO 31000:2018 - Risk management
- Compliance Risk Management Policy

Supporting the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

POLICIES

At Capital A, we are committed to maintaining robust corporate governance in every line of business. With strong leadership, transparency and efficient risk management as our foundation, we strive to build stakeholder trust and confidence in our ability to create long-term value.

2024
PERFORMANCE OVERVIEW

100%
new joiners completed live training on the Code

100%
new Allstars completed ABAC policy training

94%
of business units assessed for corruption-related risks

Introduced
ABAC e-learning module

0
confirmed incidents of bribery and corruption

Ethics and Integrity
(GRI 2-23, 2-24, 2-27, 205-2, 205-3, 406-1)

As a multifaceted company, we continuously evaluate our business practices and work diligently to conduct our business with the highest standards of ethics and integrity. Guided by strong internal controls and robust risk management, we ensure all our businesses adhere to the Group's Code of Conduct and Ethics.

The Board members, Management Team, Allstars and business partners are expected to uphold our reputation by maintaining integrity in their dealings with all stakeholders. Our Code of Conduct and Ethics includes provisions on company assets, corruption and bribery, conflicts of interest, dealing with public officials, money laundering and grievance handling. This Code undergoes a periodic review to ensure its effectiveness.

2024 Performance

✓ **100%** of new joiners completed live and/or virtual training for the following:

- Code of Conduct
- Disciplinary Policy
- Anti-Bribery and Anti-Corruption Policy
- Anti-Harassment

Grievance Mechanisms
(GRI 2-16, 2-25, 2-26)

We have established multiple channels for both internal and external stakeholders to safely raise any concerns they may have relating to misconduct or improprieties.

1 AskPAC

Allstars are encouraged to report any incident that violates the principles of the Code though our AI chatbot in the AskPAC system. These concerns are received and assessed by the Employee Relations (ER) team which then assigns personnel to investigate and resolve the issues. All concerns raised are treated with the utmost confidentiality. We constantly strive to improve our internal processes and emphasise our zero tolerance for impropriety.

Steps in Handling Misconduct

01 Case Received
Case reported through email, AskPAC, whistleblower or physical meeting with ER and/or People Department.

02 Assessment of Case Severity
An inquiry will be conducted which includes investigation, issuance of Notice to Explain (NTE), followed by appropriate disciplinary action as a closure.

03 Investigation
Investigations are led by either the ER, People Department, Regional Fraud Investigation Unit or Security department depending on the type of offence/misconduct. An NTE will be issued to the employee of concern to obtain their explanation.

04 Resolution
Once the employee responds to the NTE, a disciplinary action will be taken depending on the severity of the misconduct. The case will be closed after the disciplinary action is taken. An appeal may be submitted depending on the disciplinary action taken, in which the said appeal will be reviewed. The employee will receive a response indicating either the acceptance or rejection of the appeal.

2 Whistleblowing

At Capital A, we believe open communication is essential to maintaining ethical standards. Our whistleblowing channel provides a safe platform for both internal and external stakeholders to report concerns related to unethical, illegal or inappropriate business conduct. As per our Whistleblowing Policy, we ensure the confidentiality of all whistleblower information and are committed to protecting individuals who raise concerns about any form of harassment and/or retaliation.

Concerns can be raised through the following channels:

@ whistleblower@airasia.com

🌐 https://www.capitala.com/whistleblowing_form.html

In 2024, no corruption cases were reported via the whistleblowing channel, and as a result, no staff members were disciplined or dismissed for non-compliance with the ABAC policy. During the same year, 28 cases of harassment were recorded, marking a decrease from 33 cases in 2023. Further details on discrimination and harassment cases can be found in the Human Rights section.

Types of Breaches

	Corruption or Bribery			Discrimination or Harassment		
	2022	2023	2024	2022	2023	2024
	0	2	0	0	33	28
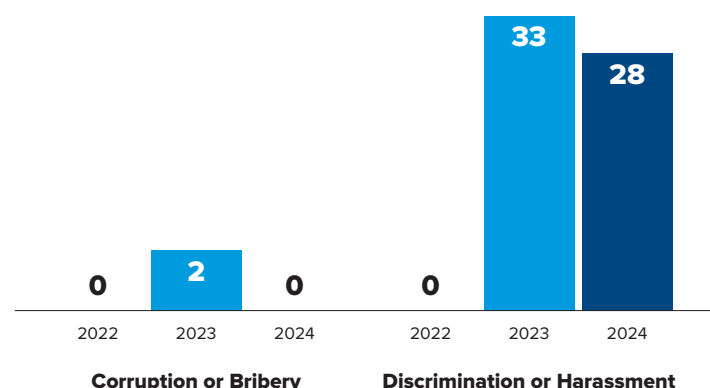
ECONOMIC
Good Governance

Strengthening Integrity:
Our Anti-Corruption Milestones in 2024

The year 2024 marks an exciting journey for Capital A in terms of its ABAC progress, where there were a number of key initiatives successfully launched during the year to further strengthen the organisation's resilience against corruption, in line with strong tone from the top and the Board's continued emphasis on integrity as a vital cornerstone of the organisation.

1   Corruption Risk Assessment

In 2024, a Group-wide corruption risk assessment was carried out to comprehensively identify and assess areas of operations and lines of business within Capital A Group which are prone to corruption risks. The exercise involved engagements with heads of departments and key personnel, rollout of survey questionnaires, review of key documentation and onsite validation, among others, to ensure effective identification of key risk drivers of corruption. Data gathered from these were then consolidated to form an enterprise-level corruption risk assessment which was subsequently presented to the Board's Risk Management and Sustainability Committee.

To address the gaps found through the corruption risk assessment, the Board's Risk Management and Sustainability Committee agreed to the action plan proposed, which includes, amongst other initiatives, rolling out an intensified awareness programme in 2025 using both mass and targeted approaches to elevate Allstars' awareness and familiarity with ABAC compliance requirements, particularly on the need for timely Gift Declaration submission when faced with situations involving receipt or sponsorship of gifts, entertainment and corporate hospitality.

2   International Anti-Corruption Day 2024

For the first time, Capital A joined many other international corporations in celebrating the International Anti-Corruption Day on 9 December 2024. On this day, Capital A's offices across the region put up displays in the premises and distributed pins with anti-corruption messages to Allstars to reinforce our commitment towards zero tolerance for bribery and corruption. At RedQ, Allstars put their knowledge on ABAC to test by participating in quizzes. This inaugural event was also broadcasted in the organisation's internal communication platform to maximise the spread of ABAC awareness to all Allstars wherever they are located.

3   Professionalising Integrity

Recognising the importance of integrity and systematic corruption risk management, we are committed to capacity building within the Integrity and Compliance Unit for effective discharge of their roles and responsibilities. For this purpose, the organisation has collaborated with the Malaysian Anti-Corruption Academy (MACA) through participation in the Certified Integrity Officer (CeIO) programme.

Anti-Corruption

Anti-Bribery and Anti-Corruption Policy

We maintain a zero-tolerance stance against fraud, bribery and corruption. Our Anti-Bribery and Anti-Corruption (ABAC) Policy complies with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) that introduces corporate liability, and similar laws and regulations in the countries where we operate. In addition, our stance against corruption is clearly outlined in our Code of Conduct for employees and Code of Ethics for Company Directors and Company Secretary.

At Capital A, we endeavor to communicate our ABAC Policy to both internal stakeholders, as well as all our external stakeholders and intermediaries, including contractors, agents and third-party partners through our corporate website and during their onboarding process.

Employee Training and Awareness

All new Allstars are introduced to our ABAC Policy during their onboarding, with live sessions conducted by People Department and our Regional Fraud Investigation Team, after which, they are required to acknowledge their understanding of the ABAC Policy on our Workday platform. Additionally, new cabin crew receive a one-hour Do it Right training, which includes a section on ABAC. The ABAC policy is available on our intranet portal for Allstars' easy reference, while our ABAC Policy for external stakeholders is available on our corporate website at https://www.capitala.com/corporate_governance.html

In 2024, we introduced a mandatory e-learning module on ABAC via our Outclass platform to enhance awareness across the Group. The module covers fundamental ABAC concepts, as well as Allstars' responsibilities regarding ABAC compliance, such as:

- Definition of bribery and corruption;
- Types and examples of bribery and corruption;
- Capital A's Policy Stance on "**No Gift**" and "**Zero Tolerance for Bribery and Corruption**";
- Regulatory penalties and disciplinary actions for any ABAC breaches;
- Capital A's adoption of "**TRUST**" Principles in mitigating corruption risk as per the Guidelines on Adequate Procedures issued by the Prime Minister's Department of Malaysia; and
- Circumstances where filling up a Gift Declaration Form is required and procedures of filling up this form.
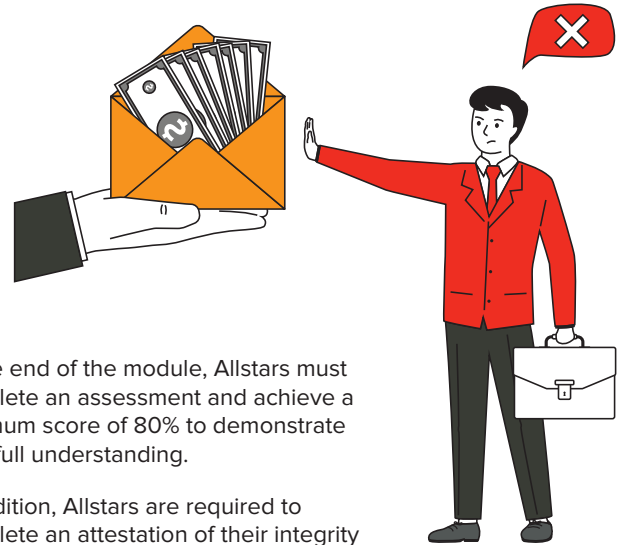
At the end of the module, Allstars must complete an assessment and achieve a minimum score of 80% to demonstrate their full understanding.

In addition, Allstars are required to complete an attestation of their integrity and compliance with the ABAC Policy during the year on the Workday platform. Whilst this exercise was historically for new recruits, it was expanded in 2024 for all existing Allstars. Through the attestation, all Allstars refreshed their commitment towards building a culture free from bribery and corruption and pledged to conduct themselves with integrity at all times.

On an ongoing basis, announcements were made through the internal communication platform to all Allstars, especially during key festive seasons, reminding them of the need to comply with the Gift Declaration requirements for any receipt or sponsorship of gifts to external parties.

2024 Performance

✓ **100%** of new joiners were trained on and acknowledged the **ABAC Policy** as part of their onboarding

✓ **3,840** new hires completed the **anti-corruption training**

✓ **Zero** reported **incidents of bribery** and corruption

ℹ️ *For more information on Capital A's ABAC Policy, please refer to the Corporate Governance Overview Statement in our 2024 Annual Report.*
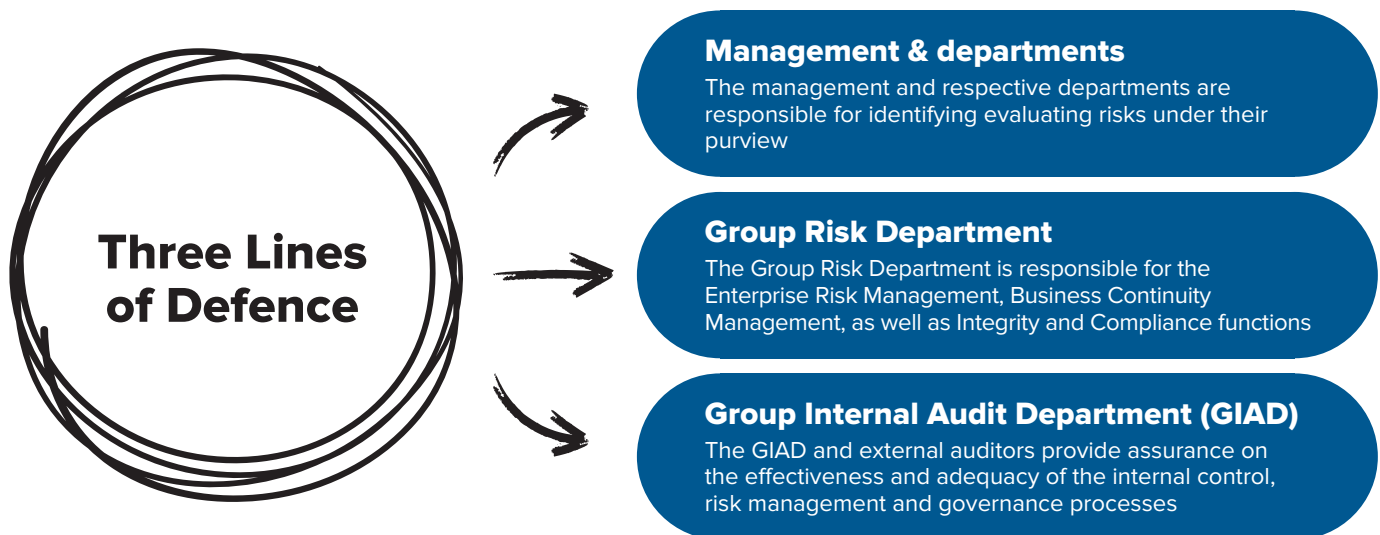
Risk Management

In 2023, we revamped our Enterprise Risk Management policy to strengthen our risk culture and incorporate ESG elements, along with advanced risk management tools and techniques. Our Risk Management Policy which is in line with ISO 31000:2018 risk management guidelines and ISO 27001 cybersecurity standards, follows the following approach:

| 1 Risk Identification | 2 Risk Assessment | 3 Risk Control | 4 Risk Monitoring | 5 Risk Reporting |

The Risk Management and Sustainability Committee (RMSC) provides assurance to the Board that adequate policies and processes are in place to manage risks within the Group. The RMSC meets quarterly to ensure our ESG Risk management is aligned with the ERM Policy. The Chairman of the RMSC is responsible for updating the Board on decisions and recommendations by the committee. To ensure good risk management, three lines of defence have been put in place:

Three Lines of Defence

Management & departments
The management and respective departments are responsible for identifying evaluating risks under their purview

Group Risk Department
The Group Risk Department is responsible for the Enterprise Risk Management, Business Continuity Management, as well as Integrity and Compliance functions

Group Internal Audit Department (GIAD)
The GIAD and external auditors provide assurance on the effectiveness and adequacy of the internal control, risk management and governance processes

For more information on our risk management processes and initiatives in 2024, please refer to the Statement on Risk Management & Internal Control in our 2024 Annual Report.

Risk Culture

A good Risk Culture climate is one that enables and rewards individuals and groups for taking the right risks in an informed manner. The Risk Culture in the Group is driven by a strong tone from the top, strengthened by the middle and executed at all levels. To enhance risk awareness among Allstars there are risk champions (Risk Officers) identified across all departments and entities, who are trained and entrusted to ensure risk awareness, risk identification, and risk management in their respective areas.

Managing Our ESG Risks

In 2024, the Group continued to make significant progress in embedding ESG and climate-related risks into our ERM. With ESG now integrated as part of the risk categories in the RedRadar system, businesses are prompted to assess potential risks in these areas during their quarterly reviews. Group Risk also conducted individual sessions with the businesses to discuss ESG risks and ensure that identified risks are documented in the RedRadar system for continuous monitoring.

Addressing Climate-Related Risks

With the growing prominence of climate change, we have evaluated the likelihood and impact of climate-related risks on our operations. Relevant departments actively identify and monitor these risks, with teams such as the Network Management Centre (NMC) and the Sustainability and Risk department overseeing regulatory, physical, and emerging global risks. For physical risks, NMC along with Group Risk maintains a Business Continuity Plan (BCP) activation watchlist for natural events such as volcanic eruptions, floods and typhoons. The identified risks are described in the Task Force on Climate-related Financial Disclosures table in the Climate Strategy chapter of this report.

Business Continuity Management

Capital A's Business Continuity Management (BCM) policy is a strategic framework designed to anticipate risks, fortify resilience, and ensure seamless operations during crises - safeguarding both stakeholders and business continuity.

Aligned with industry best practices and ISO 22301 standards, our 2024 BCM policy rollout integrates critical sustainability measures. Enhancements include strengthened oversight of the station/airport Emergency Response Plan (ERP) and Operational Control and Flight Dispatch, particularly in response to evolving volcanic ash cloud protocols. To further fortify resilience, we introduced targeted awareness sessions and a specialised checklist for station/airport managers, equipping them to navigate environmental challenges proactively. Our Business Continuity Plan (BCP) now also accounts for volcanic activity, building on existing safeguards against heatwaves, floods, and wildfires.

By embedding sustainability and adaptability at its core, our BCM approach ensures Capital A remains prepared for an ever-changing risk landscape.

CASE STUDY

# Navigating Crisis: BCP Activation During a CrowdStrike Incident

In July 2024, AirAsia faced one of the largest global IT outages in history, triggered by a faulty CrowdStrike update that disrupted Windows-based systems worldwide. With over 6,000 AirAsia desktops and servers affected, we activated our Business Continuity Plan (BCP) within minutes, ensuring seamless operations and minimal passenger impact.

Our proactive BCP strategy, strengthened by insights from a similar outage just a week prior, allowed us to swiftly transition into manual operations, keeping flights on schedule and maintaining uninterrupted service across 3,000 flights in 48 hours. Alternative methods and boarding passes were immediately deployed to mitigate disruptions caused by the AirAsia MOVE app's e-boarding pass outage, reinforcing our commitment to passenger experience and operational continuity.

This was not just an IT disruption - it was a true test of operational resilience at scale. Our rapid response ensured that no flights were cancelled, prioritising departing passengers, individuals with disabilities, the elderly, and families traveling with children, ensuring a smooth experience.

Key Actions for Strategic BCP Execution

- Over 300 additional staff were mobilised overnight at key airports to manage increased operational demands.
- Manual check-in and boarding systems were swiftly deployed, ensuring smooth passenger flow.
- Real-time risk monitoring enabled coordinated decision-making across InfoSec, ICT, and Ground Operations.
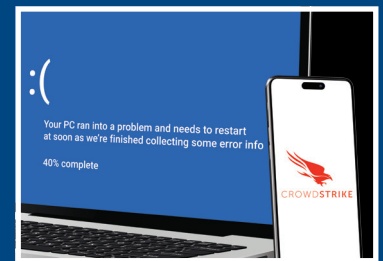
Lessons Learned & BCP Enhancements

Every crisis presents an opportunity to refine, innovate, and strengthen resilience. As part of our continuous improvement approach, we have elevated our BCP strategies with the following enhancements:

- Strengthening IT redundancy protocols to minimise reliance on singular systems
- Refining hybrid operational models, integrating manual processes as seamless backups
- Accelerating disaster recovery testing, ensuring mission-critical applications (AMOS, AIMS, Navitaire) remain operational under extreme conditions
- Aligning BCP with mission-critical partners for synchronised crisis response and operational continuity across key service providers
- Enhancing crisis communication workflows to enable faster coordination and response across hubs and stations

This event was a defining moment for AirAsia's operational resilience. Through preparedness, agility, and leadership, we transformed a global IT disruption into a testament to our crisis management excellence. Our strengthened BCP now serves as a gold standard in the industry, ensuring that no matter the challenge, AirAsia continues to soar above disruptions.
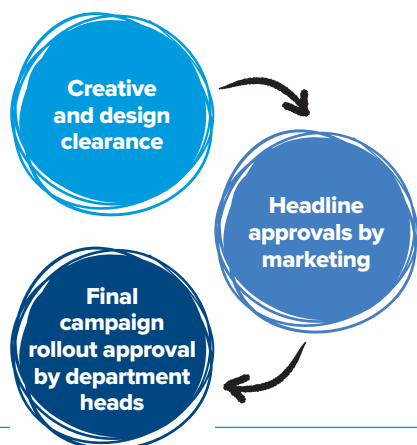
ECONOMIC
Good Governance

Responsible Marketing & Communications

We take full responsibility for the accuracy and integrity of the information we share with our guests. Our brand management and intellectual property (IP) development arm behind the Group, AirAsia brand co. (Abc.), is responsible for shaping our identity and ensuring every brand under our umbrella speaks with a consistent, clear, and compelling voice. Abc. works hand in hand with each entity, aligning regularly, brainstorming on major campaigns, and refining guidelines and workflows to keep everything on track. Abc. develops the Group's core messaging, which is then tailored to fit the unique needs of each campaign.

Our Group Communication Policy ensures clear, consistent, and compliant messaging while safeguarding the Group's reputation. It provides guidance on disclosure practices, social media use, and internal communications, ensuring accurate information sharing across the organisation. The Communications and Legal teams review public-facing content in collaboration with project owners and senior stakeholders to maintain accuracy and regulatory compliance.

For a cohesive tone and style, all written content follows our Tone of Voice guide, outlined in our Brand Corporate Identity Guidelines. Copywriting and advertising are managed by project owners and go through several layers of review, including:

- Creative and design clearance
- Headline approvals by marketing
- Final campaign rollout approval by department heads

1 Sustainability in Communication

Sustainability is embedded in our Group's strategy, and as our journey evolves, our communications initiatives focus on highlighting challenges, opportunities, and achievements. This ensures that key stakeholders - including guests, the public, regulators, governments, our partners and the media - are well-informed about how our value creation model addresses material ESG matters.

To uphold transparency and credibility, all sustainability-related communications are developed in collaboration with our sustainability team and the Chief Sustainability Officer, ensuring they accurately reflect our efforts. We are committed to making only substantiated claims that showcase tangible progress, avoiding greenwashing or misleading representations. To further support this approach, the Group Communications team is developing a Responsible ESG Communication Guide, providing clear guidelines for all teams to align public content with our sustainability commitments while ensuring accuracy, accountability, and transparency.

By adhering to these principles, we foster trust, integrity, and transparency across all communications, reinforcing a strong and recognisable brand identity and thought leadership in this domain.

2 Engaging Stakeholders through Strategic Communications

To drive open dialogue and raise awareness, we cultivate strong relationships with media partners, industry stakeholders, guests, and the wider public. Our omnichannel approach spans multiple platforms, including media engagements, press conferences, social media, podcasts, thought leadership initiatives, exhibitions, and interactive content. This ensures continuous engagement while positioning Capital A and its units as leaders in sustainable aviation and responsible business practices.

Our communication initiatives also support corporate publications, such as our Sustainability Report, and advocacy efforts that promote balanced outcomes for all stakeholders.

Throughout the year, we have elevated discussions on sustainability through strategic media engagements and industry events, including:

- **Bali Airshow 2024**
  Hosted a media roundtable discussing key carbon reduction strategic priorities, including investments in air traffic management systems and the potential for incorporating carbon pricing in airfares to support our decarbonisation goals.

- **Media Features**
  Shared insights on sustainability challenges and regional developments through news articles, op-eds, and speaking engagements at industry conferences across the region and beyond.

- **Social Media & Digital Outreach**
  Leveraged interactive content and digital platforms to engage stakeholders on topics such as AI-driven travel solutions, carbon reduction initiatives, and responsible tourism, ensuring alignment with customer and stakeholder interests.

Key Announcements in 2024

- **20 February 2024** - Capital A ESG ratings climb following a successful revamp of its sustainability strategy
- **9 May 2024** - Sustainability Report 2023: Capital A accelerates its sustainability focus, recording efficiency gains amidst the aviation industry's recovery
- **19 September 2024** - Bali Airshow 2024: AirAsia and Airbus announce a wide-ranging partnership to accelerate aviation sustainability
- **27 September 2024** - Sustainability Expo in Thailand: AirAsia leads sustainability efforts for commercial aviation with a focus on global sustainability
- **22 October 2024** - AirAsia launches its "APU Off" programme to reduce ground emissions at airports

3 Thought Leadership & Policy Advocacy

In 2024, AirAsia expanded its stakeholder strategy beyond focusing on policy-makers and internal decision-makers to include broader engagement with investors and the public to raise awareness on changes that travellers should expect in the near future to address the environmental impact of air travel.

AirAsia's policy-level access was significantly boosted by the appointment of its technical experts to working groups of the ICAO Committee for Aviation Environmental Protection (CAEP). Through participation in meetings organised throughout the year, AirAsia gained valuable insights into aviation environmental policy-making processes. In turn, AirAsia provided industry sharing through multiple channels, notably through speaking engagements at industry and sustainability events.

In each of AirAsia's host AOC countries, AirAsia supported national initiatives through participating in policy consultations or organising aviation sustainability events. In Malaysia, AirAsia chaired the National CORSIA Task Force for a second year, hosting a fourth meeting and co-organising an Asean capacity-building workshop with the Civil Aviation Authority of Malaysia (CAAM) and the European Aviation Safety Agency (EASA). To support the government's policy-making agenda, AirAsia submitted a white paper to the Ministry of Transport setting out its recommendations for the development of the MADB and participated in dialogue sessions organised by the Ministry of Natural Resources and Environmental Sustainability (MNRES) to draft Malaysia's Climate Change Act and its third Nationally Determined Contribution.

In Thailand, AirAsia led the Airlines Association of Thailand (AAT) and the Civil Aviation Authority of Thailand (CAAT) in organising the first Thai Sustainable Aviation Day in October that was attended by over 200 guests from the transport and environment sectors. In the Philippines, AirAsia joined SAF technical working groups organised by the Office of the Undersecretary of Aviation & Airports and delivered a lecture on climate change mitigation strategies at a sustainable aviation course organised by the Civil Aviation Authority of the Philippines (CAAP). AirAsia Philippines also led the sustainability working group of the Air Carriers' Association of the Philippines (ACAP). In Indonesia, AirAsia presented the opportunities and challenges posed by CORSIA at a seminar organised by DGCA Indonesia for officials in air transport and environment departments.

AirAsia Speaking Highlights in 2024

- Carbon Forward Asia, Singapore
- SAF conference by the European Chamber of Commerce of the Philippines, Manila
- Indonesia Carbon Market Seminar by the Directorate Generate of Civil Aviation (DGCA) Indonesia, Bogor
- ASEAN Airlines' Meeting, Bangkok
- ICAO Asia Pacific Environmental Seminar, Bangkok
- Thai Aviation Sustainability Day, Bangkok
- ASEAN Carbon Forum, Kuala Lumpur
- Global Sustainability Day by Aircraft Leasing Ireland, Dublin

ECONOMIC
Good Governance

A second group of stakeholders that saw increased engagement were Capital A directors and investors. In a shareholders' letter dated 30 April 2024, Capital A CEO Tony Fernandes underlined the Group's commitment to sustainability on three fronts: maintaining profitability, managing tourism impact and targeting net zero by 2050. Capital A also organised a Board Sustainability Briefing in July to update all directors of Capital A companies of material changes to sustainability assessment frameworks, environmental regulations affecting the Group as well as developments in new areas of opportunity, including sustainable financing.

An important expansion of AirAsia's stakeholder engagement priorities this year was the launch of a communications campaign to raise public awareness on on-going efforts to mitigate AirAsia's climate impact. In October, AirAsia made its debut at the Thai Sustainability Expo in Bangkok, Thailand, receiving overwhelmingly positive feedback on the panel sessions by Capital A representatives and AirAsia's exhibition booth. The expo, which received over 770,000 online and onsite visitors, was the largest sustainability event in Asean. A similar display was set up at the hall of the ASEAN Senior Transport Officials' Meeting in Kuala Lumpur, marking the start of Malaysia's chairmanship of ASEAN in 2025.

Scan now!
Tune in to the podcast here

As part of the campaign, AirAsia also organised media roundtables and accepted media interviews addressing environmental issues. In July, AirAsia launched its sustainability aviation podcast titled 'Positive Altitude' that offers listeners a behind-the-scenes view of latest developments in the sustainable aviation landscape and the airline's responses to them.

Read more:
- The Price to Pay for Cleaner Skies, The Edge Malaysia, 20 May 2024
- International Airlines a Source of Demand for Carbon Credits, The Edge Malaysia, 30 September 2024
- SAF: Thailand's Biggest Challenges and Opportunities, Techsauce, 8 October 2024

4 Crisis Communication & Reputation Management

During times of crisis, transparent and timely communication is essential in maintaining public trust. Our Communications team plays a key role in the Group's Crisis Management Team, ensuring accurate and coordinated dissemination of information in alignment with our Emergency Response and Business Continuity Plans.

For example, communications played a crucial role in supporting the Group's business continuity plan during the global CrowdStrike outage. Despite disruptions to core systems, we swiftly notified our guests, advising them to arrive at the airport early to allow extra time for check-in. Throughout the event, we ensured guests received continuous updates and reminders, helping to manage expectations and minimise inconvenience.

Capital A also employs an active issues management approach, ensuring that media inquiries related to operations and guest incidents are promptly and transparently addressed. As an airline, our operations may be impacted due to weather, force majeure events, airport situations and operational matters among others. In these situations, we prioritise alerting guests on disruptions and providing service recovery options through the app and email notifications, publishing travel advisories on our newsroom site, and posting updates across our social media channels as necessary, helping our guests make informed travel decisions.

By integrating sustainability into our broader communication strategy, we enhance stakeholder confidence and reinforce our position as a responsible corporate leader committed to transparency, accountability, and meaningful ESG impact.

ECONOMIC
Good Governance

Sustainable Supply Chain
(GRI 3-3)

SCOC

Our Management Approach

- Supplier Code of Conduct
- Anti-Bribery and Anti-Corruption Policy
- Environmental Policy Statement

Supporting the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Given Capital A's diverse lines of business, we have a wide range of suppliers who are critical to our success and sustainability journey. We therefore seek to foster strong relationships with them and help them to grow as they help us build our businesses. Where feasible, we source from local suppliers in each country of operation in order to stimulate the local economy. We prioritise ethical practices while ensuring cost-effective, timely, and quality delivery in our supply chain management strategy.

2024 PERFORMANCE OVERVIEW

6,494
total suppliers

Integrated **ESG criteria** in supplier evaluation

1,091
new suppliers

153
critical suppliers

22.2%
expenditure on local suppliers

ECONOMIC
Good Governance

Governing our Supply Chain

As the central body for supply chain management at Capital A, Group Procurement acts as a shared service provider to all Group entities for the procurement of high-value common goods and services. It also standardises processes through the use of a cloud-based procurement management system to streamline purchasing and sourcing needs across all entities.

Three entities - ADE, Santan and GTR - maintain separate procurement functions due to the volume and technical specifications of goods and services required. It is the individual entities' responsibility to procure strategic or tactical goods and services specific to their requirements.

Group Procurement

Shared service provider to all Group entities for the procurement of high-value common goods and services:

- **General items, apparel and merchandise**
- **Technology & digital goods and solutions**
- **Aircraft fuel, construction, rental and renovation**
- **Professional and facility services**
- **Inflight food and beverages**
- **Marketing medias**
- **Ground and logistic services**

ADE
ASIA DIGITAL ENGINEERING

ADE's procurement team handles the process of identifying and managing suppliers of:

- **Aircraft and aircraft-related parts and equipment**

santan
Good Food . Good Coffee . Good Value

The inhouse product and quality team undertakes the procurement process for raw materials and food for the catering business. Inflight food and beverages with long shelf life are managed by the Group Procurement team.

- **Raw materials**
- **Food**
- **Beverages**

GTR
A SATS COMPANY

GTR has its procurement team that manages all purchases including ground handling equipment and services:

- **Ground handling equipment (GSE)**
- **Material handling equipment (MHE)**
- **Maintenance of GSE and MHE**
- **Aircraft interior cleaning materials and chemicals**
- **Maintenance material handling system**

Supplier Code of Conduct

(GRI 408-1, 409-1)

Capital A's Supplier Code of Conduct (SCOC) Policy sets a clear expectation of all our suppliers across all entities on conducting business responsibly and ethically with zero tolerance for bribery or corruption. The policy references the International Labour Organisation (ILO) principles on human rights, and covers health and safety, sustainable procurement and other ESG practices.

It highlights the following principles:

- **Business integrity and managing conflict of interest**
- **Confidentiality and personal data protection**
- **Social responsibility**
- **Labour practices**
- **Environmental health and safety management**
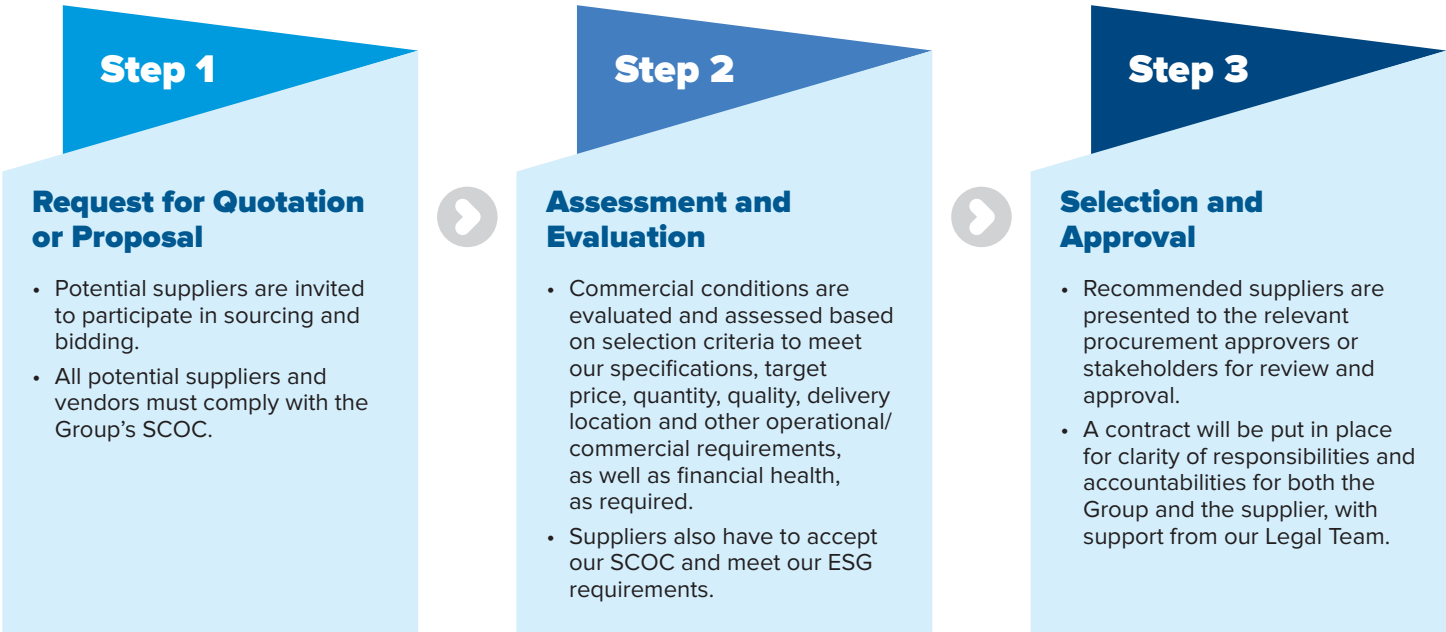- **Competitive pricing & terms**

The SCOC is communicated to suppliers and vendors through Capital A's public corporate website, contracts, purchase orders and emails to ensure awareness of our expectations when conducting business with us. Upon signing a contract with Capital A, suppliers and vendors engaged by Group Procurement are required to acknowledge the SCOC.

Supplier Selection Process

(GRI 308-1, 308-2, 414-1, 414-2)

In 2024, we added 1,091 new suppliers to our network, bringing the total number of suppliers to 6,494. To mitigate supply chain risks, we maintain strict supplier selection criteria and require all suppliers to comply with the SCOC.

We have adopted an e-procurement system that allows suppliers to undertake the following processes efficiently:

Step 1

Request for Quotation or Proposal

- Potential suppliers are invited to participate in sourcing and bidding.
- All potential suppliers and vendors must comply with the Group's SCOC.

Step 2

Assessment and Evaluation

- Commercial conditions are evaluated and assessed based on selection criteria to meet our specifications, target price, quantity, quality, delivery location and other operational/ commercial requirements, as well as financial health, as required.
- Suppliers also have to accept our SCOC and meet our ESG requirements.

Step 3

Selection and Approval

- Recommended suppliers are presented to the relevant procurement approvers or stakeholders for review and approval.
- A contract will be put in place for clarity of responsibilities and accountabilities for both the Group and the supplier, with support from our Legal Team.
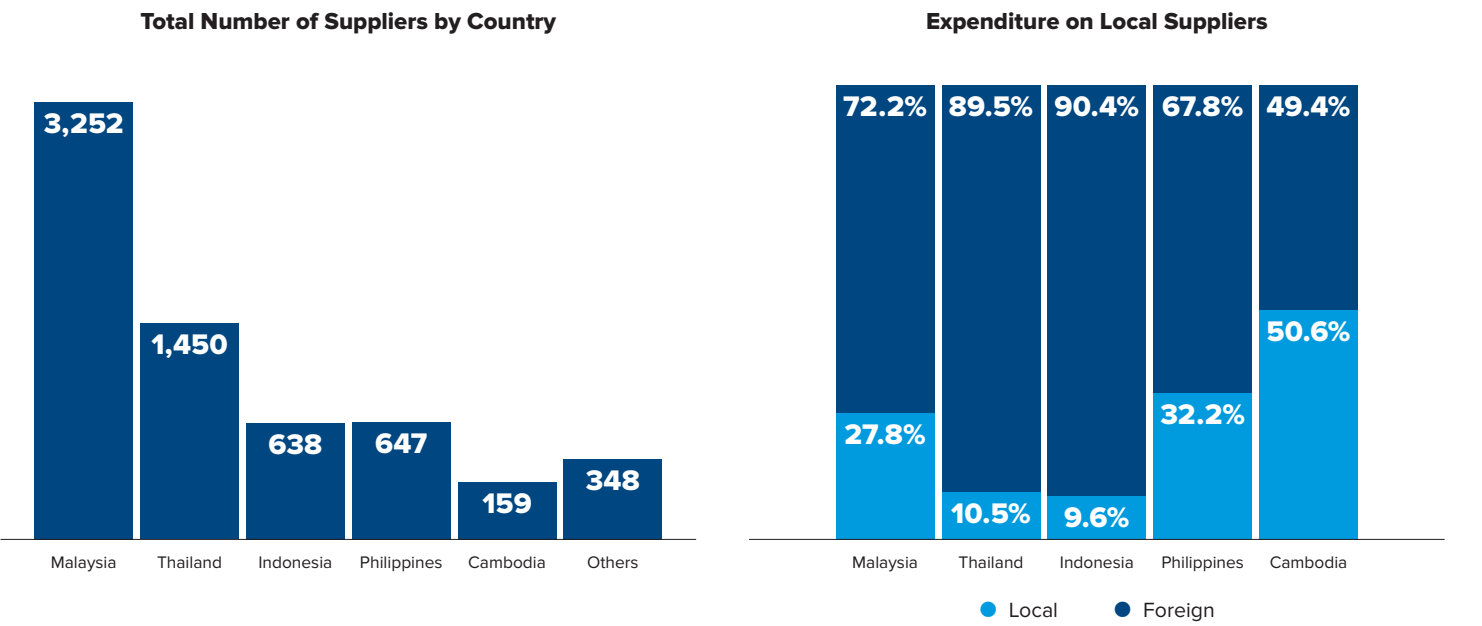
Good Governance

Supporting Local Suppliers

(GRI204-1)

We strive to procure goods and services from local suppliers whenever possible. This year, 22.2% of our total spend across the five AOCs was directed toward local suppliers. While this appears lower than the 42% reported in 2023, the difference is due to a refined reporting scope.

We continue to exclude fuel suppliers and lessors while expanding the exclusion list to include payroll and refund-related suppliers, amongst others. This refinement provides a more accurate representation of the suppliers that directly deliver goods and services to us.

Total Number of Suppliers by Country

Malaysia	Thailand	Indonesia	Philippines	Cambodia	Others
3,252	1,450	638	647	159	348

Expenditure on Local Suppliers

	Malaysia	Thailand	Indonesia	Philippines	Cambodia
Foreign	72.2%	89.5%	90.4%	67.8%	49.4%
Local	27.8%	10.5%	9.6%	32.2%	50.6%

● Local   ● Foreign

Proportion of Expenditure on Local Suppliers

ADE
ASIA DIGITAL ENGINEERING

7.6%
(2023: 5%)

The nature of ADE's business is such that it relies heavily on high-value aircraft components from international original equipment manufacturers (OEMs). With that, ADE still managed to increase its local supplier spend by 2.6 percentage points.

santan
Good Food . Good Coffee . Good Value

Inflight:
92.6%
(2023: 98%)

Restaurant:
100%
(2023: 100%)

To ensure the freshness and quality of food for its inflight and catering customers, Santan prioritises sourcing from local suppliers.

GTR
A SATS COMPANY

26%
(2023: 3%)

GTR's business also relies on goods and services obtained from the international market. Despite that, GTR managed to increase local supplier spend to 26%.

Our Critical Suppliers

Critical suppliers are those who deliver services and products that are crucial to our business operations. Since each business function possesses distinct requirements for its operations, Group Procurement, ADE, and Santan established their respective criteria for identifying their crucial suppliers. This year, we identified 153 critical suppliers for the three entities as shown below:

Group Procurement

32
critical suppliers
(2023: 10)

Group Procurement defines critical suppliers as vendors exceeding a minimum spend threshold. This year, the increase in the number of critical suppliers is driven by an expanded scope in how we define and categorise critical suppliers.

ADE

ASIA DIGITAL ENGINEERING

103
critical suppliers
(2023: 82)

ADE defines its critical suppliers as vendors whose products are unique and/or not easily substituted to ensure smooth running of our business, regardless of spend value.

The number of critical suppliers increased as ADE expanded their sourcing scope to support new customers. Previously, ADE's vendor base primarily catered to AirAsia's A320 fleet. Today, ADE also supports AirAsiaX's A330 aircraft and various third-party customers with diverse aircraft configurations.

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Good Food . Good Coffee . Good Value

12
for inflight
6
for catering
(2023: 12 inflight, 7 catering)

The Supplier Quality Programme categorises suppliers based on food safety risk where vendors are ranked from low to high risk.

The decrease from 7 to 6 for our catering suppliers was due to quality and pricing issues with one of the suppliers, leading us to discontinue purchases from them. However, we subsequently replaced this supplier with another from our existing pool.

Critical Supplier Evaluation

Group Procurement

Group Procurement carries out an annual performance assessment of our critical suppliers to ensure standards are met. The assessment covers criteria such as price, quality, delivery, financial health, business integrity, compliance with relevant laws, safety, and ESG practices with weighted scores ranging from poor to excellent. In 2024, 100% of its critical suppliers received performance evaluations with none deemed as underperforming.

In 2025, the team is working to have a more refined and standardised critical supplier performance evaluation score by redefining the severity of business impact based on the goods or services provided by each supplier.

ADE conducts a critical supplier evaluation every two years to assess the quality, cost competitiveness and reliability of suppliers' goods and services. Critical suppliers who underperform or do not perform as per the assessment will be removed from the vendor list.

Santan evaluates its suppliers annually based on quality, pricing, and on-time delivery, with penalties for underperformance in inflight services. The evaluation process was further strengthened - Quality Assurance teams now conduct spot checks on suppliers with repeated food complaints within three months. In 2024, 9 inflight and 6 catering suppliers underwent performance reviews.

Corrective Action Requests (CARs) are issued to those not meeting standards and remain open for three months. Persistent non-compliance results in a formal warning. To enhance the critical supplier review process, the team is looking to set up a monthly feedback-sharing session with critical suppliers to ensure they are aware of their performance, including both positive and negative aspects.
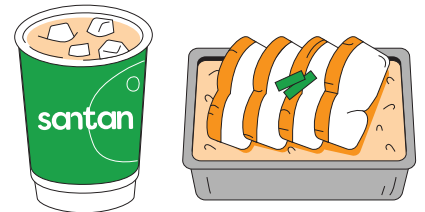
Integrating ESG Criteria in Supplier Performance Evaluation

To align with industry best practices and proactively manage ESG risks, our Procurement team has been working towards embedding ESG criteria into the supplier performance evaluation process. This initiative ensures that our vendors align with sustainability and ethical business practices, reinforcing our commitment to responsible procurement.

A key enhancement to our performance evaluation matrix is the inclusion of an ESG scoring system, which assesses the extent of a supplier's sustainability efforts. This includes factors such as target setting, strategy implementation, and progress tracking on ESG initiatives. By integrating these criteria, we encourage suppliers to actively contribute to a more responsible supply chain. The team at GTR is also doing a similar exercise to incorporate ESG criteria into their supplier performance evaluation.

Additionally, we have introduced a dedicated criterion for Diversity, Equity, and Inclusion (DEI) to promote supplier diversity. This aims to encourage vendors to embrace equitable hiring practices and foster inclusive workplace cultures, in line with our Sustainability Policy.

Through these enhancements, we hope to strengthen partnerships with our suppliers and drive long-term, responsible business growth.

Pioneering Innovations in Aircraft Parts Procurement

Launched in 2022 by ADE, AEROTRADE experienced remarkable growth within a year. To enhance ADE's compliance with regards to the supply chain and trading activities, ADE has achieved accreditation for the ASA-100 certification from the Aviation Suppliers Association. This certification underscores AEROTRADE's commitment to rigorous quality control, parts traceability, and thorough documentation, ensuring compliance with industry best practices while reducing the risk of counterfeit or substandard components in the supply chain.

AEROTRADE is the first business-to-business online marketplace in Asia tailored to alleviate challenges encountered by airlines, OEMs and distributors when procuring and selling aircraft parts. This is done by overriding legacy procurement processes and offering a one-stop solution that streamlines both the buying and selling processes, ensuring a seamless experience for various stakeholders. Initially developed for ADE's internal surplus inventory, the platform has since expanded its reach to include other aviation entities in the region.

By facilitating the resale of inventories including surplus items, AEROTRADE contributes to optimising the use of resources, reducing the need for additional production and minimising overall waste. Being a digital platform, it enables online transactions, thus also eliminating the requirement for paper documentation.

AEROTRADE's performance in 2024:

219
suppliers and buyers onboarded

4,622
Unique part numbers transacted
(Since 2022: 8,865)

AEROTRADE™

USD 135.7 million
worth of inventory for Airbus and Boeing aircraft

AEROTRADE is set to kick off 2025 with a cutting-edge technology stack, enhancing data accuracy, performance, and user experience. By replacing its legacy technology, the platform will overcome previous scalability and efficiency limitations, unlocking a new level of speed and reliability. In addition, ADE is exploring partnerships with external technology and data providers. These collaborations aim to introduce new features and expand the parts catalog, further driving user adoption and solidifying AEROTRADE's position as the industry's go-to platform.

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Guest Experience
(GRI 3-3)

At Capital A, we are committed to not only meeting but surpassing the needs and expectations of our guests and customers by providing exceptional service and products. As we continue to expand into digital innovations, we are enhancing our customers'/guests' experience through new offerings and features in our travel and lifestyle app, AirAsia MOVE.

2024
PERFORMANCE OVERVIEW

33.2 mil
guests performed self check-in

29 mil
guests used Ask Bo

6.4
mishandled baggage/ 10,000 passengers (global average: 69)

76%
on-time performance

89%
load factor for short-haul flights

47
NPS score

86%
CSAT

91.7%
customer satisfaction for BigPay

96%
customer satisfaction for Teleport

NPS score of
49
for GTR

94%
customer satisfaction score for Outclass

>1.3 mil
online users utilised on-demand learning platform to upskill

Our Management Approach

- ISO 10002-2018 Customer Satisfaction and Complaints Management
- AirAsia Complaints Handling Policy Statement

Supporting the UN SDGs

Redefining Travel and Lifestyle

Capital A is dedicated to providing exceptional and seamless travel experiences across all aspects of our operations as we continue to redefine travel and lifestyles within the region. Through ongoing investments into our digital platforms and aviation services, we aim to create a thoughtfully curated ecosystem for our guests to experience at every interaction point. We leverage advanced data analysis tools, including artificial intelligence (AI), big data, and predictive analytics, to better understand and anticipate customer behavior, ultimately enhancing their journey with us.

We maintain multiple customer touchpoints that allow for engagement and feedback, ensuring we continuously improve our service delivery and strengthen the trust our customers place in us.

Customer Touchpoints:

Chatbot	Apps	Live chat	Email channel	E-form

Voice mail	WeChat	WhatsApp

Transforming into a Digital Travel and Lifestyle Brand

Delivering an exceptional customer experience is a top priority for the Group's airlines business as operations expand and passenger numbers rise into the millions, leveraging the power of technology and improving interfaces to meet guests' needs and expectations are of the utmost importance. In 2024, AirAsia continues to improve its digital solutions, enhancing efficiency and also upgrading many of its customer touchpoints with AI capabilities, allowing guests to independently and conveniently manage their entire travel experience - from booking to the completion of their journey.

The following highlights the enhancements we have made across every stage of our customer journey in 2024:

1 AirAsia MOVE

The Group's online travel agency (OTA), the AirAsia MOVE app currently has over 15 million monthly active users (MAU), with the majority based in the Asean region. MOVE's ecosystem offers a comprehensive suite of services, from flight bookings with over 700 airlines, including the World's Best Low-Cost Carrier, AirAsia, along with access to 1.4 million hotels worldwide. MOVE also provides airport transfers, insurance, duty-free shopping, events, and more, creating a seamless travel experience for users. Recognised by the World Travel Awards as 'Asia's Leading Online Travel Agency' in 2023, and Asia's Best Travel Booking App by World Travel Tech Awards for two consecutive years (2023 and 2024), MOVE is committed to driving innovation and sustainability in the travel and services industry.

Below are some of the new features introduced in the app in 2024:

BigPay Lite went live on the AirAsia MOVE app
BigPay Lite wallet is a simplified embedded wallet where users can create a BigPay account directly within the AirAsia MOVE app, unlocking access to exclusive deals and discounts.

App Home & Chat New UI
The AirAsia MOVE app underwent a user-centric redesign to solidify its position as Southeast Asia's leading travel app. The first phase focused on enhancing the app's main page, wallet and chat screen for smoother trip planning and communication. This update also improved check-in accessibility and introduced personalised promotions and product recommendations directly on the app's homepage.

Open Flight Bookings for Guests
We introduced the option for users to make flight bookings as guests for non Asean countries. Users can now select 'Continue as a Guest' during the booking process. This update has led to an 8.4% increase in guest logins among total web bookings.

Manage Booking
We enabled all users who booked AirAsia flights to easily search and manage their bookings. This enhancement has resulted in a 25% monthly reduction in negative sentiment from users who previously struggled to find their bookings.

In 2024, AirAsia MOVE's NPS score was 44, a slight decrease from 49 in 2023. This drop is attributed to the introduction of a new NPS widget, which replaced the previous upfront score collection feature on the app. Additionally, changes in the booking experience due to the sale of AirAsia flights through a particular supplier on FlyBeyond, contributed to the score reduction. Despite the lower NPS score, our customer satisfaction CSAT scores saw significant improvements: live chat CSAT increased from 55% in 2023 to 72% in 2024, and email CSAT rose from 44% to 58%. These improvements are directly linked to the reduction in live chat wait times, which enhanced overall customer experience.

MOVE's Guest Satisfaction Initiatives

- App speed and stability
- Post booking experience and customer support
- Payment stability and options

2 AskBo

Developed through an in-depth analysis of guests' needs and key concerns by the customer happiness team, the AI chatbot, AskBo, continues to be enhanced to provide better support. In 2024, an e-booklet was introduced to help guests navigate AskBo more easily. This year, the focus remains on further improving the following areas:

01 Streamlined flow of AskBo for better guest navigation and ease of use

02 User interface (UI) and user experience (UX) improvements for users' benefit

In 2024, AskBo successfully assisted:

29 million guests

23 million queries resolved

84% Bot satisfaction score

3 Self-Service Solutions

Technology advancements have enabled us to offer increased independence to its guests in travel preparation, significantly reducing or eliminating wait times at airport check-in counters and checkpoints. During the year, self-service solutions were enhanced to provide greater convenience, tailored to the travel patterns of its customers.

a) Self Check-In

To boost utilisation rates, we:

- Enabled check-in for emergency row seats, enhancing accessibility and convenience.
- Pioneered the digitised visa scan function, allowing guests requiring a visa to seamlessly scan their documents via the mobile app during check-in - eliminating the need for manual document checks at counters. This initiative, launched in February 2025, significantly improved counter efficiency and streamlined the check-in experience at the time of writing.

**Self Check-in Utilisation Rate** (only via web and mobile app)

|	MAA	TAA	IAA	PAA	AAC
2023	82%	48%	59%	49%	N/A
2024	69%	50%	56%	50%	30%
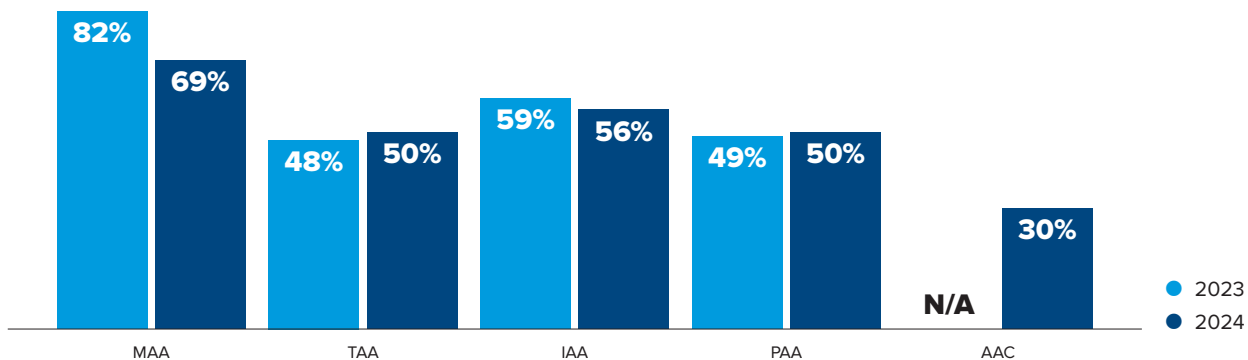
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b) Utilisation of e-Boarding Pass

More guests are choosing e-boarding passes over paper boarding passes each year. The percentage of e-boarding pass usage among total checked-in guests is shown below. Overall, adoption has increased across all AOCs, except for MAA, which saw a decline due to an increase in the number of kiosks for manual check-in and printing of boarding passes. We expect to see an uptake of e-boarding pass usage with the introduction of our new visa scan functionality in 2025.

Utilisation Rate of e-Boarding Pass

AOC	2023	2024
MAA	71%	69%
TAA	43%	51%
IAA	49%	56%
PAA	44%	49%
AAC	N/A	31%
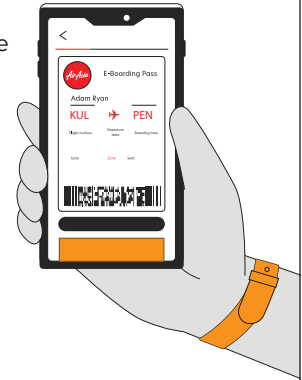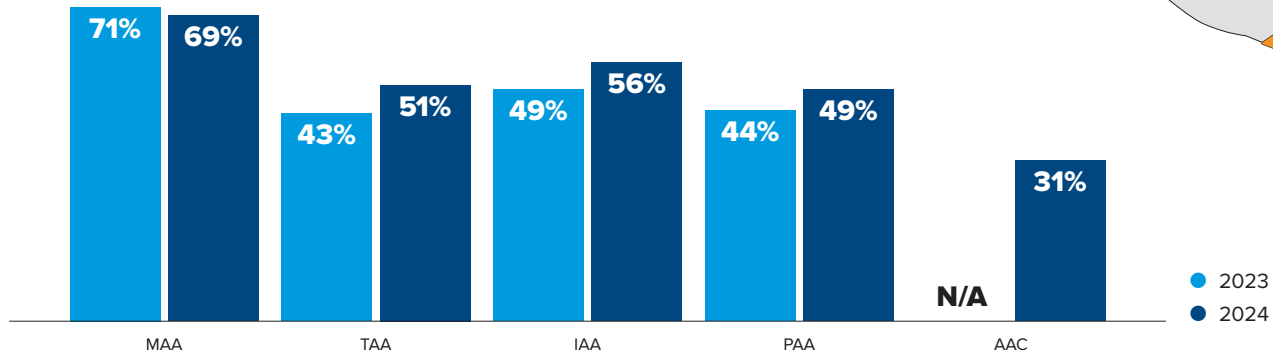
c) Sharing Functionality of e-Boarding Pass

In 2023, we introduced the e-boarding pass sharing feature, enabling two or more guests travelling together to share their booking seamlessly. The data below highlights the utilisation rate of group check-ins completed via mobile and web platforms. Variations in these rates reflect fluctuations in group travel patterns, as such fewer group bookings naturally result in lower utilisation.

Utilisation Rate of e-Boarding Pass Sharing Feature

AOC	2023	2024
MAA	44%	42%
TAA	26%	27%
IAA	35%	34%
PAA	30%	40%
AAC	N/A	18%
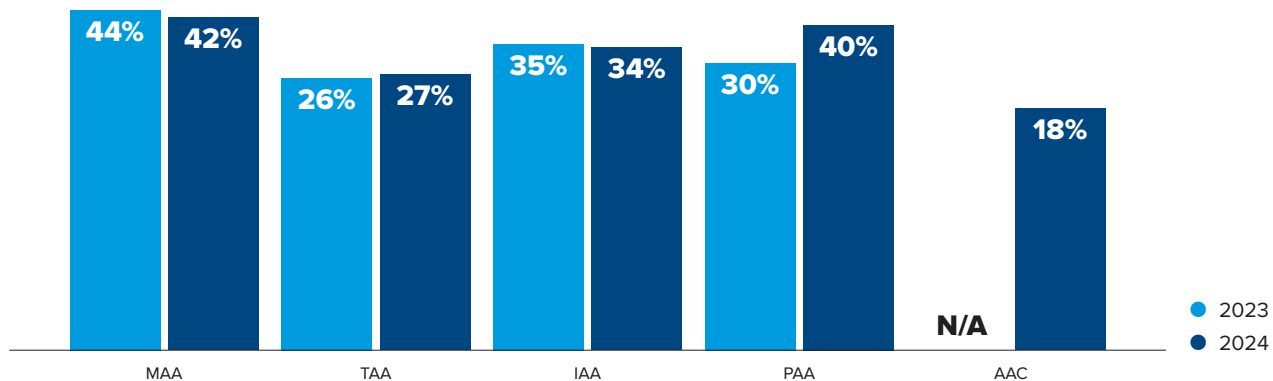
d) Flight Notifications

- Incorporated live journey map
- Introduced automated flight disruption management system, that provides real time flight disruption notifications, empowering guests to independently manage their service recovery through a pre-defined service options

4 Advanced Baggage Tracing System

In 2023, we implemented a significant upgrade to our baggage tracking system by introducing decentralised tracking capabilities and a connected mobile application that enables faster processing of the mishandled baggage (MHB) cases. Previously limited to desktop machines, baggage tracking was extended to a mobile application accessible to ground service personnel on the go. These improvements have resulted in a substantial reduction in case dwell time, enhanced operational efficiencies and improved customer experience. As such, AirAsia's mishandling baggage rate stood at 6.3 per 10,000 passengers, reflecting a 13.7% improvement from the previous year, and significantly below the global average.

According to the SITA Baggage IT Insights 2024 Report, the global mishandling rate in 2023 was 69 bags per 10,000 passengers. AirAsia's mishandled baggage rate is well below global average due efficient operations and checks, bolstered by enhancements in our baggage tracking system. To further enhance the travel experience of our guests and to raise baggage check-in rates, AirAsia will continue automating its baggage handling processes and leverage on the use of AI and computer vision tech.

AirAsia
6.3*
Mishandled baggage per 10,000 passengers
(2023: 7.3/10,000)

Global Average (2023)
69
Mishandled baggage per 10,000 passengers
(2023: 76/10,000)

* Erratum Notice: In our 2023 sustainability report, we disclosed our MHB rate at 4.5 per 10,000 passengers. In fact, this figure only reflected Thai AirAsia's performance. The actual Group-wide rate for 2023 was 7.3 per 10,000 passengers. As this was our first time reporting the MHB rate, we acknowledge the oversight and are committed to maintaining transparency by restating the accurate figures.

Improving Schedule Reliability

In 2024, AirAsia carried over 63 million passengers, achieving an On-Time Performance (OTP) of 76% and a load factor of 89%, despite not operating a full fleet.

Our OTP decreased by one percentage point due to challenges such as Aircraft on Ground (AOG), the lack of standby aircraft, volcanic eruptions along some routes and weather disruptions - particularly typhoons that affected operations in China, Taiwan and Vietnam from July to October.

Meanwhile, load factor increased by one percentage point, driven by a strong demand, which underscores our ability to adapt and meet market needs. As of the writing of this report, AirAsia still has 16 inactive aircraft, with nine expected to return to service in the first quarter of 2025 and the remaining seven in the second quarter of 2025. As more of these aircraft re-enter service, it will allow full fleet optimisation, including allocation of standby aircraft.

OTP
76%
(2023: 77%)

Load Factor
89%
(2023: 88%)

We continue to take proactive measures to improve our OTP through continuous enhancement of our predictive maintenance tools and operations leader walkabouts. During these regular walkabouts, various touchpoints are assessed to identify any potential delay factors. Additionally, the Operations team consistently analyses the root cause of delays to improve turnaround times. While we are still working toward an OTP target of 85%, we have identified key issues and communicated them to the relevant departments and management for further mitigation plans.

ECONOMIC
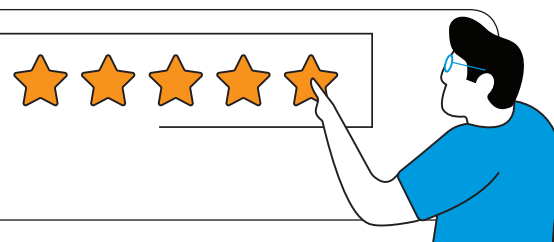# Transforming into a Digital Travel and Lifestyle Brand

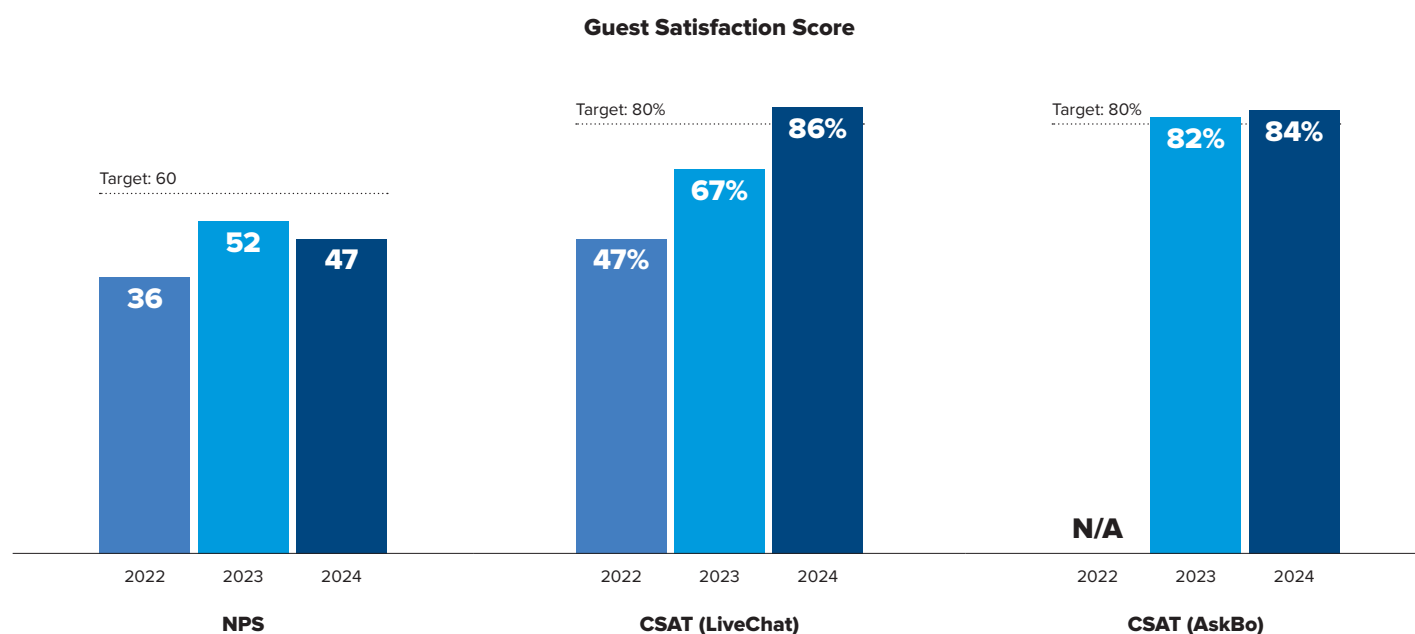## Guest Satisfaction

Net Promoter Score

Metric used by AirAsia and AirAsia MOVE to measure the entire customer experience from booking to the completion of the journey

Customer Satisfaction Score

Assesses customer satisfaction of specific touchpoints

We collect guest satisfaction data through passenger surveys, and use the insights to enhance our operations. In 2024, our NPS score dropped from 52 to 47 due to disruptions caused by a flight supplier, impacting the customer experience. To address this, we have partnered with more reliable suppliers, ensuring a smoother journey for our passengers. However, our CSAT score saw a significant increase, rising from 67% to 86%. This positive outcome was a direct result of our efforts to reduce chat wait times and staff training and coaching.

Guest Satisfaction Score

NPS

2022	2023	2024
36	52	47

Target: 60

CSAT (LiveChat)

2022	2023	2024
47%	67%	86%

Target: 80%

CSAT (AskBo)

2022	2023	2024
N/A	82%	84%

Target: 80%

Some of the initiatives undertaken by AirAsia to improve NPS and CSAT scores are summarised as follows:

Guest Satisfaction Initiatives

Wait Time Reduction

Live chat wait times have been significantly reduced, from 9.8 minutes in 2023 to just 2 minutes in 2024 which improved the CSAT score. Additionally, internal processes were fine tuned to hasten complaint resolution from 10 days to 7 days.

Staff training

Increased staff training and coaching sessions for Allstars on handling customers' complaints and queries.

With over 1.9 million responses from the NPS and CSAT surveys, we are working to introduce a new NPS platform designed to collect more detailed information and better reflect our guests' journey experience.

bigpay

In 2024, Capital A's fintech subsidiary, BigPay successfully expanded into Thailand. Equipped with a Visa virtual card, users can now make payments at over 130 million merchant locations worldwide, both online and in stores. To further enhance the customer experience, BigPay also introduced several new features aimed to streamline transactions and increase convenience.

Stashes
Users can now save and pay later for trips

Cross border payments
Collaboration with AliPay enables payments across Europe, Asean, South Korea, Japan, Australia, New Zealand and the USA

Travel financing
Available for unlimited AirAsia MOVE products

Remit to overseas wallet
BigPay International Remittance enable users to send money to e-wallet, providing more recipient options

BigPay B2B Remittance
A Business-to-Business (B2B) remittance solution in collaboration with AirAsia and its affiliates. These transactions encompass a wide range of activities, including flight ticket refunds and high-value transactions

Travel insurance with Tune Protect
BigPay Travel Easy offers quick, in-app access to comprehensive travel insurance for accidents, medical emergencies, baggage loss, and delays starting from RM35

BigPay tracks its performance and customer satisfaction through an annual customer satisfaction survey. In 2024, more than 12,000 users responded, indicating:

91.7%
Customer satisfaction
(2023: 94%)

100%
complaints received were addressed

The decrease in customer satisfaction can be attributed to an increase in blocked user accounts due to suspicious transactions or activities. When accounts are blocked, emails are sent requesting supporting documents from users. However, some users express dissatisfaction with the time it takes to complete the review process and restore access to their accounts, or, in some cases, to offboard them entirely.

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santan
Good Food . Good Coffee . Good Value

As AirAsia's in-flight catering partner, Santan is committed to consistently providing an exceptional guest experience, while upholding the high standards of taste and quality in its products.

In 2024, Santan expanded its onboard menu to provide a wider variety of options to our passengers. This enhancement is reflected in the positive shift in its NPS score, which showed a decline in negative feedback related to limited menu options, particularly for vegetarian and Western meals.

In line with its commitment to guests' diet and well-being as well as the Malaysian Ministry of Health's move to raise taxes on sugary drinks in response to the growing public health challenge of diabetes in Malaysia, Santan collaborated with the following partners to address sugar intake reduction:

| 01 | Secret Recipe® | launched a Chocolate Indulgence Cake with **50% less sugar** |

| 02 | tealive | offered a boba milk tea with **50% reduced sugar** on flights |

These collaborations underscore a dedication to offering low sugar alternatives while continuing to prioritise the preferences and needs of the guests.

Santan has set in place multiple channels for guests to share their inputs on their experience. Key touchpoints for inflight and catering services include:

Inflight:
NPS, Complaint form (available through crew), social media platforms ie. Instagram and Facebook

Catering:
QR code and Workplace

Santan utilises the airline's post-flight survey to collect customer satisfaction scores from our guests. Hence, please note that this data represents only a portion of Santan's overall customer base, as it is derived from an aggregate source. There was a remarkable 120% increase in respondents, resulting in a higher NPS of 19, up from 9 in 2023. This progress places Santan above the halfway mark toward its NPS target of 35.

4,545
customer feedback received across all the touchpoints

NPS Score
19
(2023: 9)

100%
complaints received were addressed

The improvement in Santan's NPS score can be attributed primarily to the overall quality and taste of our products. However, there were a few detractors during the first half of 2024, mainly due to menu selection and availability challenges caused by stock limitations and loading patterns. Additionally, prebook order accuracy was affected by last-minute flight cancellations and prebooked items were occasionally substituted with other meals due to quality consistency, operational and supply issues.

To address these concerns, corrective action requests (CARs) were issued, including warning letters to underperforming suppliers and activating alternative suppliers as replacements. Moving forward, Santan will continue to monitor supplier performance and implement backup suppliers to ensure consistent product quality and availability.

ⓘ *For more information on Santan's efforts on Encouraging Healthier Choices, please refer to the Food Safety section of this report.*

Some of the initiatives undertaken by Santan to enhance in-flight and ground customers' satisfaction are summarised as follows:

Customer Happiness (CH) x Santan's Quality Assurance (QA)

The CH team provides a weekly update to the Santan QA team, which includes NPS detractors for Santan's analyses

Daily meal test

The Santan QA and Product Team, together with the Inflight Warehouse, conduct daily quality checks on onboard meals against the daily samples. As a result, troubleshooting efforts have reduced complaints

Regional meal test

Onboard meals from all AOCs are delivered to Kuala Lumpur on a monthly basis for testing, to ensure quality standards are consistently upheld across regions

New product sampling programme

Engagement sessions with the Cabin Crew Department are conducted to enhance product knowledge and understanding of new offerings or menus

teleport

Teleport continues to serve various logistics needs through a unique integrated infrastructure. From large cargo to small parcels, Teleport enables its customers to move goods faster and more affordably across the region. By leveraging a seamless customer experience, Teleport's customers can share their feedback through multiple channels - email, live chat, and social media - and rate their experiences on a one-to-five scale. In 2024, Teleport achieved its highest ever customer satisfaction score of 96% surpassing its target.

96%
Customer satisfaction score
(86.6% in 2023; Target 80%)

100%
complaints received were addressed

Other developments include the transition to a new service desk platform. Through this move, Teleport can expect improved support capabilities. By December 2024, 14 teams had successfully migrated to the new platform.

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GTR — A SATS COMPANY

Ground Team Red (GTR) is committed to delivering top-tier ground handling services and enhancing productivity through technology. Currently, GTR serves AirAsia along with 18 other local and global clients. To measure service quality, the team conducts a quarterly NPS survey for its foreign carrier customers, while AirAsia's satisfaction assessment is carried out in collaboration with the internal Customer Happiness team.

By collecting feedback from over 147,000 respondents through the NPS survey, GTR achieved a score of 49, just one point short of its target score of 50. This is a direct result of regular customer service briefings and ongoing training for ground staff, ensuring they understand the specific requirements for performing their duties. Moving forward, GTR plans to further enhance its training programme, tailoring it to meet the needs of GTR's current operations while focusing on addressing key customer experience issues.

In 2024, GTR remained dedicated to prioritising staff well-being through its Ambassador Programme, which focuses on enhancing skills in problem-solving, conflict resolution, handling difficult customers, and effective communication. This initiative has successfully trained over 295 employees.

A significant initiative introduced was the creation of the Service Quality Executive role, tasked with resolving service-related issues and managing staff welfare. As part of this programme, counselling sessions were conducted for all staff at the Kuala Lumpur location and principal hubs. GTR intends to extend these sessions to further stations, aiming to enhance employee well-being and improve service quality throughout its operations.

49
NPS score in 2024
(2023: 49; Target: 50)

Outclass by AirAsia

In 2024, our digital edtech venture, Capital A's airasia academy rebranded itself as Outclass, a next-generation learning platform that offers a personalised learning experience that empowers individuals to bridge their tech skill gaps.

Aligned with UN SDG 4: Quality Education, Outclass combines a hybrid model of on-demand learning (ODL) and instructor-led training, serving as a tool for both individuals and organisational leaders to address talent and career development needs. By offering tailored learning journeys based on users' data and goals, Outclass enables targeted employee development and helps users achieve their career goals.

In 2024, its ODL users reached an all time high of over 1.3 million users with a 94% satisfaction rate. The improvement in learner satisfaction rates stems from:

94%
learner satisfaction rate
(2023: 93%; Target: 80)

>1.3 million
ODL platform users
(↑ 73% from 750,000 users in 2023)

- **Enhanced User Interface** - A more intuitive and seamless design, making Outclass the most user-friendly platform in its category.
- **AI-Powered Assessment Generator** - Enables content contributors to effortlessly create dynamic assessments by simply uploading their educational videos, streamlining the evaluation process.
- **Advanced Monitoring, Tracking & Reporting** - Improved analytics and organisational segregation empower business administrators to tailor learning paths for their teams, ensuring a more personalised and impactful Outclass experience.
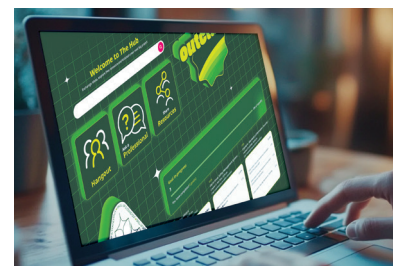
ECONOMIC
Transforming into a Digital Travel and Lifestyle Brand

Technology & Innovation
(GRI 3-3)

Our Management Approach

- Information Security Policy
- Data Governance Policy
- Access Control Policy
- ISO/IEC 27001:2023 - Information security, cybersecurity and privacy protection - Information security management systems
- Personal Data Protection Act 2010
- Data Security and Privacy

Supporting the UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Technology has been the driving force behind Capital A's success, fueling our drive for efficiency and innovation. By embracing the latest advancements, we continuously optimise operations, enhance customer experiences, and maximise value across our business. Leveraging data analytics and automation, we make smarter decisions, reduce repetitive tasks, and focus on building better tools for both our Allstars and guests. With technology at our core, we are not just streamlining processes - we are shaping a smarter, more seamless travel experience for everyone.

2024 PERFORMANCE OVERVIEW

70.2%
corporate data literacy score

15.5 mil
Monthly Active Users for AirAsia MOVE

18 mil
A4 paper eliminated annually through Digital Trip Files

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Improving Operational Efficiency
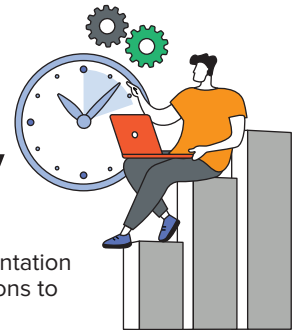
Less visible but equally impactful is progress made in updating legacy ground operations procedures around documentation and filing. This drive, which began in 2020, has seen AirAsia replace thousands of paper documents with digital versions to ease information accessibility and alleviate storage constraints. Below are some highlights of our ongoing efforts:

Digital Trip Files (DTF)

Trip files are sets of documents that are required to be filed to regulators to record each flight arrival. Every trip file contains an average of 20 A4 sheets of printed material.

In 2023, we continued trials with civil aviation authorities in Malaysia, Thailand, Indonesia and Philippines. During this period, digital copies of all trip files were created and stored in internal servers. A major enhancement was to move the digital files from internal to cloud servers for better data protection.

- **18 million A4 pages saved annually**
- **1,825 trees saved annually**
- **45,625 kg of CO_2 reduced annually**

Guest Service Admission

To enhance efficiency and accuracy in our Guest Service transactions, we have fully digitised the cash verification process for station cashiers. This improvement simplifies the verification of cash payments, ensures seamless daily balancing of collections, and guarantees that all transactions align with recorded amounts before funds are deposited. Previously, this process relied on a manual and partially digital system, making the transition a significant step toward greater operational efficiency.

- **315,000 A4 pages saved annually**

Ground Ops Manual Bot

AirAsia's GOMBot is a new interactive search engine application platform that uses artificial intelligence (AI) to assist ground service Allstars retrieve information from manuals and SOPs through their devices. This tool showed great enhancements to our Allstars' ability to assist guests following accurate procedures without the need to print physical copies of manuals annually at all AirAsia stations.

- **Average 800 daily users**
- **Approximately 1.4 million transactions**

Passenger Manifests

Passenger manifests are typically printed one day in advance of a flight as backup for any unexpected system down time. In 2022, AirAsia implemented a system that enabled the auto-upload of manifests to be stored in local drives. Manifests are also automatically shared with immigration departments 30 minutes after a flight departure.

- **2 million A4 pages saved annually**

Optimising Tail Assignment for Fuel Efficiency

An exciting project where the ICT team is collaborating with Flight Operations is the Tail Assignment Optimisation initiative. This strategic process ensures that specific aircraft, identified by their unique tail numbers, are allocated to flight legs in the most efficient way possible.

Rather than assigning aircraft randomly, the ICT team has developed a model that considers key factors such as fuel efficiency, maintenance schedules, crew compatibility, and passenger demand. By leveraging real-time operational data, the model dynamically adjusts schedules and reduces disruptions.

For example, newer aircraft models and those with upgraded engines or aerodynamic enhancements are inherently more fuel-efficient. The tail assignment model prioritises deploying these aircraft on longer routes or high-passenger-load flights, where fuel savings are maximised. Conversely, aircraft that are nearing scheduled maintenance may be assigned to shorter routes.

Following a successful proof of concept in 2024, this ongoing initiative is expected to deliver an estimated 2% reduction in total fuel consumption, equivalent to approximately:

62,000 tonnes
of fuel saved annually

195,000 tonnes
of CO_2 emissions avoided annually

Data Democratisation: Empowering Allstars with Insights

As part of ICT's five-year plan, we are committed to unlocking the full potential of our data assets, laying the foundation for a truly data-driven organisation. By democratising data, we empower Allstars to make faster, smarter decisions - anytime, anywhere, without relying on the IT team's intervention.

Why Does Data Democratisation Matter?

By making data accessible to everyone, it helps to:

1. **Break down barriers** - Ensures open access to data, eliminating silos.
2. **Empower informed decision-making** - Allows more people to use data effectively.
3. **Enhance accountability & transparency** - Supports data-driven strategies across teams.
4. **Leverage advanced technology** - Simplifies data collection, storage, and analysis.

Here are some of our initiatives in 2024 to enhance self-service analytics:

1 Integration of Multiple Data Sources

Our focus in 2024 was on integrating multiple data sources to generate more meaningful insights that drive efficiency and sustainability. For example, we have linked flight booking data with the inflight catering inventory system to track meal orders and passenger preferences. This integration enables better demand forecasting, optimised inventory management, and waste reduction, ensuring that meals are prepared in the right quantities.

2 Citizen Analytics Training

Citizen Analytics means upskilling Allstars who are not so tech savvy to access, analyse, and visualise data independently using self-service analytics tools such as Google's Looker Studio. This breaks down data silos and reliance on IT to provide the data, it helps them to make informed, data-driven decisions.

This hands-on learning training equips Allstars with the skills to create custom reports, identify trends, and optimise operations. The training is delivered on Outclass and is divided into three levels:

Level 1: Introduction to Data Democratisation

Allstars learn the fundamental skills of:

- Cleaning, preparing and analysing data effectively
- Identifying and correcting errors
- Handling missing values
- Transforming data into usable formats

Completed in 2023

Level 2: Building and Visualising Data

Focus is on data visualisation through Tableau Ask Data and Looker Studio:

- Accessing multiple data sources and creating custom charts and dashboards
- Visualising insights in real-time

To be Completed in 2025

Level 3: Machine Learning & Modeling

Enhancing visualisation with AI and ML:

- Allstars can speak or type queries in natural language, allowing AI and Large Language Models (LLMs) to process complex queries and automatically generate insights and predictive models

To be Completed in 2026

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3 Data Literacy Score

The Corporate Data Literacy (CDL) Score measures an organisation's ability to read, understand, create, and communicate data effectively. It evaluates both individual and organisational competencies in leveraging data for informed decision-making.

By assessing this score, we can gauge how well our Allstars utilise data in their daily work and decision-making processes. Enhancing data literacy is essential, as it enables them to access data seamlessly, interpret insights effectively, and ultimately improve their performance and productivity.

Here's how improving data literacy can enhance Allstars' productivity across the organisation:

- **Optimised Resource Usage** - With access to relevant data, Allstars can identify data gaps and inefficiencies, such as inefficiencies in energy, fuel, and resource consumption, leading to smarter usage and cost savings.

- **Enhanced Decision-Making** - Data-driven insights empower Allstars at all levels to make informed choices, improving agility and strategic execution.

- **Greater Efficiency & Accountability** - Real-time data access reduces waste, enhances supply chain efficiency, and enables predictive analytics for better aircraft maintenance, extending lifespan and reducing emissions.

- **Stronger Compliance** - Improved tracking of sustainability KPIs ensures better alignment with regulatory frameworks and corporate sustainability goals.

Our CDL scores have been improving over the years, thanks to increased accessibility to data analysis tools for our Allstars. From 2023 to 2024, we saw a 4 percentage point increase, bringing our CDL score to 70.2%.

Year	Score
2022	58.3%
2023	66.2%
2024	70.2%

Data-Immature	Data-Aware	Data-Informed	Fully Data-Driven
(0-49%)	(50-69%)	(70-89%)	(90-100%)
Limited data usage, intuition-based decisions.	Some teams use data, but silos and inconsistencies exist.	Most teams rely on data, but advanced analytics adoption varies.	AI/ML significantly influences strategy, and automation is widespread.

AirAsia MOVETIX

AirAsia MOVE is expanding its offerings beyond travel to become a global ticketing platform for events and concerts. As part of its goal to become Asean's leading travel booking app and online travel agency (OTA), the platform launched MOVETIX by AirAsia MOVE and has partnered with Ticketmelon, a premier event technology solutions provider, as a strategic partnership to enhance AirAsia MOVE's ecosystem and offer extensive ticket inventory to live events and concerts across the region.

15.5 million
Monthly active users
(2023: 14.2 million)

6 million
Newly registered users
(2023: 6.3 million)

Embedding BigPay Lite Wallet

In 2024, AirAsia MOVE also introduced the BigPay Lite wallet, a simplified embedded wallet, into the app. Users can create a BigPay account within seconds, and enjoy the same seamless in-app payment experience of the full BigPay wallet without having to exit the AirAsia MOVE app. It's a strategic move to make BigPay the preferred payment option within the AirAsia MOVE ecosystem with exclusive perks like special discount and priority access to AirAsia MOVE's tailored promotions.
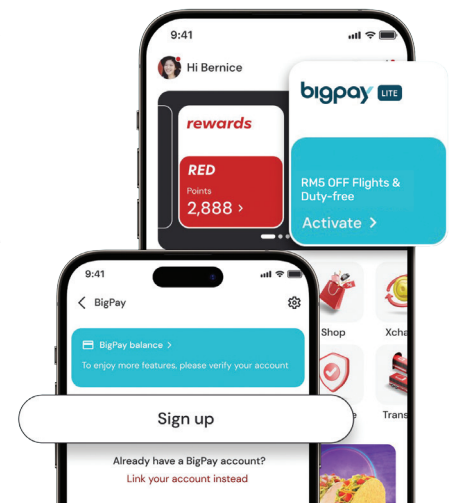
Asia's Best Travel Booking App - World Travel Tech Awards 2024

AirAsia MOVE's recognition as Asia's Best Travel Booking App for the second consecutive year highlights its commitment to leveraging technology to enhance the travel experience. By integrating flights, accommodations, airport rides, and event access into a seamless digital platform, AirAsia MOVE continues to make travel more accessible, efficient, and enjoyable.

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bigpay

As a digital bank, BigPay focused on improving its internal systems in 2024 through partnering with international technological solution providers. Two key initiatives are:

1 AI-Powered Fraud Detection & Anti-Money Laundering System

BigPay prioritises stringent anti-money laundering (AML) monitoring to ensure secure and compliant transactions. In 2024, the team worked with a data science company that specialises in real-time machine learning to identify fraudulent payment transactions. This upgrade replaces the previous fragmented system where they had to rely on three separate platforms to monitor different aspects of transactions with a unified, AI-powered solution.

By leveraging the latest technology, BigPay has improved its efficiency, accuracy, and response times in detecting and preventing fraud and anti-money laundering violations. Additionally, this integration is expected to reduce BigPay's monthly risk-related costs by approximately 40%.

2 Enhancing Transaction Transparency

To improve BigPay's data on merchant information, the team partnered with an advanced transaction enrichment solutions provider to improve merchant transaction data accuracy for users. This upgrade allows users to verify and report merchant information, such as name, logo, and location, directly within an app, improving transaction transparency and data insights.

With this crowdsourcing approach, BigPay gains valuable insights into merchants and a deeper understanding of user spending behavior. In turn, users benefit from reliable, up-to-date merchant information, empowering them with better analytics to manage their spending habits.

> **Moving into 2025, BigPay will be focusing on architecture simplification to improve system scalability, reduce operational complexity, and enhance performance.**

santan
Good Food . Good Coffee . Good Value

Santan continued to explore two initiatives that center around utilising technology:

1 Model for Demand Planning

Santan utilises technology to combat its primary challenge - food waste on board. In 2024, the team collaborated with the Group ICT team to develop a predictive model for the demand planning of perishable meals. This ongoing project allows demand planners to cross-check and validate the model's accuracy through regular feedback, ensuring that it can accurately forecast the number of meals required per flight. The model also takes into account passenger profiles and eating habits, enabling Santan to better align meal supply with demand and reduce food waste, while enhancing the overall in-flight catering experience.

2 Digitising the Prebook Process

The team is looking to enhance the onboard point of sales (POS) system by fully digitising the prebook process in 2025. This aims to streamline operations and significantly reduce environmental impact by eliminating paperwork throughout the entire supply chain. This reduces the dependency on printed documents, such as inventory lists, prebook confirmations, and onboard sales records. The upgraded system will also enable seamless digital management, from the warehouse to inflight operations and passenger interactions.
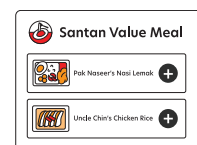
teleport

In 2024, the Teleport team introduced various technologies to make their operations more efficient. These include:

1 OneTeleport app

The Teleport team leverages the One Teleport app that integrates all data points into a single platform, which digitises the manual processes of parcel tracking with real time visibility of end-to-end journey of the parcel. This enables us to streamline logistics, optimise transportation planning, and reduce unnecessary emissions, reinforcing our commitment to sustainable and efficient delivery operations.

2 Cargo planning software

To maximise all available capacity, Teleport harnesses the capabilities of advanced algorithms and AI-driven optimisation in its cargo planning software. This technology enables Teleport to efficiently utilise space within containers, pallets, and aircraft cargo holds, ensuring minimal wasted capacity and precise packing of shipments.

The system lowers fuel consumption and emissions per unit of cargo transported as well as streamlines loading processes, reducing turnaround times and enhancing overall operational efficiency.

3 Algorithmic batching to reduce Scope 3 emissions

Teleport leverages AI-powered algorithmic batching to reduce Scope 3 emissions. The algorithm groups deliveries by proximity, optimises routes and minimises the distance and number of trips required per delivery partner. The optimisation of routes minimises unnecessary detours, reduces the total number of trips required per delivery partner, and lowers overall fuel consumption.

ADE
ASIA DIGITAL ENGINEERING

ELEVADE

ADE stands out in the Maintenance, Repair, and Operations (MRO) industry by going beyond traditional engineering and maintenance practices. By integrating digital solutions, it streamlines essential aircraft maintenance and engineering management functions, making processes more efficient and convenient.

ELEVADE™ is Asia's first all-in-one digital solution designed for the airline and MRO industries. This platform integrates key functions like fleet management, aircraft health monitoring, and workforce optimisation for greater efficiency and precision. The platform has three pillars:

1 Fleet

Features aircraft health and deferred defect management that allows aircraft health monitoring in real time.

Also, the newly-launched record management module that utilises Generative AI technology to extract, digitise and contextualise handwritten texts is currently being used internally within ADE. This module is further enhanced with the Robotic Process Automation (RPA) integration to minimise data entries by humans.

This saves valuable time, leading to improved passenger safety and adherence to regulations.
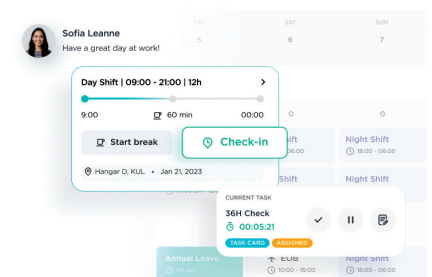
2 People

This in-house web and mobile-based time tracking system is designed to manage employees' shifts.

It provides live employee updates, including geo-fenced attendance tracking roster and overtime claim management.

3 Material

The cabin monitoring module leverages advanced RFID scanning technology from Zebra Technologies to streamline and accelerate aircraft life vest inspections, ensuring efficiency, accuracy, and safety, because every life vest matters.

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In 2024, ADE partnered with Revima to enhance the ELEVADE™ platform through the integration of Revima's advanced Auxiliary Power Unit (APU) predictive maintenance solution, PREDICARE. This collaboration aims to help airlines harness real-time insights and predictive capabilities for improved fleet reliability and reduced downtime. ADE has also engaged in a similar collaboration exercise with a Tier 1 aerospace manufacturing company, Liebherr, to explore predictive maintenance abilities for the aircraft bleed and air conditioning systems.

Currently, three additional Asian airlines are trialling ELEVADE™, which is already monitoring over 200 aircraft and 3,000 personnel across Asean.

Malaysia's Largest 14-Line Aircraft Maintenance Hangar

In September 2024, ADE proudly unveiled its state-of-the-art 14-line Maintenance, Repair, and Overhaul (MRO) hangar, spanning over 380,000 square feet. It is Malaysia's largest maintenance facility capable of servicing 14 aircraft simultaneously, significantly enhancing operational efficiency and reducing turnaround times for airlines.

With a high-capacity design, it supports fleet growth and increasing maintenance demands while integrating advanced tooling and digital monitoring systems for improved efficiency.

The hangar features dedicated workshops, including:

Composite Workshop	Sheet Metal & Machine Workshop	Upholstery & Cabin Interior Workshop

Additionally, it houses a Digital Product Development Centre, where our product development team will continue to work on our revolutionary digital products, such as AEROTRADE and ELEVADE, on-site at the hangar, positioning ADE as one of the most extensive MRO providers in the region.

Strategically located within KLIA Aeropolis, the facility enhances ADE's position as a leading MRO provider, attracting both local and international airlines. This expansion not only boosts ADE's service capabilities but also solidifies its reputation as the leading MRO facility in the region.

ADE is currently exploring the installation of solar panels on the open car park area of the MRO facility as part of its commitment to energy efficiency. This initiative is still under study, with assessments underway to evaluate feasibility, potential energy savings, and overall environmental impact. If implemented, the project could further enhance ADE's efforts in reducing its carbon footprint and integrating renewable energy solutions into its operations. Additionally, the team is working towards obtaining GreenRE certification for the hangar, a Malaysian green building standard that promotes sustainability through energy efficiency, water conservation, and eco-friendly practices - further demonstrating its commitment to responsible infrastructure development.

ADE recently expanded beyond Malaysia with the launch of ADE Cambodia, its first international entity, in joint venture with Sivilai Asia Co Ltd. This expansion aims to strengthen Cambodia's aviation ecosystem, particularly in support of the latest AOC. Headquartered at Phnom Penh International Airport, Cambodia's busiest airport and primary international gateway, ADE Cambodia is strategically positioned to efficiently serve the region's aviation needs. Plans are also in place to expand operations to other airports across Cambodia, leveraging Phnom Penh's key role in connecting the country to global markets.

GTR
A SATS COMPANY

GTR's technological focus involves integrating appropriate software solutions. This includes:

1 Baggage Reconciliation System (BRS)

Lost or mishandled baggage is a major concern for travelers. The Baggage Reconciliation System (BRS) directly addresses this challenge by ensuring that every checked bag is correctly matched with its passenger before being loaded onto an aircraft.

The BRS functions by scanning baggage tags and cross-referencing them with passenger manifests. This digital safety net prevents mishandling and drastically reduces lost luggage incidents, ensuring that passengers and their belongings reach their destinations together.

2 Baggage Tracking System

In 2024, baggage management was taken to the next level by integrating the BRS with the Baggage Tracking System (BTS). This combination provides end-to-end visibility, from check-in to baggage claim.

The BTS pinpoints the real-time location of each bag from check-in to arrival at the baggage claim area, while the BRS ensures accurate matching with flight and passenger data. This integrated approach significantly streamlines operations, minimises handling errors, and improves overall passenger experience by reducing the risk of lost or delayed luggage.

AirAsia Magic

As the first organisation in Malaysia to receive CAAM's approval to conduct remote pilot training, AirAsia Magic, formerly known as AirAsia Drone, continues to expand on its vision to pioneer the commercial application of emerging technologies in advanced air mobility and to expand AirAsia's connected network beyond airports.

The AirAsia Magic team focuses on three main areas:

- Remote Pilot Training Organisation (RPTO)
- Unmanned Aircraft Systems Services (UAS/Drones) - Delivery and Inspection
- Electric Vertical Take-off & Landing (eVTOL/Air Taxi)

1 Remote Pilot Training Organisation (RPTO)

CAAM's first accredited Remote Pilot Training Organisations since January 2022, the AirAsia Magic team has trained and certified close to 750 commercial remote pilots. As a CAAM-recognised Training Organisation, Magic has since broadened its scope to offer wider aviation-related training, including Dangerous Goods Competency Based Training, Crew Resources Management (CRM), and First Aid.

It has also formed new partnerships across Malaysia on RPTO including:

- **Fire & Rescue Department of Sabah** - Working towards qualifying its headquarters in Kota Kinabalu as a CAAM-certified RPTO training ground, enhancing firefighting and rescue training capabilities in Sabah.
- **GIT Academy** - Partnering with one of Malaysia's largest and oldest Tourist Guide training academies licensed by the Ministry of Tourism, Arts and Culture (MOTAC) to enhance tourist guide capabilities and promote drone safety culture among travellers.

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2 Unmanned Aircraft Systems (UAS/Drones)

Beyond Visual Line of Sight (BVLOS)

The team has been working closely with CAAM on a UAS project focused on Beyond Visual Line of Sight (BVLOS) drone operations. BVLOS refers to flying a drone beyond the operator's direct line of sight, a key capability needed for tasks such as unmanned cargo delivery, infrastructure and agriculture inspections, where the drone may operate beyond the operator's visual range. The results of these ongoing discussions are expected to be realised in 2025.

Heavy-lift Drone Solution

The team is also exploring heavy-lift drone solutions for the Sarawak state to provide cost-effective, high-efficiency logistics services to rural areas. Heavy-life drones are capable of transporting large and heavy payloads that will overcome the challenges posed by difficult terrain, limited road infrastructure and long distances. Leveraging this technology is crucial to improving the quality of life for communities in rural Sarawak and drive economic growth.

Unmanned Nested Operations for National Energy Facilities Monitoring

The team has also been having strategic discussions to implement unmanned nested operations at Tenaga Nasional Berhad's substations throughout Peninsula Malaysia. The initiative aims to enhance monitoring capabilities by enabling real-time inspections, which will significantly reduce the need for manual interventions in potentially hazardous environments. With enhanced automation, data collection will be more precise, leading to better-informed decisions and more accurate analyses of necessary solutions which is key to conducting predictive maintenance. This project is expected to be deployed in 2025.

Improving accessibility to the interior region of Sarawak state with Drone technology

The Drone team facilitates the delivery of essential supplies to regions in Sarawak that are otherwise difficult to access due to challenging terrain and limited infrastructure. This initiative not only underscores the practical applications of drones but also highlights AirAsia Magic's commitment to social impact and improving the quality of life for underserved populations.

3 Air Taxi/eVTOL

AirAsia signed a non-binding memorandum of understanding with Avolon to form a joint working group to conduct market research on potential use cases and customers, local partners, infrastructure requirements, certification and commercial model, including the applicability of a ride sharing platform in preparation for the approval of Vertical Aerospace's VX4. It is the latest fully electric, zero-emissions eVTOL aircraft for more sustainable, efficient, and quiet air travel. With anticipated certification expected by 2028, the team is conducting essential groundwork to support the immediate deployment of this groundbreaking technology.

Exploring the Future of Electric Aviation

AirAsia joined Heart Aerospace's Industry Advisory Board in September 2024 to support the development of the ES-30 hybrid-electric aircraft. Designed for 30 passengers, the aircraft offers a range of 200 km on electric power and 400 km with hybrid-electric propulsion. This initiative aligns with AirAsia's commitment to reducing its carbon footprint and exploring zero-emissions solutions. The ES-30 has the potential to transform short regional flights, offering a low carbon alternative for the future of air travel.

ECONOMIC
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Information Security & Data Privacy
(GRI 3-3)

Our Management Approach

- ISO/IEC 27001 Information Security Management System with certification on core services
- Payment Card Industry Data Security Standard
- Information Security Policy
- Data Governance Policy
- Data Security and Privacy Policy
- Personal Data Protection Act 2010 and other various acts in the jurisdictions we operate
- Quarterly reviews with the Risk Management & Sustainability Committee (RMSC)

Supporting the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

In today's digital world, keeping information secure and protecting data privacy is more important than ever. Capital A is committed to keeping our stakeholders' information safe and continuously investing in stronger cybersecurity systems and processes. The July 2024 CrowdStrike outage which caused a global systems crash - including some of our systems - was a strong reminder of why cybersecurity and business continuity planning matter. The event reinforced our focus on building resilience and staying prepared for future challenges.

2024 PERFORMANCE OVERVIEW

88.5%
Allstars completed information security awareness training

146
Report on Compliance performed

Developed 18-month cyber security **strategy**

2
phishing simulation conducted

0
customer privacy breach

Managing Cyber Security

We empower all Allstars, from non-executives to senior management, with the knowledge to protect their data, as well as data belonging to the Group and our stakeholders. The Information Security Framework highlights the roles and responsibilities of the following key personnel:

Board Risk Management and Sustainability Committee

**Information Security Management System
Management & Leadership Committee**
(Chaired by President of AAAGL)

Group Chief Information Security Officer	Head Group Security	Group Legal	Group Information, Commercial & Technology

**Information Security Management System
Working Group**

GROUP CHIEF INFORMATION SECURITY OFFICER (CISO)

- Process owner of all assurance activities related to confidentiality, integrity and availability of data.
- Works with executive management to establish, implement, and maintain information security management programmes to ensure information assets are adequately protected.
- Reports regularly to the Board, providing updates on information security posture, as well as proposed changes and solutions to strengthen security and protection.

INFORMATION SECURITY MANAGEMENT SYSTEM (ISMS) MANAGEMENT AND LEADERSHIP COMMITTEE

- Establishes security objectives and provide resources to implement the ISMS framework.
- Reviews and monitors remedial action for any information security incidents.
- Oversight on the information security posture within the organisation at least once a year.

ISMS WORKING GROUP

- Drives programmes and initiatives to ensure information security awareness.
- Reports to ISMS Management and Leadership Committee on overall effectiveness of security controls and any audit findings.
- Analyses and takes corrective action on any security reports.

Information Security Policy

Capital A aims to protect the organisation against internal and external threats, whether intentional or unintentional, focusing on the three core principles of information security: confidentiality, integrity and availability.

The policy is built on the Payment Card Industry Data Security Standard and ISO/IEC 27001:2022 Information Security Management System amongst other standards. We are committed to safeguard the personal data of our customers and comply with the applicable data protected laws, including the Malaysian Personal Data Protection Act 2010, and other similar regulations in the respective jurisdictions.

Report on Compliance

A Report on Compliance (RoC) serves as an important assessment tool to ensure that new or enhanced systems meet Capital A's security requirements. It provides a structured evaluation process to verify compliance with our Information Security Policy, identify potential vulnerabilities, and ensure that security controls are effectively implemented before deployment. In 2024, we performed:

146 RoC assessment	**87%** completion rate

This practice reinforces our commitment to maintain a secure digital environment, mitigating risks, and upholding data protection best practices.

Risk-Driven Cyber Security Strategy

In line with our commitment to robust cybersecurity, we developed and received approval for an 18-month Cyber Security Strategy this year. This strategic plan, scheduled for implementation in 2025, emphasises the protection of critical assets and data, optimises cybersecurity investments, and ensures cyber risk remains within our organisational risk tolerance.

The strategy includes the following workstreams:

Cyber Security Risk Management	Cyber Defence	Cyber Security Behavior	Identity and Access Management Workstream
• Perform Cybersecurity Business Impact Assessment, based on Cyber threat scenarios. • Evaluate risk posture of systems and develop action plans for risk reduction. • Perform cyber assurance for third parties and value chain.	• 24-hour real-time monitoring and automated alert of malicious events via Security Monitoring Solution (SIEM) software. • Structured and timely incident response to minimise business operation interruption.	• Establish Cyber Security Awareness Curriculum with clear definition of 2025 targeted Cyber topics and agenda. • Conduct periodic phishing awareness and simulation. • Develop engaging awareness materials.	• Improve tracking, monitoring and consistent governance of access and accounts. • Implement 'least privilege' concept where users only have access to specific information resources. • Standardise segregation of duties.

We are in development of two other key management approaches to enhance cybersecurity that is set to be implemented by the first quarter of 2025:

1 Unified Control Library

The Unified Control Library, based on the Information Security Forum's (ISF) Standard of Good Practice (SoGP), is a comprehensive framework designed to consolidate multiple cybersecurity standards and regulations. By integrating requirements from:

• ISO 27001
• NIST Cybersecurity Framework (CSF)
• PCI DSS
• Country-specific cybersecurity regulations (Malaysia, Thailand, China, Philippines, and Cambodia)

This unified approach improves efficiency and consistency, ensuring a stronger cybersecurity posture across all regulations.

2 Cyber Security Risk Management Framework

The team is developing a Cybersecurity Risk Framework based on the ISF Information Risk Assessment Methodology 2 standard. This framework will provide a structured approach to assessing and managing cybersecurity risks by incorporating:

• Business Impact Assessment
• Threat Prioritisation
• Vulnerability Scoring
• Likelihood Evaluation
• Risk Calculation
• Risk Mitigation

Cyber Security Awareness

We constantly raise awareness on cyber security among our employees and our intermediaries through training modules, desktop exercises and assessments.

1 Phishing Simulation Campaign

Since 2023, we have been running simulated phishing tests to gauge how well our Allstars can spot and report phishing attempts. We added a built-in reporting function directly in the email inbox to make reporting easier, allowing Allstars to flag suspicious emails instantly for our Information Security Operations Team to review.

In 2024, we conducted:
2 phishing simulation campaigns

Following each campaign, we reinforced key tips on identifying phishing emails and encouraged Allstars to complete the Group's mandatory information security training to strengthen our overall cybersecurity awareness.

2 Information Security Training

All Allstars are required to complete an annual 40-minute Information Security Training module. The module was recently moved to the Outclass platform and covers the importance of information security, common cyber threats, password management best practices, and how to handle sensitive data and implement security measures for work devices.

Allstars must score 80% or higher on a quiz to successfully complete the training. The current completion rate is only 88.5% due to the recent transition of platforms.

40 minute
module

88.5%
completion rate
(2023: 82%)

3 Cyber Drills

Cyber drills are table top exercises that simulate security procedures, processes and solutions to function the way they were meant to be. The information security team will simulate a real cyber attack on business entities' digital systems and technologies. The respective teams need to respond, troubleshoot and remediate the issue. Results from the exercise will help the information security team to address the gaps identified. In 2024, we conducted one drill.

4 Posts on Workplace

We share new trends, best practices and reminders on information security via our internal communications platform to ensure our Allstars stay abreast of key information security topics.

⭐5 Secure Coding Awareness Training

Attended mainly by developers and software engineers, the 30-minute training shares the principle of designing code that adheres to code security best practices, safeguards and protects published code from known, unknown and unexpected vulnerabilities such as security exploits, embedded credentials, shared keys, confidential business data and personally identifiable information. In 2024, we had:

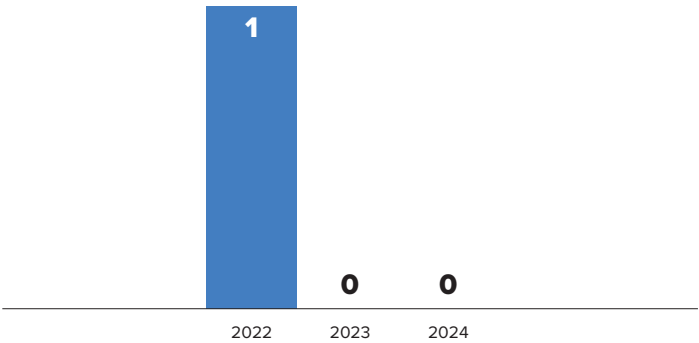## 342
participants

97%
completion rate

Complaints or Material Breaches
(GRI 418-1)

In 2024, there were no material breaches or complaints concerning breaches of customer privacy or loss of customer data.

Breach of Customer Privacy Data

Year	Count
2022	1
2023	0
2024	0

Looking Back at the Crowdstrike Global Outage - July 2024

The July 2024 CrowdStrike outage affected over 6,000 Windows desktops and servers, causing nearly 14 hours of system downtime, according to Navitaire. The estimated sales impact ranged from USD $11.1 million to $12.7 million within 24 hours.

Our Business Continuity and Disaster Recovery plan was activated to handle disruptions caused by the outage. With lessons learned after recovery, we reviewed our BCP to enhance its effectiveness in mitigating future digital risks.

Incident Report Channels

In the event of an information security threat, Allstars must report the incident to the Information Security team. Upon receiving the report, Security Operations will assess and classify the issue based on its severity, then initiate an investigation while notifying all relevant teams. The response process includes containment, isolating the affected system, recovering impacted systems, and deploying backup solutions to ensure business continuity.

Reporting of information security incidents, such as the discovery of unauthorised network/data access, or interference with technology may be done via:

Email:
Infosec.incident@airasia.com

Transforming into a Digital Travel and Lifestyle Brand

Continuous Enhancement of Security Measures

In 2024, we enhanced several initiatives as part of our continuous efforts to ensure our security controls and processes are in order. This helps us maintain vigilance and mitigate evolving cyber security threats. These include:

- ## Vulnerability Assessment and Penetration Testing (VAPT)

    VAPT is a security review of the Group's IT infrastructure, network and web applications. It allows us to have a more detailed view of the threats facing our applications. Our penetration testers are responsible for identifying vulnerabilities within the Group's computing environment and for writing VAPT reports. These reports are sent to the respective system or application owner for remediation.

- ## Bug Bounty Programme

    This programme incentivises ethical hackers to identify and report vulnerability in our external-facing systems. This helps us to strengthen our digital defenses and address security gaps against potential threats before they can be exploited.

- ## Privileged Access Management (PAM)

    A set of security controls that are put in place to protect, monitor, and manage privileged access to sensitive information and systems. This was officially implemented in 2024.

bigpay

Protecting the Data of Customers

As a neobank, BigPay continuously tightens its security protocols to protect customers' data. To reinforce cybersecurity awareness within the organisation, 135 BigPay employees have participated in security awareness training and phishing simulation exercises, ensuring they remain alert to potential threats.

For customers, BigPay actively runs educational campaigns across its social media platforms, providing tips and updates to help users recognise and protect themselves against suspicious activities and cyber threats.

To report any threats or incidents of scam on BigPay, please contact the BigPay team through their 24-hour in-app chat function or the Malaysian National Scam Response Centre at 997.

ENVIRONMENTAL
Addressing Climate Change

Climate Strategy
(GRI 3-3)

Our Management Approach

- Environmental Policy Statement
- Sustainability Policy
- Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) requirements
- International Civil Aviation Organization requirements
- Environment Manual
- Environmental Quality Act 1974

Supporting the UN SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE **12** RESPONSIBLE CONSUMPTION AND PRODUCTION **13** CLIMATE ACTION **17** PARTNERSHIPS FOR THE GOALS

Capital A remains committed to addressing the impact of climate change and has set the goal of achieving Net Zero carbon emissions by 2050. To reach this goal, we have outlined four aviation pathways, supported by additional initiatives under our Sustainability Policy Statement. These efforts focus on reducing our pollution, greenhouse gas (GHG) emissions and energy consumption, while also promoting responsible water management and protecting biodiversity. In 2024, no sanctions nor any non-compliance was recorded in relation to environmental regulations or requirements.

2024 PERFORMANCE OVERVIEW

63.7
gCO_2/ASK

72.3
gCO_2/RPK

129,189 tonnes
CO_2 avoided through fuel efficiency programme

7,318,208 tCO_2e
of total emissions

107,033 m³
of water used

ENVIRONMENTAL
Addressing Climate Change

Net Zero by 2050

2024 Overview

With the commencement of the first phase of ICAO's CORSIA, Capital A's aviation arm, AirAsia, is required to meet regulatory compliance on emissions reduction for the first time alongside hundreds of airlines around the world. CORSIA, or the Carbon Offsetting and Reduction Scheme for International Aviation, came into force in 2021 as an emissions capping scheme requiring eligible airlines to jointly offset emissions exceeding a pre-determined baseline.

Starting this year, the baseline for CORSIA was lowered to 85% of 2019 levels covering the three-year period between 1 January 2024 and 31 December 2026. With this downward revision from the 2019 emissions baseline of the preceding CORSIA pilot phase, the likelihood of the aviation industry exceeding the baseline is high, with most aviation traffic analysis reporting full recovery of the international aviation sector between the third and fourth quarter of 2024. Impacted airlines, including AirAsia airlines in CORSIA participating states, will be required to fulfill their offsetting obligations for Phase 1 by mid 2028, taking into account a time lag for emissions monitoring, reporting and verification (MRV) purposes as well as for ICAO processes to compute sector growth factors and operator offsetting requirements.

In ASEAN, national governments have also stepped up their commitments to advance aviation decarbonisation through a series of announcements. In February, Singapore published its Sustainable Air Hub Blueprint, followed by Malaysia's Aviation Decarbonisation Blueprint (MADB) and Indonesia's SAF Development Roadmap in September. The Philippines initiated stakeholder consultations to develop a SAF roadmap while Vietnam announced its intention to join CORSIA in 2026.

Net Zero Modelling

In October 2024, ICAO released its CORSIA Annual Sector's Growth Factor (SGF) stating that annual emissions for 2023 did not exceed the 2019 baseline, thereby closing the CORSIA pilot phase without requiring offsetting by the aviation sector.

Based on this outcome, AirAsia reviewed its net zero modelling assumptions and concluded that no change to its net zero targets is required. As such, the aviation group is retaining its emissions reduction targets from 2023, as aligned to ICAO's Long Term Aspirational Goal (LTAG) neutral scenario.

Legend: Aircraft Tech • Operational Efficiency • SAF • Carbon Credits • Remaining CO_2
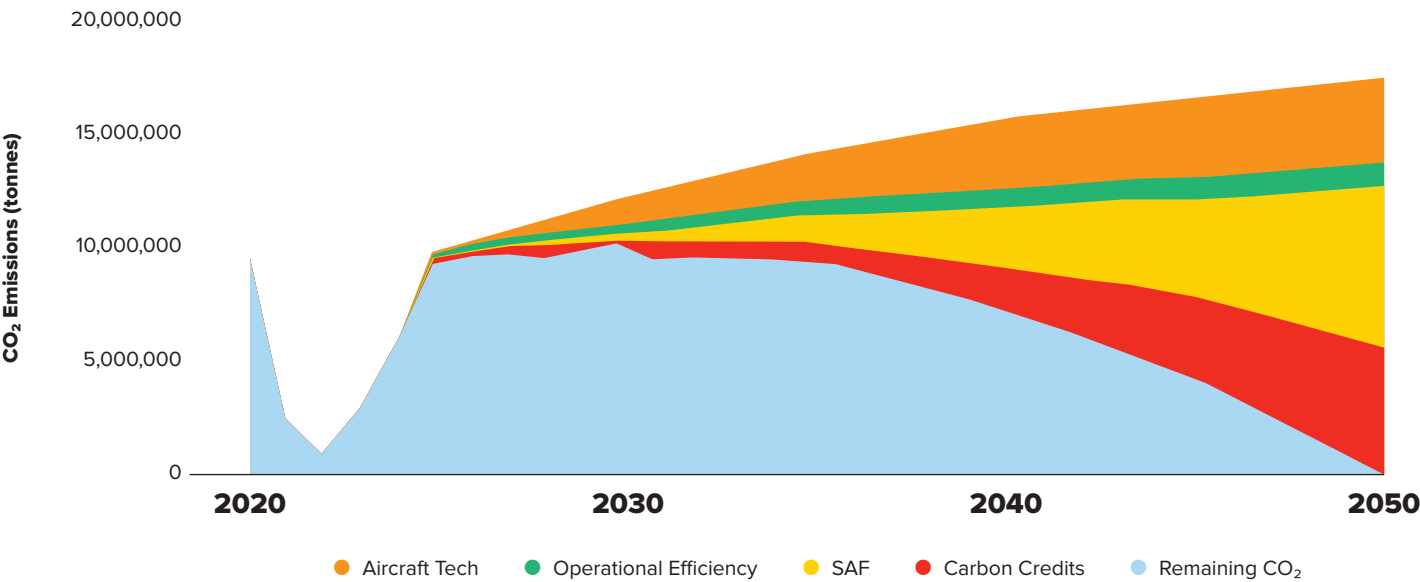
Year	2025	2030	2035	2040	2045	2050
Total Emissions Reduction Target (Baseline Year: 2019)	5%	20%	35%	55%	75%	100%

AirAsia will be leveraging on four pathways namely, investing in operational efficiency measures, new aircraft, utilising sustainable aviation fuels and offsetting remaining emissions with CORSIA eligible carbon credits.

To meet its 2025 target to reduce overall emissions by 5%, AirAsia expects to deliver up to 3% of emissions reduction through its fleet upgrade programme and continuous improvement of its operational efficiency programme, including the introduction of new measures. The balance will be offset using CORSIA eligible credits.

AirAsia expects to introduce SAF use into its basket of measures from 2027 with the prospective introduction of SAF mandates in one or more of AirAsia's AOC countries. SAF use will account for between 5 to 10% of emissions reduction between 2030 and 2035, ramping up thereafter in tandem with prospective increases in SAF production regionally to reach a high of 41% by 2050. By 2050, the group expects to utilise carbon offsets to address 32% of emissions.
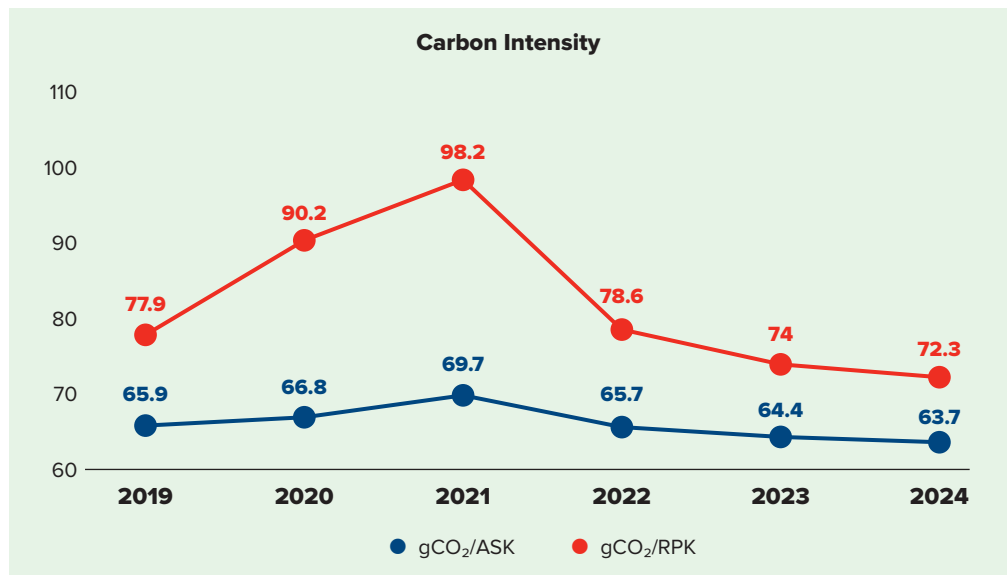
Progress made in advancing the four net zero pathways in 2024 is detailed below.

Pathway 1: Operational Efficiency
(GRI 305-4)

AirAsia continues to closely monitor the implementation of its operational efficiency programme across all its airlines. In 2024, AirAsia airlines tracked performance of 21 operational efficiency measures which delivered a slight improvement in the Group's carbon intensity measures compared with the previous year. The Group's CO_2/ASK dropped by 0.7g with the biggest contribution by efficiency improvements in its Philippines operations while CO_2/RPK fell by 1.7g due to slightly higher load factors across the board.

Recognising that implementation rates of existing operational efficiency measures for AirAsia's A320-majority fleet are close to optimal, AirAsia invested in new efficiency measures to further advance its industry-leading fuel efficiency programme.

Carbon Intensity

Year	gCO₂/ASK	gCO₂/RPK
2019	65.9	77.9
2020	66.8	90.2
2021	69.7	98.2
2022	65.7	78.6
2023	64.4	74
2024	63.7	72.3

A major addition to the programme in 2024 was the launch of its 'APU Off' programme with the introduction of cutting-edge ground support technology at its main hub in Kuala Lumpur. Starting October, AirAsia began trialling the use of four Combo Units, an advanced airport ground equipment that offers dual-functionality of a Ground Power Unit (GPU) and an Air Condition Unit (ACU) to provide for electrical and air-cooling needs of an aircraft while it is stationary on ground before a flight and during transit.

What is an APU?

An Auxiliary Power Unit (APU) is a small jet engine typically located at the tail section of an aircraft that uses jet fuel to generate electrical and hydraulic power, as well as cabin air conditioning when the aircraft's main engines are not running. APU emissions contribute to an airline's Scope 1 emissions as well as an estimated 12% of ground emissions at Malaysian airports.

ENVIRONMENTAL
Addressing Climate Change

The Combo Units replaced the use of aircraft APU to perform the same functions, leading to a direct reduction in jet fuel consumption and CO_2 emissions generation by 90% at optimal utilisation. The measure also helped reduce air and noise pollution on the tarmac leading to better working conditions for baggage handlers and ground technicians.

Following a successful trial, AirAsia Malaysia has secured another 22 Combo Units to complement the existing four unit fleet in KLIA and to equip secondary hubs in Malaysia. Upon full deployment, the Combo Units are expected to cut AirAsia's Malaysia Scope 1 emissions by 20,000 tonnes of CO_2 per year. Meanwhile, additional units are also being negotiated by other AirAsia subsidiaries for deployment in other hubs as part of the Group's regional rollout plan.
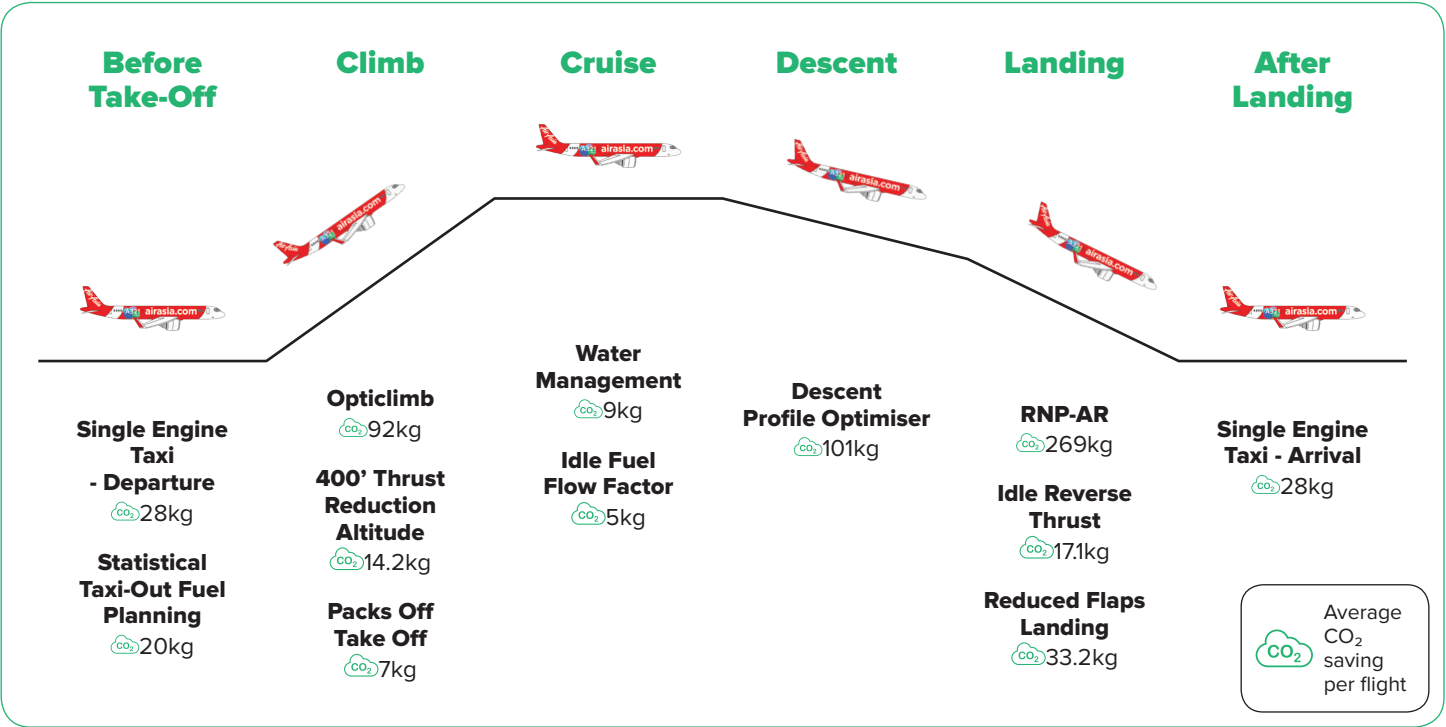
Concurrently, following through with trials started towards the end of 2023, AirAsia rolled out implementation of the 400' Thrust Reduction Altitude (TRA) across all its operating hubs. The TRA was first approved for implementation in the Philippines in March 2023. In 2024, a Group wide implementation was completed in July 2024, with the application rate of 45%.

Another new measure introduced in 2024 was the e-Flight Plan to further enhance AirAsia's paperless cockpit drive. This feature is part of Mission+, a new Airbus product to further reduce paper use by pilots and shave down aircraft weight. This initiative will save on average 14 pieces of paper per flight, or approximately 3 million pieces of paper a year. AirAsia Malaysia received approval to commence testing with full approval expected by Q2 2025. Concurrently, applications have been submitted to the civil aviation authorities of Thailand, Indonesia, Philippines and Cambodia for implementation of the same on aircraft registered in these AOC countries, with approvals expected in 2025.

To further advance its efficiency programme, AirAsia signed a sustainability MoU with Airbus in September which establishes two priorities, one of which is to jointly advance measures to improve air traffic management in Asean skies (the second priority related to SAF R&D is detailed in the section on SAF below). Under the partnership, both parties aim to identify and assess applicable solutions developed as part of the Single European Sky ATM Research (SESAR) Project for adaptation to Asean skies. SESAR is the technological pillar of the European Union's Single European Skies initiative aimed at modernising Europe's air and ground ATM infrastructure and procedures to enhance safety, cost-efficiency and environmental performance.

The table below provides an overview of the top contributors to 2024 CO_2 reductions. Descriptions of all listed fuel efficiency measures are available in AirAsia's Guide to Aviation Sustainability or from our previous sustainability report.

Before Take-Off	Climb	Cruise	Descent	Landing	After Landing
Single Engine Taxi - Departure CO_2 28kg	Opticlimb CO_2 92kg	Water Management CO_2 9kg	Descent Profile Optimiser CO_2 101kg	RNP-AR CO_2 269kg	Single Engine Taxi - Arrival CO_2 28kg
Statistical Taxi-Out Fuel Planning CO_2 20kg	400' Thrust Reduction Altitude CO_2 14.2kg	Idle Fuel Flow Factor CO_2 5kg		Idle Reverse Thrust CO_2 17.1kg	
	Packs Off Take Off CO_2 7kg			Reduced Flaps Landing CO_2 33.2kg	CO_2 Average CO_2 saving per flight

Performance Highlights 2024 (5 AOCs)

No.	Key Operational Efficiency Measure	Group Implementation Rate			2024 Group Fuel Savings (t)	2024 Group Emissions Avoided (tCO$_2$e)
		2022	2023	2024		
1	OptiClimb	66%	67%	68%	19,181	60,612
2	Single Engine Taxi - Departure	81%	45%	56%	3,724	11,767
3	Reduced Flaps Landing	91%	73%	81%	2,588	8,179
4	Descent Profile Optimiser	N/A	N/A	N/A	1,471	4,647
5	Single Engine Taxi - Arrival	99%	96%	81%	2,649	8,370
6	Idle Reverse Landing	92%	79%	100%	1,476	4,664

Note: Table highlights 6 out of 20 operational efficiency measures monitored. Due to the transition to new efficiency monitoring tools, approximately 5% of flight data is currently undergoing processing. This temporary limitation affects the completeness of our operational efficiency data. Full data will be disclosed in the next reporting cycle.

Total Invested **USD 1,277,363**	**Fuel Saved** **40,882 tonnes**
CO$_2$ Avoided **129,189**	**Equivalent Trees Planted** **2 million trees**
Fuel Cost Saved **USD 34,341,265**	**ROI** **2588%**

Pathway 2: Fleet Management

The resumption of new aircraft deliveries for the AirAsia Group in 2024 enabled AirAsia to leverage on fleet management as a second important pathway to decarbonisation. Starting in June, AirAsia took delivery of nine new A321neos and one A320 for fleet replacement and expansion needs, stabilising the average age of its passenger narrowbody fleet at 11.3 years amidst a global shortage of aircraft.

To aid in the Group's emissions reduction mission, each new A321neo is equipped with a 236-seat all-economy cabin. With this seat configuration, AirAsia is able to lower its carbon intensity measure on its new aircraft by at least 20%. To further reduce weight, AirAsia's new planes are equipped with lightweight seats by Mirus Aircraft Seating which will lessen the weight of each A320 by 287 kg and A321neo by 375kg compared to older seat models. The aircraft will also be pre-installed with software that allows implementation of their advanced fuel efficiency programme detailed above, including measures such as descent profile optimiser and RNP-AR.

Tables below provide more information on our fleet assets.

Fleet Age

Fleet Age	% of Total Fleet
< 7 years	19%
7 - 13 years	43%
> 13 years	38%

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Addressing Climate Change

The biggest recipient of the new aircraft models is AirAsia Malaysia, which received seven new A321neos and one A320 from a new lease arrangement. Overall, the airline saw a net increase of 4 aircraft following redeployment of two A320 to Cambodia AirAsia and one A320 to Thai AirAsia respectively. AirAsia Malaysia also maintained three A321 Freighters for Teleport's cargo operations.

Thai AirAsia received the second highest number of new aircraft with the delivery of three new A320s and one A320 from AirAsia Malaysia. AirAsia Indonesia, meanwhile, returned two aircraft following the end of lease without impacting operational fleet size as both were non-operational aircraft. No fleet movements impacted AirAsia Philippines in 2024.

AirAsia is set to receive at least six new A321neo aircraft in 2025, subject to potential delivery adjustments from Airbus.

AirAsia's fleet distribution as of 31 December 2024

Model	Units	Average Age	Capacity (Seats)	# of Units Retired
A320	171	13	180/186	1
A320neo	40	6.9	186	0
A321neo	13	1.7	236	0
Total	224	11.3	N/A	1

Fleet Strength as at 31 December of each calendar year

Year	Fleet Size	Units in Service	% Operational
2022	212	124	58.5%
2023	216	159	73.6%
2024	227	192	84.6%

Teleport

Model	Units	Average Age (years)	Capacity (tonnes)	# of Units Retired
A321F	3	24.9	26	0

Pathway 3: SAF

AirAsia signed two important partnerships in 2024 to catalyse development of the Asean SAF landscape. The first was a Memorandum of Understanding with Airbus to establish a collaboration to explore decentralised SAF production using alternative feedstock and technologies in Southeast Asia.

The research-based partnership aims to identify opportunities to support the onward commercial development of promising projects that could contribute to long term SAF supply security in the region. As part of the partnership, both parties met with key producers in the region and feedstock suppliers to build a SAF network in the region and to have an overview of the supply landscape. AirAsia also formalised its membership of the Roundtable on Sustainable Palm Oil (RSPO) to explore avenues for the organisation to support technical research into palm biowaste as a potential SAF feedstock.

Capital A's Chief Sustainability Officer and Airbus' Head of International Cooperation & Sustainability for APAC at the signing of a Memorandum of Understanding during the Bali International Air Show 2024.

Throughout the year, AirAsia participated in numerous technical meetings and workshops organised by civil aviation authorities in the region to develop their respective roadmaps. Other than Malaysia's SAF Task Force meetings, AirAsia also consulted in meetings related to the development of the SAF roadmaps of Indonesia, Thailand and the Philippines. In August, AirAsia was invited to present its perspectives as a regional operator on the challenges of financing SAF in the region at the ICAO Asia Pacific Environmental Seminar, highlighting supply and demand bottlenecks and financing solutions that are needed for airlines to undertake biofuels substitution. This was followed by more in-depth discussions of these issues at the sustainability media roundtable hosted by AirAsia at the Bali Air Show and at the Thai Aviation Sustainability Day.

To prepare ahead of prospective SAF mandates in Southeast Asia, AirAsia commenced negotiations on its first offtake agreement with a regional producer. The negotiations are on-going at the time of reporting.

Pathway 4: Carbon Offsetting

AirAsia made significant progress in charting the CORSIA compliance landscape in 2024 through the participation of its technical expert in ICAO's CAEP Working Group on CORSIA. The engagement provided AirAsia with an overview of global growth scenarios, enabling AirAsia to forecast the airline group's expected compliance offsetting requirements based on growth projections up to 2030. In turn, AirAsia contributed both its perspectives as an airline and an operator in Southeast Asia, highlighting foreseeable issues that may arise with the shortage of CORSIA-eligible carbon credits in the region.

Leveraging on its chairmanship of Malaysia's CORSIA Task Force, AirAsia also co-organised an Asean technical workshop with EASA and CAAM to address knowledge gaps in requirements for CORSIA Phase 1 offsetting. These included CORSIA eligibility criteria for nature-based offsets and a new requirement for national attestation to accompany CORSIA eligible emissions units.

To address the current shortage of CORSIA eligible credits in Asean, AirAsia presented the latest CORSIA developments and forecasts of aviation offsetting requirements for the period covering 2024 to 2026 at industry dialogue sessions organised by Malaysia's MNRES. This forms a part of the airline's continuous engagement with national UNFCCC teams to establish processes to authorise the sale of carbon offsets for CORSIA fulfillment and to take into account CORSIA requirements in NDC target-setting exercises. Similar engagements were held with senior officials from the Thai Department of Climate Change and Environment, Energy Regulatory Commission as well as the Thai Greenhouse Gas Management Organization.

Following the publication of the 12th edition of the ICAO Document on CORSIA Eligible Emissions Units in October 2024, AirAsia has commenced mapping of projects that meet the scheme's latest eligibility criteria.

Climate Transition Financing

The lack of climate financing remains one of the biggest challenges to decarbonising the aviation industry in Southeast Asia. Compounding a traffic recovery that lags Europe and North America, financial institutions in the region are also less equipped to finance the transition of the sector. Comparing the EU and ASEAN Taxonomies, the former provide for a range of aviation related activities such as aircraft manufacturing, aircraft leasing, ground handling services, renewable energy projects and manufacturing of biofuels and e-fuels. By contrast, the ASEAN Taxonomy only provides for airport infrastructure.

Preparing ahead to meet the CORSIA compliance phase and other decarbonisation needs in the absence of institutional financing support, AirAsia began submitting applications to civil aviation authorities of its AOC countries to introduce carbon pricing on its flights in 2023. In 2024, a major decision was announced by the Malaysian government to allow airlines complete flexibility to fund their decarbonisation and environmental activities by introducing carbon fees, subject to regulatory oversight for transparency and fairness.

This marks a significant achievement as it allows AirAsia to develop concrete decarbonisation plans based on expected cost recovery. The progressive approach of the Malaysian government also allows AirAsia to plan beyond compliance to include new investments in new decarbonisation technologies that allow it to cut emissions directly.

As of 31 December 2024, other than approval from the Malaysian civil aviation authorities, AirAsia received approvals from 15 authorities to introduce the fee on AirAsia Malaysia flights. Additionally, AirAsia Indonesia also received authorisation to introduce carbon fees on its international flights. Implementation of the carbon fee on applicable flights is currently scheduled for the second quarter of 2025. Applications for AirAsia's remaining AOCs are still under evaluation with outcomes expected in 2025.

2025 Outlook

As CORSIA offsetting takes effect, AirAsia expects to commence the sourcing of CORSIA eligible carbon credits in 2025. With SAF mandates not expected to be implemented before 2027 in AirAsia's AOC countries, CORSIA offsetting is expected to be the primary means for the airline group to meet compliance requirements, funded by the introduction of carbon fees on all flights by Q2 2025.

Additionally, AirAsia will be managing overall emissions growth through further investments in renewing its fleet and expanding its operational efficiency programme. The airline group is expected to further reduce its carbon intensity measures with the addition of seven additional new A321neo in 2025 and the rollout of its APU Off programme.

Other developments that can be expected are the expansion of the activities of its SAF partnership with Airbus and the prospective announcement of a first SAF offtake agreement. AirAsia will continue to lead regional sustainability developments through its chairmanship of the Malaysia CORSIA Task Force and membership of the Malaysia Aviation Decarbonisation Blueprint steering committee, Thai Airlines Association, Air Carriers' Association of the Philippines and the ICAO CAEP Working Group on CORSIA.
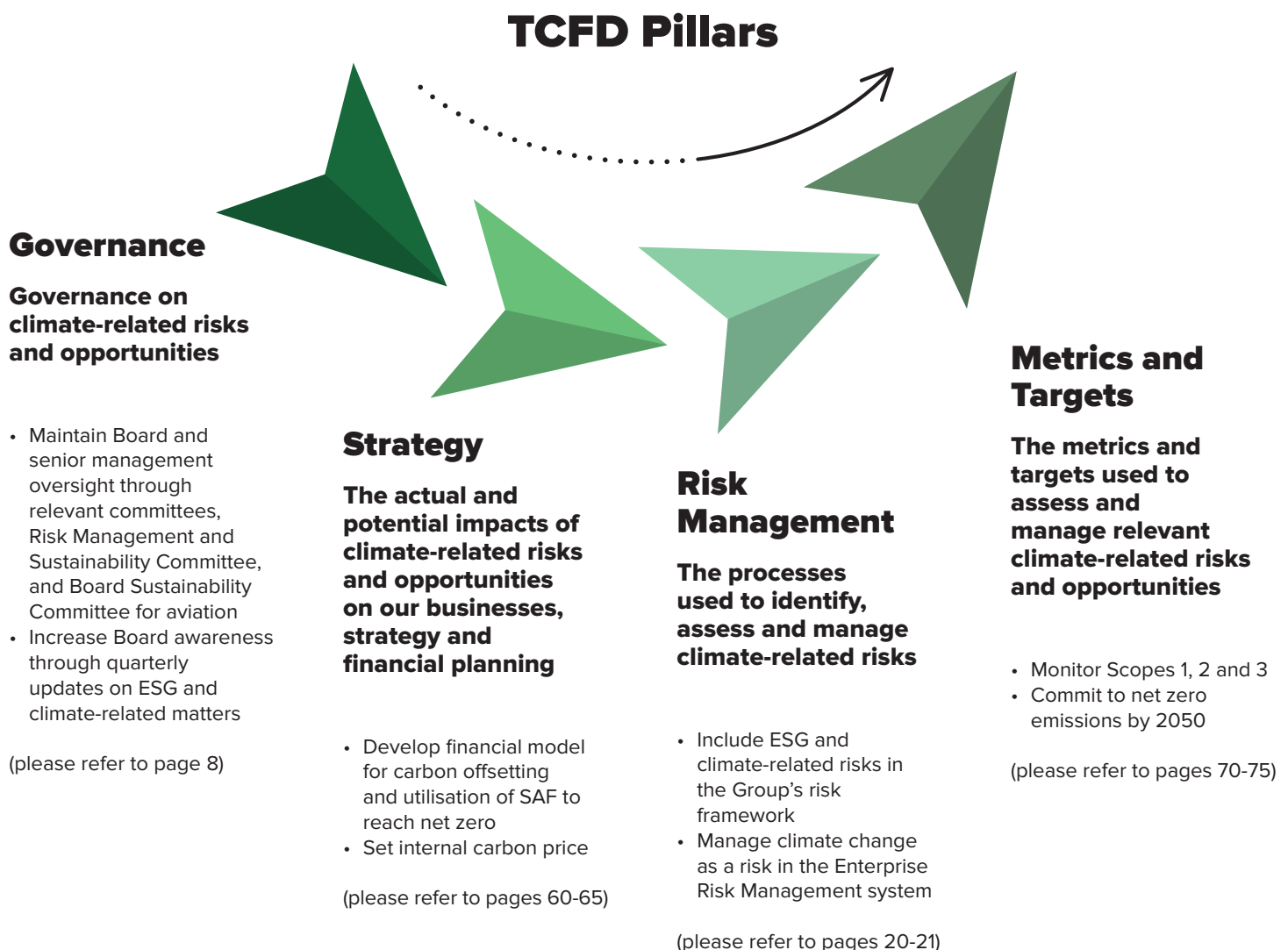
ENVIRONMENTAL
Addressing Climate Change

Aligning to Task Force on Climate-related Financial Disclosures (TCFD)

Underlining our commitment to addressing and managing our climate-related impacts, Capital A became an official supporter of the TCFD in 2022. This section outlines the climate-related risks and opportunities identified by the airline, along with their corresponding time frames.

TCFD Pillars

Governance

Governance on climate-related risks and opportunities

- Maintain Board and senior management oversight through relevant committees, Risk Management and Sustainability Committee, and Board Sustainability Committee for aviation
- Increase Board awareness through quarterly updates on ESG and climate-related matters

(please refer to page 8)

Strategy

The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy and financial planning

- Develop financial model for carbon offsetting and utilisation of SAF to reach net zero
- Set internal carbon price

(please refer to pages 60-65)

Risk Management

The processes used to identify, assess and manage climate-related risks

- Include ESG and climate-related risks in the Group's risk framework
- Manage climate change as a risk in the Enterprise Risk Management system

(please refer to pages 20-21)

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

- Monitor Scopes 1, 2 and 3
- Commit to net zero emissions by 2050

(please refer to pages 70-75)

Legend

S Short term   M Medium term   L Long term

Risk Type		Risk Timeframe	Climate-related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition Risks	Policy and Legal	S M L	Imposition of new climate change regulations such as carbon taxes, emissions quotas or SAF mandates	Increase in operating costs and fares which could dampen travel demand	• Regular engagement with civil aviation authorities and government bodies on climate change and decarbonisation plans for the aviation industry. • Monitor emerging regulations around the world to understand the risks to our business operations. • Develop Net Zero by 2050 strategy outlining our approach to the latest generation aircraft, operational improvements, SAF and carbon offsetting. • Ongoing discussions with regional fuel suppliers on SAF production timelines in all AOC countries. • Build partnerships to conduct R&D into SAF production using alternative technologies and feedstock. • Set internal carbon price to forecast our cost for carbon offsetting and introduce carbon fees to airfares.
			Exposure to litigation	Due to the long-term nature of our climate strategy, litigation related to 'greenwashing' or similar accusations could arise	• Communicate our sustainability strategy and plans transparently and accurately to stakeholders. • Establish greenwashing guidelines to ensure materials and content are factual and clear.
			New sustainability reporting requirements	Increase in reporting costs, including manpower expenses, measuring tools and audit fees	• Leverage existing frameworks and tech tools to meet new data reporting requirements. • Use available internal resources to undertake internal assurance before progressing to external assurance. • Leverage on peer sharing sessions on best practices and adoption of new sustainability frameworks such as IFRS Sustainability Disclosure Standards.
	Technology	L	New technology developed to deliver low-carbon solutions such as zero emission aircraft may result in asset value loss of existing aircraft and equipment becoming obsolete	New investments needed to upgrade fleet and equipment	• Negotiate aircraft order contracts that allow for upgrades of unfulfilled deliveries. • Enhance fleet management strategy to build flexibilities in lease contracts.
		M L	Emerging SAF technologies are progressing slowly and may face challenges in commercialisation. There is a risk that the prices of SAF could remain unaffordable or fail to align with market expectations	Increase in operating costs and fares	• Lobby for incentives and subsidies from governments to support the use of SAF.

Addressing Climate Change

	Risk Type	Risk Timeframe	Climate-related Risk Description	Potential Financial Impact	Mitigation Strategy
	Market	S M L	Travellers and businesses respond to climate change by reducing their travel frequency	Lower demand for air travel will impact revenue	• Implement a carbon offset programme that provides travellers with the option of offsetting their emissions. • Develop strategies to manage the price of decarbonisation solutions such as exploring investing in SAF and carbon projects.
	Reputation	S M L	Negative brand impact of being seen as not responding sufficiently to climate crisis	Guests may choose a competitor perceived as being more sustainable and investors may divest. Financial institutions may also impose a premium on lending	• Invest in carbon reduction initiatives and communicate decarbonisation efforts actively as part of the Group's communication strategy. • Commit to net zero and communicate the Group's net zero strategy.
Physical Risks	Acute	M L	Aircraft becoming inoperable at extremely high or low temperatures	Increase in costs due to flight delays and cancellations	• Operate seasonal schedules and expand coverage of weather forecasting services. • Undertake preemptive cancellations to avoid guests and aircraft being stranded.
		S M L	Increased frequency and severity of climate events such as typhoons and floods	Cost of asset damage, increase in insurance premiums and revenue loss due to travel disruption	• Maintain robust business continuity plans and dynamic planning schedules at affected hubs.
	Chronic	L	Longer-term changes in weather patterns that result in rising sea levels rendering some airports inoperable	Higher airport charges at new facilities built to replace at-risk airports; and lower travel demand if new airports are far from city centres	• Select hub airports that are shielded from extreme weather events. • Ensure business continuity plans are effective and up to date. • Reinforcement of training to ensure pilots are well-prepared and experienced in handling extreme weather conditions. • Operate to airports that are adequately served by public transport to minimise potential increase in guests' travel-related carbon footprint.

The following are among specific climate-related opportunities we have identified.

Climate-related Opportunities	Potential Financial Impact	Mitigation Strategy
Administrative efficiency	Digitalisation strategy reduces manual paperwork and cost of paper, printing and storage of documents.	Continue to work with regulators to move towards e-documentation for regulatory record-keeping and submissions.
Resource diversification	Shift to SAF diversifies fuel supply and reduces exposure to rising energy costs and growing carbon regulation.	Ongoing discussions with fuel suppliers to supply SAF at Malaysian airports and/or to develop SAF using locally available feedstock. The Group has signed an MoU with Airbus to explore decentralised production of SAF using alternative feedstock and technologies in Southeast Asia.
Resource efficiency	Fuel reduction via improvements in air traffic management and A321neo fleet conversion will further reduce operating costs and ensure AirAsia maintains its commercial advantage as the airline with the lowest cost/ASK and CO2/ASK in the industry.	Engage in regular consultations with civil aviation authorities to implement new fuel efficiency and emissions reduction measures, including proposing new measures to be added to national State Action Plans on Emissions Reductions. Advocate improvements to the country's airspace system that could lower GHG emissions.
Products and services	Attract travellers keen to minimise their carbon footprint and experience sustainable travel activities. We could potentially gain from increased market share among responsible travellers and earn ancillary income from sales of sustainable travel activities.	Allow environmentally- conscious passengers to opt to pay higher carbon fees to offset more of their emissions. Work with sustainable travel social enterprises to make sustainable travel activities accessible.
Markets	Recognise that climate impact-prone destinations may also be strong revenue generators in the recovery and rehabilitation phase.	Resume commercial flights to affected destinations as soon as it is safe to do so to support rebuilding programmes.
Resilience	Continue to strengthen network connectivity in hubs with low climate risk such as KLIA2.	Invest in climate forecasting tools and services to inform fleet planning and route planning strategies. Engage with airport partners to understand their approach to resilience.

We acknowledge the recent announcement by the International Sustainability Standards Board and the official adoption of IRFS S1 and S2 by Bursa Malaysia for all publicly listed companies. In line with the IFRS S2 framework, we are committed to conducting a climate risk assessment in 2025, strengthening our resilience and advancing our sustainability strategies.

ENVIRONMENTAL
# Addressing Climate Change

Measuring Our Carbon Footprint

In order for our decarbonisation measures to be effective, it is essential to have a thorough understanding of our emissions footprint. In 2024, our total greenhouse gas (GHG) emissions - representing our Scope 1, Scope 2 and Scope 3 emissions - stood at approximately 7,318,208 tonnes. Our primary GHG emissions is CO_2 from the use of jet fuel. For our GHG inventory, we follow the approach and guidance defined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, with emissions data calculated using relevant emissions factors corresponding to the countries in which we operate.
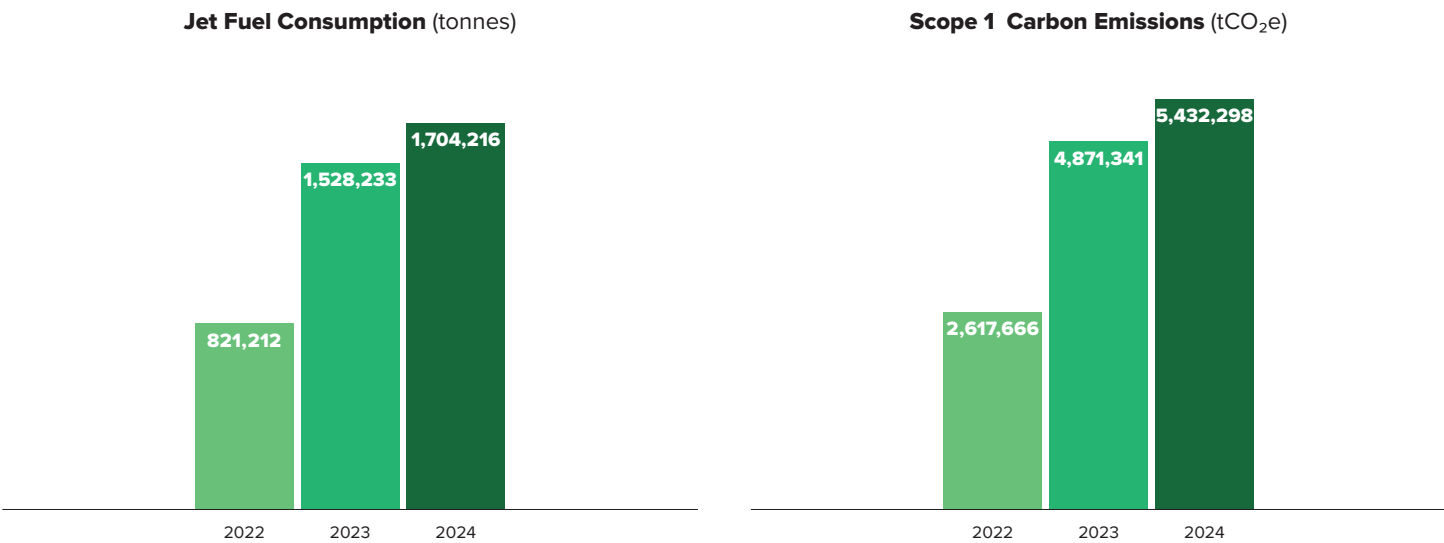
Energy and Emissions Management

	Scope 1 emissions	Scope 2 emissions	Scope 3 emissions
Description	Direct GHG emissions from sources that are owned or controlled by Capital A	Indirect GHG emissions generated from purchased electricity and cooling	Other indirect GHG emissions that occur in our value chain, including both upstream and downstream activities
Sources of emissions	• Fuel consumption of aircraft • Ground operations	Purchased electricity	• Purchased goods and services • Fuel and energy-related activities not included in Scope 1 or Scope 2 • Business travel • Employee commuting • Use of sold products
Emissions	5,440,467 tCO$_2$e	12,516 tCO$_2$e	1,865,225 tCO$_2$e
Total Scope 1 + 2 + 3 emissions = 7,318,208 tCO$_2$e			

Emissions Snapshot 2024

Total CO$_2$ Emissions
7,318,208
tCO$_2$e

25.5%
0.2%
74.3%

- Scope 1
- Scope 2
- Scope 3
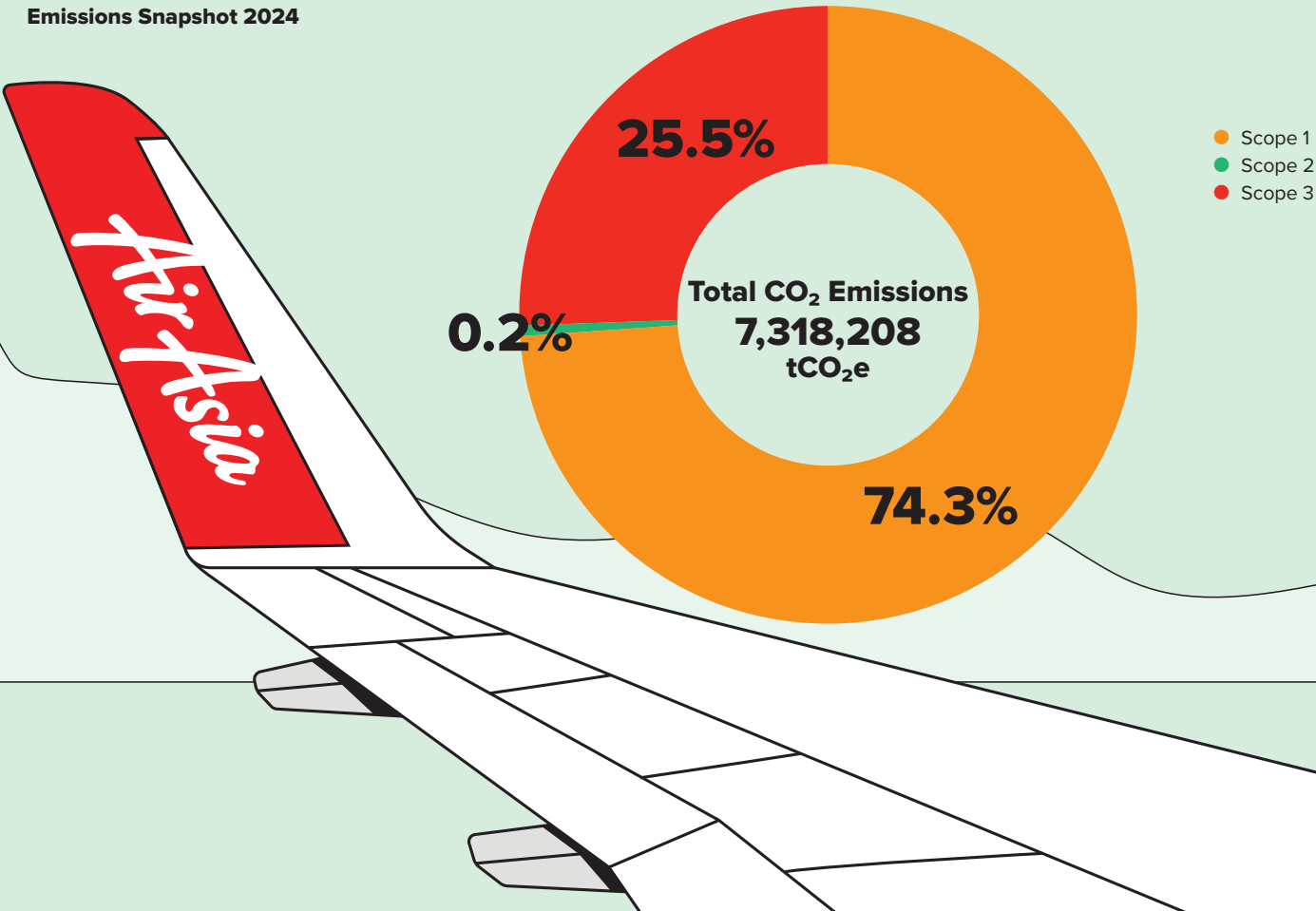
Scope 1 GHG Emissions
(GRI 305-1)

Capital A's Scope 1 GHG emissions are primarily generated by the burning of jet fuel by our aircraft, with a small portion from the fuel used by our ground service equipment. As the direct emissions from our digital and other businesses have been assessed to be immaterial, we only report Scope 1 emissions from our airline operations. AirAsia continuously implements fleet renewal, fuel saving measures and improves operational efficiency to reduce emissions and minimise carbon footprint.

Jet Fuel Consumption (tonnes)

Year	Value
2022	821,212
2023	1,528,233
2024	1,704,216

Scope 1 Carbon Emissions (tCO$_2$e)

Year	Value
2022	2,617,666
2023	4,871,341
2024	5,432,298

Note:
1. *The data reported includes the CO$_2$ equivalents of methane (CH$_4$) and nitrous oxide (N$_2$O) emissions. AirAsia does not emit hydrofluorocarbons, perfluorocarbons or sulphur hexafluoride from flight operations.*
2. *The reported data on jet fuel consumption and Scope 1 carbon emissions includes only aircraft fuel use. Emissions from ground operations are addressed separately on page 72.*

AirAsia's total fuel consumption saw an increase of 11.5% from 1,528,233 tonnes in 2023 to 1,704,216 tonnes in 2024, with a specific fuel consumption of 3.3 litres/100RPK. This corresponds with the 11.5% increase in our Scope 1 emissions from 4,871,341 tCO$_2$e in 2023 to 5,432,298 tCO$_2$e in 2024. The increase in fuel consumption was mainly due to an increase in the number of flights for most of our AOCs compared to the previous year. By the end of 2024, our flight numbers had reached 84% of pre-pandemic levels in 2019.

In compliance with CORSIA's Monitoring, Reporting and Verification (MRV) requirements, AirAsia engaged authorised third-party independent auditors to audit our CO$_2$ emissions from international flight annually since 2019. At the time of writing, our 2024 carbon emissions verification is in progress.

ADE

At our RedChain warehouse facilities, ADE is actively integrating technology and transitioning from diesel and petrol-powered vehicles to electric alternatives wherever possible. As of 2024, ADE operates nine electric vehicles:

4	2	2	1
EV Pallet tructs	EV Reach trucks	EV Forklift	EV Scissor Lift

Transitioning to EV in the warehouse helps to lower on-ground carbon emissions, improve air quality, and reduce fuel consumption within the warehouse. This shift also enhances workplace safety, reducing the need for employees to work at heights or manually lift heavy items - improving both efficiency and well-being.

ENVIRONMENTAL
Addressing Climate Change

teleport

In 2024, Teleport pushed for an increased load factor for both passenger aircraft and its three A321F freighters that were delivered in 2023. Through focused commercial and operational efforts, the company successfully increased its cargo load factor from 7.8% in 2023 to 17.8% in 2024.

Teleport's focus in 2025 will see the Company further optimising its cargo capacity by implementing advanced cargo planning software, and leveraging AirAsia's extensive network of traditionally non-cargo leisure routes, such as Phuket and Bali, to connect these destinations with other carriers offering capacity to Europe and Australia.

17,640 tonnes
Fuel consumption in 2024

56,229 tCO$_2$e
Scope 1 emissions in 2024

Cargo destinations:
85 cities
Southeast Asia and over 160 globally

Cargo Load Factor:
17.8%

Cargo transported:
295,926 tonnes

Approximate shipments:
79,906,000

Ground Operation

Although ground operations account for a smaller share of fuel consumption compared to jet fuel, they still represent a significant portion of our overall energy use. Diesel consumption in our ground operations primarily comes from ground service equipment (GSE), including GPUs, ramp vehicles and air cooling units.

2,485 tonnes
Fuel consumption in 2024
(↑ 50.3% from 2023)

8,169 tCO$_2$e
Scope 1 emissions in 2024

This increase is mainly driven by the addition of more ground service vehicles to support our flight operations efficiently following the resumption of flights, representing a 5% rise compared to pre-pandemic levels.
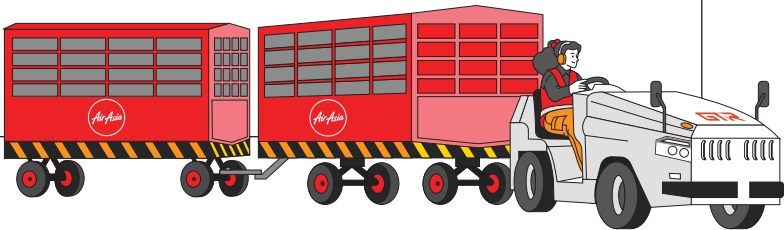
GTR
A SATS COMPANY
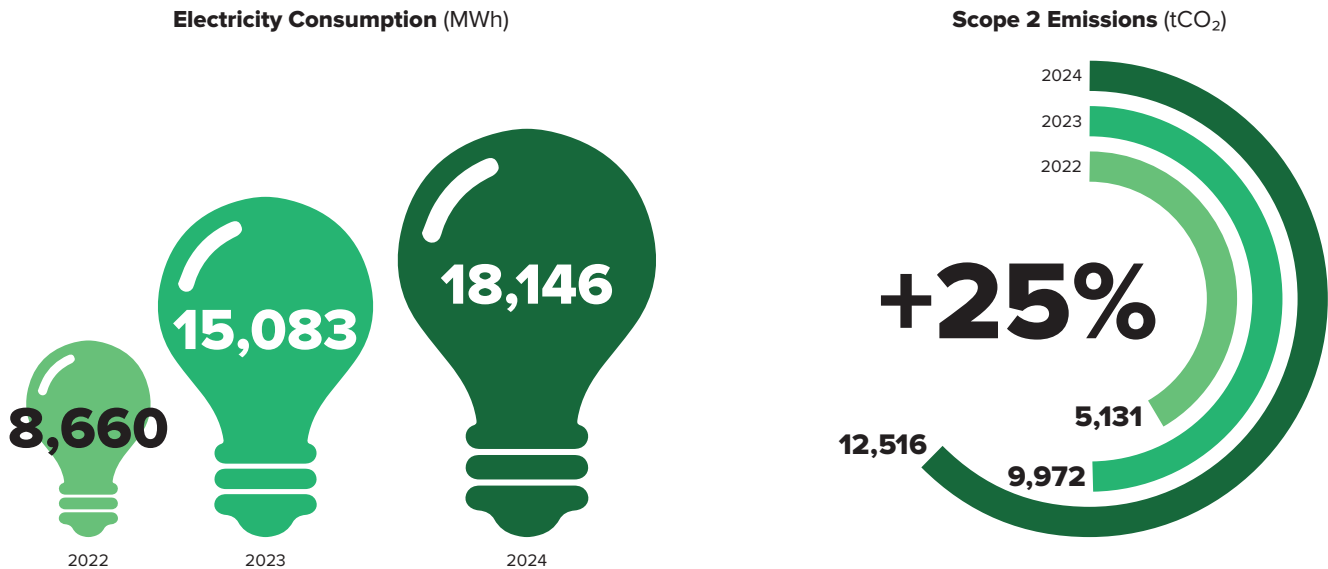
Green Mobility in Ground Operations

In 2024, GTR established a five-year sustainability plan, set to begin in 2025. Following the acquisition of two Hangcha Aviation Model QSD320-XD3-MAI electric vehicles (EVs) in 2023, GTR has expanded its electric forklift fleet at KACT1 (cargo hub).

Currently, 54.8% of forklifts at the facility are electric, in line with GTR's target to achieve 70% electrification of forklifts at KACT1. Additionally, it received 20 electric towing tractors, which contribute to a savings of 85.9 tonnes of CO_2 per month, and 20 Electric Vehicle (EV) Baggage Tractors that are set to reduce GTR's carbon emissions by 67%.

Proposals for installing solar panels at KACT1 and GSE workshop are currently under review. These initiatives are expected to result in the avoidance of 26.7 tonnes of CO_2 emissions.

Scope 2 GHG Emissions
(GRI 302-1, 305-2)

Electricity Consumption (MWh)

8,660 — 2022
15,083 — 2023
18,146 — 2024

Scope 2 Emissions (tCO_2)

2024
2023
2022

+25%

12,516
5,131
9,972

In 2024, our total electricity consumption was 18,146 MWh, a 20% increase compared to 2023 with an average building energy intensity of 115 kWh/m²/year across all our office buildings. Similarly, our Scope 2 emissions also increased by 25% from 9,972 tCO_2 in 2023 to 12,516 tCO_2 in 2024, with an average carbon intensity of 0.081 tCO_2/m².

In line with the Group's energy initiatives, all Facilities teams across AOCs have implemented the following initiatives in their respective offices aimed at enhancing energy efficiency and reducing overall consumption. These initiatives encompass:

| Conversion to LED lighting | Scheduled energy usage after working hours | Staggered switching for major equipment such as air conditioning |

In addition to the initiatives above, RedHouse has begun assessing its building's green standards using EDGE (Excellence in Design for Greater Efficiencies), a green building certification system developed by the International Finance Corporation (IFC). By leveraging the EDGE software, the Facilities team can identify the most cost-effective ways to reduce the building's resource intensity, including energy, water and material consumption.

Categories	2022	2023	2024
Non renewable fuels purchased and consumed (MWh)	10,937,355	18,657,847	21,029,187
Non-renewable electricity purchased (MWh)	8,660	15,083	18,146
Total energy consumption (MWh)	10,946,015	18,672,930	21,047,333

ENVIRONMENTAL
Addressing Climate Change

Scope 3 GHG Emissions
(GRI 302-2, 305-3, 305-4)

Our estimated Scope 3 emissions contribute to about 25.5% of our overall emissions, with the largest component being upstream emissions associated with jet fuel production (61.1%), also known as Well-to-Tank (WTT) emissions. SAF utilisation will be one of the strategies to reduce our Scope 3 emissions in the future. Derived primarily from bio-based sources, SAF can be blended with conventional jet fuel at ratios of up to 50% without requiring modifications to existing aircraft or fueling infrastructure. It also has the potential to reduce lifecycle carbon emissions by up to 80% compared to conventional jet fuel.

In 2024, we conducted a survey via Workplace to assess Allstars' usage of the Express Rail Link (ERL). The insights gathered will help inform the Ministry of Transport's proposal for a special public transport fare for all Capital A employees.

Looking ahead, we remain committed to collaborating with vendors and suppliers to track and reduce Scope 3 carbon emissions. We will also expand our reporting to include additional Scope 3 emission categories, as deemed applicable for the reporting year.

Scope 3 Emissions Category	Carbon emissions in 2024 (tCO$_2$e)
1 - Purchased goods and services	1,838
3 - Fuel and Energy-Related Activities not included in Scope 1 or Scope 2	1,139,515
6 - Business travel	541
7 - Employee commuting	2,215
11- Use of sold products	721,116
Total	**1,865,225**

Note:
1. *Scope 3 emissions are calculated using the Technical Guidance for Calculating Scope 3 Emissions methodology, published by GHG Protocol; and the emission factors are sourced from UK Government GHG Conversion Factors for Company Reporting, version 1.1 year 2024.*
2. *Category 3 emissions are generated from jet fuel production from our airlines operations.*
3. *Business travel emissions include duty travel from non-AirAsia and AirAsia X flights and hotel stays.*
4. *Employee commute data only covers employees that travel by car and are parking at our head corporate offices (RedQ, Kuala Lumpur and RedHouse, Indonesia), due to data limitations.*

Other GHG Emissions
(GRI 305-7)

In addition to GHG emissions, jet fuel combustion also releases nitrogen oxides (NOx), sulphur oxides (SOx), carbon monoxide (CO) and volatile organic compounds (VOC). These other GHG emissions affect air quality. Over the years, improved engine designs have gradually reduced emissions of other GHGs. Under Annex 16, Volume III of its International Standards on Environmental Protection, the ICAO has set acceptable levels of emissions from aircraft engines for such gases.

In compliance with these standards, we strive to maintain a young fleet of aircraft that use the latest technologies. As of 2024, all AirAsia aircraft engines meet the most stringent ICAO CAEP/8 NOx emissions standards. As we continue to phase out older aircraft in exchange for new Airbus A321neo models, we aim for 100% compliance with ICAO CAEP/8 NOx standards.

Categories	2022	2023	2024
NOx emissions (tonnes)[1]	1,191	2,675	4,183
NOx emissions intensity (gNOx/RPK)[1]	0.0544	0.041	0.0574
SOx emissions (tonnes)[2]	127	285	332
VOC emissions (kg)[2]	438,746	985,861	1,115,000

Note:
1. *NOx emissions and compliance data are obtained from the ICAO Emissions Data Bank Issue 29B.*
2. *SO2 and VOC emissions data are sourced from US Environmental Protection Agency's Generic Aircraft Type Emission Factors Table; under the category Aircraft/Commercial. SO2 represents the highest composition of SOx emissions per US EPA standards, hence SO2 is considered as SOx for the purpose of calculations.*

Noise Management

Aircraft engine noise can impact both the physical and mental well-being of surrounding communities and may also disrupt natural ecosystems. Recognising this, all AirAsia aircraft comply with the stringent ICAO Annex 16 Chapters 3, 4 or 14 noise standards, as well as the CAAM directives and airport-specific noise abatement procedures.

To further minimise noise pollution, operational measures such as idle reverse landing, reduced flap landing, and single-engine taxiing, wherever feasible. These practices significantly reduce noise emissions while maintaining operational efficiency.

AirAsia remains committed to exceeding ICAO's noise certification standards and will continue collaborating with airports to explore and implement innovative solutions to mitigate aircraft noise.

Water Consumption
(GRI 303-1, 303-5)

Capital A's Sustainability Policy emphasises our commitment to conserving natural resources through efficient water use while ensuring seamless operations. To support this, we are implementing various initiatives to optimise water consumption across our facilities.

All our offices source water from municipal potable water supplies. In 2024, our total water consumption reached 107,033 m^3, reflecting a 4.9% increase from 2023, primarily due to the full return to office operations.

In 2024, the IAA team installed a water meter to monitor its water harvesting system. To further enhance water efficiency, the team plans to install a piping system around the office building to irrigate plants using filtered grey water from the building's filtration system.

Water Consumption (m^3)

2023
102,067

2022
83,289

2024
107,033
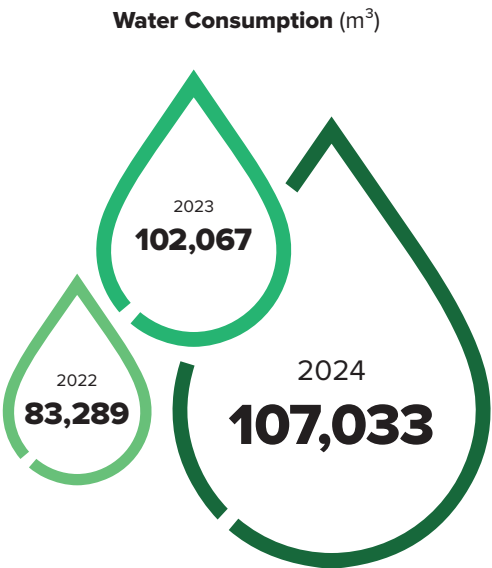
Wastewater Management
(GRI 303-4)

Capital A does not generate industrial effluents from our office operations. Instead, all sanitary and wastewater from washing is directed to government-operated centralised water treatment plants for proper treatment. In the Philippines, PAA's wastewater discharge is managed by the Manila International airport authority (MIAA). In Indonesia, IAA treats its wastewater using sewage water treatment plants, with recycled water used for watering plants and the remainder is discharged into the city's state drainage system.

ENVIRONMENTAL
Addressing Climate Change

Waste Management

(GRI 3-3, 306-1, 306-2)
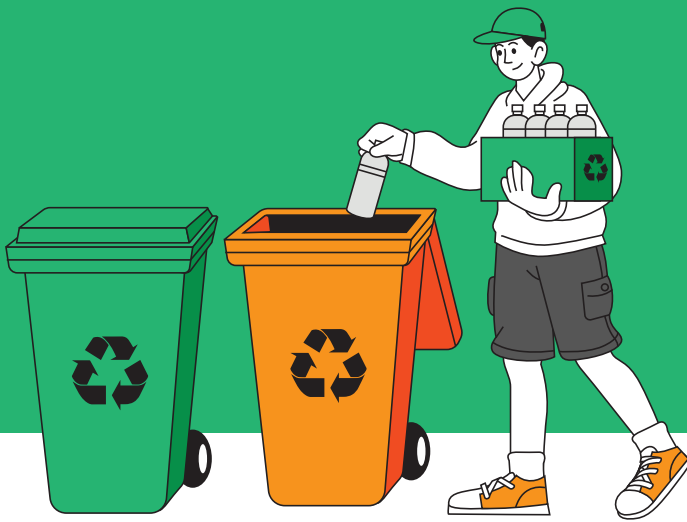
Our Management Approach

- Environmental Policy
- Sustainability Policy
- Environmental Quality Act 1974
- Environmental Quality (Scheduled Wastes) Regulations 2005
- Solid Waste and Public Cleansing Management Act 2007

Supporting the UN SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Efficient and well-planned waste management is crucial to minimise waste generation and avoid environmental impact. To support this, we have integrated a circular economy approach into our business and practise the 3Rs principle of reusing, reducing and recycling whenever possible.

2024 PERFORMANCE OVERVIEW

2,369 tonnes of non-hazardous waste generated

62% waste diverted from disposal
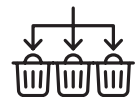
28,394kg RedQ office waste recycled

3,164kg of used cooking oil recycled

525 life jackets upcycled

Hazardous Waste

(GRI 306-3)

Waste generated by Capital A can be categorised into two types: hazardous and non-hazardous waste. Hazardous waste is harmful to human health and the environment, and therefore should be disposed of properly.

The majority of our hazardous waste is generated by our engineering operations, maintenance stations and hangars, and includes items such as:

• Spent oils and fluids	• Absorbents	• Containers	• Filters	• Oil rags	• Paint and grease

To ensure responsible management, we engage licensed contractors to manage our hazardous waste in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia and relevant environmental acts and regulations of the other countries where we operate.

In 2024, we generated 3,831 tonnes of solid hazardous waste, a 25.9% increase from 2023. Whereas for liquid waste, we generated 37,625 litres of liquid scheduled waste compared to 26,796 liters in 2023. The high level of waste generated in 2024 was due to increase in aircraft maintenance and draining of aircraft fluid.

Hazardous Waste	2022	2023	2024
Total Waste Generated			
Solid Hazardous Waste (tonnes)	1,343	3,043	3,831
Liquid Hazardous Waste (litres)	5,438	26,796	37,625
Waste Diverted from Disposal (tonnes)	0	0	0
Waste Directed to Disposal			
Solid Hazardous Waste (tonnes)	1,343	3,043	3,831
Liquid Hazardous Waste (litres)	5,438	26,796	37,625

Non-Hazardous Waste

(GRI 306-3, 306-4, 306-5)

Our non-hazardous waste includes general waste generated from our offices, warehouses and operations from flights, Teleport and GTR. In 2024, we diverted 62% of our waste from disposal, a 26% improvement from the previous year. This achievement was largely driven by the 100% recycling rate of plastic sheets from GTR and Teleport operations. Waste that is not disposed of is recycled, reused or used as an alternative fuel for cement production.

Non-Hazardous Waste	2022	2023	2024
Total Waste Generated (tonnes)	569	1,003	2,369
Waste Diverted from Disposal/Waste recycled (tonnes)	107	494	1,470
Waste Directed to Disposal/Non-recycled waste (tonnes)	462	509	899

Note:
1. Non-hazardous waste for AirAsia Malaysia and AirAsia Indonesia only include general waste from offices as cabin waste is managed by airport authorities.
2. Non-hazardous waste for AirAsia Philippines and AirAsia Thailand only includes cabin waste collected from our flights as office waste is managed by airport authorities.

Building on the initiatives from the previous year, the Group continued to promote key sustainable practices among Allstars, including:

• Encouraging Allstars to bring their own cutlery and containers to the offices
• Eliminating the use of single-use plastic cutlery and plastic bags
• Implementing a fee for take-out containers

At the RedQ office, we launched a "Plastic Detox" campaign to discourage the use of single-use plastics and encourage Allstars to bring their own reusable cutlery. In support of this initiative, Santan has also introduced cornstarch-based cutlery and containers across its office F&B outlets. This practice is also being implemented at other offices, including RedChain, Q11, GS office and Wisma Tune. At our RedHouse office, IAA started several waste initiatives such as the "Let's Go Green Office Socialisation" campaign and the construction of a new waste bin centre to ensure proper segregation of hazardous and domestic waste.

Addressing Climate Change

Office Waste

Recycling bins for paper, plastic and aluminium are available on every floor of our RedQ office. In 2024, we expanded our recycling efforts by providing recycling bins at our Engineering office, RedChain. Waste discarded in these bins is collected by appointed licensed contractors to ensure proper disposal and recycling. A total of 28,394kg of waste was recycled in 2024, which was a 51% increase from 18,784kg in 2023. This improvement is a direct result of more clean up projects being done in 2024.

Total Office Waste Recycled
28,394kg
(↑ 51%; 18,784kg in 2023)

Plastic
575kg
(64kg in 2023)

Paper
27,668kg
(18,715kg in 2023)

Metal
151kg
(5kg in 2023)

Inflight Waste

Our TAA and PAA cabin crew maintain their practice of segregating recyclable waste onboard. However for IAA flights, the responsibility of managing and handling the cabin waste lies with the airport authorities. In 2024, TAA and PAA collected a total of 1,009 tonnes of inflight waste, marking an 83% improvement from 2023. This rise was driven by enhanced waste collection efforts across both AOCs, along with a higher number of flights and guests throughout the year. TAA and PAA's inflight waste collection performance is as below:

Total Inflight Waste Collected
1,009 tonnes
(2023: 550 tonnes)

TAA Collected
330 tonnes
(2023: 285 tonnes)

PAA Collected
679 tonnes
(2023: 266 tonnes)

100% recycled
and diverted from disposal

37.1% recycled
and the remainder sent to landfill

Additionally, in the second quarter of the year, Santan introduced a new initiative to collect and recycle waste from its inflight warehouse. This includes items such as coffee capsules, bulk-purchased cartons, as well as catalogues and menus, which are updated on a quarterly basis.

Total Waste Recycled at Inflight Warehouse
18,036kg
Including paper, cartons, plastics and aluminum

Sustainable Packaging Solutions

Inflight Food Packaging

Our commitment to reducing our environmental footprint extends to the inflight food packaging. As a low-cost carrier, we face the challenge of sourcing materials that are both environmentally friendly and cost-effective. In 2024, Santan engaged a third party expert to assess the carbon footprint of its current product packaging and conduct a comparative analysis of potential alternatives following raw material substitution. The resulting Life Cycle Report (LCA) has led to a significant shift in our packaging approach.

We are currently transitioning from single-use disposable packaging to a more sustainable alternative made from Polylactic Acid (PLA). The LCA report also confirmed that PLA has a degradation and compostability rates of over 90%. As part of this change, we ensure that all our product packaging is both compostable and FSC certified. This transition is expected to prevent the release of 472 tonnes of CO_2 annually.
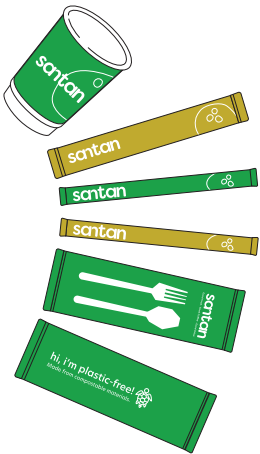
DID YOU KNOW?

What is Polylactic Acid (PLA)?

A biodegradable plastic made from renewable plant-based materials like corn and cassava. PLA is compostable and can break down into natural components, making it a more environmentally friendly option.

The Group will continue to work on identifying solutions that reduce our waste and replace materials with reusable, recyclable, and/or biodegradable alternatives.

Santan's key initiatives in 2024

Biodegradable & Compostable packaging

Reduction of plastic content in packaging

Recycling project at warehouse

ENVIRONMENTAL
Addressing Climate Change

Santan's Packaging Commitment and Strategy

We are dedicated to reducing pollution and improving resource efficiency through a comprehensive approach that focuses on packaging innovation, waste reduction, and responsible material sourcing.

To this end, we have developed programmes focused on increasing the use of recyclable packaging across our product range. We are phasing out single-use plastic packaging, replacing it with more sustainable alternatives that are both environmentally friendly and effective in preserving product integrity.

Recognising the need for continual improvement, we have also allocated dedicated resources to research and development, focusing on alternative solutions that align with our long-term environmental goals. Through these efforts, we aim to provide packaging that supports a circular economy and reduces our environmental footprint.

Our packaging strategy includes exploring and sourcing sustainable packaging alternatives, as outlined below:

Santan's Packaging Strategy

2022	2023	2024	2025
Standardisation of Packaging Design & Cost Reduction	**Green Packaging Sourcing**	**Seasonal & Collection Packaging**	**Packaging that Meets Shelf-Life Goal**
Standardising the design of inflight and on-ground packaging for a stronger brand presence.	Sourcing for affordable alternative green packaging (recyclable or biodegradable packaging elements) as well as to reduce disposable waste and carbon emissions.	Exploring eco-friendly materials for our seasonal gift boxes without compromising the quality and collection value.	Research packaging that is able to extend shelf life to meet the demands of the global food industry, reducing food waste on board. Santan will also ensure the food is safe and meets quality standards throughout its shelf life.

Food Waste

Since 2021, the Inflight team has set the target of limiting food waste to less than 30% of total consumption for all AirAsia flights. By using our AI demand planning tool, we are able to forecast catering demand and encourage guests to pre-book meals.

In 2024, our food waste, of 718,111kg, was within our threshold, and represents a 6% decrease compared to 2023. The reduction in food waste is primarily attributed to the introduction of freeze dried menus, which have helped reduce dependency on perishable meals. Additionally, the increase in overall passenger numbers have contributed to a decrease in food waste per passenger. Looking ahead, our goal in 2025 is to further reduce our food waste to below 25% of total consumption.

↓ 6%
in food waste
(2023: 765,416kg)

Used Cooking Oil

Given the large scale food production for our catering and restaurants services, we are aware of the high volume of cooking oil that we use. In June 2023, we began our partnership with FatHopes Energy to collect, process and refine our used cooking oil (UCO) into biofuels. By 2024, we have collected 3,164 kg of UCO, nearly three times the amount collected since the programme's inception.

3,164kg
UCO collected
(Since 2023: 4,294kg)

Circularity and Material Stewardship

AirAsia Foundation continues to grow its life-jacket recycling project with Nazanin, a social enterprise run by Afghan refugees. In 2024, 525 life jackets were upcycled into best-selling Soggy No-More accessories. The upcycled life jackets were sold on AirAsia Foundation's online social enterprise shop DestinationGOOD and on board AirAsia flights as inflight merchandise.

Since the launch of the Soggy No-More project in 2017, we drove this approach of circularity and material stewardship to support refugee livelihoods and AirAsia Foundation's social enterprise activities. Our performance of the project since its inception is as below:

4,839 life jackets
upcycled since 2017

968kg
non-biodegradable plastics diverted

RM432,285
revenue generated

Reconditioning Aircraft Waste into Non-Aeronautical Products

We take innovative methods to repurpose aircraft waste into valuable non-aeronautical products.

Highlight:

A scrapped aircraft antenna was transformed into a unique trophy for the inaugural Capital A Sustainability Awards. This bespoke item, created in collaboration with a local artisan by using recycled pallet wood, showcases the Group's commitment to reducing waste through repurposing and innovation.

ENVIRONMENTAL
Addressing Climate Change

Handling Aeronautical Waste

Our leading MRO service provider, ADE, is committed to adopting the 3Rs principle - reduce, reuse, and recycle - whenever possible for key aircraft components. By focusing on lifecycle extension and the innovative repurposing of aircraft components, we strive to minimise waste and support sustainable aviation practices across the Group.

Workshop Capabilities

ADE operates nine specialised workshops that focus on servicing and repairing critical aircraft components. These efforts align with our Group's sustainability goals by minimising waste and conserving resources through the extension of product and component lifecycles.
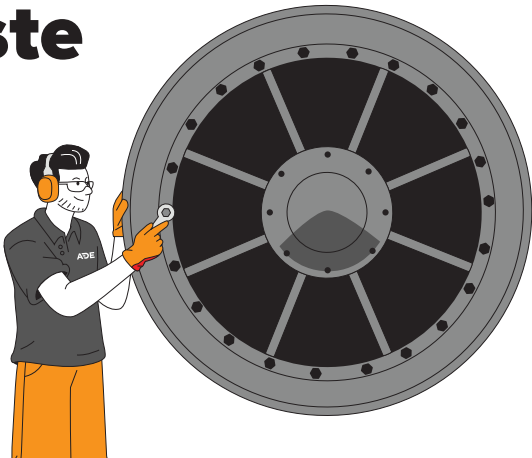
Workshop	Capabilities
Wheel Workshop	Handles the maintenance of aircraft wheel hubs. Tires are removed and sent to the manufacturer for inspection, retreading, or recycling. Restored wheel hubs ensure operational safety while minimising resource consumption.
Brake Workshop	Disassembles, cleans, and inspects brake assemblies for wear. Reusable parts are serviced, while worn components are replaced to maintain reliability. This process reduces the frequency of component replacement and responsibly handles unusable parts.
Battery Workshop	Conducts recharging, testing, and servicing of batteries to extend their operational life. End-of-life batteries are disposed of responsibly through licensed recycling contractors.
Oxygen Workshop	Inspects, pressure-tests, and refills oxygen bottles, extending their usability. Bottles that no longer meet safety standards are processed through authorised disposal channels.
Sheet Metal	Repairs aircraft panels and frames, addressing damage like dents, punctures, and corrosion. This minimises the need for manufacturing new parts, promoting material conservation while ensuring structural integrity.
Composite Workshop	Restores lightweight composite materials such as floorboards and panels, addressing issues like cracks, delamination, and impact damage. Repairing these components reduces waste and supports the conservation of advanced materials.
NDT Workshop	Conducts advanced non-destructive testing (NDT) using techniques like ultrasonic, dye penetrant, and magnetic particle testing to detect potential defects without damaging components. Early detection enables repairs over replacements, reducing waste and conserving materials.

ADE's Key Principles

- **Lifecycle Optimisation:** Repair and restore processes to delay the need for replacements, conserve resources and reduce waste.

- **Efficiency and Safety:** Ensure components meet stringent operational standards, contributing to overall efficiency and safety

Aircraft wheel assembly undergoing inspection at ADE facilities.

SOCIAL
Safety as Our Priority

Safety as Our Priority

(GRI 3-3)

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
- IOSA Standard and Recommended Practices
- Occupational Safety and Health (Amendment) Act (OSHA) 2022
- Factories and Machinery Act 1967
- ISO 9001:2015 Quality Management System
- ISO 45001:2018 Occupational Health and Safety
- ICAO Annex 19 and Doc 9859

Supporting the UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH
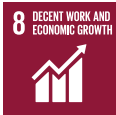
Nothing matters more to us than the safety and well-being of our Allstars, guests and communities. It serves as a foundational pillar of our operations and a non-negotiable in our daily culture. With clear processes and strong organisational structures, we have built a safety-first culture that fosters trust, supports growth, and empowers our team to thrive.

2024 PERFORMANCE OVERVIEW

5,655 safety training hours	**0** fatalities	**6.22** Lost Time Incident Rate
76 work-related injuries recorded	**7** Stars Safety Rating	**13,217** safety reports filed

Safety as Our Priority

Operational Safety

Our dedication to operational and technical excellence is anchored on the Safety Management System (SMS), which serves as the foundation of our operations. It is meticulously designed to prevent incidents, and ensure strict compliance with all regulatory requirements 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:
- Safety accountability and responsibilities
- 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

Safety Promotion

Inspires a positive safety culture across all levels of the workforce through:
- Training and education
- Safety communication

Safety Policy

Our Safety Policy is the backbone for how we keep safety at the forefront, outlining clear practices, roles, and responsibilities to ensure the right checks and balances are in place. It applies to all Allstars, contract workers, and value chain partners involved in our operations, directly or indirectly.

The policy:

- reflects the Group's commitment regarding safety, including the promotion of a positive safety culture
- commits to the provision of the necessary resources for the implementation of the safety policy
- commits to comply with all applicable regulatory requirements
- clearly indicate which types of behaviors are unacceptable and include the circumstances under which disciplinary action would not apply

ⓘ   *For more information on our Safety Policy Statement, please visit https://www.capitala.com/misc/CapitalA-Safety_Policy_Statement.pdf*

Safety Governance

As safety is a shared and non-negotiable responsibility, it requires full commitment and accountability from everyone starting from the Board of Directors to Allstars in the frontline.

Safety Review Board (SRB)

The SRB provides oversight on all key safety matters and oversees the SMS. It comprises the Chairman, 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.

Chief Safety Officer

The Chief Safety Officer is responsible to the CEO for planning, implementing, maintaining and continuously improving an effective SMS across the Group to ensure continuous compliance to all applicable local and international regulations and standards. The Chief Safety Officer also holds responsibility to conduct safety audits, investigations, surveys and inspections of any aspect of the operation.
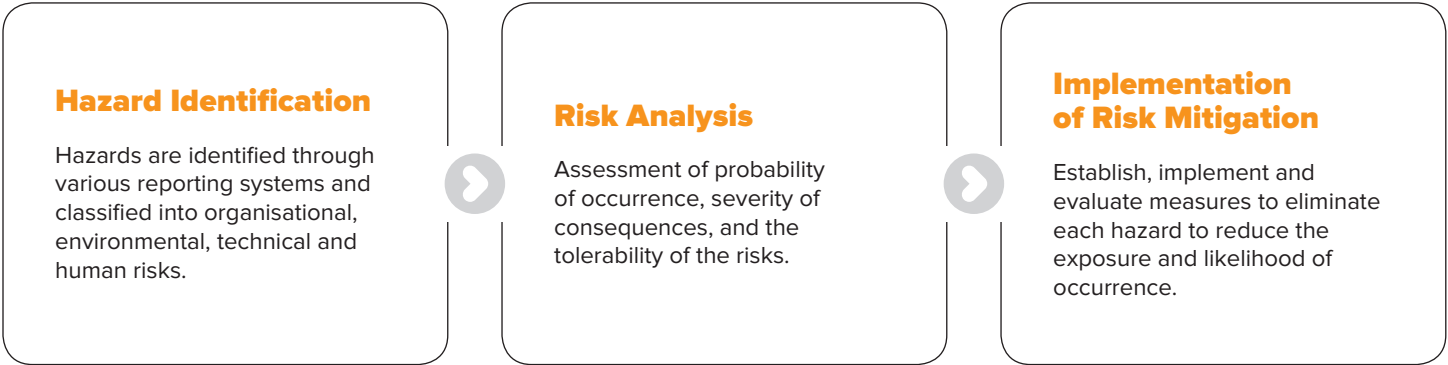
Safety Action Group (SAG)

Strategies and action items deliberated at the SRB meetings will be communicated to the 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
Chief Safety Officer
Safety Action Group

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.

Chief Safety Officer
- Enforces regulations and oversees safety protocols to minimise risks and accidents.
- Develops and improves safety training and culture.
- Investigates and addresses safety risks.

Safety Action Group
- Implements safety strategies and actions developed by the SRB.
- Continuous evaluation and assessments of safety risks and their impacts to mitigate risks.

Safety Risk Management

Our Safety Risk Management process helps to identify potential hazards and assess risks associated with our operations in a timely manner with the implementation of appropriate remediation measures.

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.

Hazard Identification

Hazards are identified through various reporting systems and classified into organisational, environmental, technical and human risks.

Risk Analysis

Assessment of probability of occurrence, severity of consequences, and the tolerability of the risks.

Implementation of Risk Mitigation

Establish, implement and evaluate measures to eliminate each hazard to reduce the exposure and likelihood of occurrence.

SOCIAL
Safety as Our Priority

RedEye: Safety Reporting On-the-Go

In April 2024, the Safety team introduced the RedEye mobile application, enhancing and upgrading the functionality of the existing web version.

Designed to simplify the reporting, tracking, and analysis of safety incidents, the app leverages the convenience of mobile technology. Key features include:

- live chat for real-time communication with safety teams
- location-pinning function to precisely mark the geographic sites of incidents
- automatic translation for improved accessibility across languages

These and other innovative tools make RedEye a user-friendly and efficient solution for managing safety incidents on the go.

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.

13,217
safety reports recorded in 2024
(2023: 11,690)

The number of safety reports increased by 13% in 2024 compared to the previous year, driven by a combination of operational growth and strategic efforts to enhance safety practices. This rise reflects not only the expansion of our fleet and operations but also the success of targeted initiatives, including:

- **Improved Reporting Culture:** A positive organisational shift that encourages employees to report safety incidents without fear of reprisal.
- **Enhanced Awareness:** Greater emphasis on safety procedures, regulations, and the critical role of reporting.
- **Effective Training and Communication:** Clear, consistent messaging on safety expectations and accessible reporting mechanisms.
- **User-Friendly Reporting Systems:** Streamlined and intuitive systems that make reporting quicker and more accessible.
- **Positive Reinforcement:** Recognition and rewards for incident reporting, showcasing its value and importance.
- **Proactive Safety Initiatives:** The launch of new safety measures and campaigns to reinforce a culture of vigilance and responsibility.

These efforts underscore our commitment to maintaining the highest standards of safety and continuous improvement.

CASE STUDY
The Growing Impact of Climate Change on Turbulence

One of the most noticeable trends in 2024 has been the increasing frequency and unpredictability of turbulence. This rise is largely driven by climate change, as rising global temperatures strengthen jet streams and disrupt wind patterns, leading to turbulence that occurs without visual warning.

While our aircraft are designed to withstand significant turbulence, we continue to reinforce safety measures through rigorous compliance checks, enhanced pilot training, and real-time weather monitoring to help our crew navigate increasingly unpredictable skies.

Key Insights from Our Flight Data:

- **Geographical Patterns:** Most turbulence events occur over land, particularly in Southeast Asia, including parts of Vietnam, Thailand, Malaysia, and Indonesia.
- **High-Risk Areas:** Flights over mountainous areas and regions with varied topography exhibit higher instances of turbulence.
- **Flight Phases:** While turbulence can happen at any point, data shows a consistent pattern during climb, cruise, and descent phases.

- **Seat Belt Signs:** Many turbulence incidents occurred when seat belt signs were switched off, highlighting the need for constant vigilance and proactive safety measures.

Our data reveals a clear link between turbulence and geographical features, enabling us to refine our flight planning and safety protocols. By understanding these patterns, we can enhance passenger comfort, crew preparedness, and overall flight safety in an era of evolving climate challenges.

Addressing Communication Gaps

Safety has identified a communication gap where flight crews did not effectively communicate with cabin crews regarding predicted turbulence areas. To address this, safety in collaboration with flight operations has implemented turbulence briefings during preflight and in flight briefings to enhance cabin crew awareness. This proactive measure has already shown positive results, with a reducing trend in the number of cabin crew and passengers affected by turbulence.

Emergency Response Preparedness

AirAsia has a comprehensive emergency response mechanism in place, detailing protocols and strategies for managing both aircraft-related and non-aircraft-related emergencies, with the primary aim of safeguarding the well-being of our guests and Allstars. Our Emergency Response Plan (ERP), guided by the Emergency Response Manual, is designed to ensure personnel safety, mitigate risks, and maintain operational continuity during a crisis.

Each AOC is assigned a dedicated ERP manager supported by trained personnel and volunteers to coordinate emergency responses. Across the Group, ERP managers oversee response management and deployment. To broaden our network of emergency responders beyond key personnel, we held our inaugural ERP workshop this year, engaging 10 ERP personnel. This initiative lays a solid foundation for preparedness and reinforces support across the organisation.

On the humanitarian front, we equip Allstar volunteers with skills to assist accident victims and their families as part of the Special Assistance Team. This year, 5 training sessions were conducted, preparing 54 volunteers to provide compassionate and effective support during challenging times.

To maintain the readiness of our emergency response team, we carry out an annual tabletop exercise that tests various aspects of crisis management, including notification procedures, call-outs, crisis management centre activation, manifest verification, and departmental emergency protocols. This year, 7 tabletop exercises were conducted across all AOCs.

SOCIAL
Safety as Our Priority

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.

This year, we focused our attention to improve accessibility to ensure sound well-being through four main initiatives:

1 Allstars Peer Support Programme

The Allstars Peer Support Programme is a network of trained Allstar volunteers (peer supporters) who provide emotional support, guidance, and a listening ear to colleagues facing mental health challenges or stress. They serve as the first point of contact for Allstars in need of support. The programme aims to foster a safe, non-judgemental environment where Allstars can discuss a wide range of issues, including those related to work, health, finances, relationships, or personal concerns. Initially spearheaded by the Flight Safety team, this initiative has now expanded to support office staff as well as pilots and cabin crew, ensuring immediate and comprehensive care across the organisation.

In partnership with clinical psychologists, our Peer Supporters are trained in essential skills such as active listening, effective communication, stress management, and the promotion of mental well-being. For more serious cases requiring professional intervention, Peer Supporters facilitate referrals to external mental health providers.

To date, we have trained 94 Peer Supporters, including pilots, cabin crew, and office-based employees, who have collectively supported nearly 145 cases across the Group.

Thanks to this initiative, we were honoured as the Airline Health and Wellness Initiative of the Year by The Asian Business Review at the Malaysia Management Excellence Awards 2024.

2 IMSAFE

This year, we also introduced the IMSAFE self-assessment framework that is a tool pilots can use to evaluate their fitness for duty. Each letter stands for a different aspect of health and readiness that pilots and crew can use to assess themselves:

I	M	S	A	F	E
Illness	Medicine	Stress	Alcohol	Fatigue	Emotion

This proactive approach not only supports the individual health of pilots and cabin crew, but also promotes a culture of safety, ultimately leading to safer skies and more reliable air travel for everyone.

3 Critical Incident Stress Management (CISM)

To address stress arising from traumatic events, the Human Factors team launched the CISM programme in July 2024. CISM is a structured approach aimed at providing early intervention to alleviate emotional distress and minimise the risk of long-term psychological challenges, such as post-traumatic stress disorder, for pilots and cabin crew.

The programme offers a comprehensive system of support, including immediate crisis intervention, access to support services, and ongoing care, ensuring that individuals affected by critical incidents receive the necessary emotional and psychological assistance. This initiative underscores our commitment to safeguarding the mental well-being of our frontline teams.

4 Counselling Support

This year, we are laying the foundation to improve access to counselling services across our offices, ensuring better support for Allstars in managing both personal and professional challenges. Starting January 2025, we have introduced in-house counselling service at RedQ, providing a convenient and confidential resource for Allstars seeking emotional and psychological assistance. The certified counsellor is also our very own Allstar, bringing professional expertise alongside a genuine understanding of our RedQ culture. The team is working with Naluri, our digital health platform, to provide a regular in-house counsellor for the Philippines, Thailand and Indonesia once a month.

In addition, we have partnered with The Pillars, an Employee Assistance Programme, to offer professional psychological support, including access to an aviation psychiatrist when needed. All Allstars are entitled to five complementary sessions with The Pillars. Beyond in-person services, Allstars can also access virtual wellness support through the Naluri health app, which allows them to book counselling sessions with a therapist or psychiatrist from the comfort of their own space.

These initiatives reflect our continued commitment to fostering a workplace environment that prioritises mental health and well-being.

Fatigue Risk Management

Given the critical role played by pilots, fatigue management is widely discussed in initial and recurrent Crew Resource Management training. AirAsia strictly complies with established regulations governing maximum Flight Duty Periods and Minimum Rest Periods to ensure pilots have adequate time to rest and recover. These guidelines are detailed in our operations manual, which fully aligns with the requirements of the civil aviation authorities in all the countries where we operate.

Systemic Substance Management Mechanism

The misuse of intoxicating substances, including drugs and alcohol, poses significant performance risks and endangers the safety of our guests. We uphold our commitment to a safe workplace through a systematic Drug and Alcohol Management Programme, approved by the CAAM and other relevant regional aviation authorities. This comprehensive programme comprises three key components: reporting and testing; medical intervention, rehabilitation, and peer support; and ongoing education. AirAsia remains steadfast in implementing all necessary measures to ensure our flight crew adhere to these policies and fully understand the consequences of non-compliance.

Indoor Air Quality

A comprehensive Indoor Air Quality (IAQ) screening was conducted at the Baggage Handling System (BHS) area of KLIA2 to assess environmental conditions and ensure compliance with the Industry Code of Practice on Chemicals Classification and Hazard Communication (ICOP) on Indoor Air Quality 2010. The assessment focused on measuring air temperature, relative humidity, and air movement at various sampling points.

The purpose of the assessment was to establish guidelines for improving IAQ by setting minimum standards for specific parameters, and to prevent discomfort and potential health issues among employees and occupants. We identified some areas of concerns and are working on putting measures in place to rectify them for better indoor air quality.

Hearing Conservation Programme and Noise Risk Assessment

The Hearing Conservation Programme (HCP) was introduced at ADE to address the risk of noise-induced hearing loss among employees and ensure compliance with the Occupational Safety and Health (Noise Exposure) Regulations 2019.

As part of the initiative, we identified areas with high noise levels to assess associated risks and implement suitable controls. Comprehensive Noise Risk Assessments were carried out at our Line Maintenance Stations in Kuala Lumpur, Kota Kinabalu, Penang, Langkawi, and Kuching.

The results of these assessments revealed that noise exposure levels for Line Technicians and Licensed Aircraft Engineers exceeded the Noise Exposure Limit. This finding required the implementation of baseline and annual audiometry tests, along with the enhancement of both engineering and administrative controls. Additionally, Personal Hearing Protector (PHP) was provided to reduce noise-related risks.

Chemical Safety Management

A Chemical Health Risk Assessment (CHRA) was conducted at various ADE locations, including the Senai Hangar, Kota Kinabalu, Kuching and Kuala Lumpur Line Maintenance Stations, to evaluate chemical-related health risks and ensure compliance with regulatory requirements - Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000. These assessments focused on identifying potential chemical exposure risks and implementing control measures to protect employee health.

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.

Performance Monitoring

Performance monitoring is central to our commitment to safety and involves setting Safety Objectives, Safety Performance Indicators, and Safety Performance Targets. This process provides critical insights into organisational behaviour and measures the effectiveness of our SMS, ensuring senior management is equipped with the necessary information to proactively mitigate risks and achieve safety goals.

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. It is a structured approach to evaluating, assessing, and controlling changes to ensure they do not introduce new risks or exacerbate existing ones. This process ensures that changes which may impact identified hazards and risk mitigation strategies are accounted for before the implementation of such changes.

In 2024, a total of 393 MOC and Risk Assessments were performed by all operational departments.

Continuous Improvement

Continuous improvement is the ongoing process of identifying, evaluating, and implementing enhancements to the SMS to elevate safety performance. Safety Assurance is responsible for monitoring and assessing SMS processes to sustain or improve their overall effectiveness. This is achieved through management reviews, verification, follow-up actions, and periodic internal audits.

As part of our commitment to continuous improvement, an annual effectiveness evaluation of the SMS is conducted to ensure that safety standards remain high and evolve in response to emerging needs.

Safety as Our Priority

IATA Operational Safety Audit

Regular internal operations audits ensure process adherence and validate the effectiveness of safety controls. AirAsia complies with IOSA Standards, widely recognised as the benchmark for airline safety, as well as ICAO Annex 19 and Doc 9859.

To maintain IOSA Standards and audit readiness, our Group Operational Quality Assurance auditors conducted internal operations audits for MAA in January 2024, followed by IAA and PAA in October, and TAA in November. MAA successfully completed its IOSA renewal audit in July 2024, IAA IOSA renewal audit will be in 2025, while TAA and PAA are preparing for their IOSA Registration Audits in 2025. We carried our six IOAs in 2024 including our sister companies - AAX and TAX as a result.

For AAC, our newest AOC, the team performed a pre-AOC assessment in April 2024 to support preparations for the pre-AOC audit by the State Secretariat of Civil Aviation of Cambodia. Looking ahead, an internal operations audit for AAC is scheduled for December 2025 to ensure it meets the highest safety standards.

The Group Quality Assurance team also conducted 73 joint station compliance audits to ensure station, and hub operations including contracted outsourced functions adhere to local regulations, in-house standards, AOC requirements, and other applicable rules. These audits are conducted every 24 months for stations and annually for main hubs to maintain compliance and operational excellence.

Safety Promotion

Guided by our value, 'Safety is #1', we cultivate a positive safety culture by fostering a collective mindset where every Allstar integrates safety into their daily activities. By enhancing technical competence, ensuring clear communication, and promoting active information sharing, we instill a shared responsibility for upholding safety protocols and awareness across the organisation.

Just Culture

We embrace the Just Culture approach, which balances accountability with learning from mistakes. While human errors are inevitable, we ensure that Allstars can report incidents or near-misses without fear of unjust punishment, provided their actions were not intentionally negligent or reckless. By encouraging peer-to-peer information sharing, we cultivate trust and foster a non-punitive environment focused on learning. This empowers everyone to take responsibility for safety. In 2024, we are developing an e-learning course on Outclass to further promote Just Culture, with a planned release in 2025.

Training and Communication

Safety training and education are key to the ongoing development and strengthening of our safety culture. As an employer, we are committed to equipping our Allstars with the knowledge and skills they need to perform their roles safely. Each business unit will conduct a training needs analysis and take ownership of ensuring that safety training is effectively delivered to their teams.

In 2024, we invested in various training programmes related to safety:

Average of

744

Allstars received over

5,655 hours

of safety training

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

Mega Foreign Object Debris (FOD) Walkabout Campaign

This year, we reinforced our commitment to safety through our largest collaboration yet with Malaysia Airports Holdings Berhad (MAHB) for a mega FOD walkabout campaign at Kuala Lumpur International Airport.

The initiative aims to raise awareness and encourage vigilance in identifying and addressing any misplaced objects - whether inanimate or living - that could pose a risk to personnel or damage aircraft. Even the smallest hazards can have a significant impact on safety, efficiency, and the smooth operation of our flights, underscoring the critical importance of proactive measures like this campaign.

In Thailand, our team at TAA organised a similar FOD awareness session.

130
volunteers

140.1kg
of FOD collected

Safety Day

In September 2024, we celebrated our annual Safety Day, reaffirming our commitment to the motto "Safer Together, Stronger Together." The event featured an array of interactive safety booths hosted by various AOCs and lines of business, showcasing the critical role safety plays in their unique functions. A highlight of the day was honouring 14 Allstars as Safety Heroes - a recognition of their swift actions and dedication to upholding exemplary safety practices in their work.

A significant milestone of the day was the official launch of our Safety Portal—a comprehensive one-stop platform designed to provide essential information, tools, and real-time updates. This new resource empowers our Allstars to take safety to the next level, driving progress in our collective safety mission.

Safety as Our Priority

Occupational Health and Safety

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	2022	2023	2024
Total man hours worked	29,792,304	38,881,088	42,579,500
Number of fatalities as a result of work-related injury	0	0	0
Number of recordable work-related injuries	69	68	76
Lost Time Injury (Number of lost days)	958	1,306	1,324
Lost Time Injury Rate (LTIR)	6.4	7.0	6.2
Lost Time Injury Frequency Rate (LTIFR)	32.2	33.6	31.1
Incident rate	4.3	3.8	3.6
Severity rate	32.2	33.6	30.2

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

Calculations:
- *Lost Time Incident Rate = total number of lost time injuries/total number of hours worked x 200,000*
- *Lost Time Injury Frequency Rate = total number of lost time injuries/total hours worked x 1,000,000*
- *Incident Rate = No. of accidents X 1,000 /annual average of no. of employees*
- *Severity Rate = Total workdays lost X 1,000,000 /total man-hours worked*

In 2024, the number of reported injuries increased by 11.8% compared to 2023, with most injuries related to ergonomic and musculoskeletal issues. Despite this, the incident and severity rate dropped to 3.6 and 30.2 respectively, indicating a reduction in the overall frequency and impact of incidents. These improvements likely reflect the success of our enhanced safety training and improved hazard controls implemented throughout the year. Moving forward, we are committed to further reducing injuries through comprehensive risk assessments and targeted training programs.

Recognising Excellence in Safety

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 has proudly been recertified as a Seven-Star Airline by AirlineRatings.com, meeting its enhanced safety ratings criteria. This recognition reflects our unwavering commitment to safety and excellence. The recertification process included comprehensive analysis and evaluation, with a focus on areas such as pilot training and incident management.

Airline Health and Wellness Initiative of the Year

We are honoured to have been awarded the Airline Health and Wellness Initiative of the Year by The Asian Business Review at the Malaysia Management Excellence Awards 2024. This is in recognition of our Allstars Peer Support Programme, underscoring our dedication to promoting a healthy and supportive workplace.

Gold Class 1 Award at the 2024 MSOSH Occupational Safety and Health Awards

With ADE and Group Safety's collaboration, we were awarded the Gold Class 1 Award. The award recognises ADE's excellence in maintaining the highest OSH standards, reinforcing a strong culture of safety and compliance throughout its facilities. Shortlisted companies are subjected to stringent document and site verification audits by a panel of qualified and dedicated Malaysian Society for Occupational Safety and Health (MSOSH) auditors. The achievement was a result of an audit conducted at ADE.

Food Safety

Ensuring the safety and quality of in-flight and catering offerings is essential as it directly impacts our guests' health and satisfaction. From food handling, preparation to storage, our team at Santan strives to deliver the highest quality of food, establish trust and ensure customer satisfaction.

Through food assessments, regular on-site checks with suppliers, to daily meal testing, Santan ensures to comply with strict hygiene standards and safety regulations of the food and beverage industry, including the following:

- FSSC/ISO 22000 Food Safety Management System
- World Food Safety Guideline for Airline Catering by International Flight Services Association (IFSA)
- Compliance with the requirements of Hazard Analysis and Critical Control Points (HACCP)
- Malaysia Halal Certification by JAKIM
- Food Safety Information System of Malaysia (FOSIM)

In 2024, across all AOC, we identified 18 isolated food safety and quality non-compliance incidents, which were swiftly addressed through comprehensive audits, lab analysis and daily meal testing. Suppliers not meeting our standards received warning letters, product withdrawal or suspension, with alternative suppliers sourced when necessary. These actions led to immediate corrective measures and better alignment on quality expectations. We are pleased to report no food poisoning outbreak incidents.

Looking ahead to 2025, we will enhance supplier collaboration with regular meetings to review incidents and implement corrective actions. A detailed root cause analysis will help us identify suitable corrective measures, while strengthening our food safety and quality assurance programme to ensure robust compliance and documentation. We are reviewing the implementation of a higher penalty for suppliers with repeated and recurring food safety issues.

Encouraging Healthier Choices

In August 2024, we proudly launched the 'Club Zero' campaigns to reduce sugar intake and promote healthier eating habits among our guests. The launch aligns with the Ministry of Health's move to raise taxes on sugary drinks, in response to the growing public health challenge of diabetes in Malaysia.

In January 2025, Santan obtained Healthier Choice Logo (HCL) for selected signature drinks. This voluntary initiative by the Ministry of Health helps consumers make informed food choices by referring to the label on food packaging. Products that meet specific criteria—such as meals with fewer than 500 kcal calories per serving and drinks containing less than 5g of sugar per 100g— are eligible for HCL certification.

Nutrition Charter

The team at Santan is committed not only to serving delicious meals but also to prioritising the nutritional quality of the food we offer our guests. Our nutrition strategy focuses on avoiding preservatives and ensuring clear allergen declarations, nutritional facts, and product descriptions on all packaging.

We believe in empowering our guests to make informed food choices by responsibly marketing and labelling our products. Santan strictly adheres to relevant laws and regulations, including the Malaysian Food Act 1983 and the Food Regulations 1985, to ensure that the nutritional information on our menus is both accurate and comprehensive. This commitment allows us to monitor the health impact of our meals while maintaining transparency about our food ingredients.

SOCIAL
Empowering Allstars

Diversity & Inclusion
(GRI 2-7, 2-8, 3-3)

Rooted in a region rich in culture and diversity, Capital A proudly reflects Asean's shared heritage, values, and authentic identity through its Allstars. This celebration of diversity within our organisation enriches us with unique perspectives and strengths, which we greatly value. We foster an inclusive culture where everyone - regardless of gender, age, race, religion, sexual orientation, nationality, or disability - is respected, valued, and empowered to succeed.

2024
PERFORMANCE OVERVIEW

17%
women at Board level

20.7%
women in leadership positions

7.7%
female pilots

10%
women engineers

24.1%
women in IT

Our Management Approach

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

Supporting the UN SDGs

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Our workforce grew by 3.7% in 2024 from the previous year, to a total 21,851 Allstars of whom 33.8% (2023: 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. Of our total workforce, 85.2% are full-time employees, while 14.8% are on contract.
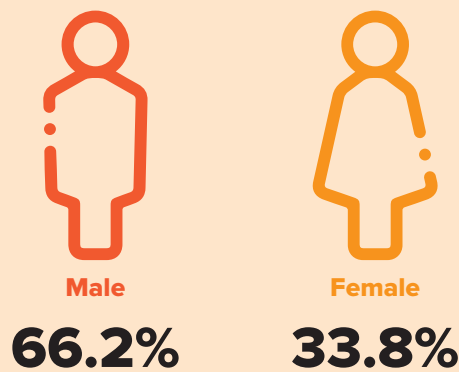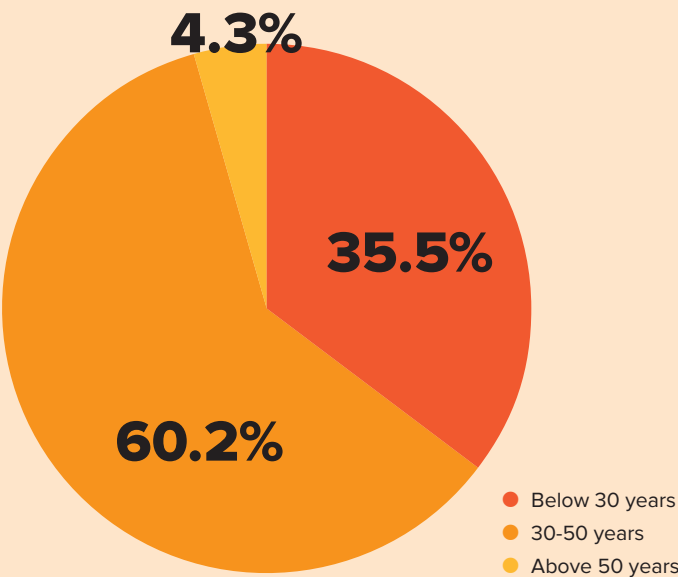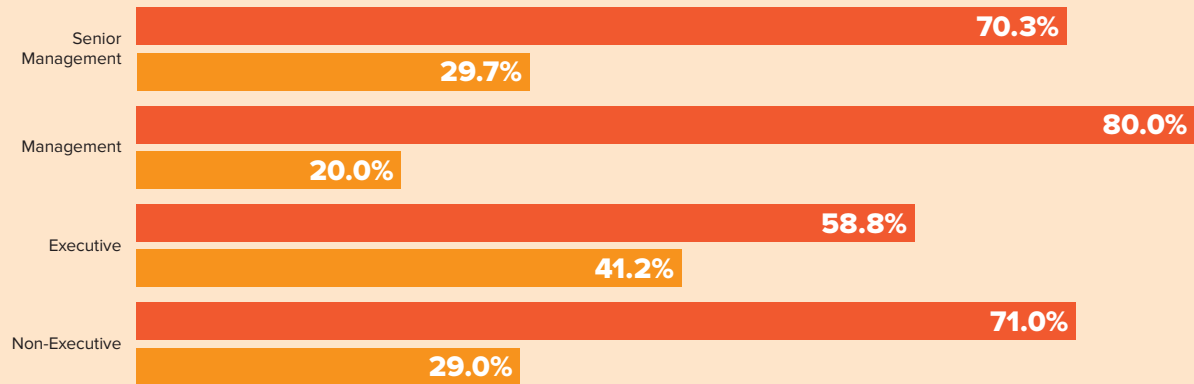
SOCIAL
Empowering Allstars
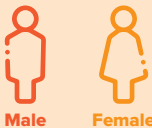(GRI 405-1)

Workforce by Gender

Male
66.2%

Female
33.8%

Workforce by Age Group

4.3%

35.5%

60.2%

● Below 30 years
● 30-50 years
● Above 50 years

Workforce by Employment Category

Senior Management	70.3%
	29.7%
Management	80.0%
	20.0%
Executive	58.8%
	41.2%
Non-Executive	71.0%
	29.0%

Allstars by Nationality

Malaysia	53.0%
Indonesia	8.3%
Phillippines	8.8%
Thailand	24.9%
India	1.6%
China	1.0%
Japan	0.1%
Others	2.3%

Male   Female
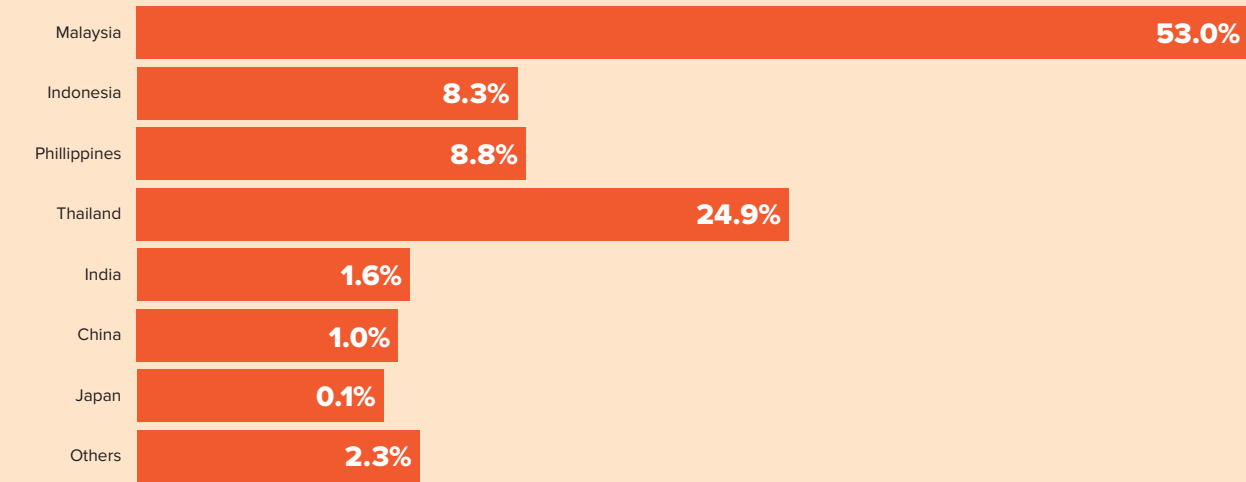
Women in Leadership

Rooted in the traditionally male-dominated aviation industry, we have consistently defied norms and challenged the status quo to foster a more gender-balanced environment. We empower our female Allstars to reach new heights, particularly in leadership and decision-making roles, starting at the very top with our Board.
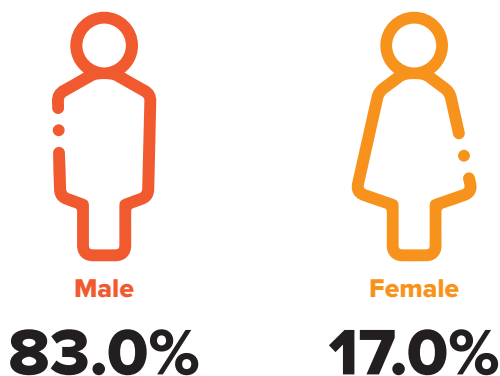
Board Diversity

In November 2024, we proudly welcomed Brigadier General Fadzillah Abdullah, who recently retired from the Royal Malaysian Armed Forces, to our Board of Directors. As one of the highest-ranking female officers, she is a passionate advocate for women's empowerment and gender equality. A renowned speaker, she actively promotes the inclusion of women in peace and security roles through various conferences and forums. We are thrilled to have her championing the voices of our female Allstars and inspiring the next generation of women leaders.

Brigadier General Fadzillah Abdullah

In line with our Board Diversity Policy, we firmly believe that a diverse and inclusive Board opens the door to exceptional talent, fresh perspectives, and unique skills - providing us with a competitive advantage. The Nomination and Remuneration Committee (NRC) is dedicated to identifying and promoting highly qualified female candidates for inclusion on the Board. At present, women constitute 17% of our Board, and we remain committed to increasing this figure as we continue striving for a more balanced and equitable leadership structure.
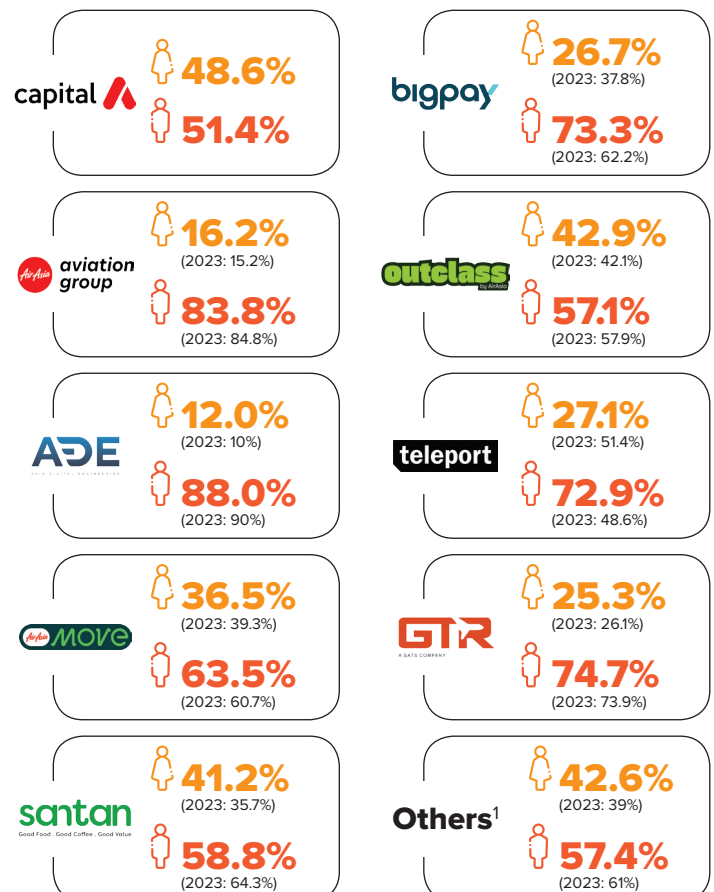
Board Diversity

Male	Female
83.0%	**17.0%**

For more information on our Board Diversity Policy, visit our website: https://www.capitala.com/misc/180921_Board_Diversity_Policy.pdf

Women in Decision-Making Roles

Across our entities, women occupy 20.7% of decision-making roles, encompassing managerial positions and above. Many of our entities have exceeded the 30% benchmark for women's representation, demonstrating significant progress.

Women are thriving particularly in our digital-focused entities, including AirAsia MOVE, Outclass, and BigPay, while more traditional, aviation-related entities continue to reflect a male-dominated landscape.

capital
48.6%
51.4%

bigpay
26.7% (2023: 37.8%)
73.3% (2023: 62.2%)

AirAsia aviation group
16.2% (2023: 15.2%)
83.8% (2023: 84.8%)

outclass
42.9% (2023: 42.1%)
57.1% (2023: 57.9%)

ADE
12.0% (2023: 10%)
88.0% (2023: 90%)

teleport
27.1% (2023: 51.4%)
72.9% (2023: 48.6%)

AirAsia move
36.5% (2023: 39.3%)
63.5% (2023: 60.7%)

GTR
25.3% (2023: 26.1%)
74.7% (2023: 73.9%)

santan
41.2% (2023: 35.7%)
58.8% (2023: 64.3%)

Others[1]
42.6% (2023: 39%)
57.4% (2023: 61%)

Notes:
1. 'Others' include entities with less than 20 Allstars.
2. This chart only includes Allstars who hold managerial positions.
3. 'Others' include DARTS, Ikhlas.com, and abc.

Empowering Allstars

Gender Pay Gap
(GRI 405-2)

We are committed to being an equal opportunity employer, fostering an inclusive workplace. To tackle systemic gender bias, we closely monitor and evaluate our gender pay gap. Following the UK's statutory guidance on gender pay gap reporting, we conduct detailed analyses of pay scales across eight job grades to ensure fairness and equity.

As Capital A comprises multiple lines of business in different sectors, we report our performance using two sets of data:

01 — Inclusive of all Allstars

02 — Allstars excluding pilots, cabin crew, licensed aircraft engineers (LAE) and software engineers (SWE)

This is based on the fact that gender representation in these technical 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 2024 is as shown:

Figure 1: Hourly Pay Gap Analysis

(1a) All Allstars

Mean 63.4%
(2023: 54.3%)

Median 56.9%
(2023: 55.3%)

(1b) Allstars excluding pilots, cabin crew, LAEs and SWEs

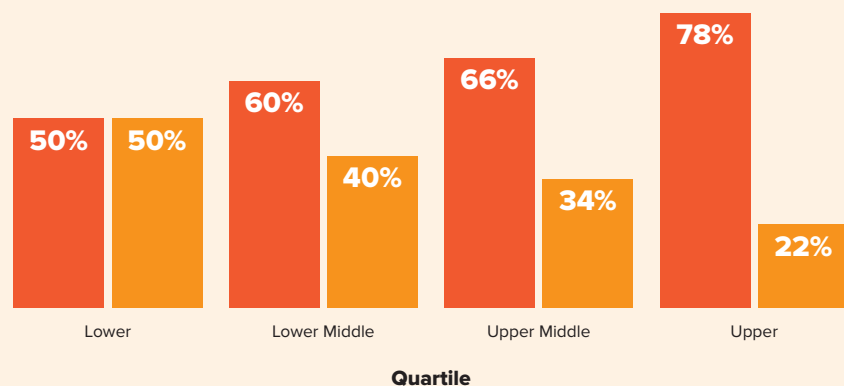**Mean -8.1%**
(2023: -15.8%)

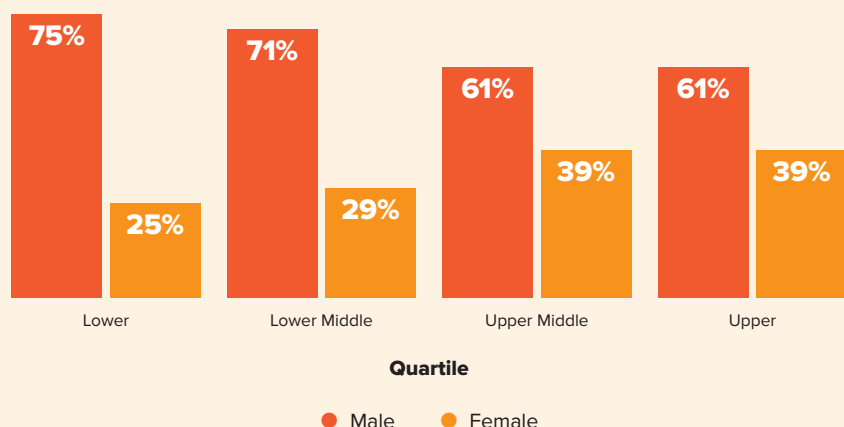**Median -22.7%**
(2023: -22.5%)

Notes:
- A positive percentage indicates female employees are paid less than male employees, while a negative percentage indicates the opposite.
- The mean pay gap is the average hourly wages of female employees compared to their male counterparts.
- The median pay gap signifies the middle point of men versus women's pay.
- Entities with less than five employees have been excluded.

Figure 2: Proportion of Employees in Quartiles by Gender

(2a) All Allstars

Quartile	Male	Female
Lower	50%	50%
Lower Middle	60%	40%
Upper Middle	66%	34%
Upper	78%	22%

(2b) Allstars excluding pilots, cabin crew, LAEs and SWEs

Quartile	Male	Female
Lower	75%	25%
Lower Middle	71%	29%
Upper Middle	61%	39%
Upper	61%	39%

● Male   ● Female

What does the data show?

Allstars

Our analysis indicates that, across the Group, the mean pay gap is 63.4%, and the median is 56.9% (Figure 1). While this may seem to reflect unequal pay favouring men, it actually highlights a gender imbalance rather than pay inequality. Pilots, who are among the highest earners, are paid the same rates regardless of gender. However, the disparity arises from the low proportion of women choosing to pursue careers as pilots, with women currently accounting for only 7.7% of this workforce. A similar trend is observed in engineering roles, where female representation is also limited at 10% representation.

This trend is further evidenced by the fact that male Allstars account for 78% of the highest pay quartile, which includes a significant proportion of pilots (Figure 2). Meanwhile, the lowest pay quartile reflects a more balanced distribution (Figure 2), driven by the roughly equal proportion of female cabin crew and male engineers.

The slight increase in the overall mean and median pay gap reflects our ongoing post-pandemic recovery. The growing demand for talent in STEM roles, particularly pilots and engineers, has contributed to this shift. However, when these roles are excluded, the data shows significant progress, as highlighted below.

Allstars excluding pilots, cabin crew, LAEs and SWEs

When this distortion is removed by excluding the four technical roles, the data reveals that women earn more than men, with a mean hourly pay gap of 8.1% and a median gap of 22.7% (Figure 1b). The negative values shown in the table above reflect that female employees are, on average, paid more than their male counterparts in these adjusted comparisons.

This is substantiated by the fact that women make up 39% of the highest pay quartile, while men constitute 75% of the lowest pay quartile (Figure 2b). 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.

The mean and median pay gaps generally decreased as ongoing operational hiring, primarily in male-dominated roles, lowered the average salary for men. At the same time, our recruitment in corporate and governance functions, which have a higher proportion of female Allstars, remained competitive. This contributed to a relative increase in female pay and ultimately raised the overall mean and median pay compared to the previous year.

How are we addressing the difference?

✳ Continue to support women in Science, Technology, Engineering and Mathematics (STEM)

➜ Over the last decade, we have consistently recruited and provided training for more female pilots than any other airline in Asean. In 2024, the representation of female pilots increased to 7.7%, 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 10%, exceeding the Asia Pacific average of 4.4% according to ICAO.

7.7%
Female pilots
(2023: 7%)

10%
Female engineers
(2023: 8.9%)

✳ Inclusive recruitment

➜ Guided by our Diversity Recruitment Guidelines, we aim to attract and hire diverse talent from all backgrounds. This approach fosters an inclusive work environment and ensures equal opportunities for all candidates, regardless of their perspective or experience.
➜ We provide unconscious bias training to hiring managers to ensure a fair and equal playing field for all candidates. As of 2024, a total of 17.6% of people managers were assigned the training.

✳ Promoting Diversity

➜ **LeadWomen EAW (Equality At Work) Corporate Community** - We joined this community to share and implement best practices in DEI across workplaces. Quarterly roundtables, focusing on targeted topics, have allowed us to engage in meaningful discussions including balancing DEI, mature & senior workers, and disability inclusion.

Here are the 9 pledges we made as part of the LeadWomen EAW sessions:

- Conduct one-on-one discussions with EAW Community members
- Establish a DEI community within AirAsia Malaysia
- Engage recruiters to identify job roles suited to senior internships
- Launch an internal senior internship programme for parents and relatives of staff
- Research retirement age policies for office-based roles
- Gather insights from PWD (People with Disabilities) Allstars to identify workplace gaps
- Consolidate AirAsia's initiatives supporting PWD
- Partner with organisations via the upcoming Management Trainee Programme to promote PWD inclusion
- Evaluate the accessibility of RedQ as a workplace

➜ **LeadWomen APAC DEI Summit 2024** - We also participated in the three-day summit focusing on creating inclusive workplaces, leadership, and addressing unconscious bias, setting the stage for impactful change.

Empowering Allstars

⭐1 First Sustainability Award: Group ICT's Women in Tech Initiative

In 2024, we prioritised diversifying our digital portfolios by increasing the recruitment of women in tech roles. This focus aims to bring diverse perspectives and innovative approaches to solving challenges in our products and services.

As part of their internal departmental target to achieve 30% women in tech, the Group ICT team took a proactive role in narrowing the gender gap through their "Meet Allstars: Women in Tech" series, which spotlighted our talented data analysts, programmers, and project managers. This initiative showcased the rewarding career opportunities available within our organisation, successfully attracting a larger pool of female talent to ICT roles.

Their targeted recruitment campaign delivered measurable results:

ICT Leadership Team
33%
women
(In 2023: 0%)

Infrastructure Team
14%
women
(In 2023: 0%)

Overall ICT Department
28%
women
(In 2023: 17%)

Women in IT
24.1%
Across all entities
(In 2023: 23.9%)

In recognition of their outstanding contributions, we proudly awarded the Group ICT team our inaugural Sustainability Award. The award, evaluated based on effective disclosures, innovative initiatives, and demonstrated leadership, celebrates their commitment to fostering meaningful and lasting change within our organisation.

Including key positions in the digital arms, women make up 24.1% of IT roles, a 0.2% increase from 2023. By empowering more women to excel in IT, we aim to build a more balanced and innovative workforce to meet our vision of being a travel and digital lifestyle brand.

2 Moms-on-Duty: Supporting Our Operational Allstars

Women in operational roles face unique challenges, often balancing demanding shift work in non-traditional environments. For pilots and cabin crew, returning to flying hours while navigating the responsibilities of motherhood can significantly impact their well-being.

At Capital A, we've been reviewing our policies and practices to better support mothers returning to work. Focus group discussions with Allstar mums - our pilots and cabin crew - highlighted several challenges, including:

- Limited opportunities to express breast milk before, during, or between flights.
- Lack of private spaces on aircraft.
- Inadequate access to lactation rooms.

In response, we launched the Moms-on-Duty Kit, featuring:

- A comprehensive handbook with guidelines for a safe and supportive environment to meet the needs of working mothers.
- A discreet nursing cover to enable privacy when expressing breast milk.

3 New Nursing Room at RedHouse, Indonesia

At our RedHouse office in Indonesia, we have taken a significant step forward by opening a dedicated nursing room. Led by the DEI committee under the guidance of IAA's CEO, this space offers a comfortable and private haven for nursing mothers.

Beyond Indonesia, we continue to enhance workplace support for parents across our offices. Malaysia and Thailand already have nursing rooms, with an additional crèche at RedQ Malaysia to help working parents balance their professional and family responsibilities. As we transition to a new office in the Philippines, we remain committed to ensuring a family-friendly environment.

Supporting our Allstars means understanding their challenges and taking actionable steps to create an environment where every mum can thrive - both at work and at home.

4 Celebrating Women on International Women's Day

We celebrated International Women's Day on the 8 March with renowned Malaysian squash player, Nicol David. With participation of over 1,000 Allstars, we raised awareness about issues affecting women in the workplace and encouraged Allstars to take action to drive gender parity.

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Talent Attraction & Retention
(GRI 3-3)

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

5 GENDER EQUALITY   **8** DECENT WORK AND ECONOMIC GROWTH   **17** PARTNERSHIPS FOR THE GOALS

Capital A has always taken pride in being a people-focused organisation. We believe our success is built on the passion and dedication of our Allstars, who consistently go above and beyond in all they do. Our goal is to foster an environment where Allstars can thrive, supporting their growth both personally and professionally.

2024 PERFORMANCE OVERVIEW

3,840
new hires

100%
completion of appraisals for the aviation arm

>RM2.9 mil
invested in training and development

8
average training hours per employee

34
score in employee NPS

Recruiting the Right Talent

When welcoming new talent, we prioritise more than just academic and professional qualifications. We value individuals with a strong work ethic - those who are dynamic, innovative, and unafraid to take bold steps, embodying our core value of daring to dream.

Our recruitment team actively seeks out future Allstars through diverse channels such as career fairs, social media, internships, and internal referrals. Candidates undergo thorough background checks, coupled with multiple interviews and assessments, to verify the authenticity of their qualifications and evaluate their suitability for the role.

We follow our Diversity Recruitment Guidelines to attract and hire individuals from diverse backgrounds, experiences, and perspectives. These guidelines include measures to mitigate unconscious bias, such as:

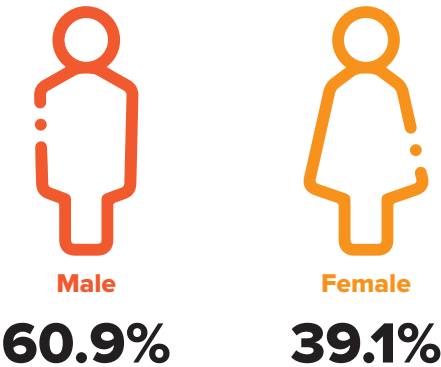|			
Using gender-neutral language in job postings	Anonymising CVs during the screening process	Adopting skills and qualifications-focused interviews	Ensuring equitable and transparent compensation practices

In addition, we provide ongoing unconscious bias training for selected hiring managers. These sessions offer practical tips, case studies, and best practices to encourage fair and inclusive decision-making during interviews. This holistic approach fosters a more inclusive environment and ensures equal opportunities for all candidates.

New Hires & Turnover
(GRI 401-1)

In 2024, we proudly welcomed over 3,840 new Allstars to our organisation, with 71% of them under the age of 30. This youthful energy brings fresh perspectives, bold ideas, and innovative thinking to help us shape the future of the travel and lifestyle industry. Meanwhile, we filled 1,336 vacant roles with internal candidates whose growth we will continue to support.

New Hires by Gender

Male **60.9%**   Female **39.1%**

New Hires by Age Group

0.4%
28.6%
71.0%

- Below 30 years
- 30-50 years
- Above 50 years
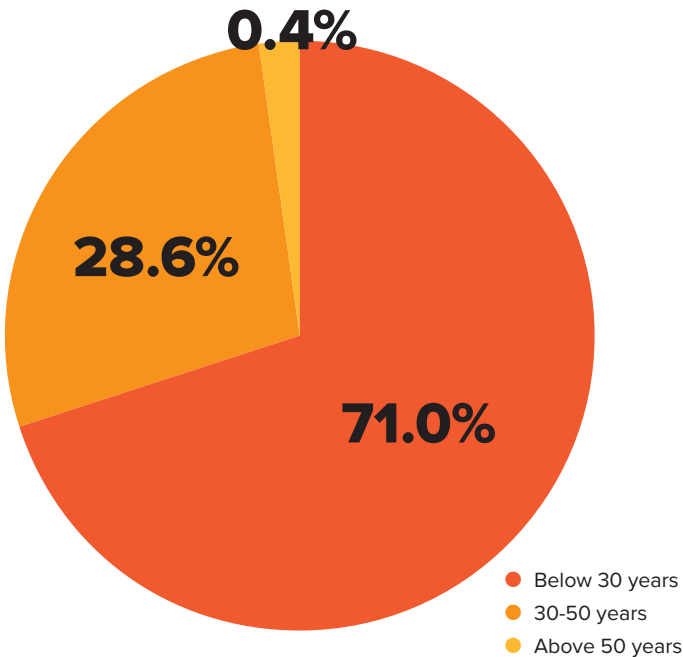
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To help new recruits integrate seamlessly into the Capital A family, we offer a comprehensive full-day onboarding programme. This session provides an in-depth introduction to our identity, values, and ways of working. Key highlights of the programme include:

- The Capital A story, showcasing our journey and mission.
- An overview of our Allstar Values.
- Training on critical policies and procedures, including safety and cybersecurity.
- Guidance on navigating digital tools and platforms such as Workday, Workplace, Google Suites, and RedIcons.

This onboarding experience ensures every new Allstar is equipped with the knowledge and resources they need to thrive and contribute to our mission of being a game-changer in the industry.

The turnover rate serves as a key indicator of employee retention dynamics within our organisation, reflecting the frequency of staff departures and the subsequent need for position refills. In 2024, our overall turnover rate was 14.3%. While some level of turnover is inherent in any vibrant organisation, our commitment lies in fostering a supportive, engaging work environment that encourages talent retention.

To address employee needs, we prioritise career development, personal growth opportunities, and pathways for internal transfers. By consistently gathering feedback, analysing turnover trends, and refining our strategies, we strive to nurture a motivated and resilient workforce that remains aligned with our long-term goals.

Turnover by Employee Category

Category	Value
Senior Management	35
Management	267
Executive	1,209
Non-Executive	1,618
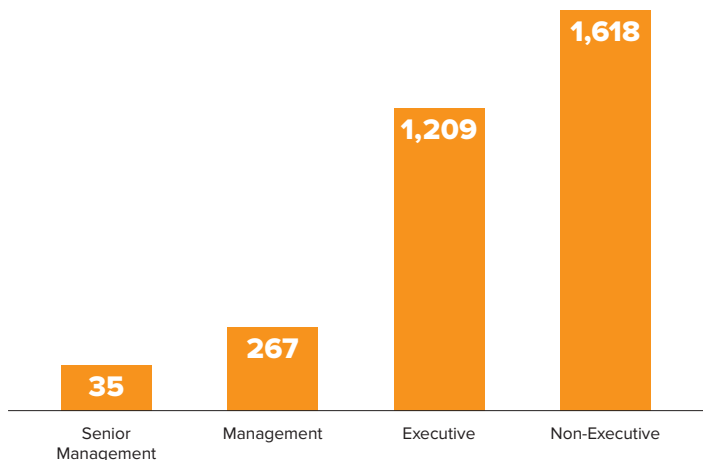
Becoming Malaysia's Leading Employer

2025 Graduates' Choice of Employers to Work For - Airlines

Awarded first runner-up for the Airlines category in the Graduates' Choice of Employers survey, as voted 100% by university students across Malaysia. This recognition was organised by Talentbank.

• Employee Engagement of the Year (Airline)
• Health & Wellness Initiative of the Year (Airline)

Honoured at the Malaysia Management Excellence Awards 2024, organised by the Asian Business Review, with the following accolades.

These awards celebrate our dedication to nurturing talent, fostering engagement, and prioritising well-being. The Leading People and Leading Self programmes were recognised for identifying, mentoring, and empowering high-potential Allstars through dynamic workshops and tailored learning modules.

Additionally, our Allstars Peer Support Programme, a mental health and well-being initiative created by Allstars for Allstars, stood out for building a culture of care and ensuring a supportive workplace environment.

• Top Recruitment Team of the Year (Private Sector)
• Top Employer Branding Award (Private Sector)
• Top Employer Award of the Year (Private Sector)

Recognised by Jobstore.com with these prestigious accolades to honour our efforts in:
- building a stellar recruitment team that identifies and secures the best talent to join our Allstars family.
- celebrating our innovative and impactful employer branding initiatives that showcase what makes us a great place to work.

Best Employer Brand Finalist

Recognised as one of the leading employer brands on LinkedIn for 2024 at the LinkedIn Talent Awards. Organised by LinkedIn.

Strengthening Our Talent Pipeline

Capital A's focus on nurturing the young generation of Allstars is vital to guaranteeing a consistent supply of talents for the aviation and fintech industries. Right from internships to job fairs, we are constantly in the market for new talent who are bold enough to dream and make the difference.

1 Allstar Internships

In 2024, we carried on the third-year collaboration with Epsom College in Malaysia through the Junior Allstar Internship Programme. The programme gave the sixth form pupils an internship for a week geared to their career interests, offering them with firsthand practical exposure and insights. A total of 20 students participated in many differing areas of work within the aviation sector. These assignments provided the young people with real-world industrial experience, equipping them with essential skills and inspiring them to explore fields such as engineering and sustainable development.

Besides this, we hosted 422 interns at our companies in Malaysia, Thailand, and the Philippines throughout the year. By engaging young individuals, we are fostering a community prepared to embrace the future of travel and technology.

2 Cadet Pilot Programme

The AirAsia Cadet Programme offers a structured and accessible training pathway for aspiring pilots, enabling them to become fully qualified commercial pilots. Partnering with CAE, this programme embodies our dedication to nurturing homegrown talent and creating a more diverse and inclusive aviation workforce. Unlike traditional cadet programmes, ours focuses on technical excellence as well as the Allstar spirit - embracing dynamism, boldness, and innovation.

In 2024:

85 cadets recruited	**81 cadets** confirmed as second officers

This year, we proudly reopened the Allstars Cadet Pilot Scholarship, an initiative exclusively available to all our Allstars, regardless of department, who aspire to become pilots but require financial assistance to pursue their dreams. We are thrilled to bring this programme back after the pandemic to continue supporting the ambitions of our Allstars and contribute to the growth of the aviation talent pool.

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3 Scholarships & Training Collaboration

AirAsia and Civil Aviation University of China (CAUC) continue to strengthen collaboration beyond scholarship programmes, exploring opportunities in talent recruitment, professional training, joint research, think tank exchanges, and alumni engagement. The 2023 cooperation agreement was designed to leverage AirAsia's regional airline network and CAUC's teaching and research resources to support the resumption of China-ASEAN air routes and deepen China-ASEAN civil aviation cooperation. The scholarships aim to build a pipeline of STEM-trained graduates for the aviation industry.

Currently, 10 AirAsia Scholarships and 15 AirAsia Fellowships are available. Eligible undergraduates from the School of Economics & Management and School of Air Traffic Management must rank in the top 10% of their grade. The programme also provides opportunities for government-identified low-income students, ensuring greater accessibility for individuals pursuing a career in aviation.

Looking ahead to 2025, AirAsia plans to partner with two additional civil aviation colleges, recognised for their expertise in flight operations, air traffic control, aircraft maintenance, airport management, scientific research, and policy studies within the civil aviation sector.

4 School Visits to RedQ

We frequently welcome visits from school and university students to inspire young minds, provide valuable insights into our work, and strengthen our connections with the community.

This year, we hosted:

- University of Malaya's Faculty of Data Science: Students explored how we leverage data science and artificial intelligence to drive innovation.
- Universiti Kuala Lumpur (UniKL) International Business Club: We provided insights into business risk management and shared best practices for enhancing customer experience.
- Kita Kids: Young learners toured our office, bridging classroom lessons with real-world applications.

Investing in Our Allstars

(GRI 404-1, 404-2)

To support the career growth and personal development of our Allstars, we offer comprehensive learning and development programmes for technical, functional and soft skills to develop dynamic, competitive and progressive Allstars.

Our trainings include the following topics and more:

- Safety and emergency procedures
- Anti-bribery and anti-corruption
- Information security
- Anti-human trafficking
- Operations-specific procedures
- Compliance specific training
- Leadership development

Focusing on the entity with the largest workforce, the aviation arm, and excluding any regulated functional training, here is our 2024 performance in supporting Allstars with their learning and development of essential soft skills:
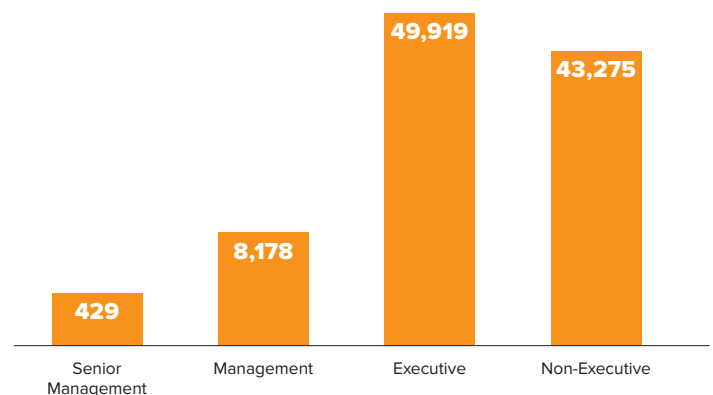
Training Hours by Employee Category

Category	Training Hours
Senior Management	429
Management	8,178
Executive	49,919
Non-Executive	43,275

RM2.9 mil
invested in learning and development
(↓ 23.5% from 2023)

Average of
8 learning hours
per Allstar

This year, we invested over RM2.9 million in training and development for our Allstars, with an average of eight learning hours per person. This covers only soft skills and technical training available to all Allstars, excluding regulated crew training. Our training investment decreased by 23.5%, primarily due to the increased availability of free online courses on Outclass and other accessible platforms. Most of our soft skills training is delivered through Outclass, using a mix of face-to-face, virtual, and blended learning methods, while external trainers are engaged when needed.

The training initiatives primarily focus on non-executives and executives, empowering them with the tools and expertise needed to advance their careers. This targeted approach helps us nurture a workforce that is not only skilled but also prepared to excel in a rapidly evolving industry.

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.

High-Potential Allstars (HiPos)

This year, we identified 90 high-potential Allstars (HiPos) through a thorough selection process. Candidates were assessed based on consistent high performance over a two-year period, supervisor recommendations highlighting their strengths, and formal evaluation of leadership potential and alignment with core values. HiPos are given priority access to specialised training programmes, mentorship opportunities, and high-impact projects designed to enhance their expertise.

Empowering Allstars

Key Leadership Programmes

To foster leadership development among our HiPo Allstars and the wider Allstar community, we introduced several key initiatives in 2024:

⭐1 Leading People

The Leading People programme is a flagship initiative aimed at developing future leaders within the AirAsia network. Now in its second year, the 2024 programme involved four cohorts, including one in Thailand and Indonesia, and two in Malaysia.

A key highlight of the programme was the final "Shark Tank" - style presentation, where each cohort tackled assigned projects, developed innovative solutions, and presented their findings to senior management. This competitive environment nurtured critical thinking, problem-solving and persuasive communication. The Thai cohort emerged as the 2024 winner, demonstrating outstanding leadership skills and project execution.

Cohorts

1 Thailand

2 Malaysia

1 Indonesia

97 Allstars
completed the programme

2 Leading Self

The Leading Self programme focuses on personal and professional development. Its strong appeal is a testament to its ability to address the development needs of ambitious individuals, helping them enhance their leadership capabilities and advance their careers.

The programme effectively addresses the developmental needs of ambitious individuals by providing a platform for self-improvement, enhancing their leadership capabilities, and potentially advancing their career trajectories within the organisation.

This year, 90 Allstars were selected to participate in the programme, further demonstrating its value in fostering confident, capable leaders who exemplify Capital A's core values.

Succession Planning

In 2025, we look forward to two key initiatives designed to support succession planning:

Talent Marketplace	This internal platform aims to connect employees with new opportunities within the company, fostering internal mobility and career growth. By showcasing employee skills and interests, the Talent Marketplace will facilitate internal recruitment, allowing individuals to explore new roles and contribute to different areas of the business.
Allstar+ Management Trainee Programme	The programme is designed to attract and develop high-potential external talent. It will provide a structured learning and development pathway for aspiring leaders, equipping them with the necessary skills and knowledge to contribute significantly to the company's long-term success.

These initiatives demonstrate AirAsia's commitment to investing in its human capital. By focusing on both internal development and external talent acquisition, the company aims to build a highly skilled and motivated workforce capable of driving future growth and innovation. |

Performance Review
(GRI 404-3)

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.

Allstars undergo a quarterly performance review with their line managers, allowing for alignment between individual performance and competencies with the company's annual objectives. This process provides the opportunity to track progress, set new targets, and ensure continuous growth toward both personal and organisational success. In 2024, 100% of our aviation team had the appraisal done.

ESG KPIs

This year, we took a significant step by introducing new ESG key performance indicators (KPI) to the aviation arm's top management, placing sustainability performance at the forefront of their priorities. These KPIs are designed to ensure accountability at the highest level and to inculcate ESG priorities into all business functions. We plan to expand the ESG KPI setting to other entities in the next year.

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Allstars Engagement

Allstars Feedback

Creating a conducive work environment and culture where our Allstars can thrive is important to us and we conduct an annual employee engagement survey to gauge how satisfied they are at work in terms of job clarity, growth and development, well-being and recognition.

As of July 2024, we conducted an Employee Net Promoter Score survey with an 86% response rate and a score of 34%. This is a 9 percentage point increase in eNPS score from 2023. Several interventions were implemented to address key gaps, including leadership development, role clarity, balanced workload distribution, expanded development courses through Outclass and Human Resource Development Corporation (HRDC) claimable programs, as well as employee benefits such as loyalty e-coupons and ID90 beneficiary replacements for deceased parents. Overall, these initiatives were designed in response to past feedback to enhance employee support and development.

The eNPS score shows that Allstars are generally satisfied with the role and quite clear regarding the goals of the company. There are areas that need improvement, particularly in benefits and remuneration, career growth, and recognition. These insights will focus us on the areas that matter most to our employees as we continue to improve on their journey within Capital A.

86% response rate (2023: 67%)	**34%** eNPS score (2023: 25%)

Rewards & Benefits
(GRI 401-2)

We believe that when our Allstars are happy and healthy, they thrive - and so does our workplace. Part of it comes from our employee value proposition and the benefits that we provide. We strive to be the preferred employer with a competitive and attractive salary and benefit package. To uphold this standard, we continuously review market data to ensure we are above the minimum wage requirements and make necessary adjustments in a timely manner.

By prioritising fairness and well-being, we aim to create a workplace where our Allstars feel valued and supported.

Benefit	Description
Upskilling	Provide a host of development programmes and avenues through Outclass allowing Allstars to continuously upskill and reskill.
Career advancement	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 are enhancing the platform for 2025.
Financial health	Organise financial education sessions with several external organisations such as Cashku, Ziet Invests, Bualuang Securities and others.
Physical health	Encourage a healthy and active lifestyle while at the office, by providing an in-house gym and access to physiotherapy.
Wellbeing	Provide access to our in-house counselors and Allstars Peer Support buddies to express any concerns in their personal and professional life.
Travel benefits	Offer free and discounted flights for Allstars via employee e-coupons and ID90 for them and their dependents travel needs.
Medical/life benefits	Provide medical coverage for Allstars and their dependents along with an in-house clinic, physiotherapy, and life as well as personal accident insurance coverage.
Family well-being	Offer paternity leave support, marriage leave, a creche, nursing room, and provide medical and bereavement support through the Red Heart Fund.

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.

This year, we were finally able to thank our Allstars who have surpassed a decade of service with us. We are especially grateful to those who stood by us through the challenges of the pandemic. As a heartfelt gesture of our appreciation, we presented them with a well-deserved token of recognition for their long-standing dedication.

Caring for Allstars and their Families
(GRI 401-3)

We do our best to support the working mothers and fathers in the company through:

- Maternity and paternity leave
- Marriage leave
- On-site childcare centre at RedQ
- Nursing rooms at RedQ (Malaysia) and RedHouse (Indonesia)

In 2024, we had 61 female and 136 male Allstars who took parental leave with a return to work rate of 91.8% and 99.3% respectively.

Good Health & Wellbeing

We adopt a holistic approach to health where we support the physical, emotional and mental well-being of our Allstars. We have three channels in which Allstars can seek help:

1 Allstars Peer Support

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 2024, our team of peer supporters was 57-strong across all AOCs where they addressed 145 cases.

2 Employee Assistance Programme

This year, we partnered with a new employee assistance programme provider, The Pillars, that offers Allstars five complimentary sessions with them throughout the year to seek external professional assistance from licensed therapists.

3 In-House Counselling

To better support our Allstars' mental well-being, we introduced an in-house counselling service at our RedQ office. This service provides convenient access to professional counsellors for those seeking help with personal or professional challenges.

Starting January 2025, the counselor is available five days a week to ensure ample opportunities for Allstars to receive the guidance and support they need in a safe and confidential environment, helping them navigate complexities with greater ease.

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

Allstars Wellness Day

We organised a Wellness Day, offering free health check-ups in the office to make health screenings more accessible for our busy Allstars.

Regional Sports Competition

As part of our ongoing initiative to encourage the physical well-being of our Allstars, we have multiple regional level sports tournaments happening throughout the year. We also rotate the type of sport that we host to ensure that we encourage participation from as many Allstars. This year we held a badminton and futsal tournament and a cycling event, which gathered the participation of over 3,000 Allstars.

World Mental Health Day

In conjunction with World Mental Health Day in October, 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.

SOCIAL
Empowering Allstars

Human Rights
(GRI 3-3, 408-1, 409-1)

Our Management Approach

- Sustainability Policy
- Anti-Harassment Policy
- Human Rights Policy
- Employee Handbook
- Code of Conduct and Ethics
- Supplier Code of Conduct

Supporting the UN SDGs

5 GENDER EQUALITY **8 DECENT WORK AND ECONOMIC GROWTH** **16 PEACE, JUSTICE AND STRONG INSTITUTIONS**

We believe unequivocally in the fundamental rights of all individuals, regardless of race, gender, nationality, religion or any other status. We strongly condemn any violations of human rights and expect the same commitment from our partners and suppliers. Capital A's commitments to human rights is incorporated in our Sustainability Policy.

2024 PERFORMANCE OVERVIEW

1,014 Allstars
completed anti-harassment training

870 Allstars
completed anti-trafficking e-learning module

Our approach to human rights is aligned with internationally recognised human rights standards such as the International Bill of Human Rights and other international labour laws. Our commitment is highlighted in our Code of Conduct and Ethics. We embed human rights principles into our corporate practices by including human rights criteria in our employee handbook and supplier code of conduct. This includes not condoning any form of forced labour or child labour. All our regional operations comply with local laws concerning the minimum working age and to exceed basic minimum wage on top of providing a stable work environment with equal opportunity for learning and personal growth. We also uphold strict policies on harassment, and play an active role to prevent human trafficking.

Through ongoing assessments and actions, we strive to promote and protect human rights in all areas of our operations and ensure our suppliers and partners uphold the same standards.

Respect for Human Rights

In 2024, our subsidiary, Thai AirAsia took a significant step by publishing its first Human Rights Policy. The policy outlines our commitment to promoting human rights across the following key areas:

Respect for Human Rights and Equal Treatment

Employee and Labour Rights

Health and Safety

Environmental Sustainability

Business Ethics and Integrity

Community

Suppliers and Business Partners

Customers and Consumers

Human Rights Due Diligence

Accountability and Continuous Improvement

Human Trafficking

Looking forward into 2025, Thai AirAsia will expand on its human rights efforts through the implementation of human rights due diligence including human rights risk assessment, with the aim of reinforcing our commitment to human rights across all key stakeholders such as employees, customers, suppliers and community.

Human Rights Policy that applies to the entire Group is currently being developed. This policy will address a broad spectrum of human rights principles across our value chain, and reinforce our commitment to cultivating an inclusive and respectful culture. The policy is expected to be published in 2025.

At Capital A, we recognise discrimination and harassment as serious violations of human rights. Details of these incidents and our response measures are outlined in the Anti-Harassment section.

Empowering Allstars

GTR's Approach to Human Rights

We recognise the common human rights issues faced by ground handlers in the aviation industry, and we are taking proactive steps to support the well-being of our workforce. Our approach covers the following key areas:

Wages and Benefits

GTR ensures full compliance with labour laws and minimum wage requirements at all times. To support employees who fall within the minimum wage range, we provide additional incentives and benefits to improve their earnings, including:

Productivity incentives that allow employees to earn beyond their base pay

> **Opportunities for employees on minimum wage to develop specialised skills, enabling them to earn extra allowances such as driving allowance and towing allowance**

> **To help minimise daily expenses for those who earn below an identified pay grade, GTR provides meal allowances for Staff based in Kuala Lumpur and outside the city**

Working Hours

GTR strictly adheres to the labour laws in relation to maximum working hours. We also encourage open communication between employees and managers to explore flexible working arrangements when required.

Safe Working Conditions

GTR management ensures that all employees are equipped with the necessary safety equipment, training and personal protective equipment (PPE) required for their roles and the working conditions they are exposed to.

Our office facilities are equipped with ergonomic furniture and essential resources. Additionally, we maintain clear signages throughout work areas to ensure that all employees are aware of any potential hazards around them.

Anti-Harassment

We remain committed to promoting our Anti-Harassment e-learning module to all new recruits and Allstars to ensure a clear understanding of acceptable and unacceptable behaviours in and outside the workplace.

1,014 Allstars
completed the anti-harassment e-learning module
(2023: 2,965 Allstars)

↓ 15%
in harassment reports
(2024: 28 reports; 2023: 33 reports)

We have also taken active steps to prevent any possibilities of sexual harassment at the workplace. Posters are displayed across our offices, highlighting various forms of harassment and the reporting channels available for Allstars to submit their complaints. Allstars can raise concerns related to human rights, including harassment and discrimination through channels such as AskPAC, Whistleblowing channel or directly to the Employee Relations team.

In 2024, we received 28 harassment reports, 13 of which were related to sexual harassment and 15 cases of intimidation and bullying. As of the writing of this report, all cases have been thoroughly investigated and resolved with appropriate actions taken - ranging from formal warnings to terminations of the perpetrators.

Further details on the number of harassment reports can be found in the Good Governance chapter of this report.

Anti-Human Trafficking

Capital A is dedicated to upholding human rights and preventing human trafficking, modern slavery and child exploitation. As a responsible business, we prioritise the ethical conduct of our operations. Recognising that human trafficking remains a prevalent issue in Asean and requires attention due to its severe violation of human rights and its potential link to cyber scams, we provide human trafficking awareness training for our frontline staff, including cabin crew, security personnel and airport customer service representatives. This training equips our team to identify potential indicators of trafficking and how to report concerns through established channels.

The module covers:

- Identification of signs of human trafficking
- Actions to take for an identified human trafficking case
- Understanding human trafficking on planes and the latest human trafficking trends in the region

Since the launch of our training programme in 2017, we have successfully trained 28,374 Allstars. To ensure our training remains effective, we update our e-learning module every three years to include the latest trends in human trafficking and exploitation. The e-learning module has also been incorporated into Capital A's onboarding programme and is compulsory for frontliners to complete biennially.

#KNOW THE SIGNS

Our Progress in 2024
870 Allstars
completed the module

Our Progress in 2024
> 464
training hours
on anti-human trafficking

SOCIAL
Uplifting Communities in Asean

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 and 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.

2024 PERFORMANCE OVERVIEW

RM176,150
awarded to social enterprises through AirAsia Foundation

RM35,831
in contributions for uplifting and empowering communities in Asean

839 Allstar
volunteering hours

Our Management Approach

- Sustainability Policy

Supporting the UN SDGs

| 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES |

AirAsia FOUNDATION

Growing Asean Social Enterprises

As we connect our guests to destinations across the region, we are equally committed to uplifting the communities we serve. By supporting social enterprises and tapping on to the strengths of our network, we empower the social ventures as catalysts for positive change. Social enterprises play a vital role in driving economic development, addressing social challenges, and building resilient communities for a better future.

Since its establishment in 2012, the AirAsia Foundation has consistently supported social enterprises across the region, recognising their pivotal role in driving positive change and fostering more resilient communities. By providing grants and advisory support, the Foundation has enabled these enterprises to scale innovative initiatives across various impact areas, including women's empowerment, indigenous livelihoods, heritage preservation, poverty alleviation, youth engagement, arts and culture and environmental conservation.

In 2024, AirAsia Foundation realigned its strategic priorities to enhance alignment with Capital A's business objectives. This shift emphasises grant activities targeting two key areas:

01 — Promoting sustainable travel

02 — Strengthening climate resilience

Uplifting Communities in Asean

AirAsia FOUNDATION

Making an Impact: Year in Review

3 new grantees
Now 35 supported changemakers since 2012

260 direct beneficiaries
Total since 2012: 3,635

RM176,150 awarded to new grantees
Total in 2023: RM244,097

RM770 invested per beneficiary
Total since 2012: RM2.7 million

RM176,548 disbursed
to grantees in 2024

460 families and communities impacted
Total since 2012: 12,666

⭐ 1 Sustainable Travel

As a key player in the tourism industry, AirAsia is committed to promoting travel that supports economic growth in local communities while minimising social, economic, and environmental impacts. Understanding the significance of preserving the cultural and environmental heritage of our destinations, we have made sustainable travel a priority.

Thailand

Krabi Sustainable Travel Project Pilot

This year, our largest grant was awarded to Refield Lab to pilot a sustainable travel model in Krabi, Thailand.

ℹ️ **Refield Lab is a social enterprise specialising in community-based landscape architecture which works with nature and people to develop nature-based solutions for communities and their environments.**

Objective

The project aims to raise awareness on sustainable travel practices, enable travellers to learn about natural resources and support local communities to sustainably manage the environment they live in. It offers our guests a unique and meaningful way to explore destinations beyond traditional tourist spots, building deeper connections between travellers and the local community.

In collaboration with ChangeFusion and ENLIVE Foundation as local partners, Refield Lab surveyed four key areas in Krabi as key hot spots for sustainable tourism activities: Phi Phi Island, Sriboya Island, Khlong Prasong (Koh Klang) and Railay.

Progress in 2024

Local stakeholders involved in tourism were engaged to identify key tourism challenges and pain points, and workshops were conducted with local communities to better understand the local and environmental needs. These findings are being used to develop a sustainable travel guide that highlights Krabi's hidden cultural and environmental gems - offering travelers unique, eco-conscious experiences beyond the usual attractions. The guide is currently in progress and is expected to be completed by 2025.

This sustainable travel project pilot would be the starting model that can potentially be duplicated to different destinations for the growth of sustainable communities and responsible travelling.

Grant Amount	Amount disbursed in 2024	Areas of Impact	
RM89,151	**RM55,179 (61.9%)**	• Responsible travel • Sustainable communities	8 DECENT WORK AND ECONOMIC GROWTH / 11 SUSTAINABLE CITIES AND COMMUNITIES

Note: Grant was awarded in local Thai currency and converted to Malaysian ringgit for the purpose of this report.

SOCIAL
Uplifting Communities in Asean

J URNEY D

Thailand

The Thai AirAsia Journey D programme is a social investment initiative supporting community-based tourism.

Objective

Launched in 2017, Journey D aligns with the business commitment to reduce carbon emissions through low-carbon tourism while promoting sustainability education within communities. The programme also focuses on strengthening communities and enhancing their livelihoods. To date, it has expanded to 13 communities, with Ban Mung Nuea in Phitsanulok joining as the newest addition in 2024.

Progress in 2024

This year, Thai AirAsia conducted a community engagement with the Ban Mung Nuea community in Phitsanulok, Northern Thailand, on sustainable tourism to better understand local issues and needs. Partnering with Find Folk Co. Ltd., Ngern Tid Lor Plc., and Pun Promotion Co. Ltd., the initiative included knowledge sharing workshops to strengthen community skills in service delivery, financial management, storytelling, online marketing, and sustainable tourism management.

Additionally, a carbon footprint assessment of tourism activities was carried out, leading to the adoption of low-carbon tourism concepts by adjusting approaches and reducing carbon-emitting components. Here are some examples of the lower carbon activity implementation:

Activity	Usual Activity	Lower Carbon Activity
Khao Daek Nga Making	• Served Khao Daek Nga dessert in plastic plates • Unlimited servings of Khao Daek Nga resulted in food waste	• Khao Daek Nga served in natural material (banana leaf) • Appropriate amount to participants served
Local Set Meal Experience	• Liquefied petroleum gas used for food preparation • Ingredients sourced from market or department store • No waste separation or proper termination	• Charcoal used for food preparation • Local dishes made using seasonal ingredients sourced from the community • Waste separation, food and organic waste composted
Tractor Tour	• 10 km route with redundant sights	• 6 km route with key sights
Tie-Dye Making	• 80x80cm fabric used • 10 litres of colouring and water used per 10 pieces • Plastic packaging	• 40x40cm fabric used • 1 litre of colouring and water used per 10 pieces • Paper packaging

As a result, four activities adapted to be low-carbon achieved an overall 66% reduction in emissions. The Ban Mung Nuea community in Phitsanulok also experienced a 9% year-on-year increase in visitor numbers.

Looking ahead, Journey D aims to redefine community tourism in 2025 by aligning with UNESCO Culture 2030, and supporting communities in achieving international standards. Thai AirAsia plans to advance sustainable cultural tourism through Journey D in Lampang, one of its newest destinations.

⭐2 Climate Resilience

As climate change poses increasing challenges to the communities we serve, strengthening resilience has become a key focus. In 2024, we awarded two grants to impact organisations in the Philippines aimed at enhancing community disaster preparedness and supporting adaptive strategies for climate resilience.

Bike Scouts: Preparing for Natural Disaster in the Philippines

Philippines

Bike Scouts is a volunteer-driven disaster monitoring platform with a network of over 100,000 members across the Philippines. Founded in 2013, Bike Scouts bridges the gap in accessing vital information and providing essential needs in rural areas by using bicycles to reach places that are difficult to access by larger vehicles during emergencies. To date, they have provided aid for 10 natural disasters, helping over 700,000 residents.

AirAsia Foundation awarded a grant to enable Bike Scouts to organise disaster resilience workshops to prepare communities for disaster response for the typhoon season. The workshops will address skills such as emergency response, disaster monitoring, radio communication, and bicycle safety and maintenance.

These workshops will be conducted in seven at-risk communities across provinces such as Ilocos Norte, Benguet, Camarines Sur, Sorsogon, and Eastern Samar, reaching 210 primary responders.

Shortly after the grant was awarded, Super Typhoon Pepito struck the Philippines in November. It was the sixth typhoon to hit the nation within a single month. This underscored the urgent need to enhance disaster preparedness efforts across the region.

One of our priorities is to help communities to adapt to the challenges of climate change as part of our broader sustainability agenda. Through initiatives focused on disaster preparedness, we aim to strengthen community resilience and enhance their capacity to navigate the growing impacts of climate change.

Grant Amount	Amount disbursed in 2024	Areas of Impact	
RM43,552	**RM43,552 (100%)**	• Climate resilience	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

Light of Hope: Providing Access to Electricity through Clean Energy

Light of Hope is a climate-tech social enterprise based in Cebu, dedicated to providing off-grid island communities in the Philippines with access to electricity through sustainable clean energy. They offer affordable solar standalone home solutions on a subscription service via waterproof solar-powered battery units, designed to be portable in disaster evacuation scenarios. Light of Hope has enabled access to lights and charging ports to more than 1,000 coastal households, eliminating kerosene oil lamps which pose safety, environmental, and health hazards.

AirAsia Foundation awarded Light of Hope a grant to pilot a lease-to-own model from the existing subscription model for the solar-powered battery units. The new model aims to enable the enterprise to breakeven faster, facilitating the expansion of the initiative. Through the transition to ownership with accessible service, the communities would also benefit from long-term savings.

| Grant Amount	Amount disbursed in 2024	Areas of Impact	
RM43,447	**RM21,724 (50%)**	• Clean energy • Climate change mitigation • Product innovation	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES

SOCIAL
Uplifting Communities in Asean

3 Biodiversity
(GRI 304-3)

We recognise that biodiversity is affected by various environmental issues, such as climate change, resource depletion and environmental pollution. We are committed to preserving the natural environment and biodiversity in the regions where we operate, aiming to benefit both the ecosystem and local communities.

In addition to the above grants, we continued to monitor the progress made by our 2023 grant recipients who were contributing in the areas of marine biodiversity, women empowerment, poverty reduction and climate resilience.

Social Enterprise	Grant Progress	Areas of Impact
Fisherfolk is a women-led social enterprise in southern Thailand that sells pre-cooked frozen Southern Thai Specialties while improving the livelihood of local fisherfolk via sustainable fishing practices and marine conservation.	Fisherfolk completed the renovation of the production facilities to meet food safety standards and increase the production capacity. Fisherfolk also managed to expand their distribution channel by having their products listed in a supermarket.	• Marine biodiversity • Sustainable fishing practices • Women empowerment • Product innovation 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Natural Aceh provides expertise and skills for rural women to farm oysters through a new cultivation method and enables the recovery of the mangrove forest.	Natural Aceh, under the brand Kiboy, has expanded the artificial oyster farm with new stake cultures, benefitting 48 new oyster farmers. The purchase of a boat has enabled the women oyster farmers to harvest during higher tide, enabling an increased production capacity. In the meantime, the renovation of the food outlet for the new oyster cooked meal product line is in progress.	• Climate resilience • Women empowerment • Product Innovation 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Bambuhay supports reforestation efforts by equipping indigenous people in rural areas with sustainable alternative livelihood using bamboo.	Bambuhay completed the installation of a watering system at the production facility, ensuring consistent water supply and reduced production disruptions which enabled higher output. The training of harvesting techniques for the bamboo farmers is in progress.	• Reforestation • Circular economy • Waste management • Reduce poverty 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION

In January, AirAsia Foundation collaborated with The One Academy to provide a pro bono rebranding counsel to Natural Aceh in anticipation of the brand expansion to a food outlet. In March, three women-led social entrepreneurs, Jom MakCik, Athena Empowers and Nazkids, were invited to the International Women's Day event at RedQ to share and expand the awareness about social entrepreneurship to Allstars.

During the course of the year, the Foundation hosted an introductory event in collaboration with the Brunei Youth Council and Kilang Reroot to share the criteria and case studies for receiving grants, which was attended by 45 participants. The Foundation also participated in a community event organized by Village Vision Community Togetherness Coalition, sharing insights on building a sustainable future with local wisdom and raising awareness about social entrepreneurship.

DESTINATION GOOD
By AirAsia FOUNDATION

DID YOU KNOW?

What is Destination GOOD?

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.
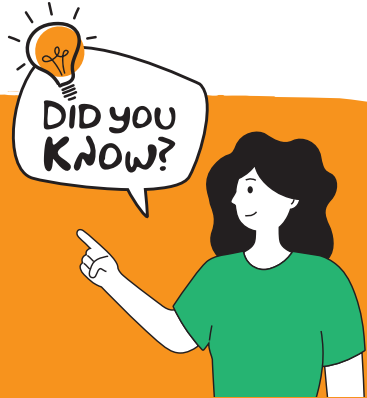
RM52,320
earned from sale of products
(2023: RM117,770)

29 social enterprises
supported through Destination GOOD
(2023: 25 social enterprises)

The Foundation continued its Destination GOOD social enterprise shop to support income generation for the 49 enterprises featured on the platform. One of the best seller products is the Soggy No-More collection, a product line that is made from upcycling expired life jackets into lifestyle products. By boosting brand visibility through social media and events, Destination GOOD achieved the above sales performance:
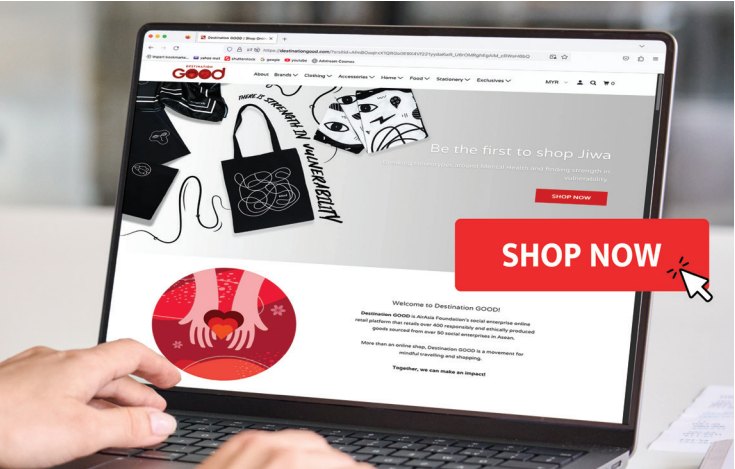
Selected products from the Soggy-no-more collection.

To shop for a difference, visit https://destinationgood.com/

SOCIAL
Uplifting Communities in Asean

Humanitarian Assistance

During the year, the Group's humanitarian efforts centered on assisting communities impacted by climate-related disasters.

Typhoon Yagi

In response to Typhoon Yagi in September 2024, which has affected millions in Vietnam and Laos, Teleport stepped up to help. We arranged five freighter flights from Kuala Lumpur to Hanoi and Vientiane to carry over 105 tonnes of hygiene supplies for the United Nations World Food Program.

Chiang Rai Floods

In Thailand, AirAsia collaborated with the Mirror Foundation to support flood relief efforts in Chiang Rai by offering 10 free return tickets between Don Mueang and Chiang Rai each day from 15 to 31 October 2024. A total of 170 seats were provided over 17 days, enabling our team of 50 volunteers to assist in clean-up operations for flood victims in Mae Sai district, Chiang Rai.

Kota Bharu Floods

In Malaysia, AirAsia worked with the Malaysia Civil Defence Department (APM) to carry out a vital mission delivering essential aid, including food, water, and medical supplies, to flood-affected communities in Kota Bharu, Kelantan, during the monsoon season in December 2024. Additionally, 15 APM personnel were transported to provide immediate assistance in the hardest-hit areas. In addition, AirAsia supported BeVital, a non-profit organisation that provides quality healthcare to marginalised communities, by offering 16 flight tickets worth RM8,307 to medical volunteers travelling from Kuala Lumpur to Kelantan for flood relief efforts.

#AllstarsDoGood

Throughout the year, our Allstars have actively volunteered in various community initiatives, dedicating a total of 839 hours to meaningful causes. Some initiatives are:

1 Red Heart Fund

The Allstars Red Heart Fund was established in 2011 to help or support Allstars who experience a sudden hardship or emergency situation that is caused by an unforeseen or unavoidable event. In 2024, we supported two Allstars who were eligible for the assistance with a total contribution amounting to RM30,000.

2 Airport Volunteering

During peak and festive seasons or unexpected disruptions, such as the CrowdStrike outage in July 2024, our Allstars step up as volunteers to support ground staff at the airport, ensuring a smoother travel experience for guests. Volunteers receive basic training and are assigned tasks where they can provide meaningful assistance. Beyond helping operations run more efficiently, this initiative allows Allstars to gain firsthand experience in different job functions, fostering stronger teamwork and deeper business understanding.

In 2024, approximately 200 Allstars participated in our volunteering programme.

3 Blood Donation Drive

The Blood Donation Drive is a community-driven initiative in collaboration with the National Blood Centre Malaysia, encouraging Allstars to contribute to a life-saving cause. By donating blood, participants help support healthcare systems and individuals in need.

In 2024, the drive successfully gathered 110 donors in Malaysia. Our team in Indonesia did a similar donation drive with 85 Allstars at IAA participating, while TAA saw 486 Allstars contributing.

4 Supporting People with Disabilities

A total of 58 Allstars participated in charity activities for children at Baan Ruensuk in Nakhon Nayok, also known as 'The Career Support Centre for Blind Persons with Multiple Disabilities'. The team organised a special lunch, presented essential donations, and conducted interactive workshops aimed at fostering meaningful connections with the children. Through these activities, the volunteers helped create a warm and supportive environment, encouraging personal development and social engagement for the residents.

A Journey of Firsts with "Every Cambodian Can Fly"

In August 2024, AirAsia Cambodia gave 75 underprivileged children from five orphanages an opportunity to have their first-ever flight experience, travelling to Siem Reap, Cambodia's historic cultural heartland. The children enjoyed a trip to key historical landmarks such as the iconic Angkor Wat Temple, enjoyed lunch at Wat Preah Prom Rath, and explored the Angkor Wildlife and Aquarium before returning to Phnom Penh in the evening. This opportunity left the children with happy smiles and a glimpse of new possibilities for their future.

Performance Table
Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2023	2024
Corporate Governance			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Senior Management	Percentage	12.90	32.10
Management	Percentage	9.10	64.10
Executive	Percentage	15.40	64.70
Non-Executive	Percentage	37.20	46.10
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	94.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	2	0
Sustainable Supply Chain			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	42.00	22.20
Information Security & Data			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Climate Strategy			
Bursa C4(a) Total energy consumption	Megawatt	20,362,567.00	21,047,333.00
Bursa C9(a) Total volume of water used	Megalitres	102,067.00	107,033.00
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	4,847,717.50	5,440,467.00
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	9,971.64	12,516.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,179,003.50	1,865,225.20
Water Consumption	Cubic meters	102,067.00	107,033.00
Waste Management			
Bursa C10(a) Total waste generated	Metric tonnes	1,003.10	2,369.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	494.20	1,470.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	508.90	899.00
Health & Safety			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	7.00	6.22
Bursa C5(c) Number of employees trained on health and safety standards	Number	861	737
Diversity & Inclusion			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 30	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	73.70	74.80
Senior Management Above 50	Percentage	26.30	25.20
Management Under 30	Percentage	1.50	1.30
Management Between 30-50	Percentage	80.30	79.90
Management Above 50	Percentage	18.20	18.80
Executive Under 30	Percentage	29.90	29.20
Executive Between 30-50	Percentage	67.70	68.10
Executive Above 50	Percentage	2.40	2.70
Non-Executive Under 30	Percentage	53.40	53.40
Non-Executive Between 30-50	Percentage	45.10	45.10
Non-Executive Above 50	Percentage	1.60	1.50
Gender Group by Employee Category			
Senior Management Male	Percentage	70.80	70.33
Senior Management Female	Percentage	29.20	29.67
Management Male	Percentage	78.30	80.02
Management Female	Percentage	21.70	19.98
Executive Male	Percentage	59.00	58.83
Executive Female	Percentage	41.00	41.17
Non-Executive Male	Percentage	71.30	71.00
Non-Executive Female	Percentage	28.70	29.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83.00	83.00
Female	Percentage	17.00	17.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	17.00	0.00
Above 50	Percentage	83.00	100.00
Talent Attraction & Retention			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	64	429
Management	Hours	1,720	8,178
Executive & Non-Executive	Hours	15,374	93,194
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	17.30	14.80
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	27	35
Management	Number	231	267
Executive	Number	1,134	1,209
Non-Executive	Number	607	1,618
Human Rights			
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	20	28
Community Investment			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	363,713.00	176,150.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	751	260

For a comprehensive overview of our sustainability performance over the past three years, please refer to the performance table in the full Sustainability Statement within Capital A's Annual Report 2024.

GRI Content Index

Pillar	GRI Standard	Disclosure	Page	Location	Remarks
General Disclosure		**General Disclosures**			
		The organisation and its reporting practices			
	GRI 2: General Disclosures 2021	2-1 Organizational details	1	About this Report	Annual Report 2024
		2-2 Entities included in the organisation's sustainability reporting			
		2-3 Reporting period, frequency and contact point			
		2-4 Restatements of information	-	-	For consistency with the financial reporting scope, data points from 2023 reflect MAA, TAA, IAA and PAA. This is noted down at the disclosures where applicable.
		2-5 External assurance	-	-	Capital A obtained internal assurance from the Group Internal Audit department to strengthen the credibility of the Sustainability Report.
		Activities and workers			
		2-6 Activities, value chain and other business relationships	-	-	Annual Report: Our Investment Case Annual Report: Corporate Structure
		2-7 Employees	94	Diversity & Inclusion	
		2-8 Workers who are not employees			
		Governance			
		2-9 Governance structure and composition	8	Introduction: Sustainability Governance	Annual Report: Our Leadership
		2-10 Nomination and selection of the highest governance body			
		2-11 Chair of the highest governance body			
		2-12 Role of the highest governance body in overseeing the management of impacts			
		2-13 Delegation of responsibility for managing impacts			
		2-14 Role of the highest governance body in sustainability reporting			
		2-15 Conflicts of interest	-	-	Code of Conduct: https://www.capitala.com/misc/210330_AAPPLS004_Code_of_Conduct_and_Ethics_03_00.pdf
		2-16 Communication of critical concerns	17	Corporate Governance: Grievance Mechanisms	Whistleblowing Channel: https://www.capitala.com/whistleblowing_channel.html
		2-17 Collective knowledge of the highest governance body	-	-	Corporate Leadership: https://www.capitala.com/corporate_leadership.html
		2-18 Evaluation of the performance of the highest governance body	8	Introduction: Sustainability Governance	Corporate Governance Overview Statement
		2-19 Remuneration policies	-	-	Remuneration Policy: https://www.capitala.com/misc/AirAsia_Group_Remuneration_Policy_Statement_2004021.pdf
		2-20 Process to determine remuneration	-	-	
		2-21 Annual total compensation ratio	-	-	Corporate Governance Overview Statement: Remuneration
		Strategy, policies and practices			
		2-22 Statement on sustainable development strategy	2	Message from the Chief Sustainability Officer	
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Statement of Assurance

In strengthening the credibility of the Sustainability Statement, selected matters of this Sustainability Statement have been subjected to an internal review by Capital A Berhad's internal auditors and have been approved by Capital A's Audit Committee.

Subject Matter

The following indicators of the selected subject matter are covered by the internal review:

Sustainability matter	Indicator
Corporate Governance	a) Percentage of employees that received training on anti-corruption by employee category b) Confirmed incidents of corruption and action taken c) Percentage of operations assessed for risks related to corruption
Health & Safety	a) Number of work-related fatalities b) Lost time incident rate c) Number of employees trained on health and safety standard
Talent Attraction & Human Rights	a) Number of substantiated complaints concerning human rights violations b) Total hours of training by employee category c) Percentage of employees that are contractors or temporary staff d) Total number of employee turnover by employee category
Information Security & Data Privacy	a) Number of substantiated complaints concerning breaches of data privacy and losses of data b) Total hours of training on security and data privacy
Climate Strategy	a) Scope 1 emissions in tonnes of CO_2e b) Scope 2 emissions in tonnes of CO_2e c) Scope 3 emissions in tonnes of CO_2e
	a) Total energy consumption
	a) Total volume of water used

Scope

The boundary of the internal review covered Capital A Berhad and its subsidiary companies.

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