

capital 

Sustainability Report 2025

Ready, Set,
Grow

ADE
ASIA DIGITAL ENGINEERING

teleport

AirAsia **MOVE**

**AirAsia
Next**

santan

AirAsia

Inside this Report

Introduction

About this Report	1
Message from the Chief Sustainability Officer	2
Our Sustainability Journey	4
2025 Sustainability Highlights	6
Our Sustainability Approach	8
Material Matters	14

Economic

Good Governance

Corporate Governance	20
Sustainable Supply Chain	30

Transforming into a Digital and Lifestyle Brand

Guest Experience	37
Technology and Innovation	49
Information Security and Data Privacy	61

Environmental

Addressing Climate Change

Climate Strategy	67
Waste Management	86

Social

Safety as Our Priority

Operational Safety	93
Occupational Health and Safety	106

Empowering Allstars

Diversity and Inclusion	110
Talent Attraction and Retention	117
Human Rights	135

Uplifting Communities in Asean

Growing Asean Social Enterprises with the AirAsia Foundation	139
Destination Good	151
Humanitarian Assistance	152
#AllstarsDoGood	155

Appendices

Performance Table	157
GRI Content Index	159
IFRS S2 Disclosure Index	163
Statement of Assurance	165

About this Report

GRI 2-1

Capital A Berhad (Capital A or the Group) presents our annual Sustainability Report. This document offers a detailed overview of our continuous sustainability journey, underscoring our commitment to consistent and accountable reporting.

We capture the execution of our sustainability strategy, highlighting the approach, performance, and key achievements across the Economic, Environmental, and Social (EES) dimensions. Our focus remains on creating long-term value for stakeholders by strategically managing sustainability risks and harnessing opportunities relevant to our operations.

The priority this year centred on the practical implementation of our sustainability agenda, enhancing aviation sustainability practices and expanding their scope across ASEAN. We focused on the rigorous integration of sustainability throughout Capital A's transformation into a comprehensive travel and digital services group. This report details new initiatives launched and the definitive progress made by our established programmes throughout the reporting period.

For complete insights into our operational strength and financial performance, this report is to be read alongside our 2025 Annual Report.

Reporting Framework & Guidelines

This report was developed to provide our stakeholders with meaningful disclosures, grounded in alignment with various international and local sustainability guidelines and standards. This includes the Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements concerning Sustainability Statements in Annual Reports, guided by its Sustainability Reporting Guide (3rd Edition) and the National Sustainability Reporting Framework (NSRF). We have also referred to the Global Reporting Initiative (GRI) Standards 2021 to ensure comprehensive and globally comparable reporting.

Other frameworks and guidelines taken into consideration include:

- FTSE4Good Bursa Malaysia (F4GBM) Index
- Dow Jones Sustainability Index (DJSI)
- International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards
 - > IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information)
 - > IFRS S2 (Climate-related Disclosures)
- United Nations' Sustainable Development Goals (UN SDGs)
- Malaysian Code on Corporate Governance (MCCG)

In alignment with the NSRF, specifically its use of proportionality mechanisms and transition reliefs to facilitate adoption, our focus has been on providing information that is reasonable, supportable, and readily available, utilising qualitative approaches where necessary. We have also adopted a climate-first approach for our principal business segments and are striving towards the full adoption of IFRS S1 and IFRS S2 by the year 2027.

Reporting Scope and Boundaries

This report covers the sustainability performance of Capital A and its subsidiary companies for the reporting period from 1 January 2025 to 31 December 2025, unless explicitly stated otherwise. Throughout this document, the terms "we" or "the Group" refer to Capital A, while each subsidiary is referenced by its own name. The airlines are collectively referred to as AirAsia. Where relevant and available, we provide comparative historical data.

The disclosures for the airlines currently include AirAsia Malaysia (MAA), AirAsia Thailand (TAA), AirAsia Indonesia (IAA), AirAsia Philippines (PAA), and AirAsia Cambodia (CAA). For context, in 2022, we reported only on MAA, IAA, and PAA, as TAA statistics were disclosed separately by Asia Aviation Public Company Limited. Since 2023, TAA has been reincorporated into our reporting scope following the Group's acquisition of full equity in the airline.

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

Forward-Looking Statements

This report includes certain forward-looking statements that articulate the Group's expectations concerning future value creation, alongside projected financial and non-financial performance. Such statements are based on current assumptions and prevailing circumstances which are subject to change, and they therefore inherently involve risks and uncertainties. Unforeseen events and material risks may materialise outside of the Group's control, which could result in actual outcomes that differ materially from those expressed in these statements.

Assurance

To ensure the accuracy and integrity of our disclosures, this report underwent a robust internal review process. It was 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 (IPPF), and formally endorsed by the Board of Directors. Furthermore, international carbon emissions have been independently verified by International Civil Aviation Organisation (ICAO)-approved verification bodies as part of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) Monitoring, Reporting, and Verification (MRV) process.

The Board has additionally validated the report's relevance to the Group's business strategy and performance. Moving forward, we aim to implement a more comprehensive assurance process to further strengthen the credibility of our sustainability reporting.

Contact Us

In our commitment to the continuous improvement of our reporting and sustainability efforts, we highly value and welcome ideas and comments from our stakeholders. Please direct all enquiries, feedback, and/or comments pertaining to Capital A's 2025 Sustainability Report to:



sustainability@airasia.com



www.capitala.com/sustainability.html

Message from the Chief Sustainability Officer

2025 is a defining year for aviation. For the first time, hundreds of airlines globally - including AirAsia - have confirmed offsetting obligations under CORSIA, the international carbon offsetting scheme. Based on ICAO's 15.4% sectoral growth factor, this creates global demand for 56 million tonnes of high-quality carbon credits for 2024 alone - a figure that is set to rise despite ongoing disruptions from the Persian Gulf conflict.





In preparing for this, we embedded CORSIA costs into financial planning, worked with multiple stakeholders to scale the short supply of CORSIA-eligible credits, and engaged with policymakers - both domestically and internationally via ICAO's Committee for Aviation Environmental Protection Working Group on CORSIA - to tackle structural bottlenecks. While credit supply remains tight, our early position gives us a critical advantage.

While this takes shape, we continue to prioritise reducing emissions at source. Through 13 measures, our flight operations team delivered 43,000 tonnes of fuel savings, corresponding to 2.4% of total fuel consumption. In ground operations, we accelerated the induction of Combo Units which help reduce jet fuel usage and CO₂ emissions, while also becoming the first airline in the region to introduce Aerowash exterior cleaning to reduce aerodynamic drag. Our ICT team deployed large language models (LLMs) to measure these innovations and optimise network planning. Together, these initiatives avoided over 140,000 tonnes of CO₂, saving US\$33 million in fuel and carbon costs, a material buffer against today's volatile oil prices.

In strengthening governance, we beefed up anti-corruption and anti-bribery awareness and improved supply chain sustainability through policy reviews and gaps assessments. We also built stronger information security defenses in recognition that the benefits of AI-use also carries its own

risks. Among others, we appointed our first Data Protection Officer and introduced a specialised secure coding awareness curriculum to alert developers towards known vulnerabilities and safeguard proprietary algorithms. Throughout the year, training and roadshows on these topics were conducted to ensure the messages are cascaded across the group.

Socially, we deepened our commitment to improving the wellbeing of Allstars and to raising female participation in aviation. We revamped talent development to introduce new leadership and mentorship programmes, and completed the first draft of a group-wide Human Rights Policy which covers employee rights, prohibits forced or child labour across our supply chain and affirming our duty of care to guests.

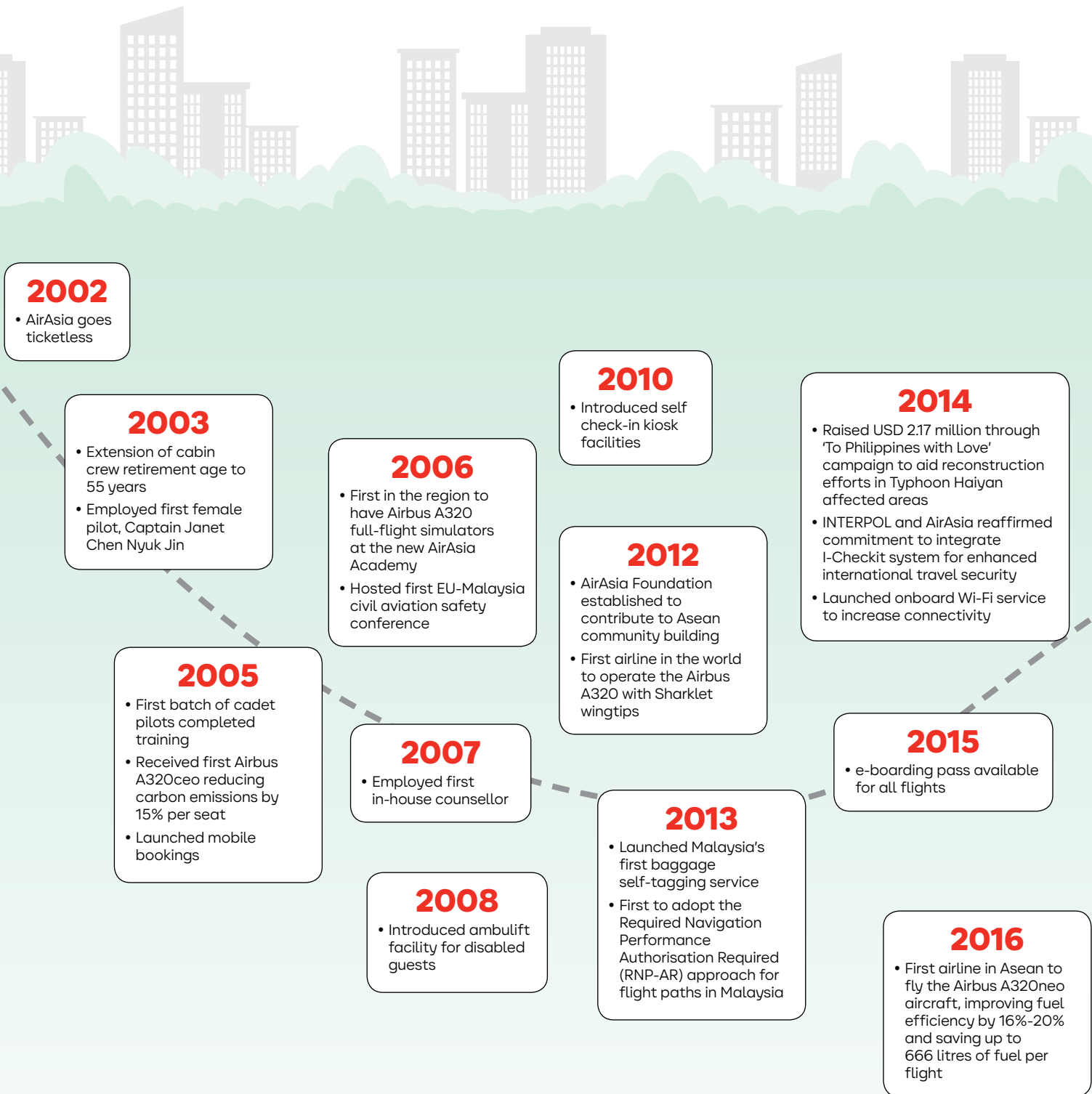
We close 2025 with a groundbreaking step: introducing a hijab option for our cabin crew. Since its beginning, AirAsia has led Asia in implementing policies that attract and retain women in aviation. This latest move honours the service of our crew members and helps us retain skilled, experienced professionals who deliver the best service to our guests.

With regards,

Yap Mun Ching
Chief Sustainability Officer
Capital A Berhad



Our Sustainability Journey





2025 Sustainability Highlights

ESG Rating & Awards

FTSE Russell
ESG Rating

4.0 out of 5

↑ 14% from 2024
(2024: 3.5)

S&P Global
Corporate Sustainability
Assessment

45%

Top-quartile industry ranking
(2024: 47%)

**The Stock Exchange
of Thailand**
Thailand Sustainability
Investment

93%

↑ 12% from 2024
(2024: 83%)

42kft.com
Global Environmental
Audit



AirAsia achieved a **perfect 10/10 score** in a global environmental audit conducted by 42kft.com in 2025, which assessed 142 airlines. The result reflects AirAsia's focus on operational efficiency and environmental responsibility, supported by initiatives such as fuel-efficient operations, aircraft optimisation, and improved transparency in reporting. This recognition places AirAsia among the **top-performing airlines globally** for its environmental performance and transparency.

AirlineRatings.com
Sustainability
Award 2025



AirAsia was recognised as a **Top 3 Low-Cost Carrier** in the inaugural Sustainability Awards by AirlineRatings.com in 2025. The award reflects the airline's strong performance in integrating sustainability into its operations and assess airlines based on current achievements, future commitments, and industry collaboration.

**Climate Change
Institute Federation
of Thai Industries**



Thai AirAsia received the **Climate Action Leader Award** from the Federation of Thai Industries in 2025 for its **"Green Operating Procedures" project**. The initiative, which includes fuel-saving and operational efficiency measures, reduced over 41,000 tonnes of CO₂ emissions and improved energy efficiency across flight operations.

Economic



Net Promoter Score (AirAsia)

53

(2024: 47)



Expenditure Local Suppliers

21.8%

(2024: 22.2%)



On-Time Performance

71%

(2024: 76%)



6.5

mishandled baggage per 10,000 passengers

(Global average: 63; 2024: 6.3)



100%

new Allstars completed anti-bribery and anti-corruption

(2024: 100%)

Environmental



62.9

gCO₂/ASK

(2024: 63.7)



76.3

gCO₂/RPK

(2024: 72.3)



23%

waste diverted from disposal

(2024: 34%)



US\$31 mil

fuel cost saved from fuel efficiency measures

(2024: US\$34.3 mil)



7 mil tCO₂e

total emissions

(2024: 6.6)

Social



5.3

lost time incident rate

(2024: 6.2)



17%

women in leadership positions

(2024: 20.7%)



RM197,760

awarded to social enterprises through the AirAsia Foundation

(2024: RM176,150)



RM2.1 mil

invested in training

(2024: >RM2.9 mil)



Average

2 training hours

per employee

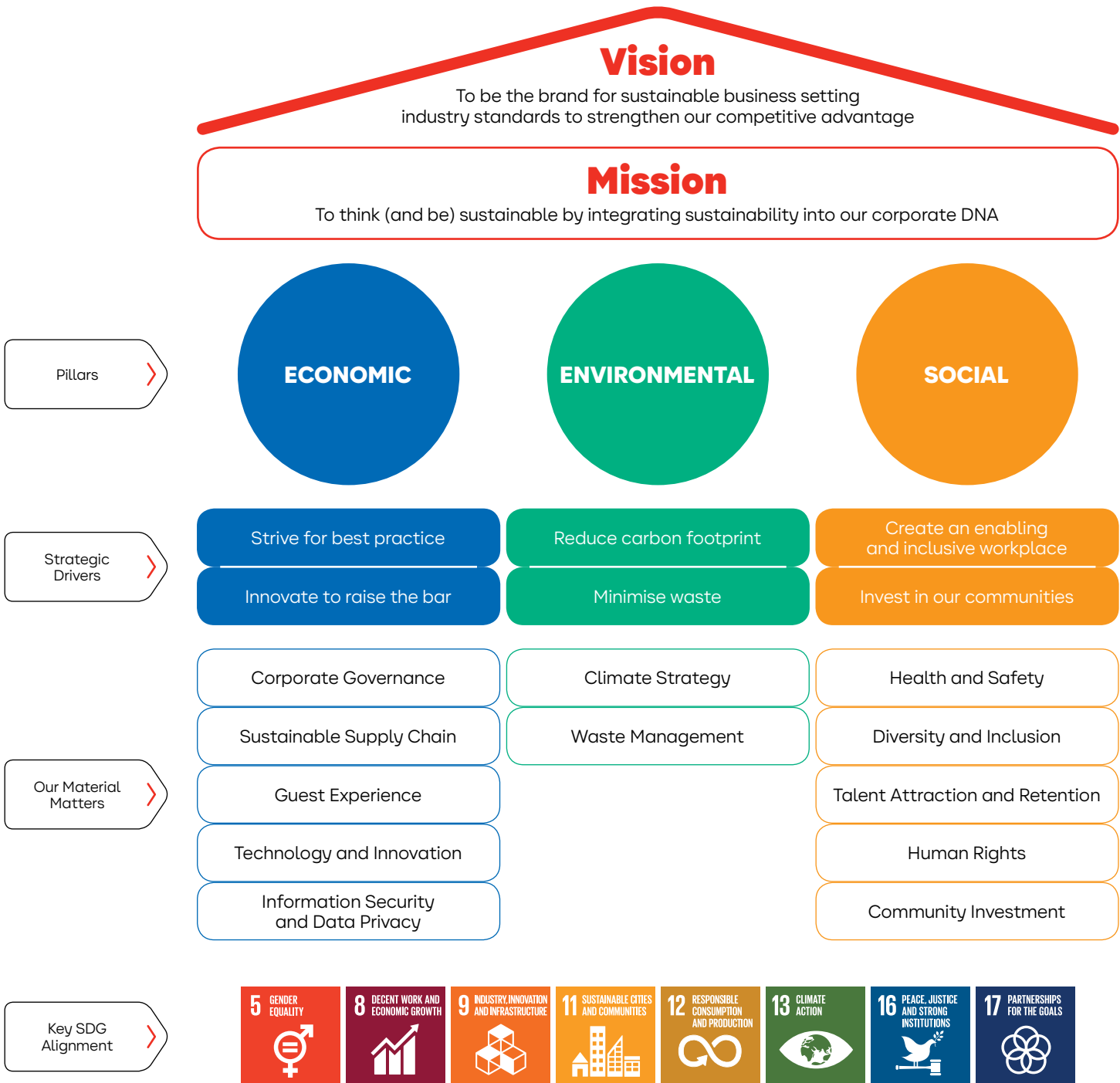
(2024: 8 hours)

Our Sustainability Approach

GRI 2-23, 2-24

Sustainability Framework

Our approach to sustainability is built upon a foundation that embeds sustainability across every aspect of our business operations. This framework, which guides our strategic decisions and actions, provides the structure necessary to realise our growth objectives and can be visualised below:



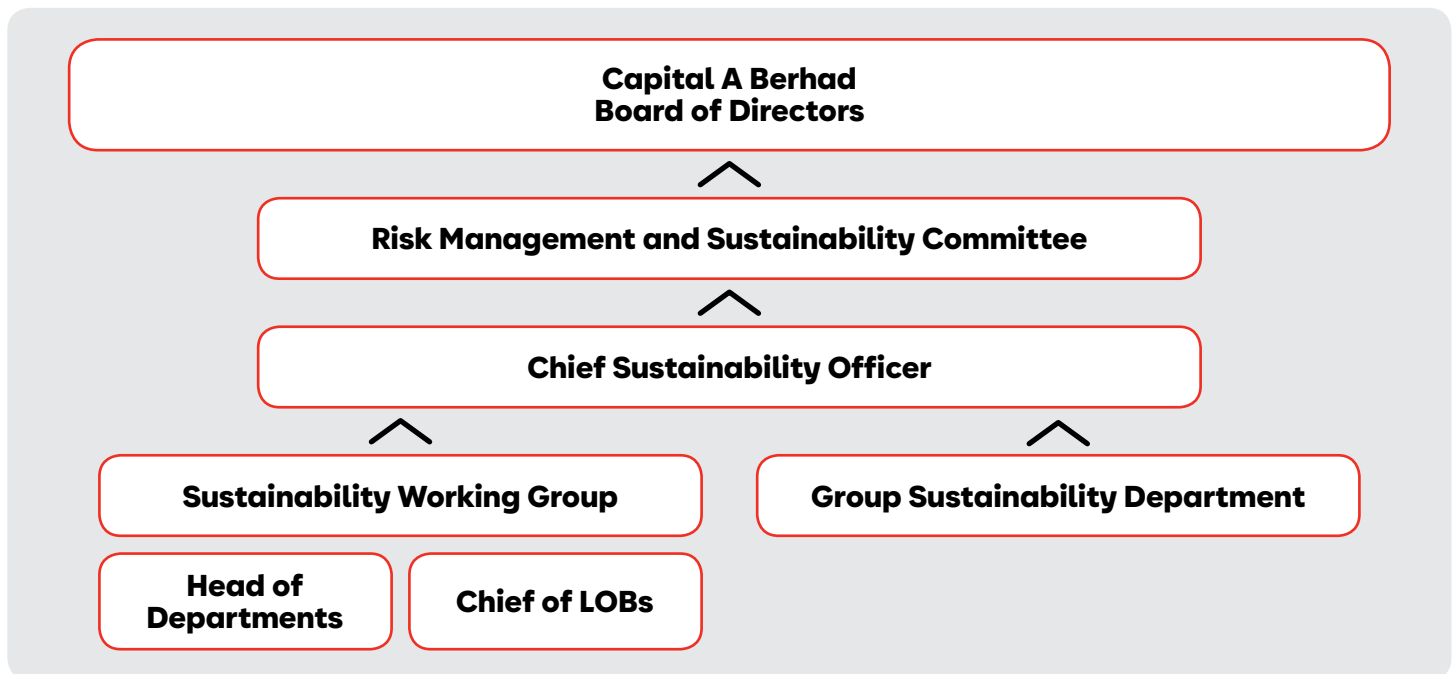
Complementing the Group's five-year business strategy, our sustainability roadmap is executed through six strategic drivers categorised under the EES pillars, which encompass a total of 12 material topics. To effectively measure and track our progress toward specific goals, we have established internal, time-bound targets for both the short and medium terms across key environmental and social material areas.

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 ultimately responsible for guiding Management and overseeing crucial issues pertaining to sustainability-related matters.

The Board of Directors, through the Risk Management and Sustainability Committee (RMSC), provides direct oversight and guidance on strategies, frameworks, and policies concerning material sustainability matters, including climate change, governance, and the guest experience. This ensures that all efforts remain aligned with the Group's broader strategic objectives.



Oversight Level	Responsibilities
<p>Capital A's Board of Directors</p>	<ul style="list-style-type: none"> ○ Holds overall responsibility for defining the Group's sustainability strategy and approach to material issues, particularly climate, with direct assistance from the Risk Management and Sustainability Committee (RMSC). ○ Assesses collective skills and competencies through the Nomination and Remuneration Committee (NRC), to ensure effective oversight of sustainability and climate-related risks and opportunities. ○ Receives progress reports on high-priority sustainability and climate-related matters quarterly.
<p>Risk Management and Sustainability Committee (RMSC)</p>	<ul style="list-style-type: none"> ○ Responsible for providing Board-level oversight, assessing the Group's strategic direction, policies, principles, and practices related to both sustainability and risk management matters. ○ Oversees sustainability and climate-related strategies, risks, opportunities, and target-setting by evaluating trade-offs—balancing short-term transition costs against long-term operational resilience—to ensure all efforts are financially viable and aligned with overarching business objectives. ○ Monitors quarterly progress against sustainability and climate-related targets, providing strategic direction and recommendations to ensure continuous alignment with overarching Group objectives.

Stakeholder Engagement

Our stakeholders are crucial to our success, possessing a significant interest in, and directly impacting and influencing, our business. We ensure that all stakeholders' concerns, interests, and expectations are consistently addressed through regular, proactive communication across multiple platforms.

Engagement Channels	Areas of Interest	How We Respond
Board of Directors		
<ul style="list-style-type: none"> • Board meetings • Annual General Meetings • Corporate events • Extraordinary General Meetings 	<ul style="list-style-type: none"> • Financial performance • Corporate governance & strategies • Business development & partnerships • Human capital management • Sustainability practices 	<ul style="list-style-type: none"> • Focus on enhancing our branding and expanding lines of business • Adopt sustainable practices
Employees (Allstars)		
<ul style="list-style-type: none"> • Workvivo • Employee appraisals • Community engagement • Online surveys • Townhalls • Cultural, sports, well-being & appreciation events • Open office layout 	<ul style="list-style-type: none"> • Diversity, inclusion & equal opportunity • Corporate governance practices • Training & career development • Work-life balance • Financial performance • Fair remuneration & compensation • Security, safety & welfare • Mental health support system 	<ul style="list-style-type: none"> • 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		
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Agreeable terms and contracts • Service delivery and cost • Risk management • Regulatory compliance 	<ul style="list-style-type: none"> • Strengthen partnerships with agreeable terms and contracts
Customers (Guests)		
<ul style="list-style-type: none"> • Continuous customer satisfaction surveys • Online submissions • Customer support live chat • Social media • Messenger channels • AirAsia sales offices, travel & service centres 	<ul style="list-style-type: none"> • Customer experience • Process efficiency • Competitive pricing & experience throughout physical/digital journey • Data privacy & security • Safety & well-being • Loyalty rewards 	<ul style="list-style-type: none"> • Provide fast and prompt response to customer requests • 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

Engagement Channels

Areas of Interest

How We Respond

Investors

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> • Investor meetings & conference calls • Annual General Meetings & Extraordinary General Meetings • Investor Relations website • Investor briefings by Senior Management • Annual Reports | <ul style="list-style-type: none"> • Financial performance • Corporate governance practices • Long-term business strategy • Brand management • Operational performance • Occupational health & safety • Customer relationship management • Innovative initiatives • EES management | <ul style="list-style-type: none"> • 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 • Adopt sustainable practices |
|---|---|---|

Market Analysts

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Analyst briefings, meetings & conference calls • Media interviews & releases • Investor Relations website • Annual Reports | <ul style="list-style-type: none"> • Financial performance • Corporate governance practices • Long-term business strategy • Brand management • Operational performance • Guest experience • Environmental management • Data privacy & security | <ul style="list-style-type: none"> • Continued engagement with analysts • Timely updates on business performance & strategies • Focus on enhancing our branding and expanding lines of business • Sustainability practices |
|---|--|--|

Regulators/Governmental Bodies

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Corporate governance practices • Policy & regulatory compliance • Risk & crisis management • Data privacy & security • EES management | <ul style="list-style-type: none"> • Engage closely with regulators and governmental bodies • Announce or report relevant information in a timely manner • Maintain standards and certifications |
|--|---|---|

Social Enterprises

- | | | |
|--|--|---|
| <ul style="list-style-type: none"> • Corporate community programmes • Funding of social enterprises through AirAsia Foundation • Regular dialogue • Events | <ul style="list-style-type: none"> • Ethics & integrity • Innovation • Job creation • Economic development | <ul style="list-style-type: none"> • Create support system for social enterprises • Actively communicate with social entrepreneurs • Increase employability and job creation |
|--|--|---|

Suppliers

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> • Regular dialogue and reviews • One-to-one meetings | <ul style="list-style-type: none"> • Agreeable terms & contracts • Service efficiency, value, delivery & cost • Health & safety | <ul style="list-style-type: none"> • Ensure consistent communication with suppliers on contracts and Supplier Code of Conduct • Compliance with required policies • Provide safe and healthy workplace |
|---|--|---|

Local Communities

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> • Community development programmes • Corporate social responsibility initiatives • Partnerships and employee volunteerism • Websites and social media platforms | <ul style="list-style-type: none"> • Community engagement • Rural development & empowerment • Environmental and social impacts | <ul style="list-style-type: none"> • Undertake empowerment programmes, volunteerism and donations • Provide humanitarian assistance and post-disaster relief |
|--|---|--|

Membership Associations

GRI 2-28

MALAYSIA



Corporate Governance & Sustainability

- **CEO Action Network (CAN):** Member since 2020, focusing on sustainability and ESG adoption
- **ASEAN Business Advisory Council (ASEAN-BAC):** CEO serves as a council member aiding economic integration
- **Climate Policy:** CSO advises Malaysia's national climate change panel, chairs the CAAM CORSIA Task Force, and serves in ICAO's CAEP working group.

Aviation & Logistics Services

- **Asia Digital Engineering (ADE):** Member of Malaysia Aerospace Industry Association (capacity development) and Aviation Suppliers Association (logistics and distribution standards).
- **Teleport:** Member of the Hong Kong Logistics Association, promoting sustainable supply chain management.

Travel & Lifestyle

- **AirAsia MOVE:** Collaborates with ASEAN Tourism Association (ASEANTA) to promote sustainable, integrated regional tourism.
- **Santan:** Contributor to World Travel Catering & Onboard Services, focusing on packaging innovation and food safety.

THAILAND



- Maintains engagement with the **Civil Aviation Authority of Thailand (CAAT)** through policy advocacy and strategic dialogues.
- Partners with agencies under the **Ministry of Energy and Ministry of Natural Resources and Environment** to drive sustainability policy implementation.
- Member of the **Airlines Association of Thailand (AAT)** and the **Tourism Council of Thailand**, championing aviation and tourism sustainability.
- TAA's Head of Government Relations serves as Board Secretary for AAT and Deputy President of the Tourism Council, leading advocacy efforts for favourable regulations and optimised government fee structures.

INDONESIA



- Maintains cooperation with the **Directorate General of Civil Aviation (DGCA)** on strategic aviation initiatives.
- Holds influential positions within **Indonesia National Air Carriers Association (INACA)**—including CEO (Ad Hoc Committee), Head of Government Relations (Expert), and a Captain (Deputy Secretary General)—driving advocacy for competitive fuel pricing, taxation reform, and streamlined spare-parts importation.
- IAA's Head of GR was re-elected as President of **ASEANTA** for the 2025-2027 term, leading strategic collaborations with National Tourism Organisations to revitalise the regional travel industry.

PHILIPPINES



- Collaborates closely with the **Civil Aviation Authority of the Philippines (CAAP)** on all key aviation operational and regulatory matters.
- Member of the **Air Carriers Association of the Philippines (ACAP)** and the Board of Airline Representatives (BAR), addressing sector-wide concerns and promoting tourism and trade.
- Member of the **Cebu Chamber of Commerce**, fostering regional economic growth.
- Partners with the **Philippine Tourism Promotions Board (TPB)** and local hospitality associations (hotels, restaurants, travel agencies) to strengthen the travel ecosystem in all destinations served.

CAMBODIA



- AAC's CEO serves on the **Cambodia Tourism Board (CTB)**, fostering critical public-private collaboration to revitalise the tourism sector and promote sustainable development.
- Works with the **ASEAN Secretariat** and the Office of the Secretary-General to enhance regional aviation frameworks and connectivity.

Material Matters

GRI 3-1, 3-2

Materiality assessments are fundamental to our sustainability strategy, enabling us to identify sustainability and climate-related and opportunities that could reasonably be expected to affect the Group's prospects. To ensure these matters remain relevant amid evolving market trends and regulatory shifts, we conduct a formal materiality review at least biennially, or upon the occurrence of significant events or changes in circumstances. This dynamic process ensures our disclosures remain decision-useful for primary users and enhances our ability to proactively manage our strategic resilience.

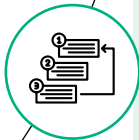
Materiality Assessment

In 2025, we embarked on a high-level materiality refresh to evaluate the continued relevance of our EES topics within the current dynamic landscape. This refresh was conducted based on Bursa Malaysia's Materiality Assessment Toolkit, following these steps:



Identify

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



Assess and Prioritise

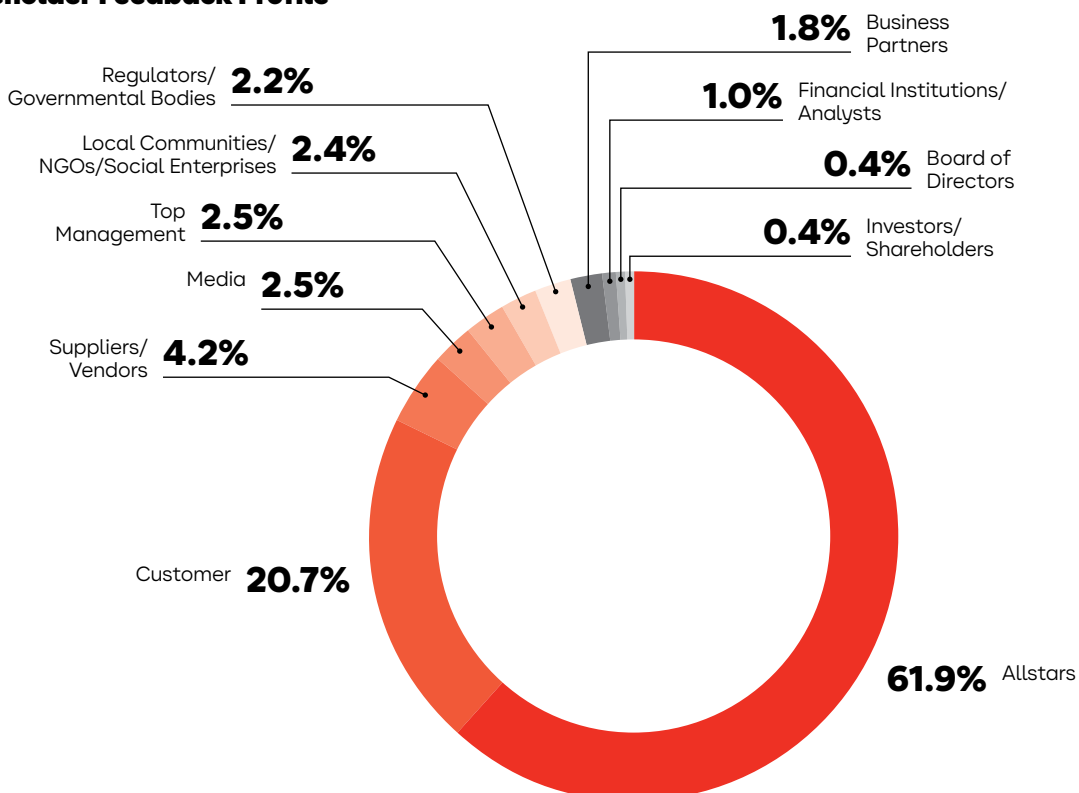
An online materiality survey was distributed to all key stakeholders, inviting them to rank the 12 identified material matters according to the level of importance to them and impact on the Group. We received 1,373 responses. The results were subsequently weighted to reflect relative significance and then plotted in a materiality matrix, graded from high to very high importance.



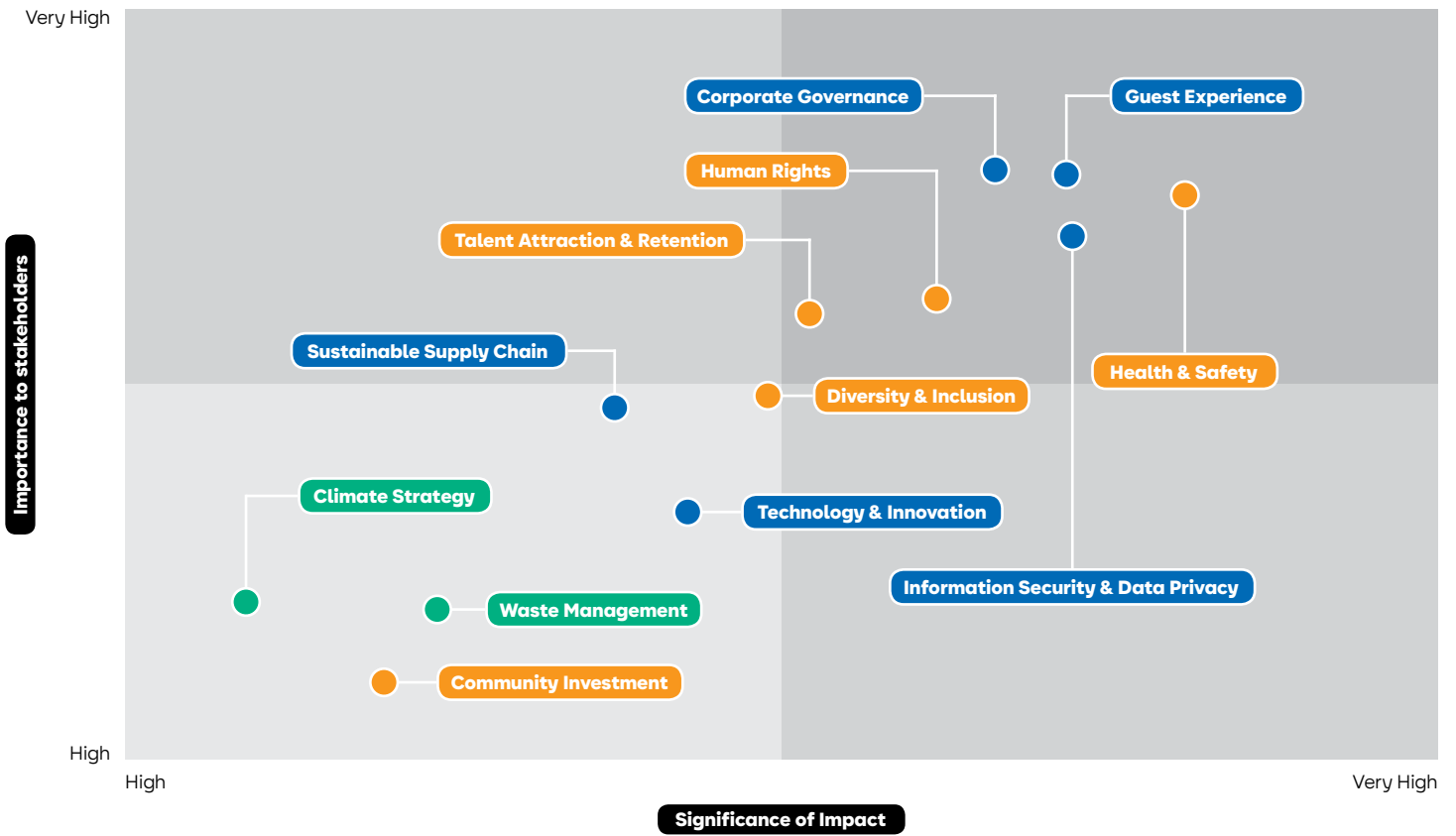
Validate

The final list of material matters, together with the compiled stakeholder feedback and the resulting materiality matrix, was presented to the Risk Management and Sustainability Committee (RMSC) for review and final validation.

Stakeholder Feedback Profile



Materiality Matrix



- 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” is managed under “Diversity & Inclusion” and “Human Rights”

While fundamentals such as Occupational Health & Safety and Guest Experience remain at the core of our operations, our 2025 materiality assessment reveals a strategic evolution in broader stakeholder expectations. Specifically, three material matters have seen a significant upward shift in prioritisation:

- **Corporate Governance:** Post-recovery dynamics have amplified stakeholder demands for heightened financial transparency and corporate accountability. There is a clear emphasis on sustained profitability, rigorous cost management, and the execution of a definitive, transparent roadmap towards financial resilience.
- **Talent Attraction & Retention:** As we accelerate our strategic business transformation, stakeholders view the acquisition and retention of specialised digital and technical talent as a critical operational risk. Proactive investment in employee upskilling and reskilling is increasingly recognised as vital to mitigating turnover and sustaining competitive advantage.
- **Sustainable Supply Chain Management:** In direct response to tightening global ESG regulatory frameworks, stakeholders expect more rigorous oversight of our value chain. Proactive risk management and vendor sustainability compliance are now viewed as essential mechanisms to safeguard our corporate reputation and ensure uninterrupted market access.

Material Matters

Economic

Description	Why It Matters	Risks	Opportunities
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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 spans a broad range of portfolios—including airlines, aircraft MRO, logistics, a travel platform, F&B brand, and brand licensing/IP division—it is critical that we uphold the highest standards of integrity across all operations.	Potential for breaches of laws and regulations or corrupt activities, which could result in significant reputational damage and/or financial loss.	Proactive adherence to the highest governance standards and best practices enhances stakeholder confidence and supports sustained business growth.
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Sustainable Supply Chain

Reinforcing a sustainable supply chain through our Supplier Code of Conduct and Sustainable Supply Chain Policy, which outline the minimum expected standards of ESG best practices for all our suppliers.	As a responsible organisation with a wide range of critical suppliers across our Lines of Business (LOBs), the performance of our supply chain directly influences and impacts the Group's overall sustainability progress.	Exposure to high ESG risk suppliers, which could lead to potential business disruption, operational instability, and/or the loss of competitive advantage.	By systematically integrating sustainability practices throughout the supply chain, we are able to proactively mitigate risks associated with environmental, social, and evolving regulatory factors, positioning the Group for resilient growth.
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Guest Experience

Building trust and loyalty with customers through the continuous enhancement of our customer experience and service quality, aimed at achieving greater satisfaction.	Our continued success and sustainable growth are fundamentally dependent on the positive experience and satisfaction of our customers. By staying ahead of customers' evolving expectations, we are able to create long-term value for them.	The inability to consistently meet customers' demands and expectations might result in damage to our brand and reputation, potentially impacting market share.	Regular and effective interaction with customers enables the continuous improvement and innovation of our products and services, fostering loyalty and supporting business expansion.
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Technology & Innovation

Harnessing technology to innovate, build partnerships, and unlock new opportunities for business growth as we transition to become a multi-platform travel and digital group.	Technology and innovation are central to our sustained success and growth. By consistently providing seamless digital solutions, we reinforce the company's competitive advantage against competitors.	Potential for loss of competitive advantage and market relevance, leading to erosion of market share if technology adoption lags.	Creating a digital experience that is seamless, distinctive, and highly personalised for our customers, thereby driving engagement and long-term value.
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Information Security & Data Privacy

Safeguarding data privacy and information security for Allstars, customers, and all third parties by upholding robust and resilient cybersecurity systems.	Given the extensive volume of sensitive data pertaining to Allstars and customers, it is essential for us to protect this information and ensure full regulatory compliance across all jurisdictions.	Exposure to data breaches and information leakage due to ineffective cybersecurity measures, potentially resulting in the loss of business continuity, sensitive customer data, and stakeholder trust.	Execution of a strategic information security programme designed to achieve world-class standards, thereby strengthening our competitive position and trust with digital customers.
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Environmental

Description	Why It Matters	Risks	Opportunities
<h3>Climate Strategy</h3>			
<p>Taking responsibility for our climate impact by establishing a comprehensive net zero strategy and actively managing our climate-related risks and opportunities. This encompasses the management of our greenhouse gas (GHG) emissions, energy consumption, and water usage.</p>	<p>Given the increase in climate change events in recent years, it is critical to mitigate and adapt to climate-related risks, while ensuring proper resource management for long-term business resilience.</p>	<p>Potential for business disruption from physical climate risks, loss of competitiveness due to transition risks (e.g., policy changes), deprioritisation by financial institutions for funding, and significant reputational damage.</p>	<p>Effective emissions management and a strategic net zero roadmap will help build operational resilience, enhance adaptation readiness, and positively influence our ESG valuation.</p>

Waste Management

<p>Monitoring and managing waste generated across the Group by actively practising the principles of reduce, reuse, and recycle. This includes waste originating from our operations, offices, and packaging materials.</p>	<p>Efficient waste management prevents unnecessary waste generation while directly contributing to operational efficiency and cost savings. Furthermore, it enhances our brand reputation and supports long-term sustainability goals.</p>	<p>Failure to meet stakeholders' expectations regarding waste management may result in potential regulatory risks (e.g., non-compliance penalties) and significant reputational damage.</p>	<p>Effective waste management programmes offer the opportunity to inculcate sustainable practices among Allstars and within the communities we serve, driving positive change and alignment with our values.</p>
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Social

Description	Why It Matters	Risks	Opportunities
<h3>Health & Safety</h3>			
<p>Prioritising and protecting the health and safety of all Allstars and customers throughout our operations. We inculcate a culture of safety via robust operational and occupational management systems and awareness initiatives.</p>	<p>Ensuring the health and safety of our stakeholders is of utmost importance as it directly influences our license to operate and reinforces the trust customers place in us.</p>	<p>Poor Occupational Safety, Health and Environment (OSHE) performance, potentially resulting in significant business and operational impacts, alongside regulatory non-compliance and reputational risks.</p>	<p>The successful inculcation of a strong safety culture among Allstars leads directly to increased operational reliability, efficiency, and sustained business confidence.</p>
<h3>Diversity & Inclusion</h3>			
<p>Embracing a diverse and inclusive workforce where fair representation is reflected at all levels, and all Allstars are treated with respect and dignity, receiving equal opportunities.</p>	<p>Diversity actively brings in a broader range of ideas and experiences, simultaneously widening access to the best talent, which collectively leads to an improved corporate culture and better decision-making.</p>	<p>Lack of diversity can limit the variety of perspectives and ideas, potentially hindering innovation, creativity, and effective problem-solving across the Group.</p>	<p>By strategically leveraging diversity and inclusion, we can create a more equitable and engaging workplace, driving positive business outcomes and strengthening our relevance to a diverse customer base.</p>

Material Matters

Description	Why It Matters	Risks	Opportunities
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Talent Attraction & Retention

<p>Attracting top talent and investing significantly in the training and development of our talent pool, while actively nurturing Allstars to achieve both personal and professional growth.</p>	<p>The successful implementation of our business strategies and future growth relies heavily on the capabilities and commitment of our Allstars. As a responsible employer, we aim to consistently provide an enabling working environment for all our people.</p>	<p>Failure to attract and retain key talent can lead to reduced competitiveness, operational inefficiency, and the potential loss of market share.</p>	<p>Establishing robust talent management plans to proactively develop and attract capable talent ensures leadership continuity and supports the Group's expansion objectives.</p>
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Human Rights

<p>Respecting the basic rights and freedoms of all Allstars (employees), while actively preventing human trafficking, forced labour, child labour, and discrimination within our business operations and extended value chain.</p>	<p>Like all global businesses, we face the inherent risk of being exposed to human rights abuses in our own operations and supply chain, particularly given the aviation industry's extensive connection to several sectors with potential human rights impacts.</p>	<p>Violations of human rights might lead to serious reputational damage, operational restrictions, and a significant loss of stakeholder trust.</p>	<p>Upholding high human rights standards strengthens stakeholder trust and builds our reputation as a fair and equitable employer, which in turn attracts high-quality talent and delivers various business benefits essential for sustained growth.</p>
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Community Investment

<p>Empowering and investing in our communities through targeted initiatives that support gender equity, sustainable travel, and ASEAN community building.</p>	<p>As a Group with extensive operations across ASEAN, we recognise our responsibility to empower people through relevant skills development and education programmes, contributing to social progress in the region.</p>	<p>Potential for financial and brand implications when there is a perceived imbalance or misalignment between social, economic, and environmental community needs.</p>	<p>Strategic investment in communities not only strengthens our key relationships but also enhances our credibility and drives positive, long-term sustainability outcomes essential for regional acceptance and growth.</p>
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For further information on our risk management please refer to the Statement on Risk Management & Internal Control section in our 2025 Annual Report.



In The News

21 February 2025

Hazy outlook for Asean sustainable aviation amid US' backsliding on ESG



As CORSIA moves closer to its mandatory phase in 2027, 2025 is emerging as a pivotal year for aviation decarbonisation policy, with continued developments in SAF, carbon markets, and regulatory frameworks. At the start of the year, we take a closer look at the progress of Asean countries in advancing their respective decarbonisation pathways.

Read more at <https://theedgemalaysia.com/node/744645>

13 June 2025

Thai AirAsia and Kasikornbank Sign Thailand's First Green FX Risk Management Agreement in the Airline Industry

Thai AirAsia has partnered with Kasikornbank to implement Thailand's first airline FX risk management agreement linked to greenhouse gas reduction under the Thailand Greenhouse Gas Management Organization's (TGO) Low Emission Support Scheme (LESS).



The arrangement provides preferential FX rates tied to verified emissions reduction milestones, building on Thai AirAsia's certified voluntary climate actions and strengthening collaboration under the Thailand Climate Business Network (ThaiCBN) to support the country's transition towards net-zero emissions.

September 2025

Carbon Emissions Display

We introduced a carbon emissions display feature on MOVE, using real operational data rather than estimates to provide greater transparency on the emissions associated with each flight. This enables guests to better understand the impact of their travel and make more informed decisions. It marks an initial step towards making climate-related information more accessible and actionable for our customers.



9 March 2026

Asean can seize a US\$4 bil climate financing opportunity or pay the price



On 31 October 2025, CORSIA reached a key milestone as global aviation emissions exceeded the scheme's baseline for the first time, triggering the start of compliance obligations for airlines across 130 countries. This is expected to drive significant demand for high-integrity carbon credits towards the 2027 compliance deadline, although supply constraints and eligibility requirements continue to limit market readiness, particularly in developing regions such as Asean.

Read more at <https://theedgemalaysia.com/node/795516>

**ECONOMIC
Good Governance**

Corporate Governance

GRI 3-3

Capital A adheres to robust corporate governance standards across all business verticals. Underpinned by transparent leadership and rigorous risk management, our framework is designed to foster stakeholder trust and ensure sustainable long-term value creation.



Our Management Approach

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

Supporting the UN SDGs



Performance Overview 2025



100%
new joiners
completed live training
on the Code



100%
new Allstars
completed ABAC
policy training



80%
of business units
assessed for
corruption-related risks



93%
completed the 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

Operationalising our governance framework, the Code of Conduct and Ethics establishes the required standards of professional behaviour for the Group. We enforce strict adherence to this Code across all levels, from the Board and Management to every Allstar and business partner, ensuring that integrity remains central to our daily operations.

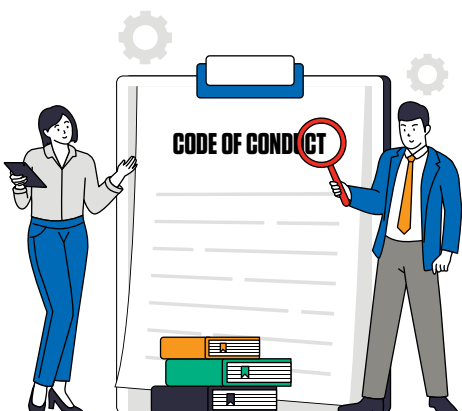
The Code mandates rigorous compliance in critical areas, specifically anti-bribery and anti-corruption, confidentiality of information, conflicts of interest, and anti-competitive practices. We conduct a periodic review of the code to ensure continued relevance and effectiveness.

2025 Performance

100%

of new joiners completed live and/or virtual training for the following:

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



GRIEVANCE MECHANISMS

GRI 2-23, 2-24, 2-27, 205-2, 205-3, 406-1

We maintain accessible grievance channels enabling internal and external stakeholders to safely report misconduct or improprieties. These mechanisms are designed to ensure every concern is captured and resolved systematically. To guarantee awareness and accessibility, training on these reporting channels are provided to all new employees during the onboarding program.

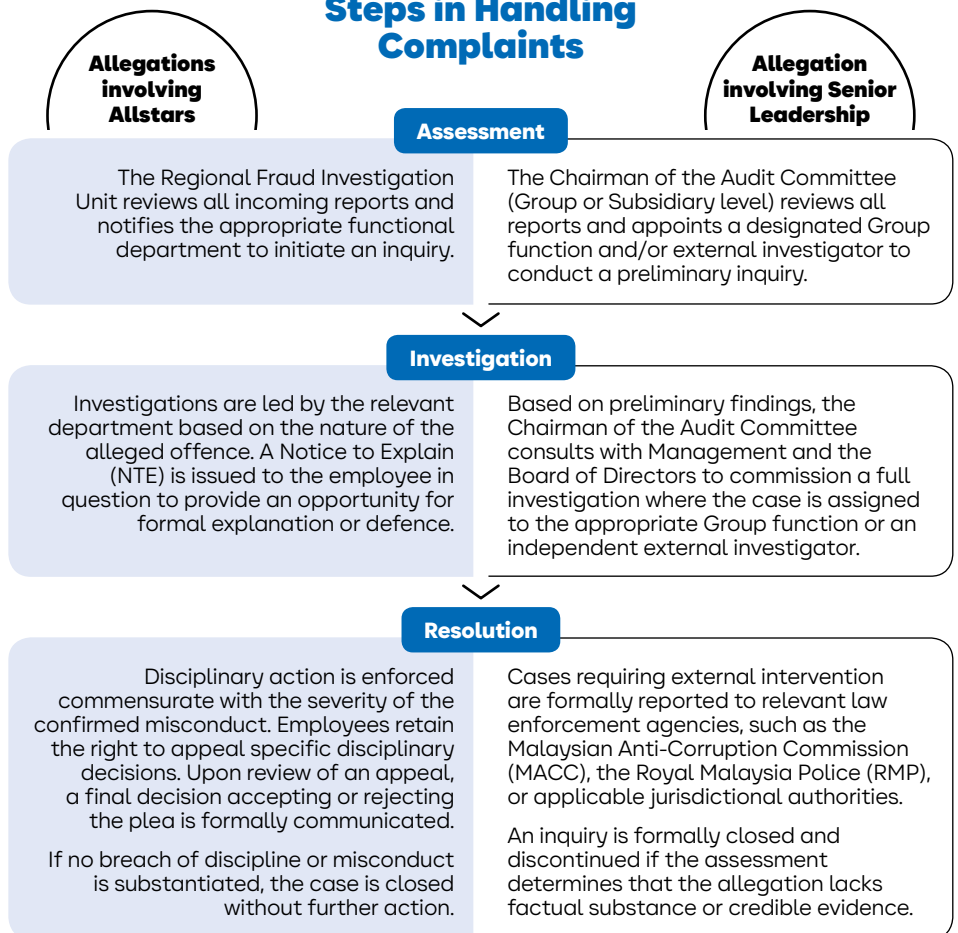
1 Whistleblowing Channel

Our Whistleblowing Policy provides a secure, confidential platform for reporting serious ethical breaches or legal violations. We guarantee the anonymity of the whistleblower and enforce a zero-tolerance policy against retaliation. Any individual found to be retaliating against a good-faith reporter will face disciplinary measures, up to and including legal action.

The Regional Fraud Investigation Unit is responsible for the administration, interpretation, and enforcement of this policy. Concerns can be formally raised through the following dedicated channels:

- https://www.capitala.com/whistleblowing_form.html
- whistleblower@airasia.com
- auditcommitteechairman@airasia.com
(if the subject of the allegation pertains to the Head of Internal Audit, C-Suites or directors)

Steps in Handling Complaints



Note: Senior leadership comprises the Board of Directors, C-suite executives, and departmental heads.

ECONOMIC Good Governance

2 AskPAC

Alternatively, Allstars are encouraged to report any incidents violating the Code through our AskPAC system. Submissions are received and assessed by the Employee Relations (ER) team, which assigns designated personnel to investigate and resolve the matter. All concerns are treated with strict confidentiality and we remain committed to continuously improving our internal processes and reinforcing a zero-tolerance approach toward impropriety.

In 2025, a total of 14 incidents of ethical breaches were recorded. Of these, 7 cases involving major misconduct resulted in the dismissal of the concerned personnel following the completion of the due inquiry process.


Types of Breaches	2023	2024	2025
Corruption or Bribery	2	0	0
Discrimination or Harassment	33	28	14
Conflicts of Interest	0	0	2
Money Laundering or Insider Trading	0	0	0

ANTI-BRIBERY AND ANTI-CORRUPTION

Anti-Bribery and Anti-Corruption Policy


Capital A enforces a zero-tolerance policy regarding fraud, bribery, and corruption. Our Anti-Bribery and Anti-Corruption (ABAC) framework is aligned with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), which introduces corporate liability, as well as relevant statutory regulations across our regional operating jurisdictions.

In 2025, the ABAC policy was reviewed and revised to provide enhanced clarity and practical guidance, specifically tailored to address real-world operational scenarios and emerging vulnerabilities faced by our workforce. The revision also codifies clear accountabilities across all functions and all Allstars in general regarding their roles and responsibilities in ensuring compliance with the ABAC policy requirements. For this reason, the ABAC principles are also enshrined in our Code of Conduct for employees, the Code of Ethics for Directors, as well as Supplier Code of Conduct for our business partners. We ensure active dissemination of the ABAC Policy to all internal parties and external intermediaries—including contractors, agents, and third-party partners—via our corporate website and mandatory onboarding protocols.

 For detailed disclosures, please refer to the Corporate Governance Overview Statement in the Annual Report 2025.

2025 Performance

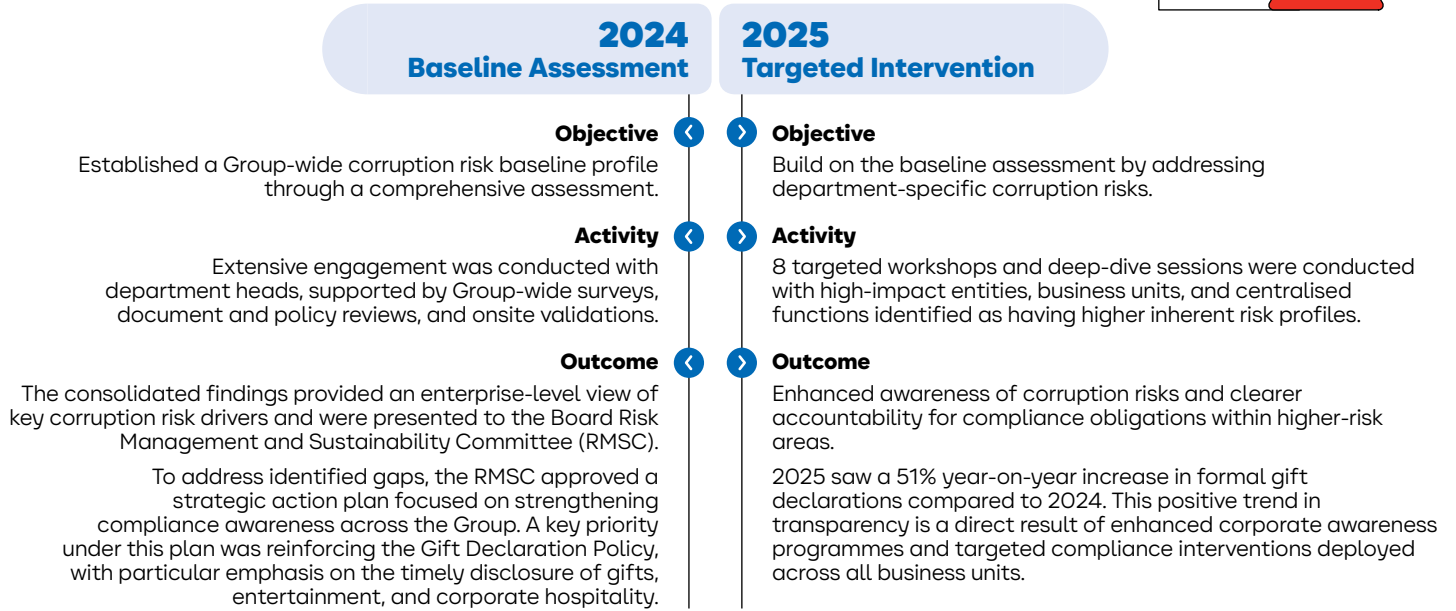
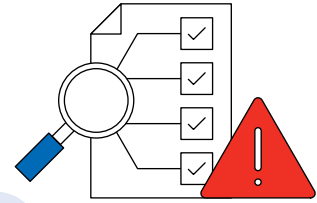
 **100%** of new joiners were trained on and acknowledged the ABAC Policy as part of their onboarding

 **93%** of Allstars across all offices, including those outside Malaysia completed the ABAC e-learning and attested their compliance and integrity

 **Zero** reported incidents of bribery and corruption

Corruption Risk Assessment

We continued to strengthen our corruption risk assessment through systematic risk identification and targeted interventions across departments. In 2025, we assessed 80% of our operations for corruption-related risks, deliberately prioritising our critical and regulated business functions.



Strengthening Compliance Competency

Institutional Capacity Building

To ensure robustness of our internal lines of defence, continuous professional development remains a top priority for the Integrity and Compliance Unit. We actively collaborate with the Malaysian Anti-Corruption Academy (MACA) and continue to enrol our key personnel in the Certified Integrity Officer (CeIO) programme. This ensures our dedicated oversight team is equipped to discharge their duties with the highest level of professional competency.



Anti-Corruption Awareness Programme and Corruption-Free Pledge



In a strategic collaboration with the Malaysian Anti-Corruption Commission (MACC), Teleport and Ground Team Red (GTR) executed a joint Corruption-Free Pledge. This ceremony formalised our unwavering dedication to maintaining a clean air logistics ecosystem, a critical requirement for ensuring the safe, reliable movement of goods that underpins Malaysia's expanding trade and e-commerce sectors.

Beyond the pledge, the programme delivered comprehensive training designed to institutionalise a culture of integrity. Key modules covered:

- **Regulatory Landscape:** Local/international laws and Section 17A Corporate Liability.
- **Detection:** Identifying corruption red flags and high-risk scenarios.
- **Action:** Internal reporting mechanisms and whistleblower protections.

To ensure these principles are operationalised beyond the event, Teleport has implemented a three-year Organisational Anti-Corruption Plan (OACP). This framework is fully aligned with the National Anti-Corruption Plan (NACP), ensuring that integrity measures are systematically embedded across our regional operations.

ECONOMIC
Good Governance

Training & Awareness Strategy

1 Onboarding & Induction

All new Allstars undergo mandatory ABAC induction facilitated by the People Department and the Regional Fraud Investigation Team. Following these live sessions, recruits must formally acknowledge their understanding of the policy via the Workday platform. Additionally, new cabin crew receive specialised "Do it Right" training, which integrates operational ABAC scenarios.

2 Digital Learning & Annual Attestation

To ensure continuous vigilance, we mandate an annual ABAC e-learning refresher for all Allstars via the Outclass platform. The curriculum reinforces fundamental compliance concepts and clarifies individual responsibilities.

To verify comprehension, a minimum assessment score of 80% is required for completion. Furthermore, the module now integrates a mandatory annual attestation, requiring every employee to formally renew their documented commitment to upholding a corruption-free workplace.

3 Strategic Engagement & Awareness

We reinforce policy through high-visibility engagement initiatives:

- **International Anti-Corruption Day:** A Group-wide event was held on 9 December 2025 in collaboration with the MACC, Keep Malaysia Clean (KMC) and Transparency International Malaysia (TIM). Continuing from the inaugural initiative in 2024, this event reached new heights with more than 700 participants joining in-person or via livestream within and outside Malaysia. Key activities included:
 - > Knowledge sharing on Clean Economic Ecosystem by KMC, anchoring on the principles of Clean Values, Clean Society and Clean Environment. During the session, Capital A Berhad has been recognised as an organisation that positively contributes to a clean economic ecosystem and has successfully demonstrated how values could be turned into organisational behaviour.
 - > Discussion forum on Corporate Liability (Section 17A of the MACC Act 2009), responsibilities and accountabilities under our ABAC and Whistleblowing Policies.
 - > Exhibitions and interactive booth activities by MACC, KMC, TIM as well as Capital A Berhad, including its subsidiaries, designed to facilitate our Allstars' understanding on anti-corruption.
 - > Anti-Corruption Pledge recitation led by CEO of Capital A Berhad, Tony Fernandes, and witnessed by Director of Community Education Division of MACC, Datuk Ahmad Nizam bin Ismail. This was subsequently followed by signing of the Pledge by Tony Fernandes, Executive Chairman of Capital A Berhad, Datuk Kamarudin bin Meranun, as well as the Chairman of AirAsia X Berhad, Dato' Fam Lee Ee.
 - > Apart from reinforcing the strong tone from the top against all forms of corruption, this event demonstrates the organisation's commitment on matters related to personal integrity and ethical business conduct, aligned with the principles of Clean Values, Clean Society and Clean Environment.



- **Seasonal Communication:** Recognising high-risk periods, we deploy targeted communications during festive seasons to remind all personnel of strict Gift Declaration protocols regarding receipt and sponsorship of gifts, entertainment and corporate hospitality from external parties.

4

Knowledge Exchange with Industry Player



Recognising the importance of fostering industry collaboration, the Integrity and Compliance Unit within Group Risk, together with the Regional Fraud and Investigation Unit within Group Internal Audit, is proud to host an external industry player for a meaningful dialogue on compliance and integrity. As a friendly counterpart within the transportation and logistics sector, the Integrity and Governance Unit from Prasarana Malaysia Berhad visited us in RedQ on 24 June 2025. The engagement focused on industry best practices for anti-corruption and whistleblowing, as well as common challenges that are inherent within the sector.

5

Personalised Integrity Programs for Regional Operations

In 2025, the Integrity and Compliance Unit conducted a series of Integrity Drives at IAA, PAA, TAA as well as AirAsia China in Guangzhou, who had not been able to physically join the first Allstars' International Anti-Corruption Day in 2024. A diverse range of programmes was organised to inculcate anti-corruption awareness, including:

- Interactive engagements to hear directly from the ground practical issues and challenges in the respective jurisdictions
- Quizzes to test their knowledge and understanding on ABAC Policy
- Session with management to share insights on the entity's corruption risk profile and assessment



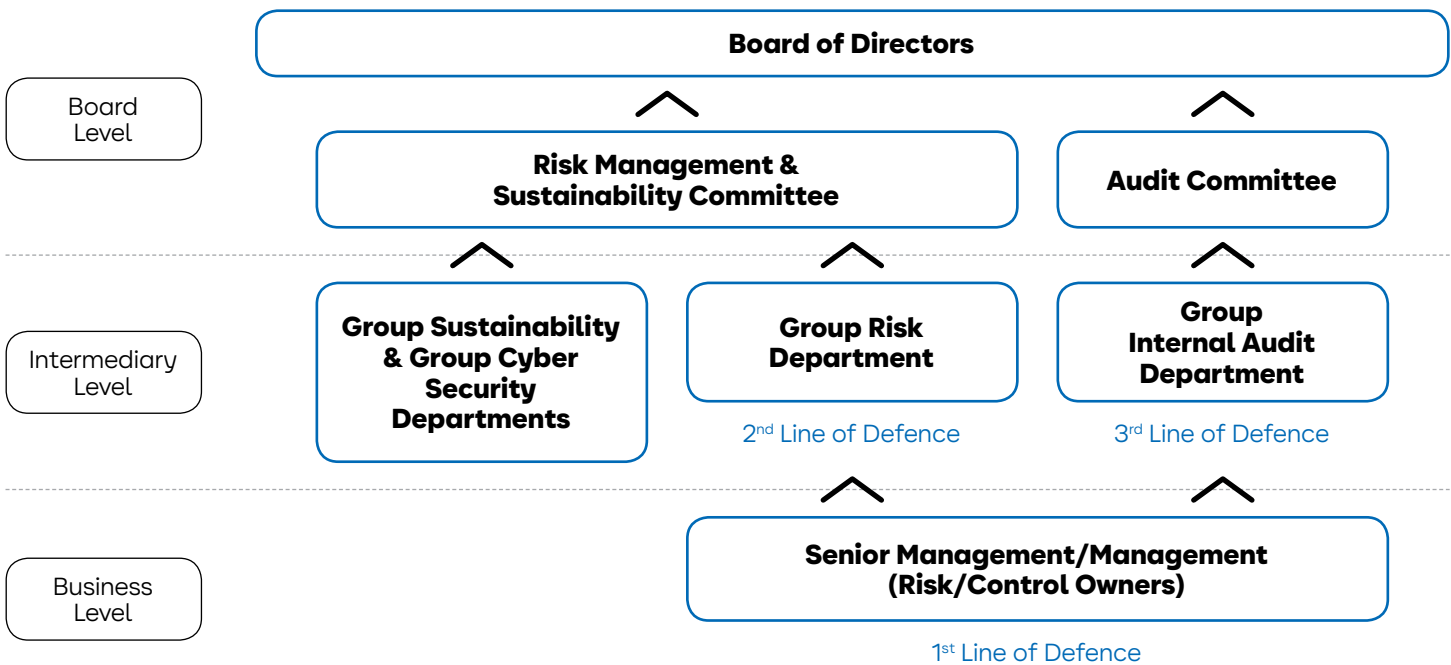
ECONOMIC
Good Governance

RISK MANAGEMENT

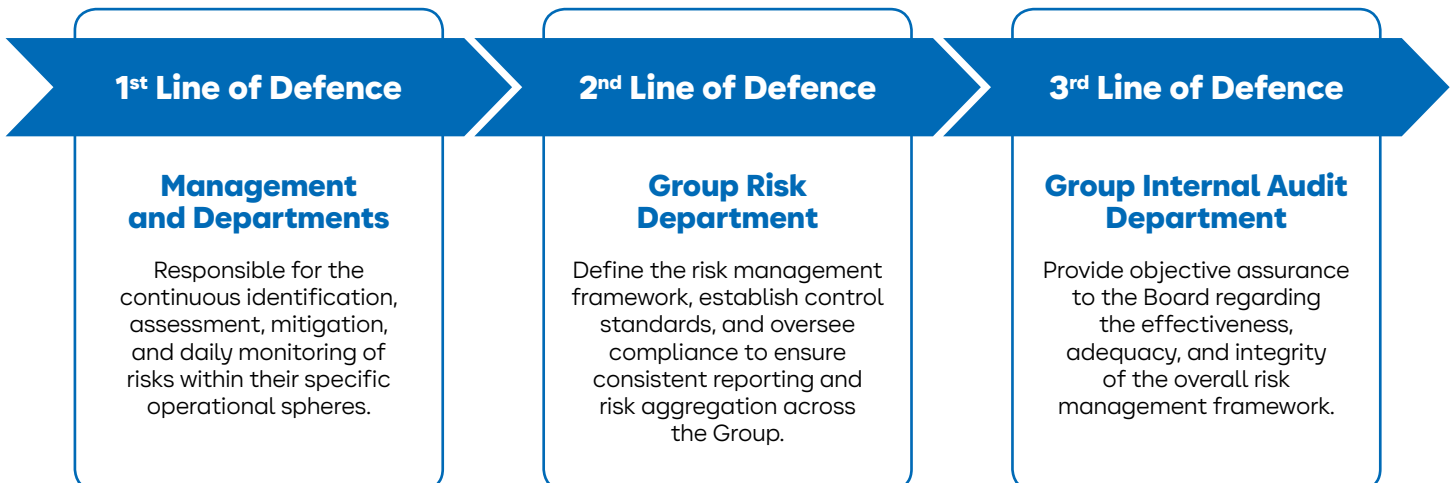
Our Enterprise Risk Management (ERM) Framework forms the foundation of the Group's strategic resilience. It serves to institutionalise a risk culture, ensuring that risk considerations are embedded in decision-making processes. Our policy is aligned with global best practices, specifically ISO 31000:2018 (Risk Management Guidelines) and ISO 27001 (Information Security Management), ensuring a holistic approach to both operational and digital threats.

Governance and Oversight

Our governance model establishes a formalised, transparent structure of accountability that mandates proactive engagement from the Board, the Risk Management & Sustainability Committee (RMSC), Senior Management, and all employees.



To ensure comprehensive coverage, we strictly adhere to the Three Lines of Defence model:



Risk Management Process



Managing Climate-Related Risks

We have integrated ESG parameters into our Enterprise Risk Management (ERM) framework. This ensures that climate-related risks, both physical and transitional, are not evaluated in isolation but are assessed alongside other risks during periodic business reviews.



Risk Culture

We define a robust risk culture as one that empowers individuals to take calculated and informed risks to drive innovation and value. This mindset is cultivated through a strong 'Tone from the Top,' reinforced by middle management, and operationalised at every level of the organisation.

To institutionalise this culture, we have established a dedicated network of Risk Officers (Risk Champions) embedded within every department and operating entity. These officers are trained and entrusted to act as the primary custodians of risk identification and management within their respective functions. Furthermore, we continuously reinforce this framework through targeted training programmes and by embedding risk assessment in everyday operations.

ECONOMIC
Good Governance

Business Continuity Management

Capital A's Business Continuity Management (BCM) policy serves as the strategic blueprint for operational resilience. Designed to anticipate disruptions and ensure the preservation of critical functions during crises, our framework safeguards both stakeholder value and business stability. The policy is rigorously aligned with industry best practices and ISO 22301 (Business Continuity Management Systems) standards, ensuring a standardised approach to preparedness across the Group.

To ensure a robust frontline response, we maintain active integration between our Emergency Response Plans (ERP) and Operational Control & Flight Dispatch functions. This alignment is supported by comprehensive operational checklists and targeted awareness sessions for station and airport managers, equipping our Allstars with the tools to proactively navigate complex operational contingencies.

Recognising the evolving risk landscape, our Business Continuity Plan (BCP) also accounts for physical climate risks. We have embedded specific protocols to manage disruptions caused by heatwaves, floods, wildfires, and volcanic activity. By integrating these adaptability measures, we ensure that Capital A remains resilient against both traditional operational threats and emerging environmental volatility.

CASE STUDY



**Operational Resilience:
ADE's 24-Hour Fleet Recovery**

In late November 2025, the global aviation industry faced a critical safety challenge following an Emergency Airworthiness Directive (EAD) issued by EASA. Triggered by a software anomaly affecting the Elevator and Aileron Control (ELAC) systems of Airbus A320 aircraft worldwide, the directive mandated an immediate software rollback to safeguard against potential in-flight control issues caused by solar radiation sensitivity.

While this directive caused widespread operational disruptions and cancellations for carriers globally, Asia Digital Engineering (ADE) demonstrated world-class agility.

Activating our Business Continuity protocols, ADE rapidly mobilised a cross-functional task force comprising the Maintenance Operations Centre (MOC), Part-145, Tech Services, and Engineering teams. Working around the clock, the team successfully executed the mandatory software rollback across the entire AirAsia fleet in just over 24 hours.

This rapid turnaround ensured 100% compliance without a single flight cancellation or delay, proving that at Capital A, safety and operational efficiency go hand in hand.




Key Sustainability Announcements in 2025

3 March 2025

Capital A reaches new heights in ESG Scores as its sustainability strategy and airline efficiency gains pay off

2 May 2025

AirAsia Achieves Perfect 10 in Landmark Global Environmental Audit

 To read more about our sustainability updates, visit <https://newsroom.airasia.com/>

RESPONSIBLE PR & COMMUNICATIONS

Our Group Communication Policy mandates adherence to accuracy, transparency, and regulatory compliance. To safeguard the Group's reputation, all public-facing content undergoes a rigorous multi-layered review process involving Project Owners, Legal, and Group Communications.

- **Tone & Style:** All written content must align with the Tone of Voice standards outlined in our Brand Corporate Identity Guidelines.
- **Approval Workflow:** Campaigns are subject to a structured clearance path, including creative design checks, marketing headline validation, and final sign-off by Department Heads.

Sustainability in Communication

As our sustainability strategy matures, we remain committed to transparent, accountable reporting. We employ a data-driven communication framework, ensuring that all public environmental and social claims are substantiated by verifiable metrics.

To actively mitigate the risk of greenwashing or misrepresentation, all sustainability-related messaging is governed by a review process, requiring validation and approval from the Chief Sustainability Officer (CSO) and the core Sustainability Department prior to publication.

Engaging Stakeholders through Strategic Communications

To drive open dialogue and awareness, we cultivate good relationships with media partners, industry peers, guests, and the wider public through a strategic omnichannel approach. By leveraging diverse platforms—including press conferences, social media, podcasts, exhibitions, and thought leadership forums—we ensure continuous engagement while positioning Capital A as a leader in sustainable aviation and responsible business.

These communication initiatives extend beyond daily engagement to support critical corporate publications, such as our Sustainability Report, and drive advocacy efforts that promote balanced, value-driven outcomes for all our stakeholders.

Throughout 2025, Capital A actively shaped the regional sustainability discourse through a strategic multi-platform communications approach. We amplified our thought

leadership by addressing critical industry challenges in high-impact news features, op-eds, and keynote addresses at major conferences across the region.

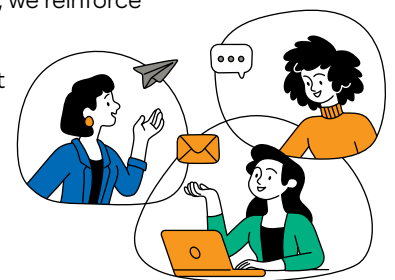
Simultaneously, we leveraged our digital reach to deepen stakeholder engagement on pivotal topics, including AI-driven operational efficiency, decarbonisation pathways, and responsible tourism. This omnichannel strategy ensured that our sustainability narrative remained aligned with evolving stakeholder interests while reinforcing our market position.

Crisis Communication & Reputation Management

In moments of uncertainty, the preservation of stakeholder trust relies entirely on transparent, rapid, and accurate communication. Our Communications function is embedded within the Group's Crisis Management Team, serving as the strategic voice that aligns immediate public dissemination with our internal Emergency Response and Business Continuity Plans. A testament to this protocol was our coordinated response to the recent EASA Emergency Airworthiness Directive. By executing a proactive communication strategy alongside the technical engineering rollback, we successfully mitigated stakeholder concern, reinforcing that guest safety and operational resilience remain our absolute priorities.

Beyond systemic crises, we employ a rigorous issues management framework to address day-to-day operational volatilities, ranging from adverse weather and force majeure events to external infrastructure constraints. In such instances, our primary objective is decisive guest engagement. We leverage our integrated digital ecosystem—including the AirAsia MOVE app, direct email notifications, the corporate Newsroom, and real-time social media updates—to deploy immediate travel advisories and service recovery options. This ensures guests are empowered with the information needed to make timely travel decisions.

By consistently upholding these standards of accountability and openness, we reinforce stakeholder confidence and protect the Group's reputation. This commitment to transparent dialogue is a fundamental pillar of our broader sustainability strategy, validating our standing as a responsible corporate leader.



13 June 2025

Thai AirAsia and Kasikornbank Sign Thailand's First Green FX Risk Management Agreement in the Airline Industry

20 October 2025

AirAsia Philippines deploys New Ground Equipment to Lower Airport Emissions

15 November 2025

To the Philippines with Love: AirAsia pledges support and stands with Cebu on the road to recovery and resilience

ECONOMIC
Good Governance

Sustainable Supply Chain

GRI 3-3

Recognising suppliers as strategic partners in our ecosystem, Capital A fosters collaborative relationships that drive mutual growth. We prioritise local sourcing across our regional operations to stimulate domestic economies and reduce carbon footprints. Our procurement strategy balances ethical stewardship with operational mandates, ensuring that cost-efficiency, speed, and quality are achieved without compromising integrity.



Our Management Approach

- Supplier Code of Conduct
- Sustainable Supply Chain Policy
- Anti-Bribery and Anti-Corruption Policy
- Sustainability Policy Statement
- Environmental Policy Statement

Supporting the UN SDGs



Performance Overview 2025



9,064
total suppliers



1,110
new suppliers



231
critical suppliers



21.8%
expenditure
on local suppliers

GOVERNING OUR SUPPLY CHAIN

At Capital A, we recognise that a resilient and responsible supply chain is an extension of our own corporate values. Our governance framework is designed to go beyond transactional compliance, fostering a trusted ecosystem where ethical conduct, environmental stewardship, and human rights are non-negotiable.

To operationalise this commitment, we employ a multi-layered governance structure. This is anchored by our Supplier Code of Conduct (SCoC), which establishes the baseline ethical requirements for all partners, and is further strengthened by the Sustainable Supply Chain Policy. Together, these frameworks ensure that every link in our value chain aligns with our strategic ESG objectives and regulatory obligations.

Supplier Code of Conduct

Capital A's Supplier Code of Conduct (SCoC) establishes the mandatory ethical and operational standards required of our entire supply chain. It mandates strict adherence to global best practices across four key pillars:



Governance & Integrity

Zero tolerance for corruption, strict management of conflicts of interest, adherence to fair competition laws (antitrust), and rigorous data privacy protection.



Human Rights & Labour

Unwavering commitment to fair labour practices and safe working conditions, including the absolute prohibition of forced and child labour.



Environmental Stewardship

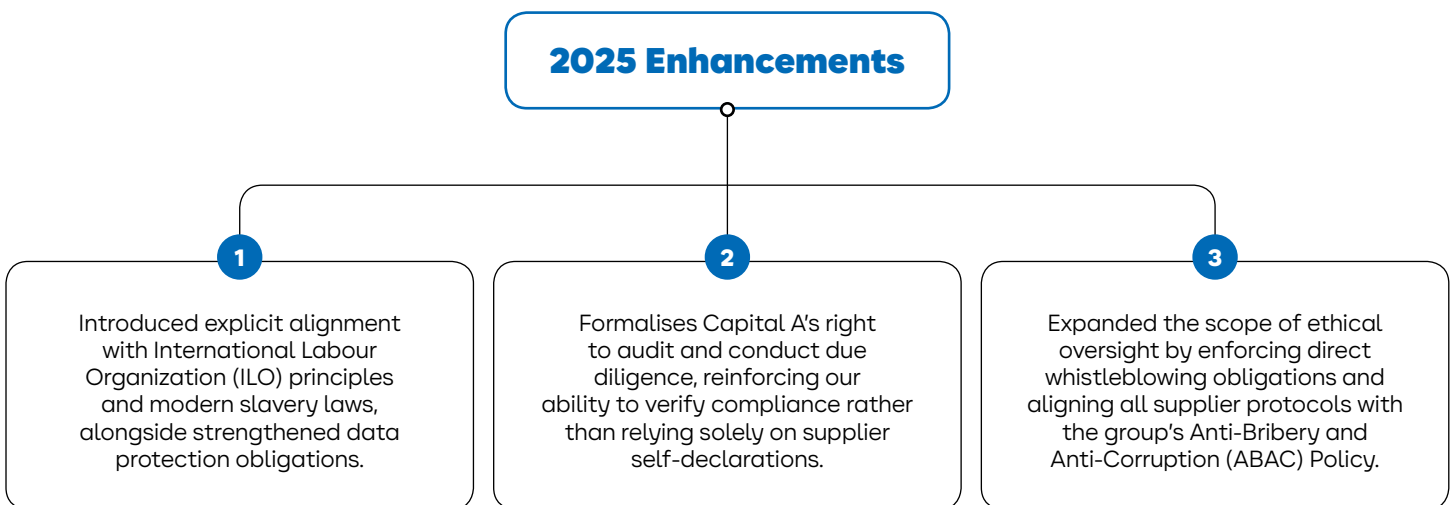
Active management of environmental risks, pollution prevention, resource efficiency, and biodiversity protection.



Social Responsibility

Ethical engagement with local communities and contributing to their well-being.

In 2025, we executed a comprehensive revision of the SCoC to tighten governance and compliance expectations.



To ensure these standards are operationalised, the SCoC is integrated into every stage of the procurement lifecycle—from initial sourcing to contract renewal. Formal acknowledgement of the SCoC is a non-negotiable prerequisite for partnership. By explicitly establishing good corporate governance as a primary sourcing metric, we have aligned supplier performance reviews with our broader risk management standards, ensuring that cost efficiency never comes at the expense of ethical integrity.

ECONOMIC Good Governance

Sustainable Supply Chain Policy

In 2025, our subsidiary Thai AirAsia led a new initiative to strengthen our strengthened its governance framework by introducing a dedicated Sustainable Supply Chain Policy.

Similar action will be taken at other AirAsia airlines and Capital A entities in 2026. This policy operationalises our broader Group sustainability commitments through specific mandates.

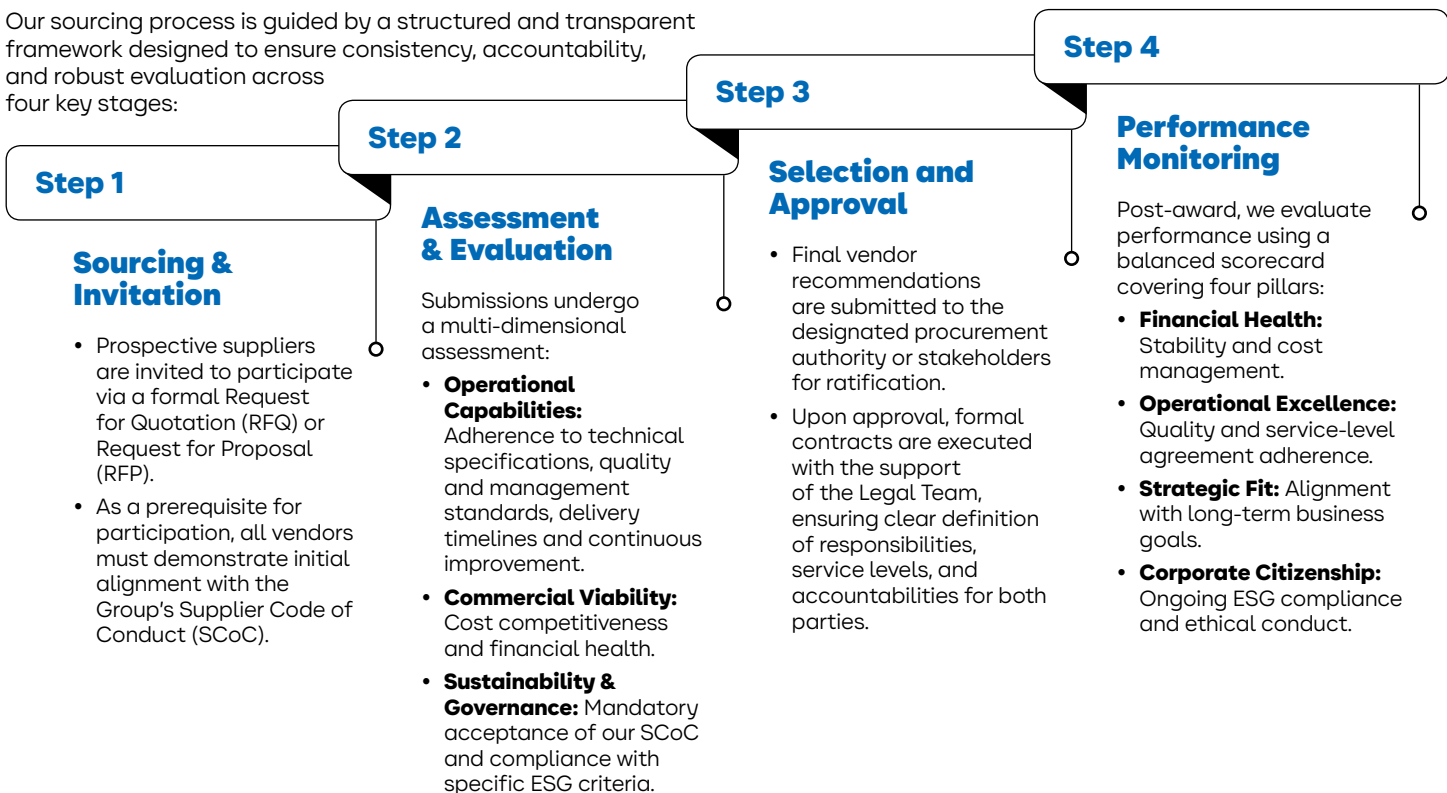
Responsible Sourcing & Ethics	Protocols for compliance, transparency, and fairness now actively drive our procurement processes. The policy ensures that our vendors go beyond basic adherence to our Supplier Code of Conduct by integrating specific, measurable controls to prevent corruption, bribery, conflicts of interest and anti-competitive behaviour.
ESG Prioritisation in Selection	We have embedded weighted criteria directly into our supplier selection scorecards. This establishes a standard for vendor qualification and provides a clear framework to reward and prioritise partners who demonstrate superior sustainability performance.
Environmental & Human Rights Impact	The policy transitions our approach from compliance to collaboration. It requires suppliers to actively measure and mitigate their environmental footprint—specifically regarding GHG emissions and waste—and aligns our supply chain operations with the UN Sustainable Development Goals (SDGs) to promote human rights and inclusive workplaces.
Oversight & Capacity Building	The Board maintains ultimate oversight of supplier ESG performance. To ensure effectiveness, the policy mandates continuous monitoring mechanisms and required sustainability training for both internal procurement teams and external partners.

SUPPLIER SELECTION PROCESS

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

In 2025, we strategically expanded our procurement network, onboarding 1,110 new partners to bring our total active supplier base to 9,064. To mitigate supply chain risks and ensure alignment with our values, we maintain rigorous selection criteria. All new and existing partners are mandated to comply with the SCoC as a condition of business.

Our sourcing process is guided by a structured and transparent framework designed to ensure consistency, accountability, and robust evaluation across four key stages:

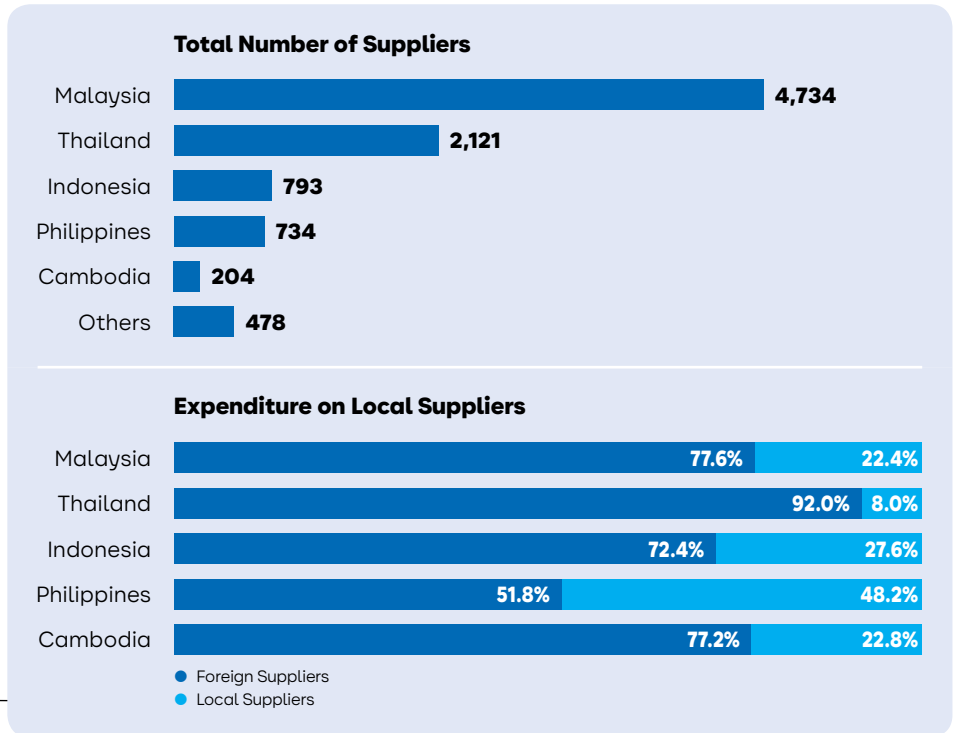


SUPPORTING LOCAL SUPPLIERS

GRI 204-1

We remain committed to stimulating local economies by prioritising domestic procurement wherever feasible. In 2025, 21.8% of our addressable spend across our businesses was directed toward local suppliers.

To ensure an accurate and transparent representation of our active vendor base, this metric excludes specialised expenses such as aviation fuel and aircraft leases.



Proportion of expenditure on local suppliers



5%
(2024: 7.6%)

Balancing Global Standards with Local Growth

Due to the highly regulated nature of the Maintenance, Repair, and Overhaul (MRO) sector, ADE remains structurally reliant on international Original Equipment Manufacturers (OEMs) for certified high-value aircraft components.

Consequently, ADE's localised procurement spend stood at 5% in 2025. To counterbalance this structural limitation, we are actively implementing targeted strategies to localise the procurement of tooling, consumables, and ancillary services, systematically expanding our domestic supply chain ecosystem where feasible.



Inflight
70%
(2024: 93%)

Catering
94%
(2024: 100%)

Local Sourcing Strategy

To guarantee the exceptional freshness and quality of our inflight and catering offerings, Santan prioritises a local sourcing strategy. This not only ensures the integrity of our ingredients but also reduces logistics emissions.

In 2025, we strategically adjusted our sourcing mix to prioritise Santan-owned product models. This transition enables the expansion of our exclusive branded product lines and amenities, ensuring greater brand control and product differentiation. While this necessary international expansion resulted in a proportional decrease in our local expenditure percentage, we continue to prioritise domestic procurement, ensuring local vendors remain the majority contributors to our supply chain ecosystem.



35%
(2024: 26%)

Localising Support in a Specialised Market

While GTR's capital expenditure is structurally weighted toward imported, specialised Ground Support Equipment (GSE), we actively pursued a localisation strategy for our operational needs.

By channeling expenditure for maintenance, logistics, and technical services to domestic partners, we successfully elevated our local supplier spend to 35% in 2025.

ECONOMIC Good Governance

OUR CRITICAL SUPPLIERS

We define critical suppliers as partners whose goods or services are fundamental to our operational stability, safety, and business continuity.

Recognising the distinct technical and commercial demands across our business lines, ADE, Santan and AirAsia procurement teams utilise tailored frameworks to classify these high-impact vendors. In 2025, following an assessment of supply chain dependencies, we identified a total of 231 critical suppliers across these functions.



144
critical suppliers
(2024: 103)

ADE defines critical suppliers based on operational indispensability rather than financial volume alone. This classification applies to vendors providing unique, proprietary, or non-substitutable components essential for maintaining airworthiness and business continuity.

The expansion of our critical supplier base in 2025 mirrors ADE's evolution from a captive MRO to a regional market leader and a growing portfolio of third-party customers with diverse aircraft configurations.



13
for inflight
6
for catering
critical suppliers
(2024: 12 inflight;
6 catering)

Santan's Supplier Quality Programme employs a risk-based model, classifying vendors from 'Low' to 'High' based on the inherent food safety profile of their products.

In 2025, the number of critical suppliers remained stable attributed to strategic menu selection and proactive collaboration with our partners. By harmonising our menu requirements with supplier capabilities and establishing robust contingency alternatives, we balanced cost efficiency with supply chain resilience.



68
critical suppliers
(2024: 32)

AirAsia defines critical suppliers as vendors whose annual engagement exceeds a predefined minimum spend threshold.

In 2025, the absolute number of critical suppliers increased, scaling proportionally with the expansion of our overall supplier base. This upward trend is a direct reflection of our continued business growth, network expansion, and broader operational scaling throughout the year.

Critical Supplier Evaluation



Aviation-Grade Compliance

Given the safety-critical nature of the MRO sector, ADE conducts rigorous biennial audits to validate the quality, cost-competitiveness, and reliability of technical partners. We maintain a zero-tolerance policy for non-compliance; suppliers who fail to meet our airworthiness or operational standards during these assessments are immediately flagged for remediation or removal from the approved vendor list.



Quality Assurance & Remediation

Santan enforces strict annual evaluations focusing on product quality, pricing, and on-time delivery, supported by financial penalties for service lapses. In 2025, we strengthened our Quality Assurance framework by introducing mandatory spot checks for any supplier receiving repeated food complaints within a three-month window. During the year, nine inflight and nine catering suppliers were formally reviewed.

We employ a structured Corrective Action Request (CAR) mechanism for underperformance. CARs remain active for three months to monitor remediation; persistent non-compliance escalates to formal warnings or contract termination. To foster proactive improvement, we are instituting monthly feedback sessions to ensure suppliers have clear visibility of their performance metrics.



Holistic Supplier Governance

To uphold strong governance and service excellence across our shared service functions, we conduct an annual performance assessment of all AirAsia Airlines critical suppliers. We evaluate our suppliers across four key pillars - Financial and Operational performance, Strategic Fit and Corporate Citizenship, covering commercial competitiveness and financial stability, service reliability and business continuity, strategic alignment and innovation capability, as well as governance integrity, ESG commitments, and diversity practices to ensure responsible and sustainable value creation. In 2025, all identified critical suppliers underwent this evaluation, with majority meeting the required performance thresholds.

Sustainable Supply Chain Capacity Building

To ensure our sustainability commitments are actively integrated into our purchasing decisions, the Group organised a Sustainable Supply Chain Training Program in 2025. Targeted specifically at our procurement teams across the Group, the initiative was designed to bridge the gap between high-level ESG frameworks and day-to-day vendor management.

The capacity-building program equipped them with practical tools to manage ESG risks and opportunities, covering six critical modules:

- **The Paradigm Shift:** Navigating the transition from conventional purchasing to sustainable supply chain management.
- **Carbon Mapping:** Practical methodologies for identifying and categorising Scope 3 greenhouse gas emissions.
- **Assessment:** Developing and deploying standardised Supplier ESG Assessment Checklists.
- **Risk Mitigation:** Operationalising supplier screening processes using ESG criteria to identify and manage buyer risk.
- **Scenario-Based Engagement:** Simulated supplier negotiations and stakeholder dialogues to build confidence in advocating for ESG compliance.
- **Strategic Roadmap Design:** Crafting actionable roadmaps to embed ESG metrics into the standard procurement lifecycle.

This training has significantly elevated our team's technical fluency in sustainable procurement. We are actively leveraging this foundational knowledge for the next phase of our supply chain management, with a specific focus on enhancing our ESG assessments and collaborative vendor development programs moving forward.



ECONOMIC
Good Governance

DIGITISING THE MRO SUPPLY CHAIN



In 2025, AEROTRADE evolved beyond a transactional marketplace into a digital ecosystem for the Asian aviation community. Anchored by our ASA-100 (Aviation Suppliers Association) accreditation, we have democratised access to certified aircraft components. This standard in quality assurance has been pivotal in building trust, allowing us to seamlessly connect fragmented buyers and sellers—from major OEMs to regional distributors—within a secure, compliant environment that actively mitigates the risks of counterfeit parts.

Delivering on our strategic roadmap, 2025 marked the deployment of AEROTRADE's next-generation technology stack. This cloud-native infrastructure has replaced legacy limitations with high-velocity performance, delivering:

- **Real-time Inventory Visibility:** Enhanced data accuracy for instant stock verification.
- **Seamless Integration:** New API capabilities allowing direct connectivity with external ERP systems and data partners.
- **Frictionless UX:** A streamlined user journey that significantly reduces the time for procurement teams.



AEROTRADE stands at the forefront of sustainable aviation by extending the lifecycle of assets. By facilitating the efficient redistribution of surplus inventory, we actively prevent premature scrapping and reduce the manufacturing demand for new raw materials. This digital-first model not only optimises resource utilisation across the industry but also drives a 100% paperless procurement cycle, aligning operational efficiency with our environmental decarbonisation goals.

AEROTRADE™ performance in 2025:



SUPPORTING LOCAL SUPPLIERS



Santan collaborated with the Department of Internal Trade Thailand to implement the "Farm to Plate" concept, bringing seasonal, locally grown produce directly from farms to our inflight menus. By sourcing ingredients from local farmers, we support sustainable livelihoods, strengthen regional supply chains, and reduce the environmental impact associated with long-distance food transportation.

This collaboration has inspired a variety of new inflight products, including Pineapple Cheesecake, Lanna Khan Tok, Khao Soi Gai, Hat Yai Fried Chicken, O-Aew Fresh Longan Juice, Kua Kling Kai, and Palmyra Grilled Chicken with Sticky Rice & Som Tam, among others. These dishes celebrate regional flavours while demonstrating AirAsia's commitment to responsible sourcing, local communities, and sustainable culinary innovation.



ECONOMIC

Transforming into a Digital Travel and Lifestyle Brand

Guest Experience

GRI 3-3

Every touchpoint in our guests' journey is an opportunity to make experiences more seamless and convenient. From digital bookings to on-the-ground services, we leverage practical solutions to continuously improve the way guests interact with our brands. Guests notice the difference in faster service, intuitive platforms, timely updates, and personalised support, making travel and lifestyle services not just accessible and affordable, but reliable and consistent every step of the way.



Our Management Approach

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

Supporting the UN SDGs



Performance Overview 2025



62%

of guests performed self check-in



21 million

guests used Ask Bo



6.5

mishandled baggage/ 10,000 passengers (global average: 65)



71%

on-time performance



84%

load factor for short-haul flights



NPS score of

53

for AirAsia

ECONOMIC

Transforming into a Digital Travel and Lifestyle Brand

BUILDING A CONNECTED TRAVEL ECOSYSTEM

A seamless guest experience starts with the connection between our platforms, services, and people. As we expand beyond aviation into a broader travel and lifestyle ecosystem, we are integrating our digital capabilities to make every interaction intuitive, consistent, and easy.

By investing in technology, improving operational efficiency, and understanding our guests' preferences, we can personalise experiences across the entire journey, from travel to lifestyle services. Multiple engagement channels across our ecosystem allow for timely support and continuous feedback, helping us strengthen service delivery, build trust, and continuously enhance the experiences we provide.

Our Customer Touchpoints

AskBo chatbot	AirAsia MOVE	Live chat	Email channel
E-form	Messaging platforms (WeChat, Whatsapp, etc.)	Social media	Walk-in support

By harnessing technology to enhance efficiency and convenience, we empower our guests with tools to manage their travel experience from start to finish.

The following highlights the enhancements we have made across every stage of our customer journey in 2025:

1

Discover & Book with

With over 15 million monthly active users and over 70 direct airline partners and over a million hotels worldwide, the Group's online travel agency (OTA) AirAsia MOVE has evolved into a one-stop travel companion, helping guests plan, book and manage their journeys with ease. In 2025, we introduced new features to improve system scalability, simplify operations, and boost performance. These enhancements reduce friction, increase accessibility, and allow us to personalise experiences at scale.

Below are some of the new features introduced in the app in 2025:

1

AskBo Chatbot Enhancement

We have secured significantly better control over multi-turn conversations, allowing for more natural, context-aware, and fluid interactions. This upgrade brings a suite of improvements tailored to deliver a premier customer experience that matches the sophisticated, intuitive performance of modern GPTs.

2

App Home & Chat

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.

3

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.

4

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.

As a result of AirAsia MOVE's ongoing efforts, our Net Promoter Score increased from 47 in 2024 to 55 in 2025. Read more on the analysis of the results in the section below on Guest Satisfaction: Listening to Our Guests.

38

2

Self-Service Solutions

With self-service solutions in place for several years, our guests are now empowered and accustomed to managing their travel independently. At most of our airports, many guests are familiar with online check-in, e-boarding passes, and printing bag tags at our kiosks.

Over the past year, we further enhanced these solutions to provide even greater convenience, tailored to the unique travel patterns of our customers.

a) Auto Visa Check

A pivotal solution introduced this year was the Auto Visa Check (AVC) feature on AirAsia MOVE and airasia.com, enabling seamless online check-in for international routes requiring a visa or Electronic Travel Authorisation (ETA). Guests can now verify their visas in real time from home or on the go, from up to 14 days before departure and as close as one hour prior.

By eliminating manual checks at airport counters and document verification by airport staff, AVC reduces human error, eases congestion, and allows our ground teams to focus on critical operations. This innovation not only enhances the travel experience for millions of guests across the region but also reduces the resources and energy associated with traditional check-in processes.

By the end of 2025, 78% of eligible guests holding multiple-entry visas successfully utilised the new AVC feature, demonstrating strong uptake and improved processing efficiency.



b) Auto & Self Check-In

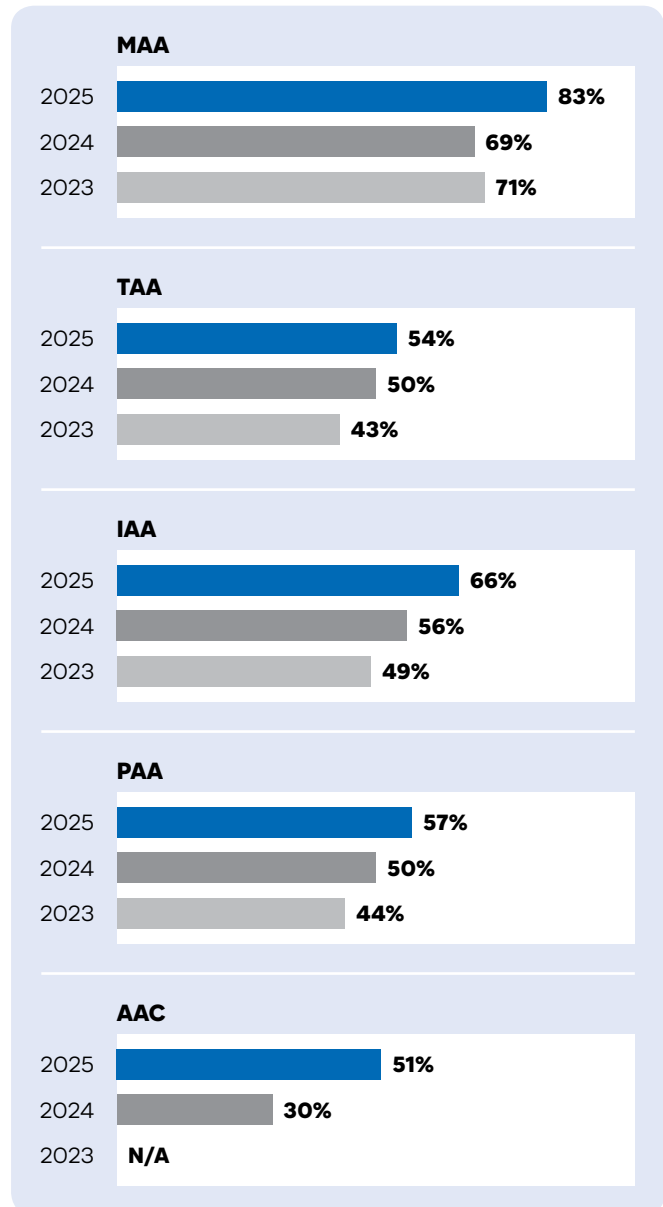
Self check-in is a well-established feature that many of our guests already rely on. Building on this familiarity, we introduced Auto Check-in, an opt-in service that removes the need for guests to manually check-in via AirAsia MOVE, airport kiosks, or staffed counters.

Once enabled, Auto Check-in automatically initiates the check-in process 24 hours before departure. This reduces friction in the travel journey, minimises last-minute

congestion at airports, and supports more efficient use of ground resources by shifting routine transactions away from physical counters.

As the auto check-in feature is still relatively new, guest adoption continues to build. In 2025, an average of 62% of guests utilised self check-in across all AOCs, with Malaysia recording the highest adoption rate. All AOCs recorded significant improvements in utilisation, reflecting growing guest confidence in our contactless and digital solutions.

Self Check-in Utilisation Rate



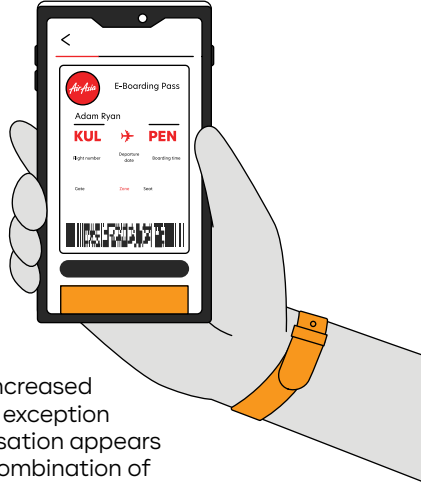
We expect uptake of auto check-in to increase further in the coming year as awareness and familiarity grow.

ECONOMIC

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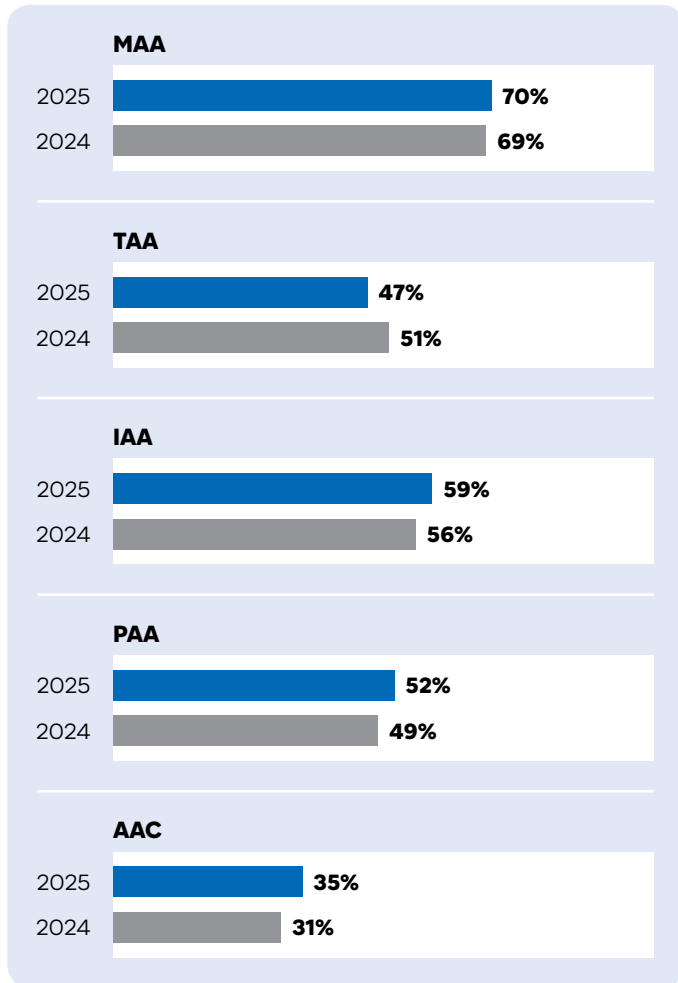
c) e-Boarding Pass

More guests are choosing e-boarding passes over paper boarding passes each year, reflecting a steady shift towards digital travel experiences. The percentage of e-boarding pass usage among total checked-in guests is shown below.



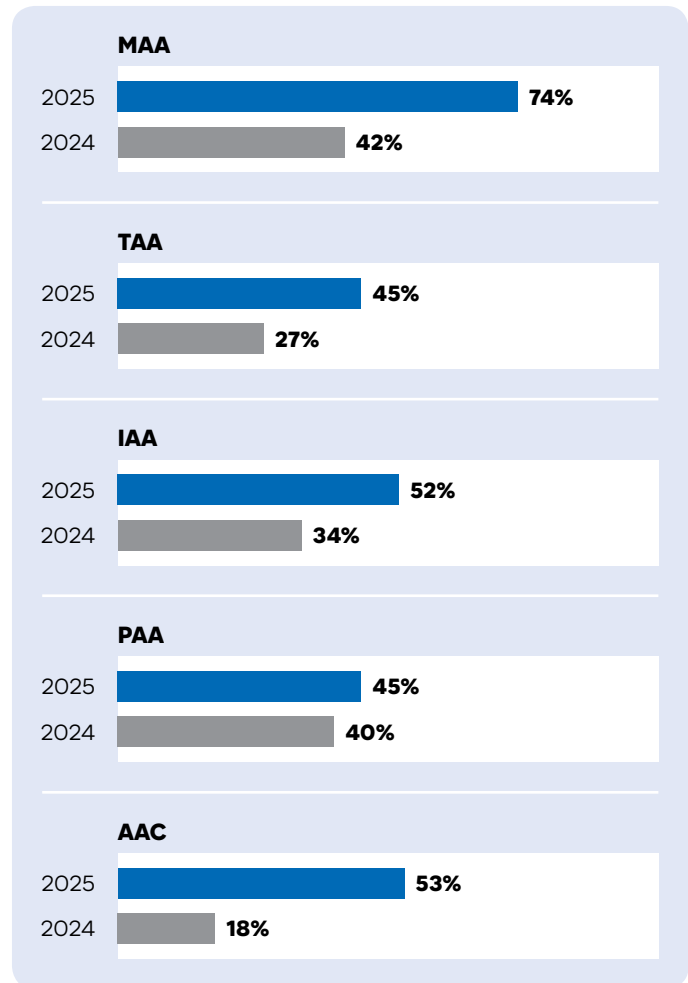
Overall, adoption has increased across most AOCs. The exception is TAA, where lower utilisation appears to be influenced by a combination of operational requirements (such as additional document verification), airport limitations and customer preferences.

eBoarding Pass Utilisation Rate



The shared e-boarding pass feature, which allows two or more guests travelling together to seamlessly access and manage a single booking, has seen strong uptake. The data below shows a significant increase in utilisation across all AOCs, with an average adoption rate of 53.8%, up from 32.2% in 2024. This suggests strong guest preference for convenient, digital group check-in that supports smoother, more efficient airport operations.

Shared Functionality Utilisation Rate



d) Self-Baggage Drop & Excess Baggage Payment

At most of our airports, self-baggage drop facilities are already widely available and familiar to our guests. Through self-service kiosks, guests can print their own baggage tags, helping to reduce queues and reliance on traditional check-in counters.

This year, we enhanced the experience by introducing digital excess baggage payment. Guests whose baggage exceeds their purchased allowance can now complete payment seamlessly during the bag drop process, without being redirected to a staffed counter. This improvement further reduces the passenger counter footprint and supports the continued rationalisation and consolidation of traditional check-in and baggage drop counters.



On-screen payment receipts further reduce paper use, supporting a more digital and low-waste travel journey.

e) AskBo



In moments of uncertainty, fast answers matter. AskBo is an artificial intelligence (AI) chatbot that enables guests to resolve issues instantly, reducing wait times and freeing up human agents to focus on more complex tasks.

This year we focused on integrating critical self-service functions (voluntary flight change, refund submission, add-ons) directly into the AI interface, significantly reducing dependency on human intervention for routine tasks. We are continuously working towards expanding what the bot can solve on its own.

In 2025, AskBo successfully assisted:

21 million
guests

16 million
queries resolved

We recognise the need for further improvements in AskBo and in 2025, transitioned to an upgraded version. This is expected to raise query resolution rates after the optimisation phase of the new chatbot version.



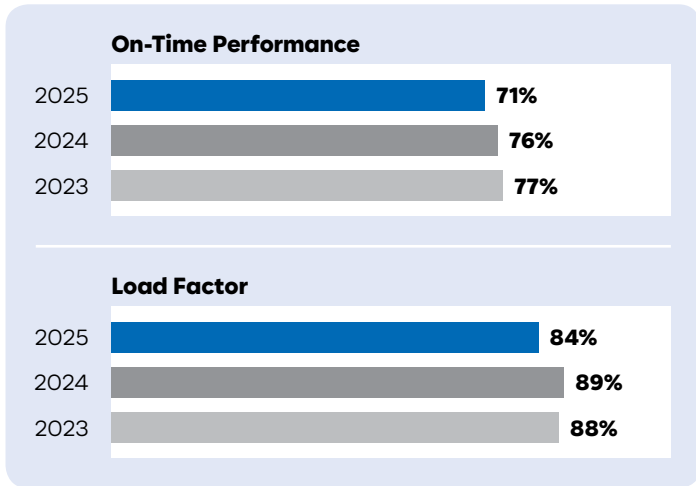
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RELIABILITY ACROSS EVERY FLIGHT

On-Time Performance & Load Factor

As AirAsia scales its operations across the region, maintaining reliable schedules remains a strategic priority despite external challenges such as weather events and fleet constraints.



While we continued to open new routes and received more aircraft in 2025, our On-Time Performance (OTP) decreased by five percentage points, from 76% in 2024 to 71%. This is due to challenges such as Aircraft on Ground, lack of standby aircraft, and weather disruptions on particular routes that affected operations, primarily the Philippines, Vietnam, China and Taiwan.

Similarly, our load factor decreased by five percentage points, from 89% in 2024 to 84% in 2025. This was partly driven by softer demand on selected routes, reflecting reduced traveller confidence in certain destinations following heightened safety and security concerns. The decline was also influenced by fleet constraints, with 12 aircraft remaining inactive and expected to return to service by the end of 2026. As these aircraft re-enter operations, we will be able to fully optimise the fleet, including improved deployment of standby aircraft.

We continue to take proactive measures to improve OTP, including the self-service solutions highlighted earlier, as well as ongoing enhancements to 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.

Baggage Tracing System

We proactively manage baggage handling to reduce errors, increase transparency, and ensure a reliable travel experience. Our enhanced tracking system enables accurate monitoring and timely handling, while ground teams now process mishandled baggage (MHB) cases on the go via mobile apps.

According to the SITA Baggage IT Insights 2025 Report, the global mishandling rate was 63 bags per 10,000 passengers. AirAsia's rate remains well below this at 6.5 MHB per 10,000 passengers, reflecting the effectiveness of our operational checks and system enhancements. Though the rate rose slightly compared with the previous two years, it remains within our operational targets. We continue to improve the guest experience with self-service features such as excess baggage payment at kiosks, further streamlining travel and operational processes while reducing paper and resource use.

AirAsia
6.5
mishandled baggage per 10,000 passengers
(2024: 6.3/10,000)

Global Average (2024)
63
mishandled baggage per 10,000 passengers



GUEST SATISFACTION: LISTENING TO OUR GUESTS



We always welcome the feedback of our guests to listen, learn and improve on our products and services through surveys.

Net Promoter Score

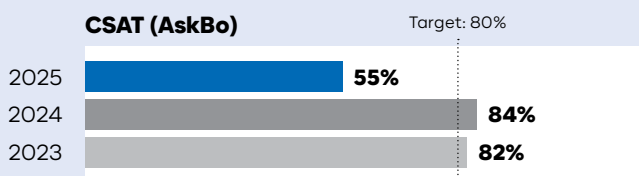
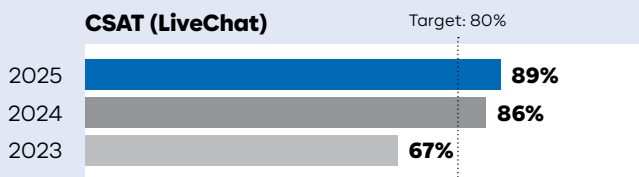
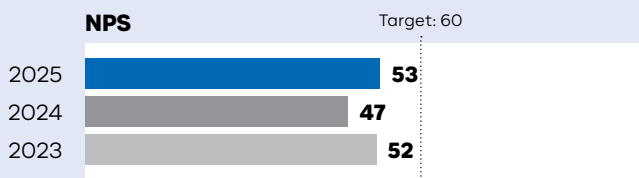
NPS measures the overall guest experience with AirAsia and AirAsia MOVE, from booking to journey completion. Surveys are sent once after payment and again within 24 hours of the guest's flight.

Customer Satisfaction Score

CSAT measures guest satisfaction at specific touchpoints, triggered after a query is resolved, either via live chat, AskBo, or email, providing insight into the effectiveness of our support interactions.

We collect guest feedback through regular surveys to continuously improve our operations and service delivery. In 2025, over 2.7 million of the 65.5 million guests we carried shared their feedback. Supported by focused team training and process improvements, including the self-service solutions highlighted earlier in this chapter, our Net Promoter Score (NPS) increased from 47 in 2024 to 53 in 2025.

Customer Satisfaction (CSAT) results also reflected these efforts. Live chat satisfaction improved from 84% to 89%, while AskBo CSAT declined from 84% to 55% following the transition to an upgraded chatbot. The decrease was primarily driven by the initial optimisation phase of the new AskBo chatbot, which we continue to refine to deliver a smoother guest experience.



Asia Digital Engineering (ADE) is the Maintenance, Repair, and Overhaul (MRO) arm of Capital A, delivering comprehensive aircraft services to the AirAsia fleet as well as third-party Airbus and Boeing narrow- and wide-body aircraft. Beyond MRO operations, ADE also develops digital solutions for the aviation industry, including AEROTRADE®, Asia's first digital marketplace for aircraft parts, and ELEVADE™, an all-in-one platform that integrates fleet management, aircraft health monitoring, and workforce optimisation to improve operational efficiency.

ADE enhances customer satisfaction by combining fast turnaround times with data-driven maintenance solutions. Through platforms such as ELEVADE™ and AEROTRADE®, customers benefit from greater transparency, real-time aircraft health insights, streamlined parts procurement, and improved predictability in maintenance planning. These capabilities reduce aircraft downtime, improve reliability, and enable customers to make faster, better-informed decisions.

In 2025, ADE's ELEVADE customer satisfaction stood at 95.5% reflecting ELEVADE's commitment to responsive support, operational reliability, and continuous service improvement across all operating entities.



95.5% customer satisfaction

ECONOMIC

Transforming into a Digital Travel and Lifestyle Brand



Good Food . Good Coffee . Good Value

As AirAsia's in-flight catering partner, Santan delivers food that meets high standards of taste and quality, contributing to guest satisfaction and an enhanced onboard experience. In 2025, Santan continued to expand its range of offerings, including the introduction of zero-sugar and vegetarian options, supporting diverse dietary preferences and more mindful consumption.

In order to gather the inputs of our guests on their experiences, Santan has set in place multiple channels to provide feedback on the inflight and catering services:

- **Inflight:** NPS, complaint form (available through crew), social media platforms ie. Instagram and Facebook
- **Catering:** QR code and Workvivo

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.



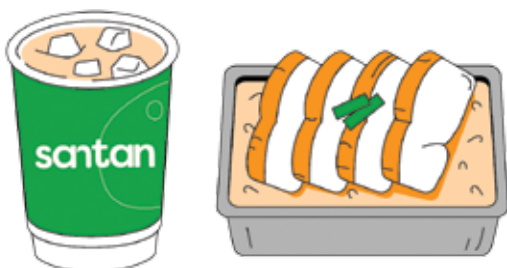
56 NPS Score
(2024: 19; Target: 50)



100% complaints
received were addressed

The improvement in Santan's NPS from 19 in 2024 to 56 in 2025 was driven primarily by enhancements in product quality and taste, as well as the timely resolution of quality-related feedback. This increase surpasses Santan's NPS target of 50, reflecting stronger guest satisfaction and confidence in the brand.

We strengthened feedback loops to ensure customer insights were reflected in menu improvements and used our social media channels to communicate changes transparently, reinforcing trust and responsiveness. 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.



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

- 1

Customer Happiness (CH) x Santan's Quality Assurance (QA) Customer Satisfaction NPS Daily Review

Santan QAPD team conduct daily review of customer feedback through NPS Dashboard created by the Group Customer Happiness. This initiative also involves AOC's and operation team for immediate action and improvements.
- 2

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.
- 3

Regional meal testing

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.
- 4

New product sampling & product knowledge training

Regular engagement sessions are conducted with the Cabin Crew Department to strengthen product knowledge, including roadshows at all hubs and Online Crew Development Training.

teleport



Teleport continues to support a wide range of logistics needs through its integrated infrastructure, partnering with over 55 and airline partners to strengthen trade and air cargo connectivity across fast-growing aerial trade corridors in the region. From large freight to small parcels, Teleport enables faster and more cost-efficient movement of goods across markets.

A seamless customer experience is supported through multiple feedback channels, including email, social media and live chat, with customers rating their experience on a one-to-five scale.

In 2025, Teleport recorded its highest-ever customer satisfaction score of 96%, exceeding its target and reflecting continued improvements in service reliability, responsiveness, and customer engagement.

<p>✓ 96% customer satisfaction score (95% in 2024; Target 80%)</p>	<p>✓ 100% complaints received were addressed</p>
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Key developments included automated booking confirmations and cancellations, automatic reminders for pending tickets, and AI chatbots on the Teleport website to provide timely support and enhance service efficiency.

GTR

A SATS COMPANY

Ground Team Red (GTR) is dedicated to delivering high-quality ground handling services while enhancing operational productivity through technology. Their services span from guest handling, baggage, ramp, cargo, to load control. GTR currently supports AirAsia as well as other local and international clients.

To monitor and improve service quality, GTR conducts quarterly NPS surveys for its foreign carrier customers, while AirAsia's satisfaction is assessed in collaboration with the internal Customer Happiness team, ensuring continuous feedback and service enhancements.

<p>✓ 55 AirAsia NPS Score (2024: 49; Target: 50)</p>	<p>✓ 50 Foreign Carriers NPS Score (2024: 45; Target: 50)</p>
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By collecting feedback from over 2.9 million respondents through the NPS survey, GTR achieved a score of 55 for AirAsia airline services and 50 for other foreign carriers, both surpassing the NPS target of 50. This strong performance reflects the impact of regular customer service briefings and ongoing training for ground staff, ensuring they are well-equipped to meet operational and passenger needs. Key initiatives contributing to this improvement include proactive communication with early announcements for delays or disruptions, clearer signage at gates to guide passengers through the boarding process, and enhanced gate management with updates provided every 15–20 minutes to keep guests informed.

All complaints and feedback were promptly addressed and resolved, with no incidents of customer privacy breaches reported in 2025.



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BigPay, Capital A's fintech arm, transforms how people access and manage money across Asean. By offering payments, international transfers, microinsurance, personal loans, and spending analytics, BigPay provides a seamless, cost-effective solution designed to meet everyday financial needs for all communities.

To further enhance the customer experience, BigPay introduced several new features aimed to streamline transactions and increase convenience:

1

Cross Border Payments

Our collaboration with Alipay+ enabled seamless payments across Europe, Asean, South Korea, Japan, Australia, New Zealand, and the USA.

In 2025, we expanded coverage to Mauritius, Chile, Armenia, Kazakhstan, Brunei, Mexico, Peru, and Colombia, and are preparing for a Mainland China launch, targeting a go-live in the first half of 2026.

2

Zakat Payments

We partnered with ikhlas.com to enable our Muslim users to fulfil their Zakat obligations directly through the BigPay app, eliminating the need to queue at physical counters and making the process more convenient.

3

Budgeting Feature

We introduced a budgeting feature that provides users with a clear view of their monthly expenditures, displaying charts and percentages of spent versus remaining amounts to encourage healthier financial habits.

4

Cross Border Transfers

We enhanced peer-to-peer transfers by enabling BigPay users in Malaysia and Singapore to send money to each other instantly using just a registered phone number. These transfers are completed within minutes with no transfer fees, making cross-border payments simpler, faster, and more affordable for our users.



BigPay tracks its performance and customer satisfaction through an annual customer satisfaction survey (CSAT). Below are their 2025 results:

90% customer satisfaction (2024: 92%; Target 90%)

100% complaints received were addressed

BigPay received a customer satisfaction score of 90%, meeting its target, based on feedback from over 10,000 respondents. Any complaints received were reviewed with utmost care and addressed accordingly to ensure timely resolution and continuous service improvement.

Safeguarding customer accounts remains a priority. BigPay continues to strengthen its security controls, monitor emerging digital risks, and refine internal processes, while working collaboratively with regulators and industry partners to protect customer welfare and maintain trust.

AirAsia Next

AirAsia Next is the brand and Intellectual Property (IP) arm of Capital A, responsible for managing and evolving the AirAsia masterbrand across the group. This includes ensuring that the AirAsia brand is consistently managed and developed in a sustainable manner across all businesses and markets.

While AirAsia Next is not primarily a consumer-facing business that directly generates revenue through products or services, it plays a strategic role in building and operating the AirAsia ecosystem, ensuring that the group's businesses grow in a connected and sustainable way.

At the core of this ecosystem are over 36 million AirAsia loyalty customers. AirAsia Next enables these customers to seamlessly engage across the group's platforms—flying with AirAsia, staying with AirAsia Hotels, using AirAsia Mobile, listening through AirAsia Music, and spending via AirAsia credit and payment products—while continuously earning and redeeming loyalty benefits within a unified system.

AirAsia Next also operates the AirAsia Loyalty programme, working with a wide network of partners to enable customers to earn points more easily across multiple touchpoints, and to conveniently redeem them across the ecosystem. This strengthens customer engagement and encourages continued participation within the AirAsia ecosystem.

In support of this ecosystem, AirAsia Next also develops and manages brand IP, licensing, and digital experiences, such as AirAsia Buds and AirAsia World on Roblox, to expand customer touchpoints, particularly among younger audiences, and strengthen long-term brand affinity.

Through these efforts, AirAsia Next ensures that the AirAsia ecosystem remains cohesive, relevant, and sustainable, supporting long-term growth across all Capital A businesses.



AirAsia Buds



Watch their adventures at youtube.com/@AirAsiaBuds

AirAsia World on Roblox



Discover our destinations on Roblox by searching AirAsia World



ECONOMIC

Transforming into a Digital Travel and Lifestyle Brand

Academy by AirAsia Next

Our digital learning venture, Outclass, has been rebranded as Academy by AirAsia Next, a next-generation learning platform designed to bridge the tech skills gap and deliver personalised learning journeys for individuals and organisations.

What sets Academy by AirAsia Next apart is its hybrid approach, combining on-demand learning with instructor-led training. This allows both individuals and organisational leaders to address talent development and career growth needs through tailored learning paths based on user data and goals. The ODL function ensures all learning content meets organisational standards through a structured quality-assurance process that includes needs analysis, design review, and alignment with strategic capability requirements.

Content is validated by subject matter experts to ensure accuracy, relevance, and industry best practice. ODL also incorporates feedback from learners to continuously refine materials and confirm they remain effective and fit for purpose. By enabling targeted skills development, the platform supports career progression while advancing UN SDG 4: Quality Education.

While our courses cover a wide range of topics, we focus on three core areas to equip our Allstars and learners with the capabilities needed for the future of work:

Artificial Intelligence

- 1 Developing AI literacy and practical skills in using AI and large language models (LLMs) empowers Allstars and other learners to automate routine tasks, make data-driven decisions, and drive innovation through AI-powered workflows.

Agile Thinking

- 2 By introducing an Agile mindset and methods such as Scrum, Kanban, and iterative delivery, teams and individuals are able to deliver faster, respond effectively to change, and continuously improve their processes.

Soft Skills

- 3 By developing communication, collaboration, resilience, and problem-solving capabilities, Allstars and learners are better equipped to work effectively together, adapt to change, and navigate complex situations with confidence.

In 2025, its ODL users reached an all time high of over 1.3 million users with a 98% satisfaction rate.

✓ 98% customer satisfaction
(2024: 94%; Target 90%)

✓ >2.1 million ODL platform users
(↑ 62% from 1.3 mil users in 2024)



The improvement in learner satisfaction rates stems from internal efforts to make the platform more convenient and accessible, such as:

- **Enhanced User Interface** – A more intuitive and seamless design, making Academy by AirAsia Next the most user-friendly platform in its category. This includes informational banners, featured content, and improved account recovery and login flows.
- **Stronger Platform Security and Access** - We tightened access controls to ensure all users on the platform can only see and do what's relevant to their role. All activity is tracked for safety, and only verified subscribers can access protected content, keeping both the platform and its users secure.
- **AI-Powered Assessment Generator** – Enables content contributors to effortlessly create dynamic assessments by simply uploading their educational videos, streamlining the evaluation process.

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Transforming into a Digital Travel and Lifestyle Brand

Technology & Innovation

GRI 3-3

Technology remains a core enabler of Capital A's performance, driving efficiency, innovation, and long-term value across the Group. It continues to reshape how we operate, enhance guest experiences, and empower our Allstars to work smarter and more effectively.

The accelerated adoption of artificial intelligence (AI) further strengthened our capabilities, supporting data-driven decisions, automating routine tasks, and freeing teams to focus on higher-value work. With technology at the heart of our operations, we are not only improving how we work today, but also building a smarter, more seamless travel ecosystem for the future.



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



Performance Overview 2025



72.4%
Corporate Data Literacy Score



RM1.35 mil
fuel saved from tail assignment



Achieved
ISO/IEC 20000-1:2018
certification



45%
ancillary conversion via self-service kiosks

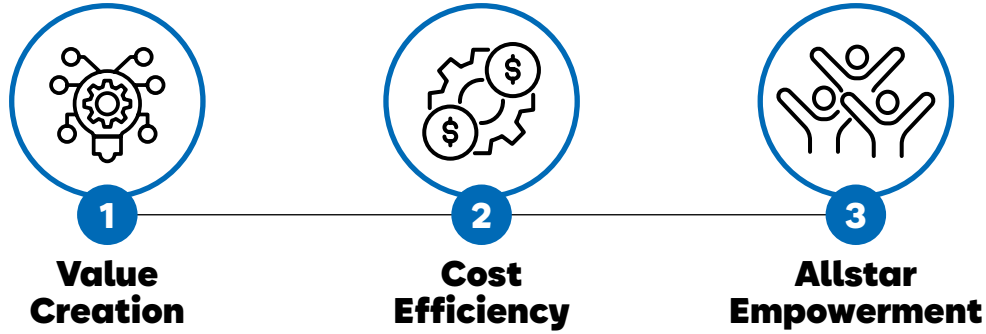


>2,800
manhours saved via ADE's digital automation

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Transforming into a Digital Travel and Lifestyle Brand

In 2025, the ICT team ramped up its efforts to scale digital capabilities, embed data-driven decision-making, and expand the use of automation and AI across the Group. These initiatives strengthen operational resilience, improve efficiency, and enhance experiences for both Allstars and guests, guided by three core pillars:



1 Value Creation Through Digital Innovation

Our Value Creation initiatives harness technology to unlock new opportunities across the business. They focus on driving measurable impact, increasing revenue potential, and delivering more value to our customers and the business alike. Below are highlights undertaken in 2025 to reduce waste and ease passenger convenience.

Demand Planning Inflight Meals with Santan

Inflight catering requires careful planning to meet passenger demand while minimising food waste. To address this, the Santan team and Group ICT developed a predictive AI model for perishable meals. The model analyses historical sales, passenger preferences, flight timings, and cultural factors to align meal supply with actual demand on each flight.

Progress & Impact

- AI-driven forecasting delivers a 30–40% net revenue uplift by optimising meal loading accuracy and reducing reliance on manual estimates.
- Optimised distribution minimises stockouts on high-demand routes, increasing in-flight conversion and ancillary revenue.
- Precision planning prevents over-provisioning, directly lowering food waste per passenger to support sustainability goals.
- Standardised, data-driven modeling reduces manual intervention and ensures consistent decision-making across all hubs.

What's next?

- Fine-tuning demand predictions by route and market to maximise precision and address variability.
- Scaling AI deployment across all networks and AOCs to maximise regional revenue and sustainability impact.
- Integrating ESG metrics, such as waste-per-passenger and cost-to-waste ratios, to strengthen accountability.

From Counters to Kiosks: Smarter Check-in with Customer 360

Operational bottlenecks like overweight baggage and last-minute add-ons can disrupt passengers and create congestion at service counters. Previously, passengers had to leave kiosks to queue and pay. To address this, Group ICT integrated Customer 360 into check-in systems, consolidating past purchase histories into customer profiles and delivering personalised recommendations. This enables ancillary options such as baggage, seats, meals, and sit-together, to be offered directly at kiosks, extending services beyond counters.

The Customer 360 integration for web and mobile check-in was launched in June 2025, while kiosk integration was rolled out in January 2026, further extending self-service capabilities and enhancing the overall passenger experience.

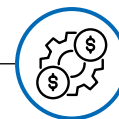
Progress & Impact

- Self-service kiosks achieved a 45% conversion rate, generating over RM11 million in ancillary sales.
- Immediate, cashless resolution improved passenger experience, reduced congestion at counters, and personalised recommendations increased uptake of ancillary offerings.

What's next?

Roll out in Singapore, Thailand, Philippines, and Indonesia, refine profiles for more personalised recommendations, and expand digital self-service to further improve efficiency.

2 Cost Efficiency



By using technology to automate tasks and the quick analysis of data, we are able to improve our cost efficiency and savings significantly. This includes our legacy group operations procedures. Since 2020, we have digitised thousands of paper documents to improve information accessibility and reduce physical storage needs.

Here are some of the impactful initiatives in 2025:

Optimising Tail Assignment for Fuel Efficiency

Tail Assignment Optimisation is a project by Group ICT and Flight Operations to reduce fuel consumption by assigning aircraft to flights in the most efficient way. The model considers fuel efficiency, maintenance schedules, crew compatibility, and passenger demand, dynamically adjusting schedules using real-time data. Newer or upgraded aircraft are prioritised for longer or high-load flights, while planes nearing maintenance are assigned to shorter routes. It is expected to reduce fuel consumption by 2%.

Progress & Impact

- The initiative was rolled out in Malaysia, achieving an initial adoption rate of 90%. It saved 459 tonnes of fuel, equivalent to 1,450 tonnes of CO₂ avoidance, generating fuel savings of RM1.35 million.
- This resulted in more efficient aircraft utilisation, reduced fuel consumption, and improved alignment of operational decisions with sustainability and efficiency goals.

What's next?

The initiative will expand to other AOCs, further optimise aircraft utilisation, and continue contributing to AirAsia's overall fuel efficiency and decarbonisation targets.

Digital Twin & Autonomous Stations

The Digital Twin initiative aims to transition airport operations from reactive to predictive by creating a virtual representation of airport systems with real-time asset visibility. It also introduces Autonomous Stations capable of self-diagnosing and self-healing without human intervention. This enhances operational efficiency, reduces passenger wait times, and modernises legacy systems with real-time data for more effective troubleshooting.

The initiative is currently implemented in Malaysia, where greater system integration enables enhanced automation and monitoring capabilities. For other operating entities, implementation remains more limited, with enhancements being progressively explored.

Progress & Impact

- Launched a dedicated 2026 UI layer for airport assets, centralising real-time alerts to accelerate incident detection and improve MTTD compared to legacy tools.
- Expanding automation beyond kiosk reboots to include targeted service recovery, reducing resolution turnaround and manual support load.

What's next?

In 2026, we will strengthen monitoring reliability and observability coverage across all airport assets while scaling self-healing automation to address broader incident patterns. These efforts will progressively reduce resolution turnaround, transitioning airport operations toward a fully predictive, self-managing infrastructure.

Digital Trip Files (DTR)

Trip files, used by Ground Operations to record flight arrivals, previously required printing an average of 20 A4 sheets per flight and manual handling, which was time-consuming, costly, and prone to errors. DTR digitises this process, allowing direct upload of trip files to a secure cloud platform. This optimises workflows, reduces manual effort, and ensures secure, accessible records.

Progress & Impact

- Cost savings of approximately RM137,280
- Elimination of 5 million A4 pages annually
- Reduced CO₂ absorption by 21,450 kg

What's next?

Roll out DTR to IAA, AAX, and TAX operations.

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, removing the need for printed backups. Manifests are also automatically shared with immigration departments 30 minutes after a flight departure.

Outcome

- Elimination of more than 10 million A4 sheets of paper annually

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Transforming into a Digital Travel and Lifestyle Brand

3 Allstar Empowerment

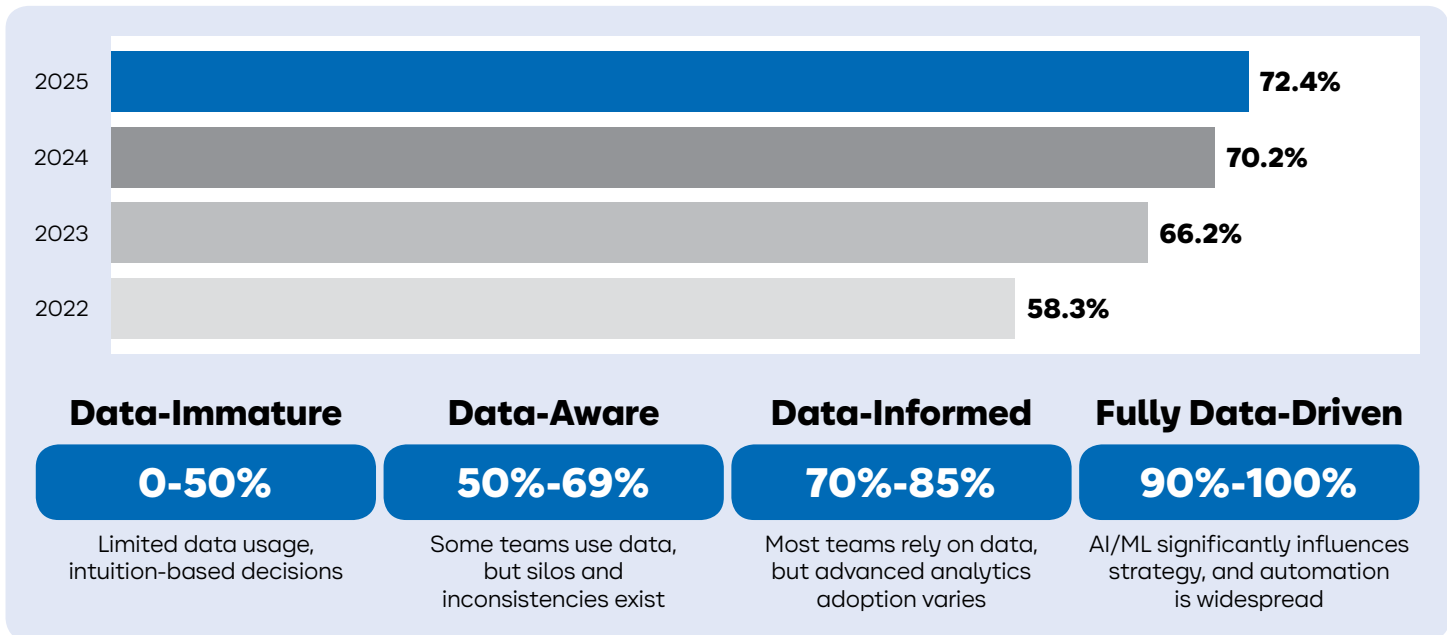


Our Group ICT team is unlocking the potential of our data assets, empowering Allstars to make faster, smarter decisions anytime, anywhere, without relying on IT intervention.

Making data accessible helps break down silos, supports informed decision-making, enhances accountability and transparency, and simplifies the use of advanced analytics.

The Corporate Data Literacy (CDL) Score measures how effectively Allstars read, understand, create, and communicate data, reflecting organisational and individual capability to use data for informed decisions. Strengthening data literacy enables Allstars to identify inefficiencies, make timely decisions, and improve operational performance across the Group.

From 2024 to 2025, the CDL score increased by 3% to 72.4%, categorising Allstars as data-informed. This steady improvement demonstrates the growing impact of our training and digital tools on capability building and productivity.



Allstars AI Adoption Programme

Amid the rapid global advancement of artificial intelligence (AI), AirAsia reached a significant milestone in its digital transformation journey in 2025. Group ICT completed the full rollout of Google Gemini in Workspace to all Allstars, enabling organisation-wide access to secure, enterprise-grade generative AI tools.

The rollout equips Allstars with advanced AI capabilities to enhance productivity, collaboration, and data-driven decision-making. Key applications include:

- Drafting and refining emails
- Generating custom visuals for Google Slides
- Analysing and visualising data in Google Sheets
- Transcribing and summarising meetings
- Summarising files to reduce time spent searching for information

To support effective adoption, Group ICT launched the Allstar AI Adoption Programme in July 2025. The programme focuses on transitioning teams from initial exploration to practical application through structured training, real-world use cases, and advanced techniques. This initiative reinforces responsible AI use and accelerates digital innovation across the Group.

While AI enhances efficiency and innovation, it is positioned as an enabler rather than a substitute for professional judgement. Allstars are required to exercise care and discretion, particularly when handling confidential or sensitive information, in accordance with the Group's cybersecurity policies.

The programme focused on moving teams from initial exploration to practical application through structured learning and real-world use cases. The initiative included:

<p>"Gemini Evolve" workshops conducted by Google, with over 500 participants</p>	<p>A network of 24 Gemini AI Champions across entities to drive adoption</p>	<p>Ongoing engagement through weekly gamification, Academy courses, and tips shared via the AI@Allstars platform</p>
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By the end of the programme, AirAsia achieved 66% company-wide adoption, reflecting strong engagement and growing integration of AI into daily workflows.

While AI enhances efficiency and innovation, it is positioned as an enabler rather than a replacement for professional judgement. Allstars are required to exercise care when using AI tools, particularly when handling confidential or sensitive information, in line with the Group's cybersecurity policies.

Besides AI adoption programme, below are additional training and tools that empower Allstars to be more productive:

Citizen Analytics Training

Citizen Analytics Training is a structured learning programme delivered via Outclass to build data literacy across the organisation. It equips employees with the fundamentals of data-driven decision-making, how to interpret analytics outputs, and key analytical concepts. The programme is offered in two tiers, Level 1 and Level 2, to support progressive capability building.

<p>Level 1: Introduction to Data Democratisation</p> <p>Focuses on the foundations of data literacy. Participants learn to clean and prepare data, understand varied data attributes (format, quality, and structure), and identify the KPIs that drive business impact.</p>	<p>Level 2: Practical Visualisation & AI Tools</p> <p>Moves from theory to practice. Allstars learn to build interactive dashboards in Looker Studio, create visual stories in Tableau, and leverage AskIVANA to generate instant insights using natural language.</p>
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Progress & Impact

- The training expanded to all Airlines entities, with approximately 31% of employees completing it. Level 1 achieved 36% completion, and Level 2 19%.
- The programme improved baseline data literacy, strengthened understanding of analytics for everyday decisions, and enabled wider participation in data-driven initiatives beyond specialist teams.

What's next?

Increase completion rates, strengthen progression from Level 1 to Level 2, and embed citizen analytics skills into day-to-day business decisions across functions.

AskIVANA


AskIVANA (Intelligent Virtual Allstar & Assistant) is an AI-powered chatbot co-created with Google and powered by Gemini, allowing Allstars to access operational data via natural language prompts, instantly generating insights, charts, and visualisations for faster, intuitive decision-making.

Progress & Impact

- Launched in May 2025, AskIVANA has been used by over 2,000 Allstars, supported by live demo sessions.
- It reduced reliance on manual reporting and specialist support, accelerated decision-making, and improved data accessibility and literacy through AI-enabled self-service analytics.

What's next?

The platform will be expanded with additional datasets, enhanced visualisation features, and deeper system integrations to support more advanced analytics and wider adoption across teams.



AskIVANA

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Transforming into a Digital Travel and Lifestyle Brand



Excellence in Innovation



AirAsia received a prestigious award for our “Back to Green” initiative at the 2025 Navitaire Customer Conference. The project was launched to address recurring technical disruptions in our passenger service system, which had been flagged as “red” and were impacting bookings, airport operations, and overall efficiency.

Group ICT’s Airline Ops worked closely with Cyber Security, MOVE, and Navitaire’s technical teams to identify system bottlenecks, strengthen monitoring, refine incident response, optimise performance, and enhance cybersecurity. These improvements restored and sustained “green” status, reduced downtime, improved operational reliability, and boosted productivity across frontline and back-office teams.

The initiative highlights how cross-functional collaboration and proactive system management can strengthen digital infrastructure, ensuring a seamless and dependable experience for our guests.

ICT Townhall

Our Group ICT team plays a central role in driving digital transformation across the organisation, continually pushing boundaries and exploring innovative ways to leverage data to improve operations and processes. Twice a year, the team hosts an exclusive townhall for all ICT Allstars, creating a platform to share progress, exchange ideas, and collaborate on ongoing projects.

These sessions also feature external technology leaders, including representatives from Microsoft and Google, who share insights on emerging trends such as the use of AI, the sustainability considerations of data centres, and getting ready for the New Ways of Working (NWOW). This helps to build digital capabilities and future-ready mindsets across the Group.



New Ways of Working

A framework of innovative practices that reimagine traditional software development by leveraging AI to deliver faster business outcomes.

Top Tier ICT Governance

Group ICT achieved the ISO/IEC 20000-1:2018 certification in 2025, the global gold standard for IT Service Management. This confirms that the technology systems across the aviation arm are developed, operated, and maintained to world-class standards.

Completed in just six months, the certification included an independent assessment by LRQA Malaysia and achieved zero non-conformities, reflecting the discipline and resilience of our ICT Allstars.

The certification strengthens system reliability, quality by design, and future readiness, providing a solid foundation for adopting new technologies and building digital capabilities with confidence.





AirAsia MOVE has grown far beyond its beginnings as an airline app to become Asia's leading travel booking platform, recognised for its innovation and impact. It's a key driver of our digital transformation, helping us deliver smarter operations and a seamless travel experience for our guests.

In 2025, MOVE reached over 15 million monthly active users. Hotel bookings grew nearly 40%, and our signature bundled SNAP (flight + hotel) bookings jumped 30% year-on-year. At the same time, we expanded direct airline partnerships to over 70 carriers across the region and beyond.

✓ **15 million**

monthly active users
(2024: 15.5 million)

Innovation in Action

MOVE uses cutting-edge technology to make travel intuitive, personalised, and seamless. Key highlights in 2025 include:

AskBo chatbot enhancements

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 guest support.

In 2025, we have secured significantly better control over multi-turn conversations, allowing for more natural, context-aware, and fluid interactions. This upgrade brings a suite of improvements tailored to deliver a premier customer experience that matches the sophisticated, intuitive performance of modern GPTs.

Impact in 2025

✓ **16 million**

Total queries resolved

✓ **21 million**

Number of guests assisted

Antom and 2C2P's advanced solutions

This collaboration integrates Antom and 2C2P's advanced payment solutions into AirAsia MOVE's platform.

These cutting-edge technologies will empower MOVE to streamline payment methods, reduce cross-border transaction costs and operational expenses, and broaden its consumer base, while providing customers with a wider range of preferred payment options.

Easy Cancel

In partnership with Hopper, MOVE introduced an add-on feature that allows guests to cancel their AirAsia flights up to 48 hours before departure and receive the money back in 10 days.

This partnership transforms travel planning into a risk-free experience, giving guests the flexibility to book with total confidence. Easy Cancel empowers travellers to secure budget-friendly flights while maintaining the freedom to adapt to last-minute changes.

Impact in 2025

✓ **US\$3.4mil**

Refund payout under Easy Cancel

✓ **>286,000** take up on bookings with Easy Cancel

MOVE's features are designed to make booking easy and hassle-free. Their leadership in travel technology was showcased at APEX FTE Asia Expo in Singapore, where its innovation and traveller-first design drew attention from industry peers.



For further details on self-servicing features on MOVE, please refer to the Guest Experience chapter of this report.

Awards & Recognitions

Asia's Best Travel Booking App at the World Travel Tech Awards 2025

Recognised for three consecutive years



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Transforming into a Digital Travel and Lifestyle Brand



ADE stands out in the Maintenance, Repair, and Overhaul (MRO) industry by going beyond traditional engineering and maintenance practices. Digital transformation is embedded at the core of our operations, driving efficiency, accuracy, and safety.

ELEVADE™

ADE is the pioneer of ELEVADE™, Asia's first all-in-one digital solution for the airline and MRO industries. It integrates fleet management, aircraft health monitoring, and workforce optimisation to deliver greater precision and operational efficiency. The platform is built on three key pillars:

Fleet	People	Material
<ul style="list-style-type: none"> Provides real-time aircraft health and deferred defect management. Features a record management module using Generative AI to extract, digitise, and contextualise handwritten texts. Integrated with Robotic Process Automation (RPA), this reduces manual data entry, saves valuable time, and strengthens regulatory compliance, ultimately improving passenger safety. 	<ul style="list-style-type: none"> In-house web and mobile time tracking system for employee shift management. Offers live updates on attendance, geo-fenced tracking, rostering, and overtime claims. 	<ul style="list-style-type: none"> Cabin monitoring module utilises advanced RFID scanning technology from Zebra Technologies. Streamlines and accelerates aircraft life vest inspections, ensuring efficiency, accuracy, and safety because every life vest matters.


<p> RM48 million cost savings</p>	<p> >2,800 hours Man-hours savings</p>
---	---



1

Automation and digitisation of Journey Manual Log forms to AMOS

With ELEVADE™, ADE has accelerated automation across core maintenance processes linked to the Aircraft Maintenance and Engineering Operating System (AMOS). By integrating extracted data and leveraging RPA, we reduce repetitive manual tasks, streamline high-volume workflows, enhance traceability, and improve data accuracy.

 **What is AMOS?**

AMOS is an aircraft maintenance system that manages everything from maintenance planning and work orders to spare parts, aircraft records, and regulatory compliance. It tracks inspections, component replacements, labour hours, flight cycles, and audit trails, ensuring safe, efficient, and fully traceable operations across the fleet.

2

Alignment of Inventory between AMOS and AEROTRADE

To ensure real-time alignment between our inventory and the AEROTRADE online marketplace for managing and trading aircraft parts, we automated the synchronisation of stock between AMOS and AEROTRADE. This automation reduces manual intervention, minimises errors, and enhances supply chain and procurement efficiency. Following the recent migration to ADE's AMOS, AEROTRADE inventory now syncs live, providing accurate, up-to-date information across systems.

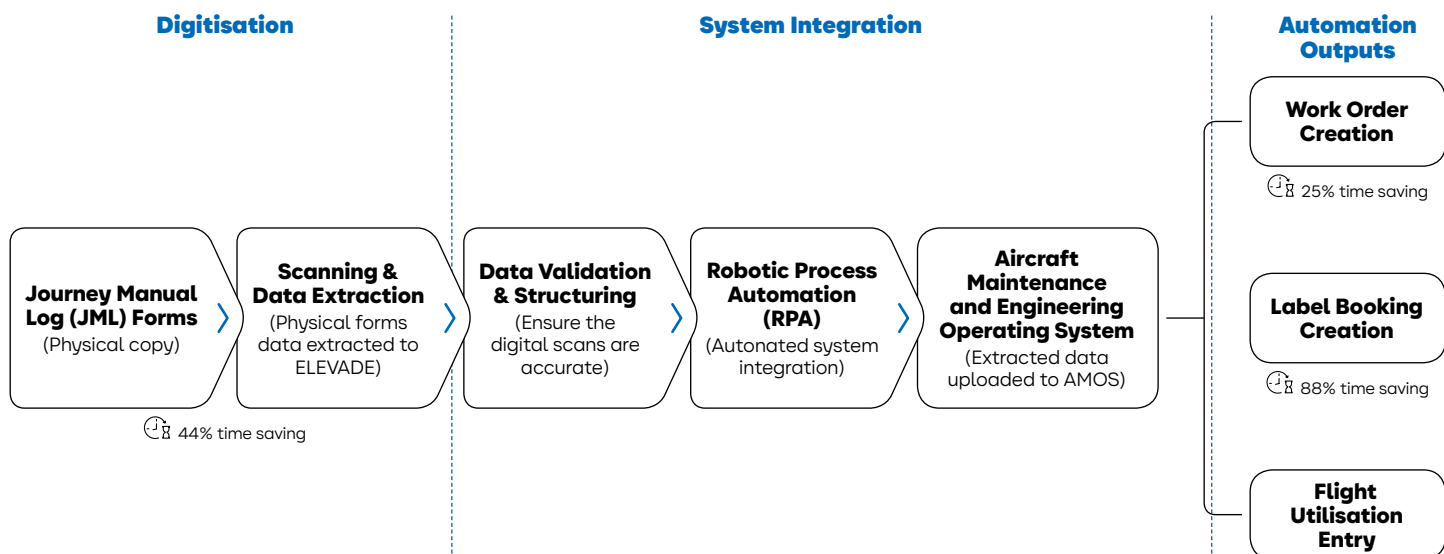
Scaling Digital Automation Across Maintenance Operations

Scaling automation and digitisation has been a priority for ADE in 2025. Collectively, the initiatives implemented have delivered approximately RM48 million in cost savings and 2,800 man-hours saved, equivalent to four full-time employees. Key initiatives include:

We digitised documents such as the Journey Manual Log (JML) forms, a standardised document used by airline crew and operations teams to record flight events, technical issues, and operational observations for safety, maintenance, and reporting purposes.

By extracting data from physical JML forms and using RPA to automate input into AMOS, we have significantly reduced the time required to create work orders and manage label bookings. These improvements have delivered measurable time savings, enabling engineers and maintenance personnel to focus on higher-value, safety-critical tasks.

In 2025 alone, digitising physical forms and automating repetitive processes saved over 2,700 man-hours, equivalent to four full-time positions, while also reducing paper usage and boosting operational efficiency. The diagram below illustrates the automation process:



3

Repair Management Center (RMC) – Streamlining Maintenance Operations

The RMC serves as a one-stop digital platform for creating Repair Orders, Work Orders, and Exchange Orders during both Line and Base Maintenance operations. By enabling the digital submission of part images for store acceptance, the end-to-end workflow has been significantly streamlined, improving transparency, reducing manual coordination, shortening turnaround times, and strengthening overall efficiency.

Since going live in March 2025, the RMC has processed over 4,000 entries and 5,200 repair orders, with 76% adoption of ELEVADE™ across maintenance teams, demonstrating strong uptake and the tangible benefits of digitalisation in maintenance operations.

4

ADE AMOS License Auto-Optimiser – Maximising Resource Efficiency

To manage the limited number of ADE's AMOS licenses, an automated license optimisation system was implemented across all ADE employees. By ensuring licenses are efficiently allocated and used only when needed, ADE has achieved a cost avoidance of approximately RM2.4 million. This initiative highlights the value of intelligent technology solutions in maximising resources, reducing waste, and supporting prudent cost and operational management.

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Transforming into a Digital Travel and Lifestyle Brand



Good Food . Good Coffee . Good Value

Digitising the Prebook Process

We enhanced the onboard point-of-sale (POS) system by fully digitising the prebook process. This streamlined operations and reduced environmental impact by eliminating paperwork across the entire supply chain, including inventory lists, prebook confirmations, and onboard sales records. The upgraded system enabled seamless digital management from the warehouse to inflight operations and passenger interactions.

The proportion of passengers prebooking meals increased in 2025, driven by expanded drink and meal options, the ability to prebook up to one hour before departure, and enhancements at kiosk check-in counters that encouraged last-minute bookings.

Greater prebooking also supported better load planning, reducing food waste and unused inventory onboard, while improving operational efficiency and sustainability outcomes.

Additionally, the Demand Planning project, designed to combat food waste through AI predictive models, remained ongoing. The model considers passenger profiles and eating habits, enabling Santan to better align meal supply with demand, reduce food waste, and enhance the overall inflight catering experience. Further details are mentioned earlier in this chapter.

teleport

The Teleport team continues to use various technologies to make their operations more efficient. These include:

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.

1

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.

2

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.



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

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.

Boarding Gate Application (BGApp)

The Boarding Gate Application (BGApp) optimises the departure process by providing a portable, handheld solution for efficient passenger boarding. The platform performs instantaneous validation of boarding passes against regulatory requirements and airline business rules to ensure comprehensive compliance. Upon successful verification, the application synchronises directly with the Departure Control System (DCS), minimising manual intervention and significantly enhancing the boarding experience for both guest services and passengers.



BigPay uses technology to operate as a digital financial ecosystem, enabling seamless payments, cross-border transactions, and features like multicurrency accounts and reward-based payments. Its tech-driven approach enhances reliability, convenience, and efficiency, transforming how travellers and everyday users manage money.

Enhancing Customer Payments and Flexibility with BigPay

BigPay's focus in 2025 was to modernise its platform with the migration of 2.5 million cards to a next-generation payments infrastructure, improving scalability, resilience and service stability. The platform maintained engagement with approximately 160,000 monthly active users, reflecting sustained adoption of its digital wallet and embedded finance solutions. Integration with Alipay+ expanded global QR payment acceptance, enhancing cross-border usability and customer convenience.

Optimising Treasury and FX with AI

BigPay also began migrating all customer balances to an in-house ledger system, which is currently being tested and is expected to go fully live in the first quarter of 2026. This upgrade is expected to deliver annual cost savings of over USD150,000 and unlock new features, such as multicurrency accounts, sub-accounts, and payments using rewards points, making the platform easier to use and more efficient for customers.

AirAsia Magic

As the first organisation in Malaysia to receive CAAM approval for remote pilot training, AirAsia Magic, formerly AirAsia Drone, continues to pioneer the commercial use of emerging technologies in advanced air mobility, extending AirAsia's connected network beyond just manned aviation.

With plans to expand beyond drones, AirAsia Magic is rebranding to better reflect its growing range of services, including Dangerous Goods CBTA, First Aid, and other specialised offerings, demonstrating its commitment to innovation, safety, and the broader aviation ecosystem.

The AirAsia Magic team focuses on three main areas:



Remote Pilot Training Organisation (RPTO)

As CAAM's first accredited Remote Pilot Training Organisations since January 2022, the AirAsia Magic team has trained and certified close to 900 commercial remote pilots. The team maintains their CAAM RPTO Certificate of Approval for RPTO annually.

The courses have modules adopted from manned aviation such as Air Law, Airspace Operating Principles, Airmanship, Operations Manual, Human Performance Limitations, Meteorology, Navigation, Crew Resources Management (CRM - UAS), Specific Operations Risk Assessment (SORA), amongst others.

Many participants are utilising Unmanned Aircraft Systems (UAS). We partnered with DronesKaki Sarawak to establish its first permanent RPTO foothold in East Malaysia with our collaboration with Droneskaki Sarawak to offer RPTO courses to East Malaysian.



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Transforming into a Digital Travel and Lifestyle Brand

Unmanned Aircraft Systems (UAS/Drones)

AirAsia Drone uses UAS to inspect critical infrastructure safely and efficiently. In 2025, the team began a six-month proof-of-concept for substation inspections in Kuching for Sarawak Energy Berhad (SEB), in partnership with Grid Vision Sdn Bhd.

By building a digital twin in three dimensional (3D) space using surveying grade equipment and equipped with Infrared (IR) sensors and RGB (Red, Green, Blue) cameras for high-resolution visuals, the drones acquire data to be processed to detect structural issues that may be missed in manual inspections such as misalignment, overheating, vegetation, amongst others. Operating on automated flight paths with obstacle sensors, they ensure consistent coverage, speed, and safety, while reducing the need for staff to work in hazardous conditions. These utilities are crucial in the company's recent surge in interest in preventative maintenance.

AirAsia Drone is also exploring inspections of transmission lines, pipelines, and other critical assets, showcasing how drones are transforming maintenance, safety, and efficiency across industries.



Air Taxi/eVTOL



AirAsia Magic signed a non-binding memorandum of understanding with Avolon in 2024 to form a joint working group (JWG). The team is conducting market research on potential use cases, customers, local partners, infrastructure requirements, certification, and commercial models, including the feasibility of a ride-sharing platform.

This work supports the approval of Vertical Aerospace's Valo, a fully electric, zero-emissions eVTOL aircraft designed for sustainable, efficient, and quiet air travel. With certification anticipated by 2028, the team is laying the groundwork for the rapid deployment of this innovative technology.

Since mid-2022, the JWG maintained monthly engagements with Vertical Aerospace, Skyports, and Avolon, helping advance Valo toward UK CAA and EASA certification. These efforts position AirAsia to lead in sustainable urban and regional air mobility.



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Transforming into a Digital Travel and Lifestyle Brand

Information Security & Data Privacy

GRI 3-3

As a digital-first ecosystem, Capital A recognises that robust cybersecurity and data privacy are foundational to our business integrity. We are steadfast in our commitment to Digital Trust, continuously fortifying our defence infrastructure and investing in advanced technologies to safeguard the sensitive data of our stakeholders against evolving global threats.



Our Management Approach

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

Supporting the UN SDGs



Performance Overview 2025



73%

Report on Compliance completion rate



5%

average phishing simulation campaign failure rate



78.5%

Allstars completed information security awareness training



0

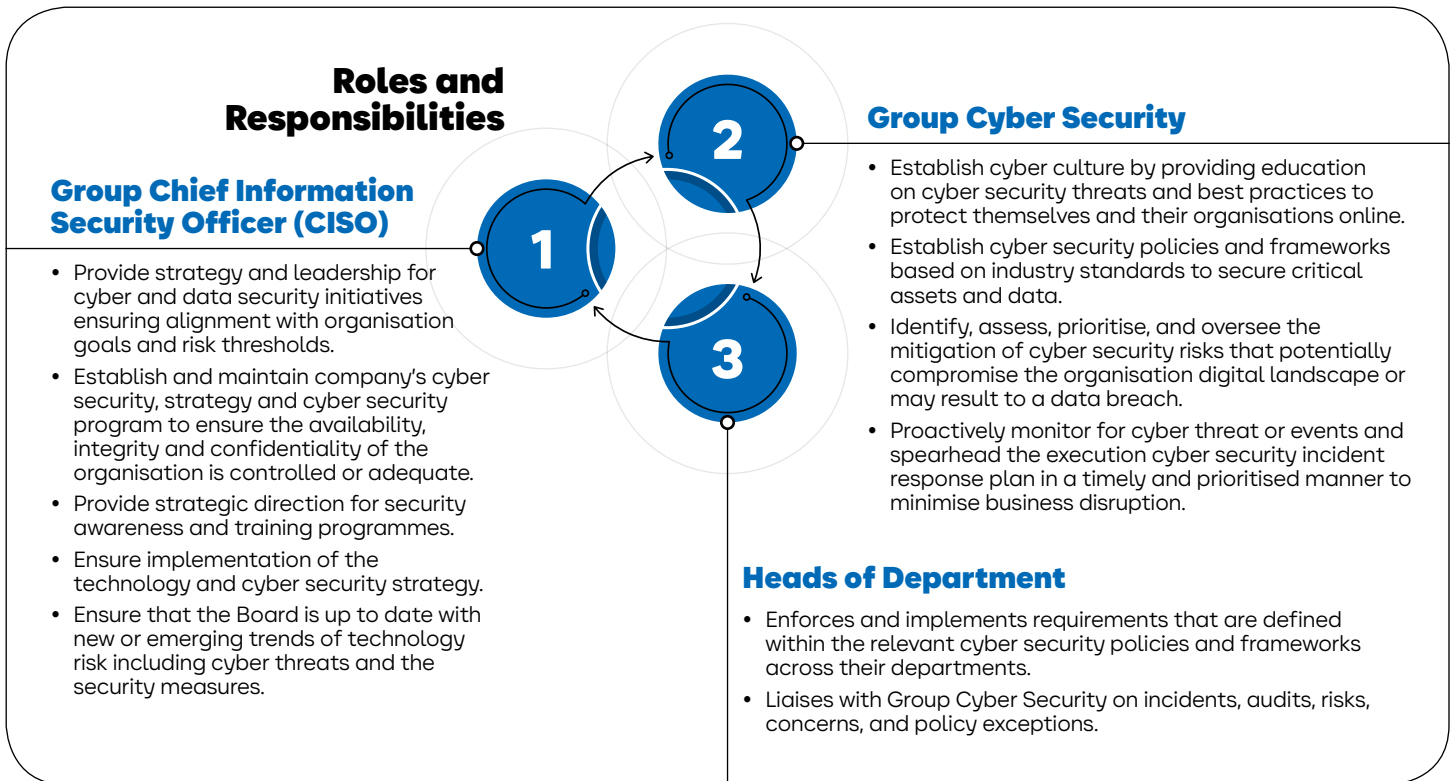
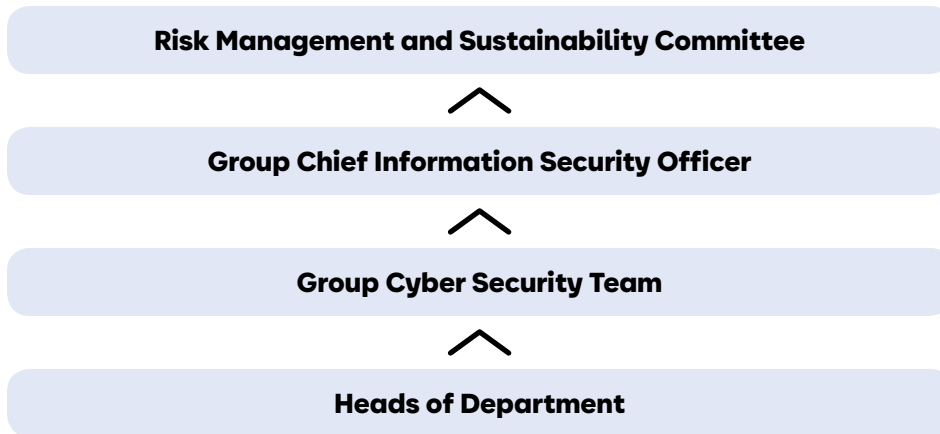
material security and data breaches

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Transforming into a Digital Travel and Lifestyle Brand

GOVERNING CYBER SECURITY

Our Information Security Framework delineates clear accountability across the Group, ensuring that our data, infrastructure, and digital assets are safeguarded against evolving threats.



In 2025, the Group formalised its commitment to privacy governance with the appointment of a dedicated Data Protection Officer (DPO). This strategic role is mandated to orchestrate data protection frameworks across the Group, ensuring rigorous compliance with regional privacy regulations and acting as an independent advocate for stakeholder data rights.

Concurrently, we executed a strategic restructuring of the 'Group Information Security' function, evolving it into the Group Cyber Security team. This shift reflects a fundamental expansion of the team's mandate: moving beyond traditional data confidentiality to a holistic defence of the entire digital ecosystem. This broadened scope encompasses the resilience of critical applications, cloud infrastructure, and operational networks, directly reinforcing the Company's defence posture against sophisticated, evolving cyber threats.

INFORMATION SECURITY POLICY

Capital A's security framework focuses on the confidentiality, integrity, and availability of our digital assets. Our Information Security Policy is aligned with the ISO/IEC 27001:2022 Information Security Management System (ISMS) and the Payment Card Industry Data Security Standard (PCI DSS).

We maintain compliance with the Malaysian Personal Data Protection Act (PDPA) 2010 and applicable data privacy regulations across our operating jurisdictions to safeguard customer personal data.

2025 Strategic Initiatives

- 1 **ISO 27001:2022 Surveillance Audit:** The annual surveillance audit was completed in November 2025. The audit identified five minor non-conformities; corrective action plans were submitted to the external auditor for review and resolution.
- 2 **Data Security Framework:** We launched a granular Data Sensitivity Classification model, establishing tiered cyber controls that align protection levels with the criticality of the data.
- 3 **Incident Response Maturity:** We operationalised a comprehensive Cyber Security Incident Management Procedure, defining precise roles, escalation paths, and containment strategies to ensure rapid mobilisation during potential security events.
- 4 **Infrastructure Hardening:** To counter evolving threat vectors, we updated our security hardening checklists across server, database, and network layers, ensuring our infrastructure remains resilient against modern exploitation techniques.

Report on Compliance (RoC)

The Report on Compliance (RoC) is a mandatory assessment used to verify that new systems or enhancements meet Capital A's security requirements prior to deployment. This process evaluates compliance with the Information Security Policy and identifies potential vulnerabilities.

2025 RoC performance:

 **219**
RoC assessment

 **73%**
completion rate

This validation process reinforces our security philosophy, ensuring that risk mitigation is embedded into the fabric of our digital environment before it ever reaches the market.

RISK-DRIVEN CYBER SECURITY STRATEGY

The Group's Cyber Security Strategy prioritises the protection of critical assets and data through a risk-based approach. This framework ensures that cybersecurity investments are optimised and that exposure remains within the defined organisational risk tolerance.

The strategy is operationalised through four core workstreams:

Cyber Security Risk Management



- **Business Impact Assessment (BIA):** Evaluates resilience requirements based on specific cyber threat scenarios.
- **System Risk Posture:** Conducts continuous evaluation of system vulnerabilities and formulates remediation plans for risk reduction.
- **Third-Party Assurance:** Executes security assessments on vendors and value chain partners to mitigate supply chain risks.

Cyber Security Behavior



- **Curriculum Development:** Defines a targeted annual agenda for cybersecurity education.
- **Phishing Simulations:** Conducts periodic phishing exercises to test and reinforce employee vigilance.
- **Content Delivery:** Develops and disseminates educational materials aligned with current threat trends.

Cyber Defence



- **Real-Time Monitoring:** Maintains 24/7 surveillance of the digital environment using Security Information and Event Management (SIEM) systems to detect and alert on malicious anomalies.
- **Incident Response:** Enforces a structured Incident Response Plan (IRP) to minimise operational disruption during security events.

Identity and Access Management Workstream



- **Access Governance:** Improving the tracking, monitoring, and governance of user accounts and privileges.
- **Least Privilege Principle:** Restricts user access rights strictly to the information and resources necessary for their specific role.
- **Segregation of Duties:** Standardises conflicting duty controls to prevent fraud and error.

ECONOMIC

Transforming into a Digital Travel and Lifestyle Brand

Continuous Enhancement of Security Measures

Our continuous efforts to ensure security controls and processes are robust led to the enhancement of several initiatives in 2025. This proactive approach helps us maintain vigilance, mitigate evolving cybersecurity threats, and align with developing security business strategies and maturity targets. Key operational milestones include:

- Governance:** Updated the Cyber Security Operating Model, policies, and frameworks to reflect current operational realities.
- Infrastructure:** Upgraded the Security Event Monitoring system and initiated the deployment of AI-driven phishing simulations.
- Continuous Assurance:** Maintained a schedule of continuous vulnerability assessments.

We also completed the implementation of two foundational management approaches to standardise compliance and risk quantification:

Unified Control Library

In 2025, the Group finalised and published the Unified Control Library (UCL) via the Information Security Intranet Portal, establishing a centralised compliance baseline for the organisation.

Benchmarked against the Information Security Forum's (ISF) Standard of Good Practice (SoGP), the UCL harmonises disparate cybersecurity requirements from global standards (ISO/IEC 27001, NIST CSF, PCI DSS) and regional regulations across Malaysia, Thailand, China, the Philippines, and Cambodia. This consolidation ensures a consistent and efficient cybersecurity posture across the Group's diverse regulatory landscape.

Cyber Security Risk Management Framework

To standardise risk quantification, we successfully operationalised the Cyber Security Risk Management Framework.

Aligned with the ISF Information Risk Assessment Methodology 2 (IRAM2), this framework is currently deployed to assess Mission Critical Applications, specifically evaluating the effectiveness of existing controls against high-probability threat events.

CYBER SECURITY AWARENESS

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



1 Operational Cyber Drills

We conduct monthly tabletop exercises and operational drills to validate the effectiveness of incident response protocols. These simulations mimic real-world attack vectors (e.g., ransomware, DDoS), requiring technical teams to execute detection, containment, and remediation procedures under time pressure.

Following these exercises, we utilised post-drill analyses to identify and close procedural gaps, driving our continuous improvement mandate.

25 drills across the Group

2 Secure Coding & Developer Education

Targeting the engineering community, we implemented a specialised Secure Coding Awareness curriculum. This module focuses on the Secure Software Development Life Cycle (SSDLC), training developers to:

- Preemptively identify known vulnerabilities (e.g., OWASP Top 10).
- Manage secrets (embedded credentials/keys) securely.
- Safeguard Personally Identifiable Information (PII) and proprietary algorithms within the codebase.

204 participants (68%)

3 Phishing Simulation Campaign

We conduct regular simulated phishing exercises to evaluate and improve the workforce's ability to identify social engineering attempts. To facilitate rapid response, we deployed a native plugin across corporate email clients, enabling immediate flagging of suspicious content to the Security Operations Center (SOC). Campaigns are followed by targeted micro-learning sessions, reinforcing identification techniques and directing users to mandatory refresher training.

✓ **2** phishing simulation campaigns

✓ **5%** average failure rate (2024: 33%)

4 Mandatory Information Security Training

All Allstars are required to complete an annual 40-minute Information Security Module, covering data privacy, password hygiene, device security, and threat identification. A minimum passing score of 80% is required for certification.

✓ **78.5%** completion rate

5 Continuous Communication

Leveraging our internal enterprise platform, we disseminate weekly security bulletins, trend alerts, and best practice reminders to ensure security remains top-of-mind for all employees.

Cyber Security Roadshow 2025

In 2025, the Cyber Security team executed its inaugural Cyber Security Roadshow. This Group-wide initiative served as a platform to bridge the gap between technical defence strategies and daily business operations, fostering a cohesive security culture across the Capital A ecosystem.

1. High-Impact Engagement

The roadshow successfully engaged approximately 3,500 participants, ranging from operational Allstars to senior leadership. Notably, the sessions secured active participation from Entity CEOs, Board Members, and C-Suite executives, effectively elevating cyber risk discussions from an IT operational concern to a strategic boardroom priority.

2. Emerging Threat Education

To address the rapidly evolving threat landscape, the roadshow featured expert-led sessions facilitated by six strategic cybersecurity partners. Discussions focused on high-stakes, emerging vectors including:

- **Generative AI & Deepfakes:** Managing the risks of synthetic media and identity fraud.
- **Advanced Social Engineering:** Countering sophisticated phishing and cyber extortion tactics.
- **Operational Resilience:** Practical workshops on maintaining business continuity during cyber incidents.

3. Targeted Operational Focus

The AOC Cyber Tour Recognising the unique risks inherent to aviation, a specialised "AOC Cyber Tour" was conducted specifically for the leadership of our Air Operator Certificate (AOC) entities. This targeted engagement provided a dedicated forum to address operational cyber challenges specific to flight operations and safety-critical systems.

4. Regional Activation

The initiative was deployed concurrently across our key operating markets—Malaysia, Indonesia, Thailand, and the Philippines—reinforcing the message that cyber security is a shared, cross-border responsibility. By equipping leadership and workforce alike with a unified understanding of threat response expectations, the roadshow significantly enhanced the Group's incident preparedness and decision-making capabilities.



ECONOMIC

Transforming into a Digital Travel and Lifestyle Brand

COMPLAINTS OR MATERIAL BREACHES

In 2025, the Group maintained its operational vigilance, recording zero material breaches concerning customer privacy or data loss. This achievement marks the third consecutive year of zero substantiated material complaints from regulatory bodies or customers, underscoring the effectiveness of our cyber security strategy.

Incident Report Channels

Upon detecting an information security threat, Allstars are required to immediately report the incident to the Information Security team. Security Operations will then assess and classify the issue according to its severity. This triggers an investigation and notification to all relevant teams. The response process is structured to ensure business continuity and involves containment, isolating the affected system(s), system recovery, and deploying backup solutions.



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



Data Protection & Anti-Fraud Framework

As a regulated digital financial entity, BigPay continuously fortifies its cybersecurity architecture to safeguard customer financial data and privacy. Internal vigilance remains our first line of defence; in 2025, 179 BigPay employees completed security awareness training and targeted phishing simulations to ensure readiness against social engineering threats.

Three-Pillar Fraud Prevention Strategy

To actively detect and intercept financial scams, BigPay has operationalised a robust, multi-layered defence mechanism:

1 Algorithmic Threat Detection (Data Modelling): We deploy a proprietary, in-house data model that continuously monitors transaction patterns for anomalies indicative of account compromise. If predetermined risk thresholds are breached, the system autonomously restricts account access until the user's identity and intent can be securely verified.

2 Strategic Security Gates (Tactical Friction): To deter fraudulent exploitation, access to high-risk financial services is protected by intentional, risk-based friction points (e.g., step-up authentication or cooling-off periods). This controlled environment disrupts unauthorised actors while maintaining a secure, frictionless baseline experience for legitimate account holders.

3 Proactive Threat Intelligence (Continuous Analysis): Our security operations conduct weekly forensic analyses of emerging fraud typologies and evolving attacker modus operandi. These insights are immediately translated into updated security rules and deployed across the network to preemptively shield customers from novel attack vectors.

Incident Reporting Channels

To facilitate rapid containment of suspected fraud, BigPay provides customers with direct access to a 24/7 in-app secure chat. Furthermore, we actively collaborate with national authorities, routing major threat reports to the Malaysian National Scam Response Centre (NSRC) at 997.

ENVIRONMENTAL
Addressing Climate Change

Climate Strategy

GRI 3-3

Our commitment to achieving Net Zero carbon emissions by 2050 remains a core objective for Capital A. To realise this ambition, we have operationalised four core aviation pathways, supported by the broader environmental mandates within our Sustainability Policy. These strategic pillars focus on minimising greenhouse gas (GHG) emissions and energy intensity, while simultaneously advancing water stewardship.



Our Management Approach

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

Supporting the UN SDGs



Performance Overview 2025



62.9
gCO₂/ASK



76.3
gCO₂/RPK



135,788
tonnes
CO₂ avoided through decarbonisation initiatives



5,785,598
tCO₂e
of Scope 1 emissions



14,441
tCO₂e
of Scope 2 emissions



1,210,768
tCO₂e
of Scope 3 emissions

ENVIRONMENTAL
Addressing Climate Change

NET ZERO BY 2050

2025 Overview

In October 2025, the International Civil Aviation Organisation (ICAO) published the first positive Sectoral Growth Factor (SGF) of its offsetting scheme, thereby confirming mandatory offsetting for hundreds of airlines based in the 126 States that opted to participate in CORSIA from 1 January 2024.

This represents the most significant development to advance the climate change transition of the global aviation sector as it sets up mandatory reduction and offsetting targets for thousands of airlines around the world. To meet this compliance, airlines have to step up to deliver on all four decarbonisation pillars.

AirAsia's achievements to advance its net zero transition may be summarised as follows:

Strategies	Expected Contribution to 2030 Targets	2025 Key Initiatives
Operational Efficiencies	5%	<ul style="list-style-type: none"> Implemented 19 flight operations initiatives, delivering CO₂ reduction of 135,788 tonnes Expanded fleet of Combo Units delivering CO₂ reduction of 7,123 tonnes Commenced trials of the Aerowash exterior dry cleaning technology that aims to deliver 1-2% reduction in fuel and CO₂ by 2026
Fleet Management	2%	<ul style="list-style-type: none"> Took delivery of 2 new A321neos, retaining average fleet age at 12 years
Sustainable Aviation Fuels	3%	<ul style="list-style-type: none"> First MoU signed by Thai AirAsia with CAAT to target 0.5% SAF utilisation in 2026
Carbon Offsetting	13%	<ul style="list-style-type: none"> Secured approvals from regulators in Thailand and Indonesia to introduce carbon fees from 2026 to cover CORSIA costs Developed the first CORSIA sandbox project to purchase compliance credits from an ASEAN project

Best Practice Highlights

Contributing Expertise to International Aviation Environmental Protection



Since 2023, AirAsia's sustainability chief has held a seat among a select group of international experts tasked with developing the technical framework for the implementation of CORSIA, including monitoring and analysing developments in the demand and supply of decarbonisation solutions. In 2025, AirAsia actively participated in online and in-person meetings and successfully nominated a new regional expert to the working group. This is aimed at enhancing regional and industry representation in the policy-making body and ensuring that CORSIA can function effectively and fairly.

Setting the Agenda on Sustainable Decarbonisation Financing



AirAsia is instrumental in developing a carbon pricing mechanism for airlines to introduce carbon surcharges to airfares. Prior to this, Asean airlines were not permitted to introduce environmental fees despite global pressures to decarbonise. Through sustained advocacy, AirAsia has secured approvals from civil aviation authorities in Malaysia, Thailand and Indonesia to introduce transparent surcharges starting in 2026, subject to regulatory oversight. This landmark development establishes a sustainable pathway for the industry to recover decarbonisation costs and finance its transition in the region.

A Leader in Cutting Ground Emissions



AirAsia is the first airline in Asean to deploy two innovative technologies to reduce its ground-based emissions. In 2025, AirAsia accelerated its "APU Off" programme, expanding the fleet of Combo Units from 4 to 21. This enabled the airline to cut ground emissions by 7,123 tonnes of CO₂e, saving 2.9M litres of aviation fuel.

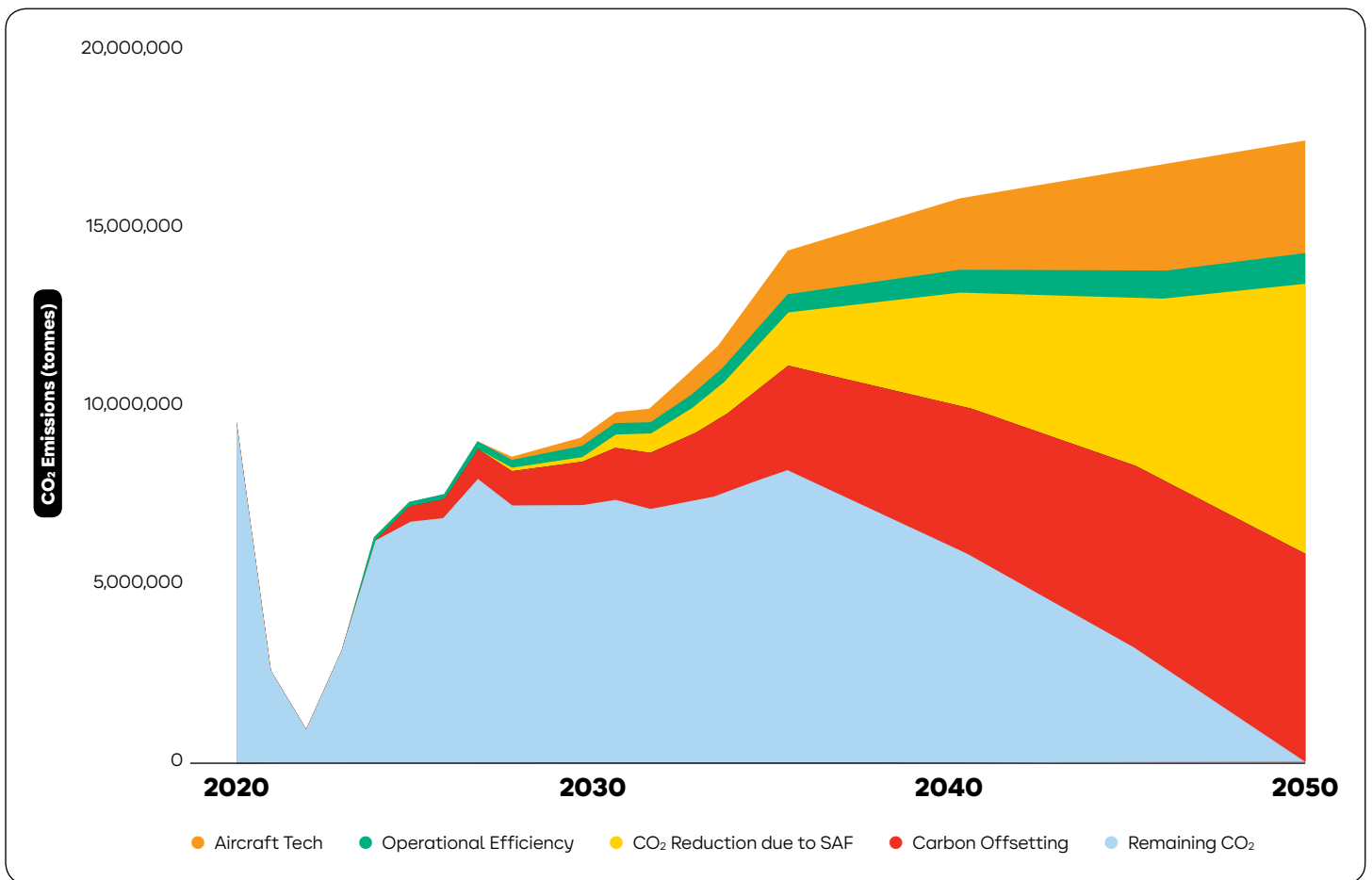
In August 2025, AirAsia also became the first regional airline to adopt Aerowash, a robotic drywash system that cleans exteriors to improve aerodynamics and lower fuel burn. As the pioneering operator in Southeast Asia, AirAsia will monitor and analyse fuel savings throughout 2026, with the goal of validating the technology's benefits and promoting its wider adoption.

Net Zero Modelling

In response to the first confirmed positive CORSIA sectoral growth factor, we updated our net zero modelling to incorporate the latest statistics and two critical refinements.

First, we mapped the detailed delivery schedule of our new A321neo fleet through 2035. This schedule accounts for both expansion and the phased replacement of older aircraft, which is expected to moderate our emissions growth trajectory. Second, the model now includes the projected impact of our investment in new ground technologies, which are anticipated to reduce overall jet fuel consumption by 1% upon optimal implementation.

Consequently, our updated net zero chart reflects a flatter emissions growth profile between 2027 and 2035. This shift underscores the proportionately greater contribution to emissions reduction from fleet modernisation and operational efficiencies during this key transitional period.



With higher than earlier expected CORSIA sectoral growth factors, we also adjusted our emissions reduction targets for the period between 2025-2035. For the year 2025, for example, AirAsia's emissions reduction target has been raised from 5% to 7% for 2025 and 20%-23% for 2030.

Year	2025	2030	2035	2040	2045	2050
Total Emissions Reduction/Offsetting Target (Baseline Year: 2019)	7%	23%	35%	55%	75%	100%

ENVIRONMENTAL

Addressing Climate Change

Up until 2035, AirAsia's emissions reduction targets will track CORSIA offsetting forecasts. Thereafter, it will exceed CORSIA requirements as we expect that by 2035, domestic emissions reduction schemes will also cover the domestic aviation sector.

This year's progress in advancing AirAsia's four net zero pathways is detailed below.

Pathway 1: Operational Efficiency

GRI 305-4

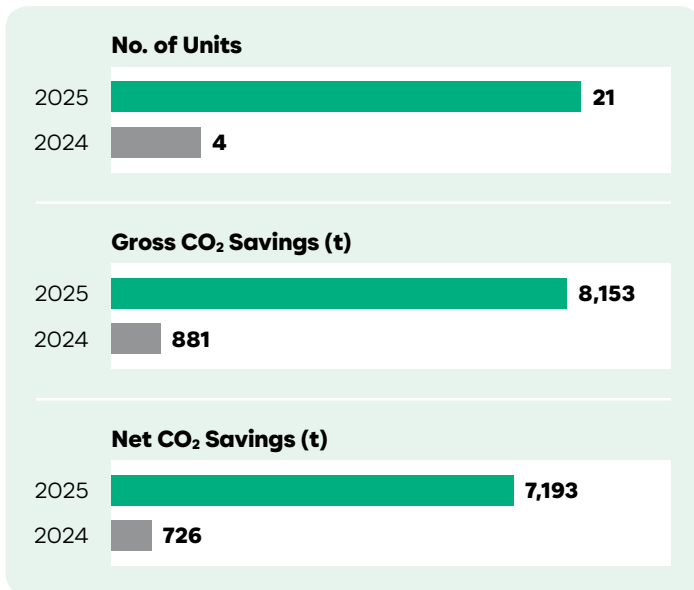
Ground Operations

1 "APU Off" Programme

In 2025, AirAsia prioritised reducing ground emissions through its "APU Off" programme. This initiative replaces the use of aircraft auxiliary power units (APUs) with more efficient Combo units while aircraft are stationary.

Following successful trials in late 2024, AirAsia accelerated the deployment, expanding the fleet to 21 units to serve its hubs in Kuala Lumpur, Kota Kinabalu, Kuching and Manila. Through progressive training and familiarisation of ground personnel, the carbon savings per unit doubled throughout 2025, achieving a total net reduction of 7,193 tonnes of CO₂. This is equivalent to saving approximately 2.9 million litres of jet fuel.

Results of "APU Off" Implementation



To complete the deployment for Malaysia, six additional units will be introduced in 2026. The programme will also launch in Indonesia in 2026. At full deployment, the Combo Units are expected to reduce AirAsia's total CO₂ emissions by 1%.



2 Aerowash Dry Exterior Cleaning

In October, AirAsia became the first ASEAN airline to introduce Aerowash, an innovative drywash technology for aircraft exterior cleaning. This helps reduce aerodynamic drag and improve overall aircraft performance.

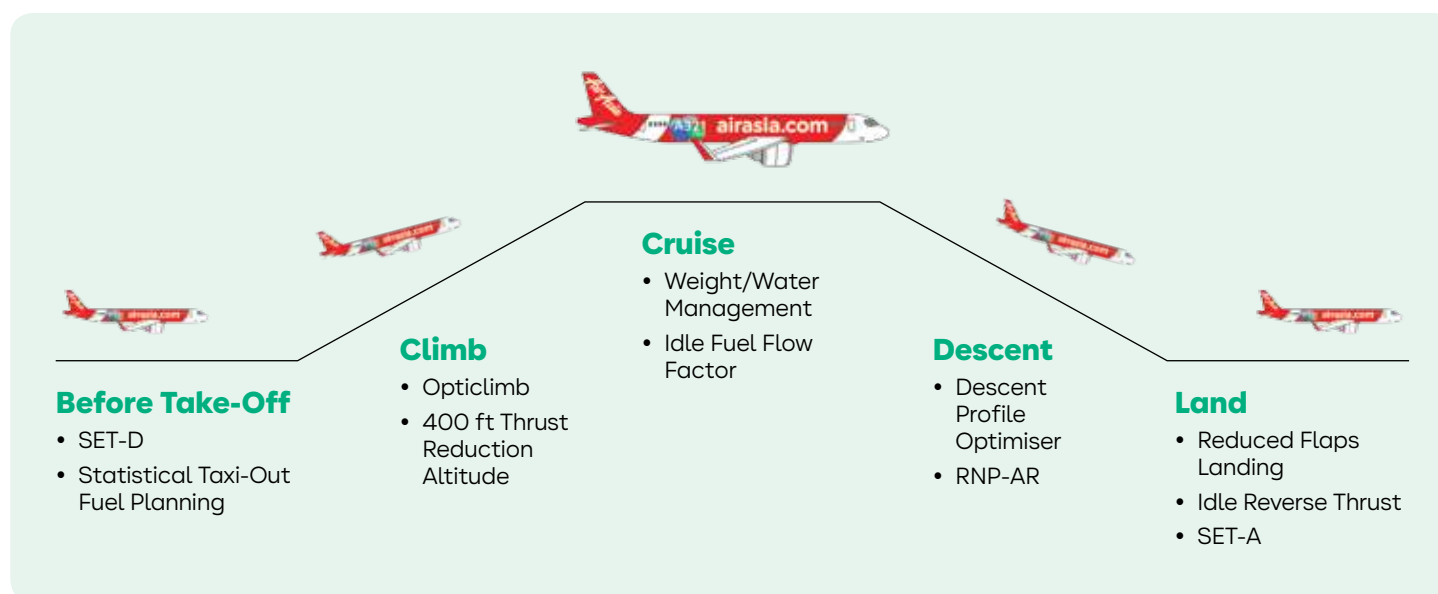
The system utilises a remotely operated robotic arm on a mobile base, significantly reducing manpower requirements compared to conventional washing. The cleaning agents are 100% plant-based and biodegradable, allowing AirAsia to save up to 10,000 litres of water per wash and eliminate chemical wastewater. Conducted at night with a minimal crew, Aerowash also reduces aircraft downtime. At optimal implementation, cleaner aircraft are projected to contribute a further 1-2% reduction in emissions.



Flight Operations

Throughout 2025, AirAsia continued to strengthen its long-standing flight efficiency programme to reduce emissions at source. In total, AirAsia operated 19 green operating procedures further enhancing flight efficiency.

The table below provides an overview of the top contributors to 2025 CO₂ reductions. Descriptions of all listed fuel efficiency measures are available in AirAsia's Guide to Aviation Sustainability or from our previous sustainability report.



Performance Highlights 2025 (4 AOCs)

No.	Key Operational Efficiency Measure	Group Implementation Rate			2025 Group Fuel Savings (t)	2025 Group Emissions Avoided (tCO ₂)
		2023	2024	2025		
1	OptiClimb	67%	68%	66%	19,502	61,626
2	Single Engine Taxi - Arrival	96%	81%	80%	2,962	9,360
3	Single Engine Taxi - Departure	45%	56%	51%	4,966	15,693
4	Reduced Flaps Landing	73%	81%	92%	2,930	9,259
5	Idle Reverse Landing	79%	100%	91%	2,011	6,355
6	CONF1+F Take-off	98%	94%	92%	4,163	13,155

Note: Table highlights 6 out of 19 operational efficiency measures monitored.

Recognising that internal initiatives are approaching optimal utilisation, the airline focused on tackling systemic bottlenecks in air traffic management (ATM).

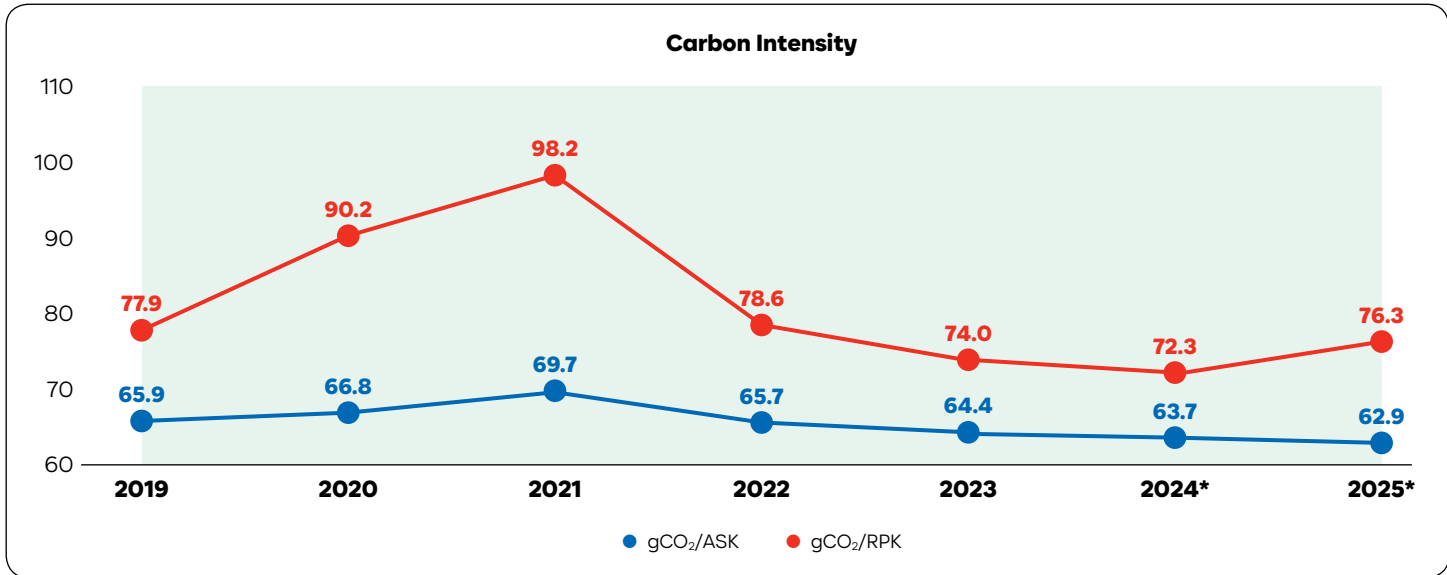
In June 2025, AirAsia co-organised an ASEAN Workshop of Operational Efficiencies with EASA and CAAM. The forum brought together regional air traffic control authorities and operators to discuss advancements in airspace management, share best practices and improve emissions monitoring. Experts from Europe's Single European Sky ATM Research (SESAR) project also shared applicable research to enhance regional airspace efficiency.

AirAsia also began exploring artificial intelligence to reduce fuel consumption. Among the new tools introduced is the Tail Assignment Optimiser, a predictive model that analyses historical data to forecast fuel use and optimise fleet scheduling. In its initial four-month trial for Kuala Lumpur, the tool reduced fuel consumption by 0.44%, saving RM1.35 million in fuel costs.

ENVIRONMENTAL

Addressing Climate Change

The combined impact of these ground and flight operations initiatives led to a 1.2% reduction in carbon intensity on a per-seat basis from 63.7 gCO₂/ASK to 62.9 gCO₂/ASK. Carbon intensity on a per-passenger basis rose, however, largely due to lower load factors across the four larger AOCs, a consequence of dampened travel demand from ongoing global geopolitical and economic uncertainties.



* Including Cambodia AirAsia from 2024

Fuel Saved
42,971 tonnes

Equivalent Trees Planted
2.26 million trees



CO₂ Avoided
135,788 tonnes

Fuel Cost Saved
USD 30,939,120

Pathway 2: Fleet Management

In 2025, AirAsia took delivery of two A321neos which were delivered to Thai AirAsia for fleet expansion purposes while three aircraft were returned to lessors due to lease expiries from IAA and PAA respectively. After accounting for these movements, the group's average fleet age rose slightly to 12 years from 11.3 years the previous year.

AirAsia is taking a two-pronged approach to managing its fleet replacement and expansion needs for the next decade. To meet the fleet expansion needs to power its global low-cost network strategy, AirAsia converted a portion of its outstanding 354 A321neo order book to A321LR (long range) models with an estimated 6.5-hour maximum range.

In July 2025, AirAsia also signed a Memorandum of Understanding with Airbus to convert 70 A321XLR (extra long range) aircraft to further extend its narrowbody network range

to 8 hours from the group's key aviation hubs of Kuala Lumpur and Bangkok. This will enable AirAsia to reach new destinations in West Asia and Central Asia with a more fuel efficient option than widebody alternatives as these are expected to be new developmental routes.

For the replacement of its A320ceo fleet, AirAsia is currently assessing two regional jet models with a five-hour flight range and 160 seat capacity. These regional jets will enable both more efficient flying and allow AirAsia to rightsize to reduce excess capacity on some regional routes. The fleet replacement plan will also enable gradual lowering of fleet age upon its expected induction from 2028 onwards.

To enhance fuel efficiency, all new aircraft will be equipped with all-economy class and lightweight seats. New aircraft will also be pre-installed with software that allows implementation of our advanced fuel efficiency programme as detailed in the section above.

AirAsia's fleet distribution as of 31 December 2025

Model	Units	Average Age (years)	Capacity (Seats)	# of Units Retired
A320	168	13.9	180/186	3
A320neo	40	7.9	186	0
A321neo	15	2.5	236/240	0
Total	223	12.1	-	3

Fleet Age

Fleet Age	% of Total Fleet
< 7 years	10.8%
7-13 years	43.5%
> 13 years	45.7%

Fleet Strength as at 31 December of each calendar year

Year	Fleet Size	Units in Service	% Operational
2023	216	159	73.6%
2024	227	192	84.6%
2025	220	190	86.4%

Teleport

Model	Units	Average Age (years)	Capacity (tonnes)	# of Units Retired
A321F	3	25.9	23	0

Pathway 3: Sustainable Aviation Fuels (SAF)

AirAsia is actively engaged in regional SAF developments, focusing on policy frameworks and feedstock supply chain. In January, building on a 2024 partnership to explore decentralised SAF production in Southeast Asia, AirAsia and Airbus held preliminary discussions with researchers from Indonesia's IPB University to scope a study mapping biomass feedstock accessibility against Indonesia's supply. Concurrently, AirAsia advocated for regional policy alignment, recommending Malaysia's endorsement of an Indonesia-led ICAO working paper to assess the lifecycle emissions of SAF derived from palm oil mill effluents (POME) and to establish its eligibility under the CORSIA Eligible Fuels framework.



On the policy front, AirAsia submitted formal recommendations to the Malaysian Ministry of Transport regarding a national SAF mandate. In Indonesia, IAA engaged in dialogues with the Indonesia Ministry of Transport, Ministry of Energy and Mineral Resources, and Coordinating Ministry of Infrastructure and Regional Development, to deliberate the country's national SAF roadmap.

The year concluded with TAA signing a Memorandum of Understanding with the Civil Aviation Authority of Thailand on 17 November 2025 alongside seven other Thai carriers to promote the use of SAF. The landmark agreement sets a target of 0.5% to 1% SAF use on international flights from 2026 onwards, marking a critical step toward achieving the industry's Net Zero by 2050 goal.

ENVIRONMENTAL

Addressing Climate Change

Pathway 4: Carbon Offsetting

As a multinational Asean operator, AirAsia is at the forefront of regional advocacy for implementing CORSIA and scaling up the supply of CORSIA-Eligible Emissions Units (CEUs). Our leadership is demonstrated through direct engagement in international policy-making and in domestic policy development.

In April 2025, AirAsia extended its role for a second term as a technical expert on the ICAO CAEP CORSIA Working Group. We also amplified Asean representation by successfully nominating an expert from the Malaysia Forest Fund to the group. This involvement provides critical insights into CORSIA developments, enabling AirAsia to forecast offsetting requirements and share actionable insights with regulators to inform effective policy design and address information gaps.

Nationally, AirAsia continues to chair Malaysia's Task Force on CORSIA for a third year to coordinate industry alignment. We convened a stakeholders' meeting in August 2025 and represented the task force in government consultations to develop Malaysia's Nationally Determined Contribution 3.0 and Carbon Market Policy. AirAsia is also leading a pioneering sandbox project between multiple stakeholders to authorise the first Malaysian carbon credits for CORSIA eligibility by 2027.

In Thailand and Indonesia, AirAsia was instrumental in advocating for a carbon pricing mechanism that allows airlines to integrate CORSIA costs into airfares. Beyond engagements with authorities, we organised briefings for members of the Airlines Association of Thailand (AAT) and the Indonesia Air Carriers' Association (INACA) to develop unified industry positions and recommend supportive policies to address CEU supply shortages. This culminated in regulatory approvals for airlines in both countries to introduce transparent carbon surcharges to airfares starting in 2026. Aligning with Malaysia's earlier approval, this establishes a consistent, market-based approach across our core Asean markets, sending a powerful signal to stimulate regional CEU supply.

Our advocacy extends directly to the carbon market ecosystem. In May 2025, AirAsia joined an international panel hosted leading carbon project developer BURN to discuss CORSIA's impact on global credit supply and demand. This engagement was followed in December 2025 by participation in a high-level panel at the Indonesia Carbon Digital Conference. These strategic platforms allowed us to communicate CORSIA technical requirements directly to top carbon project developers and key government ministries, fostering essential alignment between credit supply and the aviation sector's growing compliance needs.

Stakeholder Engagement

A cornerstone of our climate strategy is extending stakeholder engagement beyond policy-makers and industry specialists to foster broader public awareness and informed decision-making at all levels of our organisation.

To ensure leadership alignment, AirAsia conducted its second comprehensive sustainability briefing in 2025 for all directors and C-level executives across the Capital A group. This is supported by quarterly Sustainability Working Group management meetings and dedicated Sustainability Board Committee sessions, ensuring that strategic oversight remains fully attuned to the evolving regulatory and industry landscape.

Embedding sustainability across the organisation is equally critical. In 2025, we launched the "Sustainability 101" workshop for our employees (Allstars). These fully-subscribed, in-person sessions - held in Kuala Lumpur, Kota Kinabalu, Chiang Mai, Phuket, Jakarta and Bali - deepened the understanding of our ESG priorities among 470 staff members and highlighted every Allstar's role in achieving our collective goals.

In recognition of AirAsia's leading role in embedding sustainability practices into our business, AirAsia was invited for a third year to present at the Thai Sustainability Expo 2025, Southeast Asia's largest sustainability event. The event, which attracted more than 500,000 onsite visitors, provided an interactive platform for AirAsia to showcase our sustainability initiatives and encourage responsible travel practices. Building on this success, Thai AirAsia representatives were invited to deliver sustainability workshops for students at two universities in Bangkok.

Beyond major expos, AirAsia continues to share insights through international conferences and media interviews. AirAsia's sustainability team also hosted a second season of "Positive Altitude", our sustainability podcast, which explains the challenges of aviation decarbonisation and spotlights AirAsia's proactive measures. This channel effectively reaches a growing audience of informed stakeholders and serves as an ongoing educational resource.

Through this multi-layered approach - from boardroom briefings and employee training to global forums and public engagement - AirAsia solidifies its role not merely as a policy participant but as a proactive industry leader championing a credible and collaborative transition toward global climate targets.



AirAsia Speaking Highlights

- BURN CORSIA Webinar, Online
- Thai Institute of Directors' National Director Conference, Bangkok
- 9th China Low Cost Carriers Summit, Wuhan
- Thai Sustainability Expo 2025, Bangkok
- Carbon Digital Conference 2025, Bandung

Media Features

Opinion:

"Hazy Outlook for Asean Sustainable Aviation Amid US' Backsliding on ESG"

The Edge Malaysia, 17 February 2025

Interview:

"The Environment - AirAsia Soars"

Airline News with Geoffrey Thomas, 5 May 2025

Interview:

"The Hard Task of Cutting Airline Emissions"

Business FM Malaysia, 11 November 2025

Positive Altitude AirAsia's aviation sustainability podcast, continues into its second season



Episode Highlights

Cutting Through Greenwash

US Extends SAF Credits - but at what Cost?

Will CORSIA Survive its First Phase?

IFRS S2 Statement

Capital A acknowledges the increasing global imperative for transparent and comparable climate-related financial disclosures. Since 2021, we have disclosed our climate-related risks and opportunities, becoming an official supporter of TCFD in 2022. In alignment with the National Sustainability Reporting Framework (NSRF), directives issued by the Securities Commission and Bursa Malaysia, we are actively preparing for the implementation of mandatory IFRS S2 Climate-related Disclosures, which is scheduled to take effect for the 2027 financial year, with reporting due in 2028.

Our transition readiness is currently focused on enhancing internal capabilities across all four pillars of the IFRS S2 framework: Governance, Strategy, Risk Management, and Metrics & Targets. In 2025, we conducted several rounds of briefings with Capital A's chief finance, risk and strategy officers to map a process flow for gathering information for this exercise and identifying current information gaps.

Thereafter, we commenced a comprehensive reassessment of our climate-related financial risks. Our scope extends beyond that of many industry peers, as we incorporate airports as a key value chain component into our assessments. This initiative involves:

- **Physical Risk Assessment:** Updating the evaluation of potential impacts from acute and chronic physical risks. In 2025, prior to conducting scenario analysis, a screening exercise covering the 179 airports in which we operate was undertaken to identify and categorise climate-related disruptions across our network, and validate which of these disruptions resulted in material operational impacts on AirAsia. This screening enables the identification of representative airports and relevant climate hazards for further assessment, balancing practical analysis with operational efficiency.
- **Transition Risk Assessment:** Deepening the analysis of transition risks based on policy and legal, technology, market, and reputation drivers, aligned with the ICAO four pathways outlined in above section.

By integrating the requirements of IFRS S2 into our existing climate strategy and internal reporting cycles, Capital A aims to not only meet regulatory compliance but also provide investors and stakeholders with decision-useful information regarding our resilience and progress towards Net Zero by 2050.



ENVIRONMENTAL

Addressing Climate Change

CLIMATE-RELATED RISKS AND OPPORTUNITIES

We identify adverse climate change as a critical risk on our business and value chain, managed alongside our operational, financial, and compliance risk exposures within our established Enterprise Risk Management (ERM) framework. This integration ensures a structured approach to assessing the likelihood and impact of both physical and transition risks. The processes and related policies that we use to identify, assess, prioritise and monitor climate-related risks are elaborated in the Risk Management section of this report.

Legend ● Short term (1-2 years) ● Medium term (2-5 years) ● Long term (>5 years)

Risk Type	Time Horizon	Value Chain	Climate-related Risk Description	Potential Financial Impact	Mitigation Strategy
Transition Risks					
Policy and Legal	● ● ●	Own operations & Upstream	Implementation of stringent climate-related regulations, including carbon pricing mechanisms, and mandatory Sustainable Aviation Fuel (SAF) blending mandates.	Escalation in direct operating costs; leading to potential fare increases, which may suppress price-sensitive travel demand and compress profit margins.	<ul style="list-style-type: none"> Proactive engagement with government bodies to shape feasible decarbonisation frameworks and policies. Continuous monitoring of global regulatory developments to anticipate compliance obligations across our network. Execution of our Net Zero 2050 strategy, prioritising fleet modernisation, operational efficiency, and SAF integration. Introduction of carbon fee to mitigate cost exposure. Ongoing strategic dialogue with regional fuel suppliers to accelerate SAF production timelines and secure supply in all AOC countries. Collaborating on R&D to explore alternative SAF feedstocks and production technologies.
		Own operations	Implementation of mandatory sustainability and climate-related disclosure frameworks.	Increase in reporting costs, including manpower expenses, measuring tools and audit fees.	<ul style="list-style-type: none"> Leverage existing digital infrastructure and adopt automated data management tools to streamline collection and minimise manual effort. Utilise internal audit resources to conduct pre-assurance validation, ensuring data readiness and cost-efficiency before engaging external auditors. Participation in industry peer groups and working sessions to adopt best practices for implementing new frameworks (such as IFRS S1 & S2) effectively.
		Own operations	Heightened scrutiny from stakeholders regarding sustainability and climate-related claims, leading to potential exposure to "greenwashing" allegations or litigation.	Potential for significant legal defense costs, regulatory fines, and reputational degradation, which could erode brand equity and investor confidence.	<ul style="list-style-type: none"> Ensure all sustainability communications are rooted in verifiable data and standardised reporting frameworks Maintain open, accurate, and consistent communication regarding our decarbonisation roadmap, acknowledging both progress and challenges to manage expectations.

Risk Type	Time Horizon	Value Chain	Climate-related Risk Description	Potential Financial Impact	Mitigation Strategy
Technology	L	Own operations	Rapid advancement of low-carbon technologies rendering the existing fossil-fuel fleet and ground equipment prematurely obsolete.	Potential asset devaluation, accelerated depreciation, and significant capital expenditure required for fleet renewal.	<ul style="list-style-type: none"> Negotiate purchase agreements that include conversion rights, allowing unfulfilled deliveries to be upgraded to next-generation specifications. Enhance fleet strategy by staggering lease maturities and incorporating flexibility clauses to facilitate transitions to newer technology.
	M L	Upstream	Slow commercialisation of SAF technologies may lead to chronic supply shortages and persistently high price premiums compared to conventional jet fuel.	Escalated fuel costs resulting in higher operating expenses and inevitable fare increases, potentially affecting market competitiveness.	<ul style="list-style-type: none"> Lobby for government incentives and price-support mechanisms to bridge the cost gap and accelerate commercial adoption. Collaborate with industry stakeholders to drive demand signals that encourage investment in production capacity.
Market	S M L	Downstream	Growing climate awareness may lead travelers and corporate clients to reduce flight frequency or prioritise lower-carbon transport alternatives.	Reduced passenger load factors and ticket volume, directly impacting top-line revenue.	<ul style="list-style-type: none"> Introduction of a voluntary offset program, empowering passengers to neutralise their flight footprint. Strategic investment in SAF and carbon projects to hedge against rising decarbonisation costs, ensuring fares remain competitive while offering greener travel options.
Reputation	S M L	Own Operations	Negative stakeholder sentiment if perceived as acting insufficiently or slowly on the climate crisis compared to peers.	Loss of market share to competitors perceived as more sustainable; and potential divestment by ESG-focused investors and higher cost of borrowing from financial institutions.	<ul style="list-style-type: none"> Formalise and publicise a Net Zero 2050 commitment, supported by a clear, phased roadmap. Invest in high-impact carbon reduction initiatives and consistently communicate progress through transparent, multi-channel stakeholder engagement.
Physical Risks					
Acute	M L	Own Operations	Operational disruption caused by extreme temperatures rendering critical assets such as aircraft, ground equipment, or data centers temporarily inoperable.	Revenue loss and increased compensation costs resulting from forced flight delays, cancellations, and network interruptions.	<ul style="list-style-type: none"> Implementation of seasonal scheduling adjustments to avoid peak risk periods. Execution of preemptive cancellations and rescheduling to prevent passenger stranding and protect asset integrity.
	S M L	Own Operations	Increased frequency and intensity of extreme climate events (e.g., typhoons, floods) impacting operations and infrastructure integrity.	Cost of asset damage, increase in insurance premiums and revenue loss due to travel disruption.	<ul style="list-style-type: none"> Maintenance of robust Business Continuity Plans (BCP) to ensure rapid recovery.
Chronic	L	Own Operations & Upstream	Long-term climate shifts and sea-level rise potentially rendering low-lying assets and coastal airports inoperable or flood-prone.	Higher charges and levies at new, climate-resilient infrastructure; and reduced passenger volume if replacement airports are located further from city centers with poor connectivity.	<ul style="list-style-type: none"> Prioritise the selection of assets/hub located in zones shielded from sea-level rise and extreme weather. Reinforce pilot training to handle evolving weather regimes and maintain up-to-date Business Continuity Plans. Ensure destination airports are well-served by public transport to mitigate the impact of longer airport transfers and minimise Scope 3 emissions.

ENVIRONMENTAL Addressing Climate Change

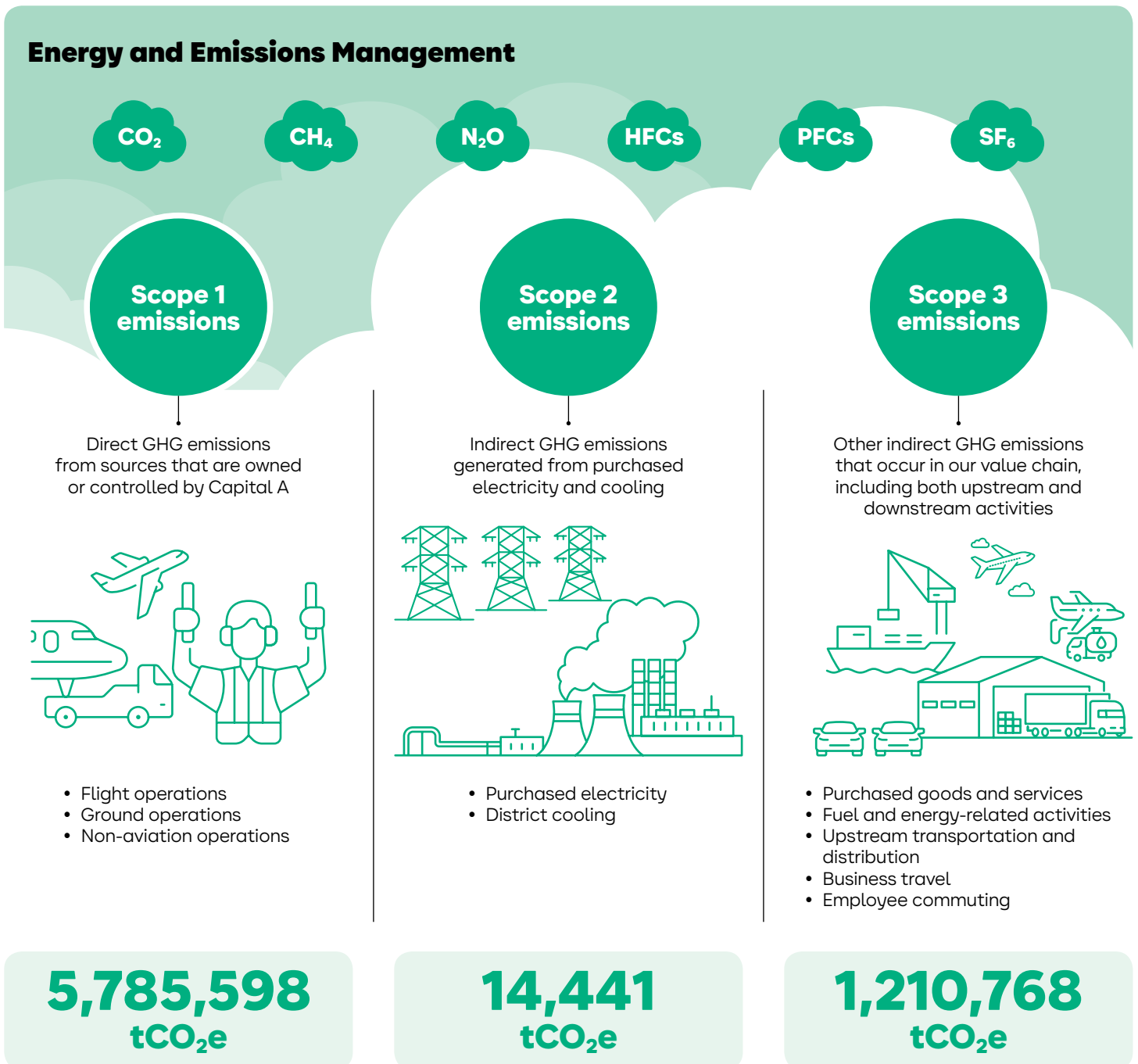
Beyond mitigation strategy, we view the climate landscape as a source of strategic advantage. We identify and evaluate climate-related opportunities—ranging from resource efficiency to operational resilience—and integrate these considerations directly into our corporate strategy and financial planning. By aligning our sustainability objectives with business operations, we ensure that our response to climate challenges acts as a catalyst for resilience and long-term value creation. The following are among specific climate-related opportunities we have identified:

Legend ● Short term (1-2 years) ● Medium term (2-5 years) ● Long term (>5 years)

Climate-related Opportunities	Time Horizon	Value Chain	Potential Financial Impact	Strategy
Lower-Carbon Business Diversification	●	Own Operations	Reducing the Group's exposure to aviation-specific climate transition risks (e.g., carbon pricing and fuel volatility) by expanding into lower-emission verticals like MRO, logistics, OTA, and F&B to build climate-resilient revenue streams.	Allocate capital to accelerate the growth of non-airline businesses, increasing their overall revenue share. Embed sustainable practices across these new verticals to enhance long-term resilience.
Resource efficiency	● ● ●	Own Operations	Direct reduction in operating costs through fleet modernisation and air traffic management improvements, reinforcing our position as the industry leader with the lowest cost per ASK and CO ₂ per RPK.	Consult regularly with civil aviation authorities to integrate new fuel efficiency measures into national State Action Plans. Advocate for structural improvements to national airspace systems (e.g., shortened flight paths) to structurally lower GHG emissions.
Resource diversification	● ●	Upstream & Own Operations	Reduces exposure to volatile fossil fuel prices and escalating carbon taxes, potentially stabilising long-term operating costs.	Ongoing engagement with suppliers to establish SAF availability, prioritising the use of locally available feedstocks. Execution of an MoU with Airbus to explore decentralised SAF production using alternative feedstocks and technologies across Southeast Asia.
Circular Economy Integration	● ●	Own Operations & Upstream	Upgrading workshop capabilities to extend the useful lifecycle of critical aircraft components while advancing circular economy principles.	Invest in advanced technologies and technical training to maximise component repairability.
Products and services	● ●	Downstream	Increased ancillary income from offset sales and sustainable tour packages, alongside market share expansion among the growing segment of eco-conscious travelers.	Enhance the booking platform to allow passengers to customise their carbon fee contributions. Collaborate with social enterprises to retail accredited sustainable travel activities and experiences.
Markets	● ● ●	Downstream	Sustained revenue generation driven by the essential movement of aid workers, reconstruction teams, and returning residents during rehabilitation phases.	Prioritise the rapid resumption of commercial flights to affected zones as soon as safety permits, positioning the Group as a key enabler of national rebuilding programs.
Operational resilience	● ●	Own Operations	Minimised operational disruptions and protected revenue streams by concentrating capacity in geographically shielded locations.	Investment in advanced climate forecasting tools to guide long-term fleet allocation and route planning. Engagement with airport partners to assess and align their resilience roadmaps with our operational needs.

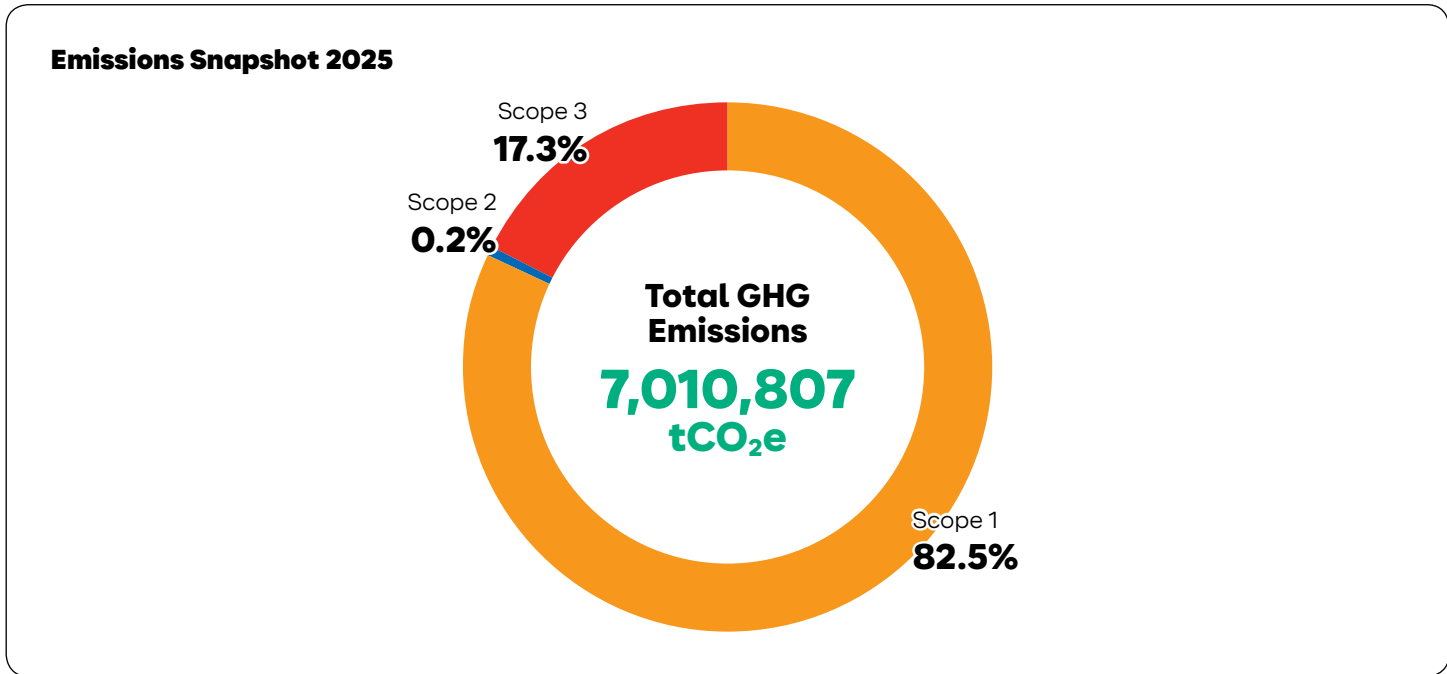
MEASURING OUR CARBON FOOTPRINT

Effective decarbonisation targets require a precise understanding of our emissions profile. In 2025, our total greenhouse gas (GHG) inventory—encompassing Scope 1, Scope 2, and Scope 3 emissions—amounted to approximately 7,010,807 tonnes. Carbon dioxide resulting from jet fuel combustion remains the primary driver of this footprint. To ensure integrity and consistency, our reporting framework adheres to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, utilising specific emission factors relevant to each country of operation to guarantee the accuracy of our data.



ENVIRONMENTAL

Addressing Climate Change



1 Scope 1 GHG Emissions

GRI 305-1, 305-4

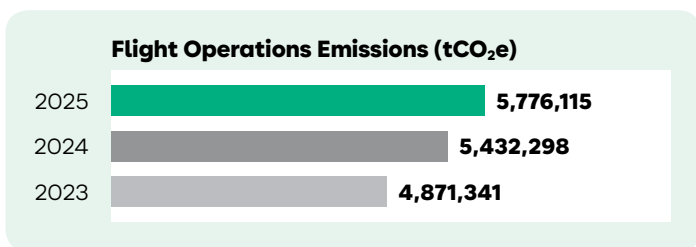
Flight Operations

Capital A's Scope 1 GHG emissions profile is overwhelmingly driven by jet fuel combustion across our airline fleet. To ensure credible reporting standards, we calculate these emissions utilising the standard ICAO jet fuel emission factor.

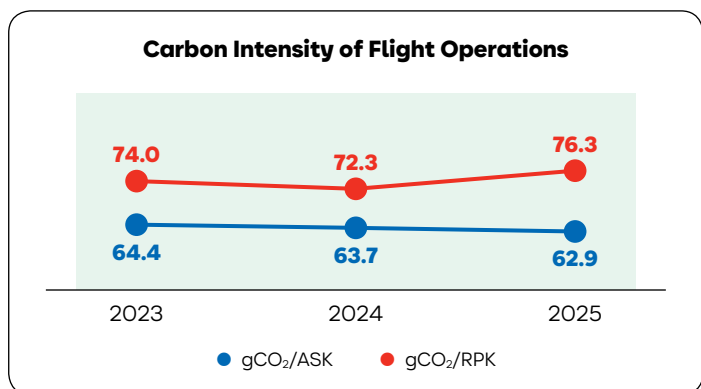
In 2025, total fuel consumption increased by 6% to 1,812,078 tonnes (2024: 1,704,216 tonnes), resulting in a corresponding rise in Scope 1 emissions to 5,776,115 tCO₂e (2024: 5,432,298 tCO₂e). This absolute increase aligns directly with the restoration of our network, as total flight volumes recovered near pre-pandemic levels by year-end.

While absolute emissions grew in tandem with our capacity expansion, fleet-level operational efficiency remained stable. Our carbon intensity, measured in grams of CO₂ per Available Seat Kilometer (gCO₂/ASK), decreased by 0.8g to 62.9 gCO₂/ASK. This reduction reflects our disciplined approach to operational efficiency.

However, our carbon intensity per Revenue Passenger Kilometer (gCO₂/RPK) increased by 4.0g to 76.3 gCO₂/RPK, driven by lower passenger load factors across our four primary AOCs amid ongoing macroeconomic and geopolitical headwinds.



Note: The data reported includes the CO₂ equivalents of methane (CH₄) and nitrous oxide (N₂O) emissions. AirAsia does not emit hydrofluorocarbons, perfluorocarbons or sulphur hexafluoride from flight operations.



Pursuant to CORSIA's Monitoring, Reporting, and Verification (MRV) standards, we engage accredited independent verifiers to audit our international flight emissions annually. As of this report's publication, the external verification process for our 2025 carbon inventory is currently in progress.

Ground Operations

While flight operations account for the vast majority of our carbon footprint, we track and report our ground operations emissions to ensure full transparency and comprehensive carbon accounting.

Our Ground Operations Scope 1 footprint is primarily driven by diesel consumption within our Ground Support Equipment (GSE) fleet. Key emission sources include Ground Power Units (GPUs), ramp transport vehicles, and mobile air-conditioning units. These emissions are calculated based on fuel consumption data applied against standard US EPA diesel emission factors.

In 2025, absolute diesel consumption increased by 14% in direct correlation with the expansion of our active GSE fleet, which was scaled proportionally to service higher daily flight frequencies and network growth.

 **2,558 tonnes**
Diesel consumption

 **8,422 tCO₂e**
Ground operations emissions

Non-Aviation Operations

In addition to core flight and ground operations, the Group also tracks direct emissions generated by our ancillary business units. This segment of our footprint comprises two primary operational categories:

- **Mobile Combustion:** This encompasses diesel and petrol consumed by company-owned assets operating outside of direct aircraft turnaround support. It includes GSE and non-aviation utility vehicles utilised by ADE and Santan.
- **Stationary Combustion (Catering Operations):** This captures the combustion of Liquefied Petroleum Gas (LPG) within the commercial kitchens of our catering and restaurant businesses.

 **325 tonnes**
Diesel, petrol and LPG consumption

 **1,061 tCO₂e**
Non-aviation operations emissions

Although these activities represent a minor fraction of the Group's total Scope 1 emissions profile, their inclusion ensures comprehensive carbon accounting and provides a transparent view of the environmental footprint across our diverse corporate ecosystem.



Electrification of Ground Support Equipment

To actively reduce ground-based Scope 1 emissions, ADE is systematically transitioning its ground infrastructure and operational fleet from Internal Combustion Engine (ICE) units to electric alternatives across the RedChain warehouse and MRO hangars.

Electric Industrial Vehicles

10 units deployed (comprising pallet trucks, reach trucks, forklifts, and scissor lifts), representing **15%** of the fleet.

Electric Ground Power Units (e-GPUs)

6 units deployed, representing **75%** of the total GPU fleet.



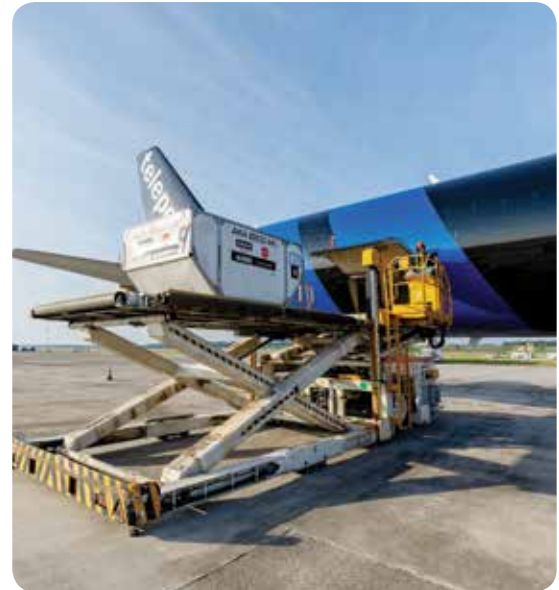
ENVIRONMENTAL Addressing Climate Change

teleport

Optimising Cargo Capacity

In 2025, Teleport prioritised capacity optimisation across both its passenger belly space network and its dedicated fleet of three A321F freighters. Following these operational adjustments, the aggregate cargo load factor improved from 17.8% in 2024 to 19.4% in 2025.

Maximising payload efficiency is a critical lever in our decarbonisation strategy; by utilising available capacity more effectively, we reduce the carbon intensity per tonne-kilometer transported.



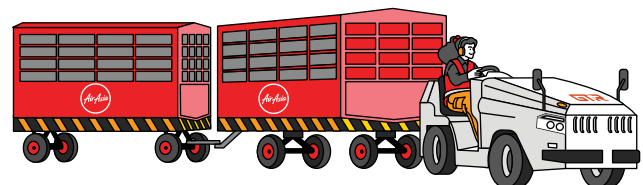
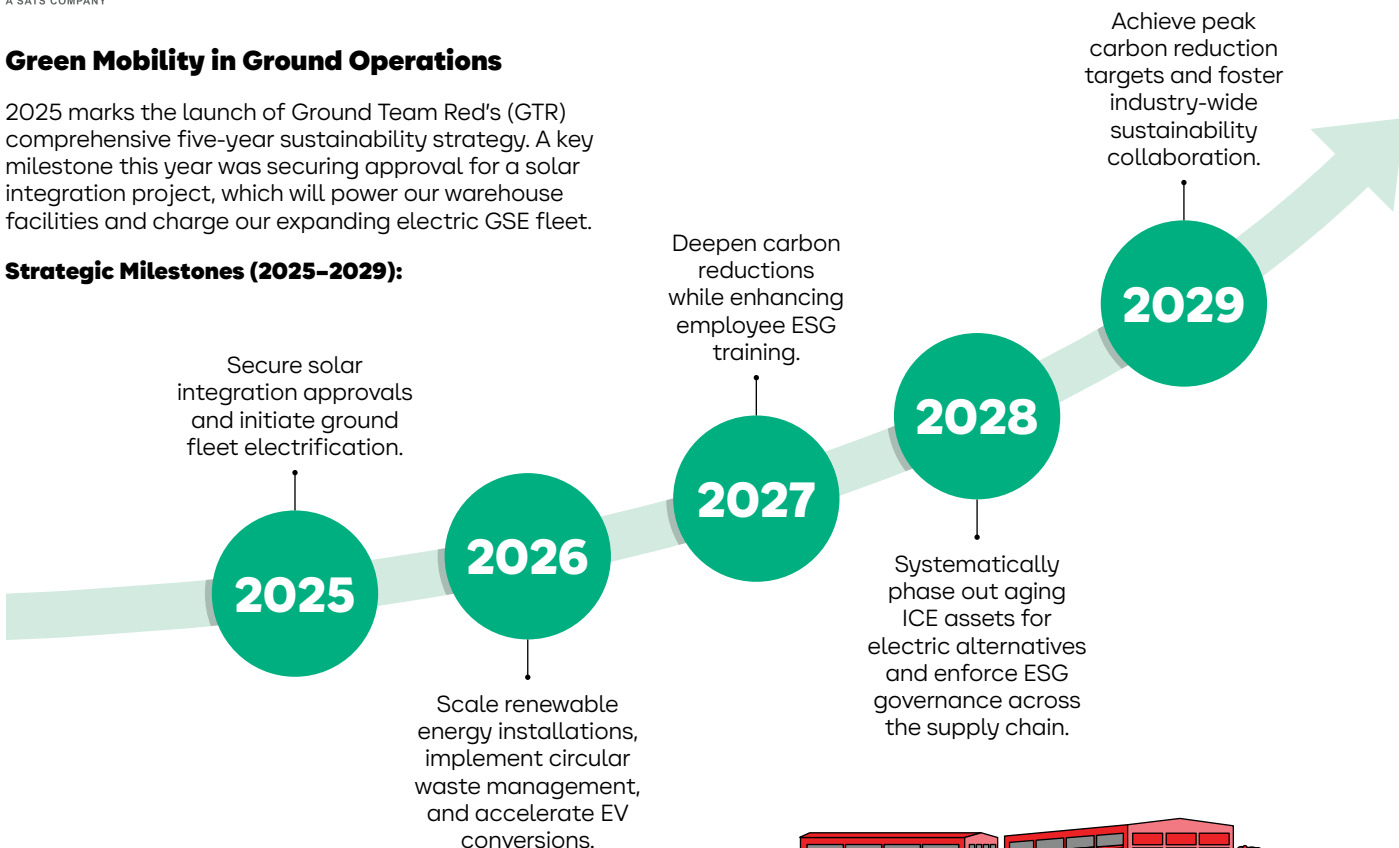
- ✓ **18,654 tonnes** Freighters fuel consumption
- ✓ **59,461 tCO₂e** Freighters emissions



Green Mobility in Ground Operations

2025 marks the launch of Ground Team Red's (GTR) comprehensive five-year sustainability strategy. A key milestone this year was securing approval for a solar integration project, which will power our warehouse facilities and charge our expanding electric GSE fleet.

Strategic Milestones (2025–2029):



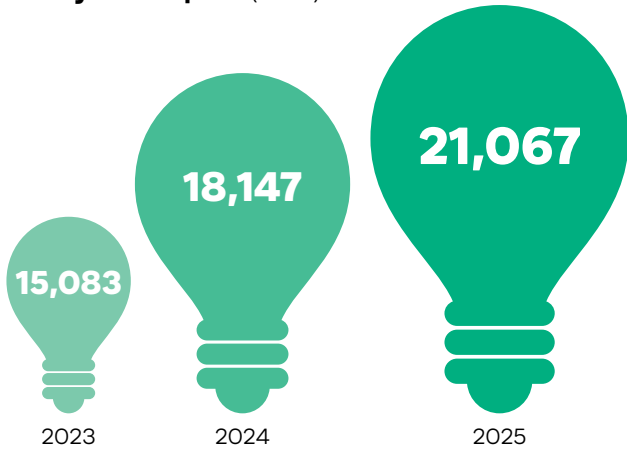
2 Scope 2 GHG Emissions

GRI 302-1, 305-2

Our Scope 2 emissions are derived from purchased electricity and district cooling consumed across the Group's corporate and operational facilities. In 2025, to further enhance the completeness of our carbon accounting, we expanded our reporting boundary to include energy consumption from ADE MRO hangar operations.

Due to this expanded operational boundary, our absolute electricity consumption increased by 15% to 21,067 MWh. This resulted in a proportional 14% rise in total Scope 2 emissions, growing from 12,695 tCO₂e in 2024 to 14,441 tCO₂e in 2025. Despite the absolute emissions increase, our building energy intensity is at 147 kWh/m³, with emissions intensity of 0.1 tCO₂e/m³.

Electricity Consumption (MWh)



Scope 2 Emissions (tCO₂e)



In alignment with the Group's broader energy conservation strategy, our facilities services teams have standardised operational efficiency protocols across all corporate locations to reduce our Scope 2 footprint. Key initiatives deployed include:

- **Lighting Efficiency:** The progressive retrofitting of corporate workspaces with low-energy LED lighting systems.
- **Operational Controls:** The enforcement of after-hours power-down protocols for all non-essential equipment and infrastructure.
- **Peak Load Management:** The staggered activation of high-load HVAC (Heating, Ventilation, and Air Conditioning) systems to optimise peak electrical demand and minimise overall grid strain.



Total Group Energy Consumption

Categories	2023	2024	2025
Non-renewable fuels purchased and consumed (MWh)	18,657,847	20,811,103	22,130,389
Non-renewable electricity purchased (MWh)	15,083	18,147	21,067
Total energy consumption (MWh)	18,672,930	20,829,249	22,151,456

Note: Figures for 2024 have been restated to eliminate the double counting of data.



3 Scope 3 GHG Emissions

GRI 302-2, 305-3, 305-4

In 2025, our calculated Scope 3 emissions increased by 6%, accounting for approximately 17% of the Group's total carbon footprint. This absolute increase is not merely a reflection of operational growth, but is primarily driven by the expanded reporting boundary and significant improvements in data collection.

The most significant contributor is upstream emissions associated with purchased fuels (Category 3). Technically categorised as Well-to-Tank (WTT) emissions, this accounts for the extraction, production, and transportation of our jet fuel, diesel, and petrol. Other reported categories include purchased goods and services (Category 1), upstream transportation and distribution (Category 4), business travel (Category 6), and employee commuting (Category 7).

ENVIRONMENTAL

Addressing Climate Change

Category	Scope 3 Emissions (tCO ₂ e)		
	2023	2024	2025
1 - Purchased Goods and Services	1,592	1,572	1,616
3 - Fuel and Energy-Related Activities not included in Scope 1 or Scope 2	1,011,369	1,139,515	1,201,334
4 - Upstream Transportation and Distribution	3,689	266	117
6 - Business Travel	718	541	5,181
7 - Employee Commuting	2,899	2,215	2,520
Total	1,020,267	1,144,109	1,210,768

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 2025.
2. Business travel emissions (Category 6) include duty travel from non-AirAsia and AirAsia X flights and hotel stays.
3. Employee commuting emissions (Category 7) only covers employees that travel by car and are parking at our head corporate offices (RedQ, Kuala Lumpur and RedHouse, Indonesia).
4. Figures for 2023 and 2024 have been restated to include upstream transportation and distribution emissions (Category 4) and to eliminate the double counting of data.

Given that WTT jet fuel emissions dominate our value chain footprint, the strategic utilisation of SAF serves as one of our mitigation levers. Because SAF has the potential to reduce lifecycle carbon emissions by up to 80% compared to conventional fossil jet fuel, its integration will simultaneously decarbonise our Scope 1 (direct combustion) and Scope 3 (upstream supply chain) profiles.

Moving forward, we remain committed to maturing our Scope 3 inventory and driving tangible reductions across our value chain. Our ongoing strategic measures include:

- **Methodological Enhancements:** Continuously refining primary data collection accuracy and calculation consistency across all business units.
- **Boundary Expansion:** Progressively quantifying and integrating additional material Scope 3 categories into our annual disclosures.
- **Stakeholder Collaboration:** Actively engaging with our vendors and supply chain partners to track, report, and systematically reduce upstream carbon intensity.

4 Non-CO₂ Emissions and Air Quality

GRI 305-7

Beyond carbon dioxide, jet fuel combustion generates non-CO₂ emissions, including nitrogen oxides (NOx), sulphur oxides (SOx), and volatile organic compounds (VOCs). These byproducts primarily influence local air quality and atmospheric chemistry.

We adhere to ICAO Annex 16, Volume II, which establishes permissible limits for these aircraft engine emissions. To minimise our footprint, we prioritise a fleet modernisation strategy centered on advanced engine technology. As of 2025, our fleet maintains full compliance with relevant international standards, with our ongoing transition to the Airbus A321neo further reinforcing our alignment with the stringent ICAO CAEP/8 NOx standards.

Pollutants	2023	2024	2025
NOx emissions (tonnes) ¹	2,675	4,183	4,363
NOx emissions intensity (gNOx/RPK) ¹	0.041	0.057	0.066
SOx emissions (tonnes) ²	285	332	336
VOC emissions (kg) ²	985,861	1,115,000	1,163,000

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.

Water Consumption

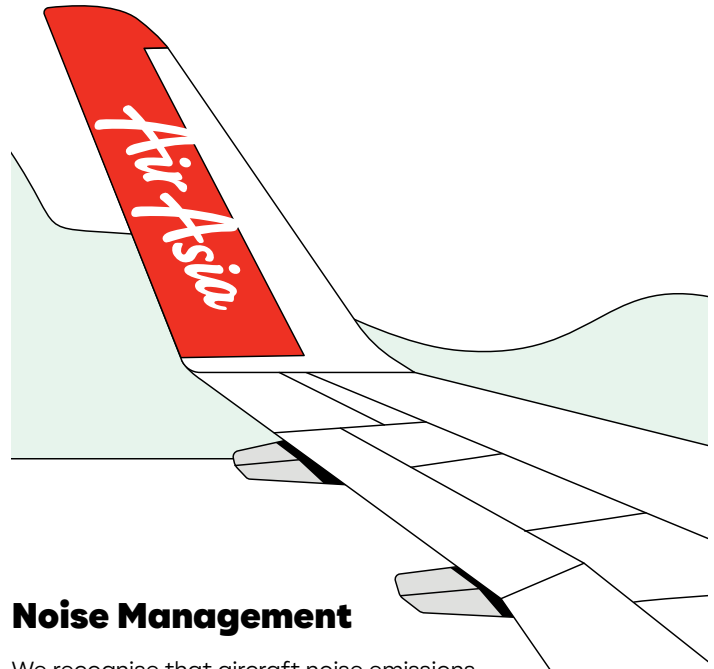
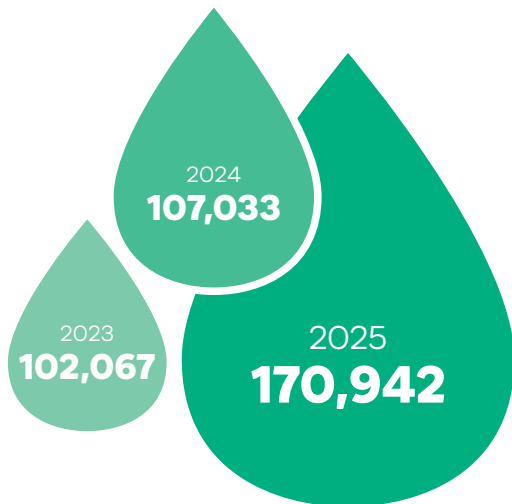
GRI 303-1, 303-5

Our Sustainability Policy underscores a commitment to resource conservation, with a specific emphasis on water stewardship. We actively monitor usage patterns and implement optimisation measures across our facilities to minimise waste.

In 2025, our total absolute water consumption was recorded at 170,942 m³, representing a 60% increase compared to 2024. This significant variance was primarily driven by an isolated infrastructure failure—specifically, a concealed underground supply pipe burst at our RedQ headquarters.

To provide an accurate reflection of our operational efficiency, our normalised water consumption—excluding the leak—was estimated at 112,134 m³. This represents a nominal 5% year-on-year increase, which is directly attributable to the expansion of our reporting boundary to formally include our MRO hangar facilities.

Water Consumption (m³)



Noise Management

We recognise that aircraft noise emissions can impact community well-being and local ecosystems. To manage this, all AirAsia aircraft are fully compliant with ICAO Annex 16 Chapter 4 noise standards, alongside directives from the Civil Aviation Authority of Malaysia (CAAM) and airport-specific noise abatement procedures.

Beyond regulatory compliance, we implement specific operational procedures to minimise noise pollution. These include idle reverse thrust on landing, reduced flap settings during approach, and single-engine taxiing where safety permits. These measures effectively lower decibel levels on the ground while optimising fuel efficiency.



Wastewater Management

Capital A does not generate industrial effluents from our office operations. Standard sanitary and domestic wastewater is channelled directly to municipal treatment facilities in compliance with local regulations.

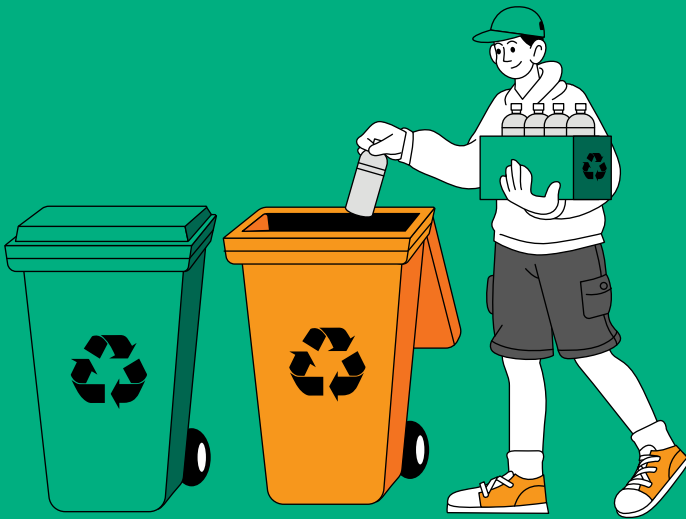
Operational procedures vary by region to align with specific infrastructure requirements. In the Philippines, Philippines AirAsia (PAA) discharges wastewater into the centralised system managed by the Manila International Airport Authority (MIAA). Meanwhile, Indonesia AirAsia (IAA) utilises on-site sewage treatment plants; treated water is partially reclaimed for landscape irrigation, with the balance discharged into the municipal drainage network.

ENVIRONMENTAL
Addressing Climate Change

Waste Management

GRI 3-3, 306-1, 306-2

Efficient and well-planned waste management is crucial to minimise waste generation and mitigate environmental impact. To support this objective, we have integrated a sustainable waste management approach into our waste management program. This approach prioritises avoidance and reduction at the source, works to maximise the reuse and recycling of materials, explores viable recovery options, and ensures all final disposal is conducted responsibly and in full compliance with all relevant regulations.



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



Performance Overview

2025



23%
waste diverted from disposal



40,980kg
office waste recycled



3,230kg
of Used Cooking Oil recovered



377kg
food rescued



100
life jackets upcycled

HAZARDOUS WASTE

GRI 306-3

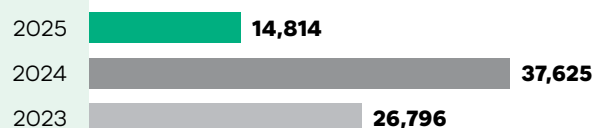
To ensure responsible management and regulatory compliance, we continue to engage licensed contractors for the handling of our hazardous waste streams, including spent oils and fluids, absorbents, containers, filters, oil rags, paint, and grease. Our management processes are conducted in strict adherence to the Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia and the equivalent environmental acts and regulations in all other jurisdictions where we operate.

In 2025, our operations generated 109.7 tonnes of solid hazardous waste, representing a 24% year-on-year increase driven by overall expansion in maintenance activities. Conversely, we achieved a significant reduction in liquid hazardous waste, which dropped from 37,625 litres in 2024 to 14,814 litres in 2025. This decrease in liquid hazardous waste is directly attributable to the streamlining of our maintenance, repair and overhaul (MRO) operations in Malaysia.

Solid Hazardous Waste (tonnes)



Liquid Hazardous Waste (litres)



Note: Solid hazardous waste figures for 2023 and 2024 have been restated to reflect corrected unit conversions.

NON-HAZARDOUS WASTE

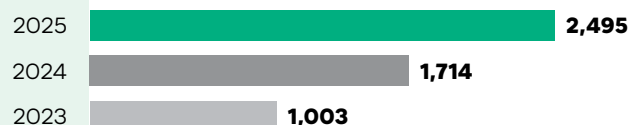
GRI 306-3, 306-4, 306-5

Our non-hazardous waste footprint encompasses general waste streams generated across our cabin operations, logistics warehouses, and corporate offices. In 2025, we strengthened our waste management practices by focusing on three approaches:

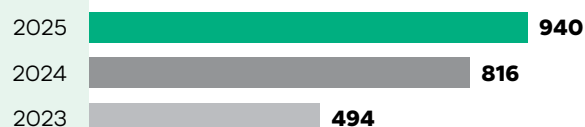
- **Reduction:** We minimise waste generation by leveraging AI-driven demand forecasting for catering, extending the lifecycle of aircraft components, and driving waste avoidance campaigns for our workforce
- **Diversion and Recycling:** We achieved a 38% diversion rate. Key drivers included recycling, food donation programs, and the recycling of plastic sheets across our logistics operations (Teleport & GTR).
- **Recovery:** For residual waste, we prioritise the use of biodegradable and compostable packaging to facilitate organic recovery. Additionally, we explore co-processing where non-recyclable waste is utilised as alternative fuel to ensure that landfill disposal remains our last resort.

Total waste generation increased by 45% in 2025 driven by overall business expansion. In tandem with this growth, the volume of waste diverted from disposal increased by 15%, reflecting our ongoing commitment to improving waste management and recovery efforts as we scale.

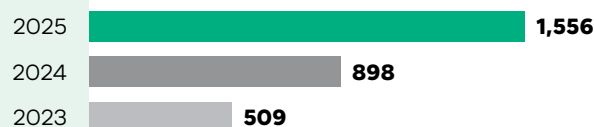
Total Waste Generated (tonnes)



Waste Diverted from Disposal (tonnes)



Waste Directed to Disposal (tonnes)



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.
3. Waste diverted from disposal via recovery and recycling processes.
4. Figures for 2024 have been restated to reflect corrected unit conversions.

ENVIRONMENTAL

Addressing Climate Change

1 Inflight Waste

In-flight waste encompasses all materials generated on an aircraft, primarily resulting from catering services and cabin cleaning activities. Our strategy prioritises waste reduction at the source, leveraging technology and guest engagement to minimise waste generation before a flight even departs.

Smart Reduction: AI & Pre-Booking

To optimise our catering operations, we utilise a predictive demand forecasting model alongside a strong push for guest meal pre-booking. This dual mechanism allows us to:

- **Optimise Food Resources:** By analysing historical consumption data and passenger profiles, the system predicts onboard meal demand with high precision.
- **Minimise Overproduction:** Improved forecasting directly reduces the surplus of perishable items loaded onto the aircraft, significantly cutting down on potential waste.
- **Enhance Efficiency:** This data-driven approach streamlines our supply chain, ensuring that resources are utilised sustainably while maintaining high service availability.

In 2025, we generated 667 tonnes of inflight food waste, representing a 7% year-on-year decrease. We managed to reduce our food wastage rate from 24% to 19% for MAA and 33% to 25% for TAA. This reduction is largely attributed to the deployment of our AI demand planner, complemented by the introduction of extended shelf-life (freeze-dried) menus, which effectively decouple stock management from food perishability constraints. Additionally, the increase in overall passenger numbers has increased food purchase, contributing to a decrease in food waste per passenger. Looking ahead, our goal is to further reduce this ratio to below 20% of total uplift.

Management & Disposal

For waste that is generated, our approach to recycling and disposal adapts to the regional infrastructure and regulatory frameworks of our operating markets. In our TAA and PAA operations, we implement waste segregation as a core component of our waste management strategy. By separating recyclables at the source, we ensure that recyclable materials are diverted from landfills and integrated into the circular economy.


In 2025, TAA and PAA collected a total of 915 tonnes of in-flight waste, representing a 9% decrease from 2024. This reduction reflects our ongoing efforts in waste minimisation and cabin resource management despite our overall business growth.

CASE STUDY


Santan's AI-Powered Demand Planning

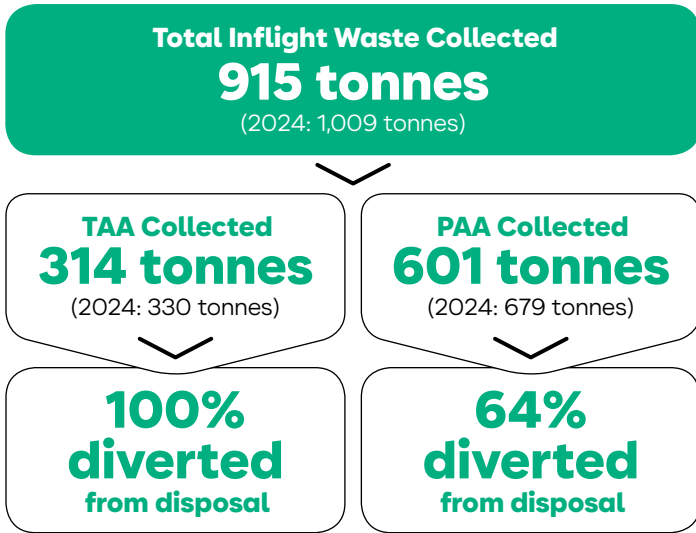
Our AI model is trained on historical flight-level sales and loading data, enhanced by the latest operational insights and forward-looking pre-booking forecasts. The AI tool is also able to recalculate demand during operational changes (e.g., flight delays or last-minute bookings).

This allows our supply chain to reserve popular items and adjust loading volumes with high agility, ensuring resources are only deployed where there is genuine demand. We are now scaling this technology across the entire fleet and exploring its application for our ground-based catering operations.



For further details, please refer to the Technology & Innovation chapter of this report.





Note: Waste diverted from disposal via recovery and recycling processes.

For MAA and IAA flights, the collection and management of cabin waste fall under the jurisdiction of the respective airport authorities. We continue to actively engage with these partners to advocate for improved waste handling facilities and recycling infrastructure at our key hubs.

Santan's Biodegradable Packaging

Santan has successfully phased out single-use plastics for cutlery and cups, replacing them with packaging made from Polylactic Acid (PLA), a renewable material derived from sources such as corn and cassava. This shift enables composting at home and helps reduce carbon emissions by approximately 500 tonnes annually, supporting our commitment to more sustainable operations.

2 Catering Waste

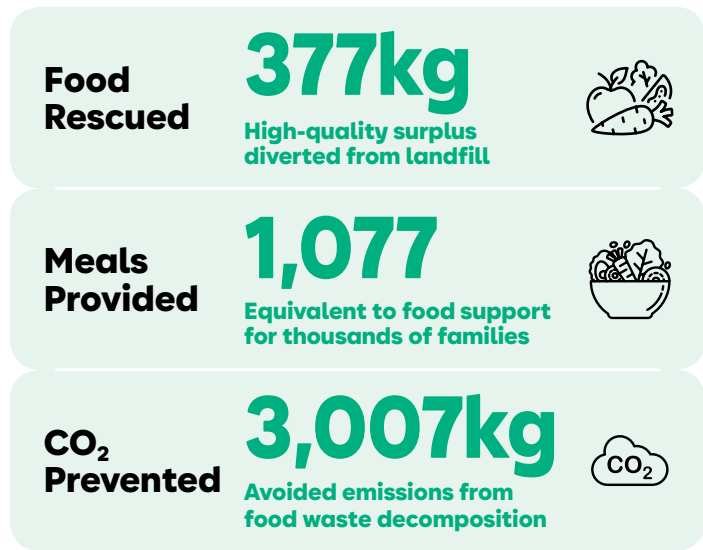
Inflight Catering Warehouse

Complementing our onboard efforts, the Santan team actively drives waste diversion initiatives at our inflight warehouse facilities. This program focuses on the collection and recycling of key operational materials to minimise backend waste, specifically targeting aluminium coffee capsules, bulk packaging cartons, and outdated quarterly catalogues.



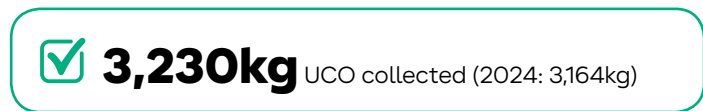
In parallel, we have established a food surplus partnership with The Lost Food Project. Through this initiative, unsold ready-to-eat meals and beverages that remain safe for consumption are redirected to underserved communities across the Klang Valley, including Orang Asli settlements and partner NGOs, ensuring food security while reducing organic waste.

Food Surplus Reduced Through Santan's Partnership with The Lost Food Project

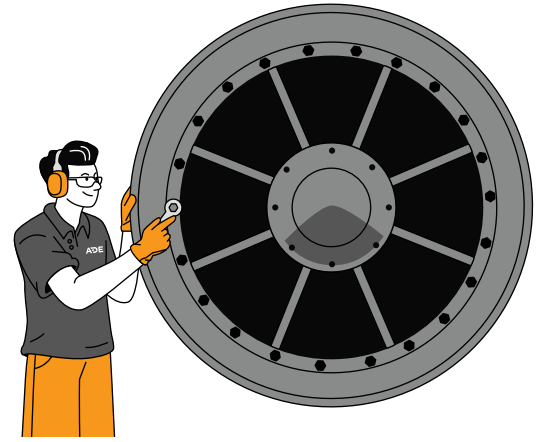


Used Cooking Oil

Given the scale of our catering and restaurant operations, managing cooking oil waste is a key priority. Since initiating our partnership with FatHopes Energy in 2023, we have established a system to collect and divert our Used Cooking Oil (UCO) from landfills, repurposing it instead into biofuels. In 2025, we recovered a total of 3,230 kg of UCO. This represents a 2% increase compared to 2024, highlighting the scaling of our collection alongside our business growth.



ENVIRONMENTAL Addressing Climate Change



3 Aeronautical Waste

ADE, our leading MRO service provider, champions a circular approach to material management. Rather than viewing used parts solely as waste, ADE prioritises the lifecycle extension of key aircraft components, ensuring that disposal is always the last resort.

ADE's Key Strategic Principles:

- Lifecycle Optimisation:** We utilise repair and restoration capabilities to extend the service life of components. This delays the need for replacement, directly conserving raw materials and reducing industrial waste.
- Safety-First Efficiency:** While maximising sustainability, we ensure every restored component meets operational standards, maintaining the delicate balance between environmental responsibility and non-negotiable flight safety.

Workshop Capabilities

ADE operates nine specialised component workshops dedicated to the restoration of critical aircraft systems and structures. These facilities serve as the backbone of our resource conservation strategy, allowing us to prioritise maintenance, repair and overhaul, over replacement. By significantly extending the operational lifecycle of high-value parts, we effectively reduce the demand for raw materials and minimise the industrial waste footprint of our fleet.



Workshop	Capabilities
Engine Workshop	Inspection, restoration, preservation and storage of aircraft engines.
Wheel Workshop	Restoration of wheel hub and its subcomponents through inspection, repair and overhaul.
Brake Workshop	Precision overhaul to maximise component reuse and significantly reduce metal scrap.
Battery Workshop	Testing, recharging and servicing with certified recycling for all end-of-life units.
Oxygen Workshop	Refilling to prolong cylinder usability and prevent early disposal.
Sheet Metal Workshop	Fabrication, repair and restoration of metal and similar materials to eliminate the need for new parts.
Composite Workshop	Refurbishment of components made from composite materials (e.g., floorboards and panels) to extend cabin lifespans.
NDT Workshop	Advanced defect detection that enables targeted repairs instead of full component replacements.
Equipment Workshop	Restoration of aircraft waste drain valves.

teleport

4 Cargo Waste

Reusable Canvas Covers for Cargo Handling

To reduce single-use plastic sheets used to protect cargo boxes during transport, Teleport is trialling reusable canvas covers made from durable materials. In 2025, we successfully completed the second Proof of Concept for this initiative. Moving towards full implementation, we are collaborating with the GTR Ramp team to ensure the necessary equipment is available for proper canvas installation and modifications.



5 Office Waste

We embody our sustainability commitments by actively fostering a culture of responsible waste stewardship among our Allstars. To operationalise this, we have deployed segregation stations for paper, plastic, and aluminium across our offices. These recyclables are collected by licensed waste management contractors to ensure they are properly diverted from landfills.

40,980kg

Total office waste recycled (2024: 30,866kg)



Plastic Detox

Throughout 2025, we scaled our internal 'Plastic Detox' campaign across our regional operations, including Malaysia, Indonesia, and the Philippines. This initiative targets waste reduction by driving behavioural shifts and economic disincentives.



Key activities included:

- **Behavioural Advocacy:** Encouraging our Allstars to utilise reusable cutlery, bottles, and containers within office premises.
- **Economic Disincentives:** Implementing a fee structure for take-out packaging to actively discourage the consumption of single-use items.

To ensure the campaign's success, execution was strategically localised. At IAA, the initiative was integrated directly into broader efforts to cultivate a long-term sustainability culture. Meanwhile, PAA augmented its core communication strategy with gamification, an innovative approach that significantly increased awareness, deepened understanding, and drove active participation among Allstars.

This approach aligns with the Extended Producer Responsibility (EPR) regulations recently implemented in several of the countries where we operate, reinforcing our commitment to responsible resource management and regulatory compliance.



ENVIRONMENTAL

Addressing Climate Change

CIRCULARITY AND MATERIAL STEWARDSHIP

The Soggy No-More initiative remains a flagship example of how circularity can drive social equity. Now in its eighth year, this collaboration between AirAsia Foundation and Nazanin, a social enterprise led by Afghan refugees, continues to transform expired safety gear into high-value lifestyle products.

By diverting expired life jackets from landfills, we accomplish two goals simultaneously:

- **Material Stewardship:** Extending the lifecycle of durable aviation materials.
- **Economic Empowerment:** Providing a source of income for the refugee community in Malaysia.

In 2025, the project successfully upcycled 100 life jackets into our signature accessories, available via DestinationGOOD. Building on this success, we are actively diversifying our upcycled product roadmap to include new functional travel items, further embedding sustainability into our merchandise portfolio.

✓ **4,939**
life jackets upcycled since 2017

✓ **988kg**
non-biodegradable plastics
diverted

✓ **RM442,485**
revenue generated



Shop the Soggy-No-More collection at <https://destinationgood.com/>



SOCIAL

Safety as Our Priority

Safer and Stronger Together

GRI 3-3

Nothing matters more to us than the safety and wellbeing 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.



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



Performance Overview

2025



9,540

safety reports filed



32

safety training hours



0

fatalities



5.3

Lost Time Incident Rate



90

work-related injuries recorded



7

Stars Safety Rating

SOCIAL

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

<p>1 Safety Policy</p> <p>Establishes management's commitment to continually improving our safety record through:</p> <ul style="list-style-type: none"> • Safety accountability and responsibilities • Emergency response planning 	<p>2 Safety Risk Management</p> <p>Determines the need for, and adequacy of, risk controls through:</p> <ul style="list-style-type: none"> • Hazard identification • Risk assessment and mitigation
<p>3 Safety Assurance</p> <p>Evaluates the continued effectiveness of risk control strategies through:</p> <ul style="list-style-type: none"> • Safety performance monitoring and measurement • Management of change • Continuous improvement 	<p>4 Safety Promotion</p> <p>Inspires a positive safety culture across all levels of the workforce through:</p> <ul style="list-style-type: none"> • Training and education • Safety communication

SMS Pillar 1: 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 behaviours 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 is the Group's highest-level safety committee, overseeing the SMS and addressing key issues on safety policies, resources, and organisational performance. It includes the Chairman, CEO, Board members, Chief Safety Officer, and senior management from our lines of business. Meeting quarterly, the SRB reviews safety performance, ensures timely risk control actions, monitors adherence to safety policies, and assesses the effectiveness of risk mitigation strategies. The CEO sets the SMS tone, while the Chief Safety Officer enforces protocols and manages emerging risks.

Chief Safety Officer

The Chief Safety Officer (CSO) is responsible to the CEO for planning, implementing, and continuously improving an effective SMS across the Group to ensure compliance with all local and international safety regulations. The role oversees safety audits, investigations, and inspections, facilitates hazard identification and safety risk analysis, monitors corrective actions, and provides regular safety performance reports. The CSO also maintains SMS documentation, leads staff safety training, and offers independent safety advice. Additionally, the CSO monitors emerging industry safety concerns, assesses their potential impact on operations, and coordinates with regulators and authorities on safety-related matters.



Safety Action Group (SAG)

The Safety Action Group (SAG) executes strategies and action items assigned by the SRB. The SAG ensures timely implementation, with progress reported to the SRB by the Chief Safety Officer. AirAsia Aviation Group Limited's SAGs include Heads of Department, managers, and selected front-line personnel, led by the HOD or a designated manager. The SAG monitors operational safety, manages safety risks, reviews data to guide risk controls, facilitates employee feedback, assesses impacts of operational changes or new technologies, and coordinates implementation of safety measures.

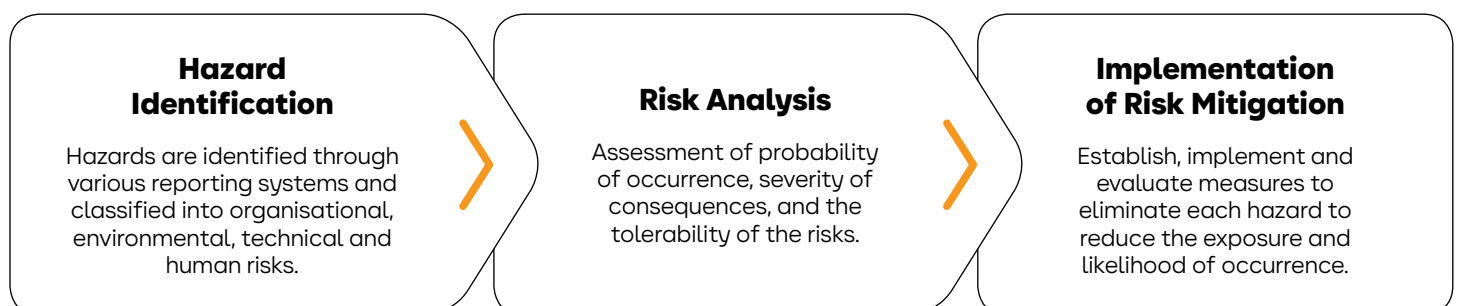
SMS Pillar 2: Safety Risk Management

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.

With a majority of the Group being an aviation focused digital travel company, day-to-day operations in the industry naturally carry higher safety risks for both our Allstars and employees. These include aircraft turnaround on the ramp, the use of ground support equipment, weather hazards, working at heights during maintenance, and handling fuels, chemicals and other operational materials. If not managed well, these risks can lead to injuries, operational disruptions or regulatory non-compliance.

That's why we take a proactive approach to identifying hazards early, tightening procedures, and making sure our Allstars have the right equipment, training and support to work safely. Effective risk management helps us prevent incidents, protect our people, and keep our operations running smoothly, strengthening our overall performance in the short, medium and long term.

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.



SOCIAL

Safety as Our Priority

1 RedEye: See It, Stop It, Report It

RedEye is an app designed to simplify the reporting, tracking, and analysis of safety incidents.

Key features:

- 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

In 2025, RedEye underwent a major revamp aimed at enhancing the user experience for both Report Administrators and General Users.




For Report Administrators:
The upgraded system improves space utilisation and streamlines report handling. The introduction of Generative AI (GenAI) facilitates more efficient report processing, reducing administrative effort and improving accuracy.

For General Users:
A redesigned landing page provides clear access to essential information, including a 60-day report submission history, allowing users to easily reference or retrieve past reports.

The revamp ensures that all users benefit from a more intuitive, efficient, and transparent reporting experience.

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.

 **9,540** safety reports recorded in 2025
(2024: 9,815)

The trend in safety reporting reflects a maturing and resilient safety culture, where increased reporting is viewed as a positive indicator of employee engagement and transparency within the SMS. A sustained reporting rate provides valuable data to detect "weak signals" early, allowing potential risks to be identified and addressed before they escalate into serious incidents.

Current data shows that the top three reporting categories are onboard passenger medical incidents, wildlife encounters, and ground-related events. This provides important insights into the realities of daily operations. By systematically analysing these reports, we are able to drive evidence-based improvements to policies, processes, and procedures. This data-driven approach strengthens our ability to anticipate emerging risks and implement proactive mitigation measures, reinforcing a safer operational environment.

2 Dangerous Goods Management

Safety is our top priority, and that includes the safe handling of dangerous goods. We fully comply with ICAO's Technical Instructions for the Safe Transport of Dangerous Goods by Air, IATA's Dangerous Goods Regulations and all relevant national requirements, ensuring shipments classified as dangerous goods are accepted and transported safely.

Our team follows strict packaging, labelling, screening and acceptance protocols, and ground staff receive regular training to identify and manage dangerous goods. Any issues are addressed immediately, reinforcing a culture of safety across all operations.

teleport

For our air logistics arm, Teleport has a dedicated Dangerous Goods Policy and the OneTeleport system to help detect and prevent prohibited or hazardous shipments before they are accepted for air transport carriage. Incidents are reported through RedEye, enabling fast and effective action. All e-commerce shipments are pre-screened at the Teleport e-Commerce Hub Processing Facility, providing an additional safety layer.

Teleport employees undergo extensive training on handling, storing, and transporting dangerous goods. In the latest cycle, 80 employees completed over eight days of specialised training, ensuring they are fully equipped to maintain the highest safety standards. Any instances of non-compliance are promptly addressed and rectified, reinforcing our commitment to a culture of safety.



GTR maintains a dedicated Dangerous Goods Policy to ensure the safe handling, storage, and transportation of regulated materials across ground operations. Given the critical role of ground handling in aircraft safety and operational integrity, strict compliance with dangerous goods requirements is essential to prevent safety incidents, protect personnel, and maintain regulatory adherence.

In 2025, over 430 ground handling staff completed more than 400 hours of specialised Dangerous Goods Management training, strengthening frontline awareness, risk identification, and safe handling practices. This capability building reinforces operational safety, regulatory compliance, and risk prevention across our ground handling activities.

CASE STUDY

Managing Emerging Onboard Safety Risks: Lithium Battery

One of the most significant safety risks observed across the globe in 2025 was an increase in overheating and fire incidents involving lithium-powered power banks, highlighting an emerging onboard safety risk for the aviation industry.

In response, AirAsia acted quickly and decisively, announcing a new policy on 1 April 2025 to restrict the use and charging of power banks during flights. Under this policy:

- Guests may only carry power banks that do not exceed 100 watt-hours (Wh)
- Use and charging of power banks during flight is prohibited

Safe Storage Measures

To enable early detection and rapid response in the event of an incident:

- Power banks must not be stored in overhead compartments
- Passengers are required to keep power banks on their person, in the seat pocket, or in a bag placed under the seat

These measures ensure any signs of overheating can be identified and managed immediately.

Safety Communication

To reinforce compliance, safety reminders are communicated at multiple touchpoints including the boarding gate, after passenger boarding, and in-flight. This approach helps ensure consistent awareness among guests.

Crew Preparedness

Our cabin crew are already trained in lithium battery fire-fighting as part of mandatory recurrent Safety Emergency Procedures (SEP) training conducted every 12 months. This ensures that the crew are well equipped to manage this evolving risk effectively.

Outcomes

In 2025, four cases involving lithium-powered power banks were reported. In all instances:

- Cabin crew applied approved fire-fighting procedures
- Incidents were managed effectively and safely
- No further impact to the remainder of the flight occurred

AirAsia has taken proactive steps to identify emerging risks early, implement timely policies, and rely on well-trained crews to ensure the safety of passengers and flights.



SOCIAL

Safety as Our Priority

3 Strengthening Our Response to Climate-Driven Turbulence

Turbulence remains a significant safety concern, with its frequency and unpredictability increasing due to climate change. Rising global temperatures strengthen jet streams and disrupt wind patterns, often leading to turbulence that occurs without visual warning.

While our aircraft are built to withstand significant turbulence, AirAsia continuously strengthens safety measures through rigorous compliance checks, data-driven planning, enhanced pilot training, and real-time weather monitoring to help crews navigate unpredictable skies.

Enhanced Crew Procedures

We worked with the Safety teams of each AOC and Cabin Crew Departments to deliver an Awareness Promotion Project aimed at enhancing cabin crew preparedness and reducing turbulence-related injuries. The programme ensures safer flights for both passengers and crew. The training included interactive workshops and simulations covering:

- Effective communication between flight and cabin crews
- Securing cabin items
- Passenger guidance
- Coordinated crew actions
- Essential safety practices during turbulence

Our cabin crew now complete the mandatory training module "Safe Skies – Guide to Communication and Action in Turbulence", which includes a three point contact principle to enhance stability and prevent falls during sudden aircraft movements.

2025 Incident Overview

- ✔
46 crew injuries
✔
74% of injuries occurred when the fasten seatbelt sign was on
- ✔
Injuries often result from sudden aircraft movement, even when seated

Lessons learned are shared regularly via Safety Action Groups, Crew Dialogue sessions, and pre-flight briefings to enhance awareness and prevent future incidents.

Operational Enhancements

To further strengthen turbulence management, improvements have been identified in Operations Manual Part A (OM-A):

- Aligning turbulence-handling policies, including briefing requirements and references to SEP procedures
- Guidance on using operational data from the Operational Flight Plan (OFP) and Mission+ to anticipate turbulence
- Promoting better coordination between flight crew and cabin crew for a more integrated approach

4 Emergency Response Preparedness

We maintain a robust Emergency Response Plan (ERP) to safeguard the wellbeing of guests and Allstars, mitigate risks, and ensure operational continuity during crises. Each AOC has a dedicated ERP Manager supported by trained personnel and volunteers, with oversight from Group ERP Managers to ensure consistent practices across all operations.

In 2025, we conducted 342 emergency response training sessions, covering crisis management, special assistance, and communication. Senior management participated in Crisis Management Team training, while ground staff completed initial and recurrent ERP training. We also held nine tabletop exercises across AOCs, simulating diverse crisis scenarios to strengthen readiness.



Annual Emergency Drills

As part of our commitment to workplace safety and regulatory compliance, we conduct annual drills across our offices, including fire, earthquake, and catastrophic aircraft incident exercises. These drills involve firefighters, police, the Ministry of Health, airport fire and rescue teams, civil aviation authorities, civil defence forces, and other key stakeholders, ensuring our teams are well-prepared to respond effectively. By engaging multiple parties, we strengthen safety awareness, emergency coordination, and operational resilience across our operations.



Basic Life Support

We empower our Allstars through Basic Life Support (BLS) training and public CPR simulations to strengthen emergency response capabilities.

In 2025, 34 Allstars completed six BLS sessions at the National Heart Institute (Institut Jantung Negara, IJN), covering adult, child, and infant BLS, cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) usage, airway management, team-based response, and choking management. Sessions included theory, practical exercises, and assessments, enhancing employee health, safety, and emergency preparedness.

Certified first-aider Allstars also conducted "CPR in Action: Flash Mob for Life" simulations at Kuala Lumpur International Airport Terminal 2 (KLIA T2), reinforcing skills, raising public awareness, and supporting community health and resilience.

5 Wellbeing at the Heart of Safety

Safety goes beyond the physical. Supporting the mental well-being of our Allstars, especially pilots and cabin crew, is essential to managing fatigue, stress and substance-use risks, with these safeguards embedded into our SMS.

In 2025, mental health awareness was fully integrated into all initial and recurrent SMS training for pilots and cabin crew. Proactive screening tools, including the Patient Health Questionnaire-9 (PHQ-9) for depression and the Impact of Event Scale-Revised (IES-R) for stress or trauma, support a sustainable, organisation-wide approach to strengthening mental well-being.

Beyond training, we focus on several key initiatives to safeguard the overall well-being of our Allstars:

Wellbeing Tools available to Allstars



IMSAFE



Critical Incident Stress Management



Fatigue Risk Management



Counselling



Substance Management



Health Checks



IMSAFE

Safety starts with ourselves and so we introduced the IMSAFE self-assessment framework as a key tool for pilots and cabin crew to evaluate their fitness for duty. Each component of the acronym represents a critical aspect of health and readiness that both pilots and cabin crew are encouraged to assess before operating.

By embedding this framework consistently across all countries in which we operate, we reinforce a shared understanding of personal responsibility, operational safety, and wellbeing. This proactive practice not only supports individual health but also strengthens our overall safety culture, contributing to safer skies and more reliable air travel for all.



Illness

→ Do I have any symptoms?
Am I unwell?



Medicine

→ Am I on any medication that could impair my judgement?



Stress

→ Am I stress due to work, private issues or other matters?



Alcohol

→ Have I consumed any alcohol?
If yes, is it within the legal timeframe & quantity?



Fatigue

→ Am I tired & not adequately rested?



Emotion

→ Am I emotionally upset?



Fatigue Risk Management

Given the critical responsibilities of pilots, fatigue management is a key component addressed during both initial and recurrent Crew Resource Management training. AirAsia adheres strictly to all regulatory requirements governing maximum Flight Duty Periods and Minimum Rest Periods, ensuring pilots have sufficient time for rest and recovery. These standards are outlined in our operations manual, which is fully aligned with the civil aviation authority regulations across all jurisdictions in which we operate.

Beyond regulatory compliance, our fatigue risk management practices include systematic monitoring of fatigue reports, as well as fatigue-related incidents and accidents. Through data analysis and trend identification, we proactively implement targeted risk mitigation measures to further strengthen operational safety.

SOCIAL

Safety as Our Priority



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.



Critical Incident Stress Management (CISM) & Allstars Peer Support

To address stress arising from traumatic events, CISM provides a structured approach for early intervention, helping to alleviate emotional distress and reduce the risk of long-term psychological challenges, including post-traumatic stress disorder.

The programme offers a comprehensive system of support, including immediate crisis intervention, assessment through Impact of Event Scale-Revised (IES-R), referral to professional services when required, and ongoing care. This ensures that pilots, cabin crew, and ground staff affected by critical incidents receive timely and appropriate emotional and psychological assistance.

First level support is available through our Allstars Peer Support Programme, a peer-to-peer support initiative by Allstars for Allstars. Across the Group, 103 trained volunteers serve as a first point of contact for colleagues experiencing stress or mental health concerns. They offer emotional support in a safe, confidential, and non-judgemental space, covering work-related, health, financial, relationship, and personal challenges. Peer Supporters renew their commitment annually through recurrent mental health and CISM training, conducted by the Human Factors team, who are both trainers and certified Mental Health First Aiders, together with clinical psychologists and aviation psychiatrists. Where professional intervention is needed, Peer Supporters connect Allstars with the Group's Employee Assistance Programme (EAP) for further support. These initiatives reinforce our commitment to safeguarding the mental well-being of our frontline teams.



Counselling Support

This year, we laid 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 introduced an in-house counselling service at RedQ, providing a convenient and confidential resource for Allstars seeking emotional and psychological assistance. 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.

We hosted a Mental Health Week in October 2025 to reinforce awareness of available support for Allstars, ranging from internal Peer Supporters to external counselling services. The initiative was complemented by basic health screenings, promoting early awareness and holistic wellbeing.



Preventative Health Care Checks

We promoted proactive health management among Allstars by securing exclusive health screening offers and coordinating on-site free medical check-ups across regional offices. These initiatives were complemented by health webinars and educational talks, supporting ongoing wellness and preventative care through greater awareness of key health indicators.



SMS Pillar 3: 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 at the heart of our commitment to safety. We set Safety Objectives, Safety Performance Indicators (SPIs), and Safety Performance Targets to gain critical insights into organisational behaviour and measure the effectiveness of our SMS. These insights help our senior management to proactively mitigate risks and make informed decisions that drive safety outcomes.

In 2025, we established 47 SPIs, categorised by high- and low-consequence risks, to track the Group's overall safety performance. These metrics provided visibility into operational risk precursors, enabling early intervention in high-risk areas. Data-driven reporting supported evidence-based decisions and reinforced a proactive safety culture across all AOCs.

Management of Change

The MOC framework serves as a key preventive barrier for safety, activated whenever internal or external changes may impact organisational risk levels. This structured approach evaluates, controls, and mitigates safety implications before any change is implemented, ensuring no new hazards are introduced and existing risks are managed effectively.

In 2025, a total of 1,329 MOC and Risk Assessments were performed. The process reinforced proactive risk assessment and strengthened consistency in applying risk mitigation strategies across the Group.

Continuous Improvement

Continuous improvement is our ongoing effort to identify, evaluate, and implement enhancements to the SMS to strengthen safety performance. Through management reviews, internal audits, follow-ups, and annual effectiveness evaluations, we ensure the SMS remains robust, aligned with international standards, and responsive to emerging operational needs.

In 2025, efforts on continuous improvement include:

1. Harmonising Safety Governance and Frameworks

- Launched Group-wide and specialised manuals to create a consistent safety framework across all AOCs.
- Standardised work instructions for directives, ensuring accountability and traceability.

2. Modernising Investigation Processes and Just Culture

- Consolidated investigations into a single same-day workflow, reducing crew downtime.
- Mandated ICAO-aligned templates for consistent data and trend analysis.
- Applied Just Culture to fairly distinguish human error from reckless behaviour.

3. Targeted Operational Risk Mitigation

- Enhanced runway call-outs and situational awareness to reduce incursions.
- Introduced mandatory reporting of ground equipment damage.

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Safety as Our Priority

IATA Operational Safety Audit

The IATA Operational Safety Audit (IOSA) programme is a global benchmark for airline safety. Airlines on the IOSA Registry show significantly lower accident rates, highlighting its effectiveness. IOSA helps us standardise safety practices, reduce duplicate audits, improve efficiency, and achieve cost savings, while strengthening trust with regulators and stakeholders and supporting consistent oversight across our operations.

We comply with IOSA Standards alongside ICAO SMS Framework. To maintain IOSA Standards and ensure ongoing audit readiness, our Group Operational Quality Assurance (OQA) team conducts regular Internal Operations Audits (IOA). These audits help us verify adherence to established processes and assess the effectiveness of safety controls across the Group.

AOC	Latest IOSA Certification Date	Progress in 2025
MAA	8 Dec 2024	IOA conducted in January 2025. IOSA valid until December 2026. Renewal audit planned for June 2026.
TAA	19 Feb 2020	IOA conducted in June 2025. IOSA audit was completed in November 2025.
IAA	21 Jun 2019	IOA conducted in April 2025. IOSA audit planned for second half of 2026.
PAA	31 May 2019	IOA conducted in July 2025. IOSA audit planned for second half of 2026.
AAC	-	IOA aligned with IOSA standards planned for October 2026. IOSA audit under evaluation for 2027.

The Group Quality Assurance team also conducted 77 joint station compliance audits to ensure that station and hub operations, including contracted and outsourced functions, comply with local regulations, in-house standards, AOC requirements, and other applicable rules. Audits are carried out every 24 months for stations and annually for main hubs to maintain compliance and operational excellence. No significant findings were reported during these audits.

SMS Pillar 4: Safety Promotion

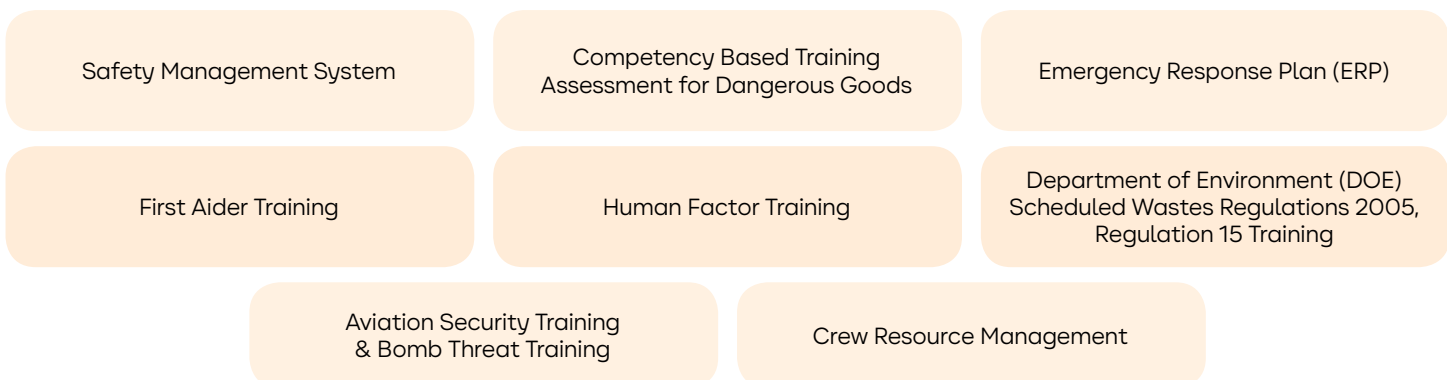
Guided by our value, 'Safety is #1', we cultivate a positive safety culture by fostering a collective mindset where every Allstar integrates safety into their daily activities. By enhancing technical competence, ensuring clear communication, and promoting active information sharing, we instil a shared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

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.







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 Awareness Training

To make safety training more accessible, we launched six new modules on Academy by AirAsia Next, our e-learning platform. Topics include:

- 
Office ergonomics
- 
Behind-the-scenes responsibilities at airports and transport hubs
- 
Cabin air quality
- 
Understanding no-smoking policies on planes
- 
Importance of Just Culture and avoiding Blame Culture
- 
Using the RedEye safety reporting app to enhance safety protocols and streamline reporting

This year, we invested in a range of targeted safety training programmes:

Average of
980
Allstars received safety training

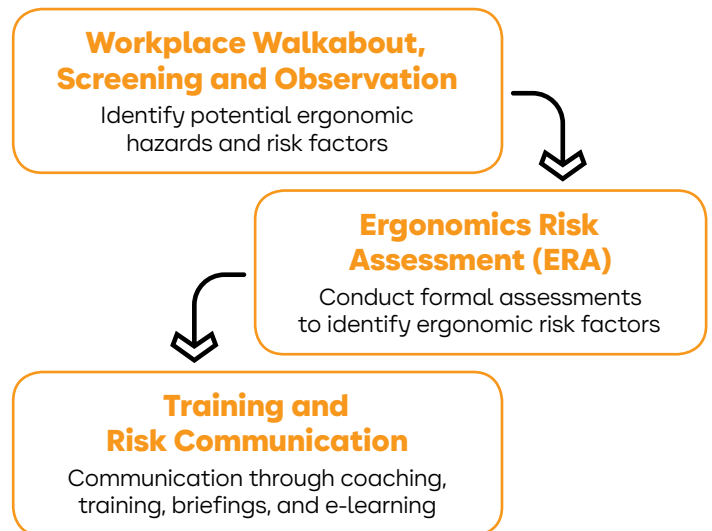
Average of
32 hours
of safety training provided

1 Ergonomics and Workplace Safety

Ergonomics is a critical component of our occupational health strategy. By designing workspaces, tools, and tasks to fit the needs of our Allstars, we enhance safety, comfort, and productivity while proactively reducing the risk of musculoskeletal injuries and fatigue-related incidents.

Ergonomic programs were conducted in alignment with the International Labour Organization (ILO) Standards, the Occupational Safety and Health (Amendment) Act 2022 (OSHA 2022), and DOSH Guidelines on Ergonomics Risk Assessment (ERA) at the Workplace 2017.

These programs focus on creating a safe and efficient work environment through a structured three-step approach:



Walkabouts, Screening & Observation

We proactively identify ergonomic hazards and risk factors through employee self-assessments, structured workplace observations, and review of incident and medical records.

In 2025, we conducted eight ergonomic screening exercises, covering baggage handling operations, as well as ground operation walkabouts. These screenings allow early detection of high-risk movements, repetitive strain exposure, and manual handling risks before injuries occur.



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Safety as Our Priority

Ergonomics Risk Assessment (ERA)

Where risks are identified, formal ERAs are conducted to evaluate task-level exposure, determine risk severity, and develop targeted mitigation measures.

In 2025, 13 ERAs were completed across our Malaysia offices, aircraft maintenance, in-house gym at RedQ, teams including network & regulatory, and cabin crew & flight operations. This structured assessment ensures high-risk work areas are systematically reviewed and corrective controls are implemented.



Training & Risk Communication

Identified risks and mitigation measures are communicated clearly to Allstars through structured training and continuous engagement.

In 2025, we delivered over 58 training sessions and communications across the Group, including:

- **Ergonomics Training:** Classroom sessions, briefings, and coaching across MAA, PAA, ABC, BigPay, Academy, Teleport, ADE, Santan, GTR, and TAA.
- **Personalised Coaching:** Tailored support for specific teams and individual injury cases in office, cabin crew, and operational functions.
- **E-Learning & Videos:** On-demand resources on proper lifting, stretching, and workstation ergonomics via Academy.
- **Safety Newsletters:** Tips, exercises, and safe manual handling guidelines for cabin crews and office staff.
- **Workshops & Safety Days:** Interactive ergonomic focused booths and practical demonstrations

Through this structured Identify–Assess–Educate approach, we move beyond reactive injury management toward preventive risk mitigation. These initiatives strengthen ergonomic awareness across all levels of the organisation, reduce the likelihood of work-related musculoskeletal disorders, and support a healthier, more productive workforce.

2 OSH Coordinator Training

We conducted two Occupational Safety & Health (OSH) Coordinator Training Program sessions to equip OSH coordinators from various departments with the knowledge and skills needed to maintain a safe and healthy workplace. Aligned with the Occupational Safety and Health Act (OSHA) 1994 and the OSH (Amendment) Act 2022, the program covered key areas such as hazard identification, risk assessment, emergency response procedures, incident investigation, and compliance requirements.

A total of 37 participants took part in practical exercises and case studies, enhancing their ability to apply safety protocols in day-to-day operations. This ensures that each department has at least one trained member that is ready to respond effectively to any safety event.

We plan to conduct another round of OSH coordinator training next year to extend safety knowledge to more Allstars and further strengthen our workplace safety culture.



3 Safety Day 2025: "Safety Starts with Me"

In November 2025, we celebrated our annual Safety Day with the theme "Safety Starts with Me." The event featured a life-sized runway layout symbolising the journey from ground to takeoff, with interactive booths covering Flight and Cabin, Office, Ground, Engineering, Cargo, and Human Factors. The activities highlighted the interconnected nature of aviation safety and reminded everyone that safety is a shared responsibility, from the ground to takeoff.

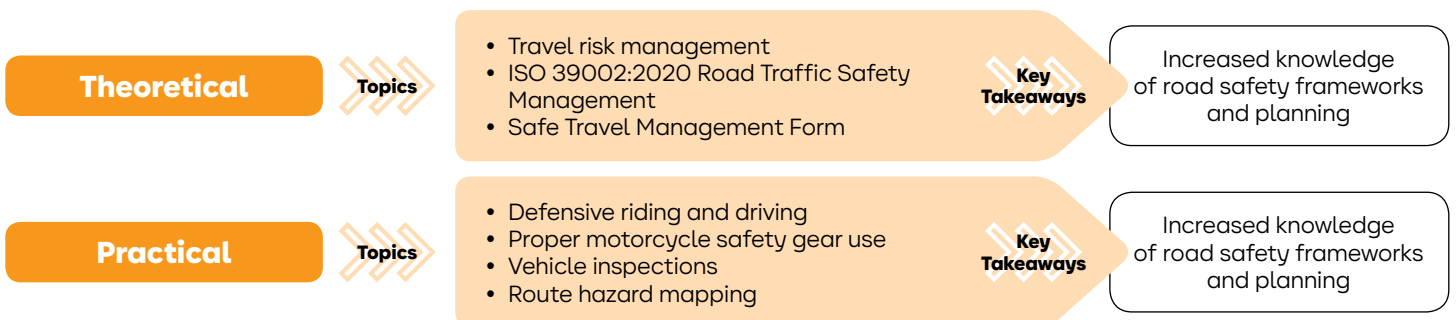
We extended the celebration to our Kuching and Thailand hubs, and were honoured to welcome the Department of Occupational Safety and Health (DOSH) and Social Security Organisation (PERKESO) to our RedQ office.

Across all locations, more than 1,700 Allstars participated, engaging in workshops, demonstrations, and interactive sessions that strengthened awareness and commitment to safety excellence. We also awarded Allstars as a Safety Hero, a recognition of their swift actions and dedication to upholding exemplary safety practices in their work.



4 Commuting Safely

Safety does not begin when we enter the office, it starts the moment our Allstars begin their journey to work. Recognising the risks our colleagues face on the road each day, our Group Safety & Quality team launched a two-day Commuting Safety Support Programme (CSSP) in September 2025, in collaboration with PERKESO and the Malaysian Institute of Road Safety Research (MIROS). The programme was designed to reduce commuting-related accident risks and strengthen safety awareness beyond our operations.



By the end of the programme, Allstars gained greater awareness, practical skills, and confidence to commute more safely, supporting safer workplaces and communities.

5 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.

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Safety as Our Priority

OCCUPATIONAL HEALTH AND SAFETY

To create a safe and secure workplace, we track key safety performance indicators and implement programs covering indoor air quality, chemical safety, and ergonomics, ensuring our Allstars can work comfortably and safely.

Safety Performance

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

Allstars

Indicators	2023	2024	2025
Injuries			
Total man hours worked	38,881,088	42,579,500	44,185,704
Number of fatalities as a result of work-related injury	0	0	0
Number of recordable work-related injuries	68	76	90
Lost Time Injury (Number of lost days)	1,306	1,324	1,166
Lost Time Injury Rate (LTIR)	7.0	6.2	5.3
Incident rate	3.8	3.6	4.5
Severity rate	33.6	30.2	26.4
Ill-Health			
Number of fatalities as a result of work-related ill health	-	-	0
Number of cases of recordable work-related ill health	-	-	0
Top 3 main types of work-related ill-health	-	-	0

Note:

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

- Work-Related Injury refers to the physical harm employees may suffer due to workplace incidents. This can include death, amputation, fractures, lacerations, hernia, burns, loss of consciousness, paralysis, and other serious injuries.
- Work-Related Ill Health refers to any illness caused or exacerbated by workplace conditions or practices. This includes acute, recurring, or chronic health problems that arise from or are aggravated by the work environment.

Non-Allstars

Indicators	2025
Injuries	
Total man hours worked	89,280
Number of fatalities as a result of work-related injury	0
Number of recordable work-related injuries	1
Lost Time Injury (Number of lost days)	9
Lost Time Injury Rate (LTIR)	20
Incident rate	250
Severity rate	101

Indicators	2025
Ill-Health	
Number of fatalities as a result of work-related ill health	0
Number of cases of recordable work-related ill health	0
Top 3 main types of work-related ill-health	0

Note:

Scope of occupational health and safety figures for non-employees only include those operating in Malaysia.

Calculations:

- Lost Time Incident Rate = total number of lost time injuries/total number of hours worked x 200,000
- 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

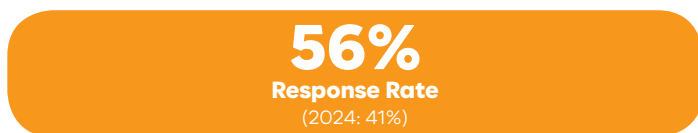
In 2025, reported injuries increased by 18.4% compared to 2024, largely in line with the expansion of operations. Flight activity grew year-on-year, alongside the launch of the Cambodia AOC and the full activation of the ADE hangar, increasing overall workload and operational complexity. This expansion led to higher man-hours across the organisation, which in turn raised the likelihood of workplace incidents, reflecting a larger scale of activity rather than a decline in safety standards.

The incident rate rose slightly from 3.6 in 2024 to 4.5 in 2025, indicating a higher frequency of reported injuries. However, the severity rate declined from 30.2 in 2024 to 26.4 in 2025, suggesting that most incidents were of lower impact.

This trend may reflect improved reporting awareness alongside continued efforts to manage workplace risks. Moving forward, we remain focused on reducing injury occurrence through enhanced ergonomic risk assessments, preventive measures, and targeted training programmes to strengthen workplace safety across our operations.

Allstars Safety Survey

In 2025, we conducted the Allstars Safety Survey to assess our safety culture and employee behaviour, achieving a response rate of 56%, a significant increase of 41% from 2024. Survey results indicate that Allstars are well-trained and aware of their safety responsibilities, in line with the company's safety policy.



Key opportunities for improvement include enhancing awareness of mental health support and further promoting our Just Culture Policy, reinforcing our commitment to a safe and supportive workplace.



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.

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 occupational safety standards, Occupational Safety and Health (Noise Exposure) Regulations 2019.

In 2025, we conducted a Group-wide noise hazard survey to identify areas of excessive noise exposure and strengthen hearing protection measures for our Allstars. The survey serves as a screening tool to determine which entities require a formal Noise Risk Assessment (NRA).

This initiative is ongoing. Findings from the assessments will guide the implementation of targeted engineering controls and administrative measures to mitigate identified risks. By taking this structured and data-driven approach, we aim to ensure our Hearing Conservation Programme (HCP) remains preventive and proactive, rather than reactive to incidents or regulatory triggers.



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 concern and are working on putting measures in place to rectify them for better indoor air quality.

SOCIAL
Safety as Our Priority



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:

Standard	2025 Update
FSSC/ISO 22000 Food Safety Management System	A recertification assessment was conducted in August 2025 with a four opportunities for improvement highlighted
Food Safety Information System of Malaysia (FOSIM)	An online platform developed by the Ministry of Health Malaysia (MOH) to manage food safety certification and registration. Our Santan food safety certification is until 2028
MS 2400:2019 Halal Supply Chain Management System - Warehousing	Santan Inflight Warehouse certified in September 2025
Compliance with the requirements of Hazard Analysis and Critical Control Points (HACCP)	Maintained
World Food Safety Guideline for Airline Catering by International Flight Services Association (IFSA)	Maintain reference to the guidelines

All our Santan Allstars and crew involved in inflight service complete mandatory food safety training to reinforce safe handling practices on ground and onboard.

Monitoring & Incident Management

In 2025, we identified 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.

Club Zero - Promoting Healthier Choices

Club Zero is our innovative campaign encouraging lower sugar consumption without compromising on taste. It supports healthier eating habits for our guests in response to the rising diabetes challenge in Malaysia.

Santan currently offers more than 15 hot meals and drinks certified with the Healthier Choice Logo (HCL), a voluntary initiative by the Ministry of Health that helps consumers make informed food choices. HCL guidelines set category-specific nutrient requirements for sugar, sodium, fat, fibre, and calcium. Products meeting the criteria, such as meals under 500 calories per serving or drinks with less than 5g of sugar per 100g, are eligible for HCL certification.



Nutrition Commitment

Beyond safety, we prioritise nutrition as part of our efforts to offer healthier meals to our guests. All meals clearly display allergen information, nutritional facts, and product descriptions, empowering guests to make informed choices. Santan strictly follows Malaysian food laws, including the Malaysian Food Act 1983 and Food Regulations 1985, ensuring transparency, quality, and the health impact of every offering.

RECOGNISING EXCELLENCE IN SAFETY



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

Top 10 Safest Low-Cost Airlines by AirlineRatings.com

AirAsia has been recognised as the top 10 safest low-cost airlines, alongside the World's Best Low-Cost Airline for 2025, reflecting our unwavering commitment to operational excellence and the highest aviation safety standards across air carriers monitored globally. The 7/7 star safety rating across the Group highlights rigorous evaluation criteria including safety records, fleet quality, pilot training, and international audits, underscoring AirAsia's dedication to providing safe and reliable travel for all our guests.



Gold Class 1 Award at the 2025 MSOSH Occupational Safety and Health Awards



Through a strong Group-wide collaboration between Capital A, Group Safety, Santan, ADE, and GTR, we were once again awarded the Gold Class 1 Award. ADE achieved this recognition for the third consecutive year, Santan for the second year running, while GTR received the award for the first time, a proud milestone for the team.

The award recognises excellence in maintaining high OSH standards and reflects our strong safety culture across facilities and operations. All shortlisted organisations undergo rigorous document reviews and on-site verification audits conducted by a panel of qualified Malaysian Society for Occupational Safety and Health (MSOSH) auditors.



ADE Secures EASA and FAA Certifications

ADE received two key international certifications, the Maintenance Organisation Approval (EASA.145.0967) from the European Union Aviation Safety Agency and Repair Station Certificate (ADNY458E) from the Federal Aviation Administration. These recognitions reflect ADE's adherence to global aviation safety and maintenance standards, strengthening its capabilities to serve international markets.

Thai AirAsia receives Zero Accident Award

Thai AirAsia was awarded the Zero Accident Award 2025 by the Institute for the Promotion of Occupational Safety, Health and Environment Thailand (T-OSH) in recognition of its strong performance in preventing work-related accidents. The award reflects the company's ongoing commitment to maintaining high standards of occupational safety, health, and workplace risk management.



SOCIAL
Empowering Allstars

Diversity & Inclusion

GRI 2-7, 2-8, 3-3

Rooted in Asean's rich cultural landscape, Capital A reflects the diversity and dynamism of the region through our Allstars. Our varied backgrounds, perspectives, and experiences strengthen innovation, enhance decision-making, and deepen our connection to the communities we serve.

We are committed to fostering an inclusive workplace where every individual, regardless of gender, age, ethnicity, religion, sexual orientation, nationality, or disability, is respected, valued, and empowered to thrive.



Our Management Approach

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

Supporting the UN SDGs



Performance Overview

2025



32.6%
women in the workforce



17%
women at Board level



19%
of decision-making roles are occupied by women



8.3%
female pilots

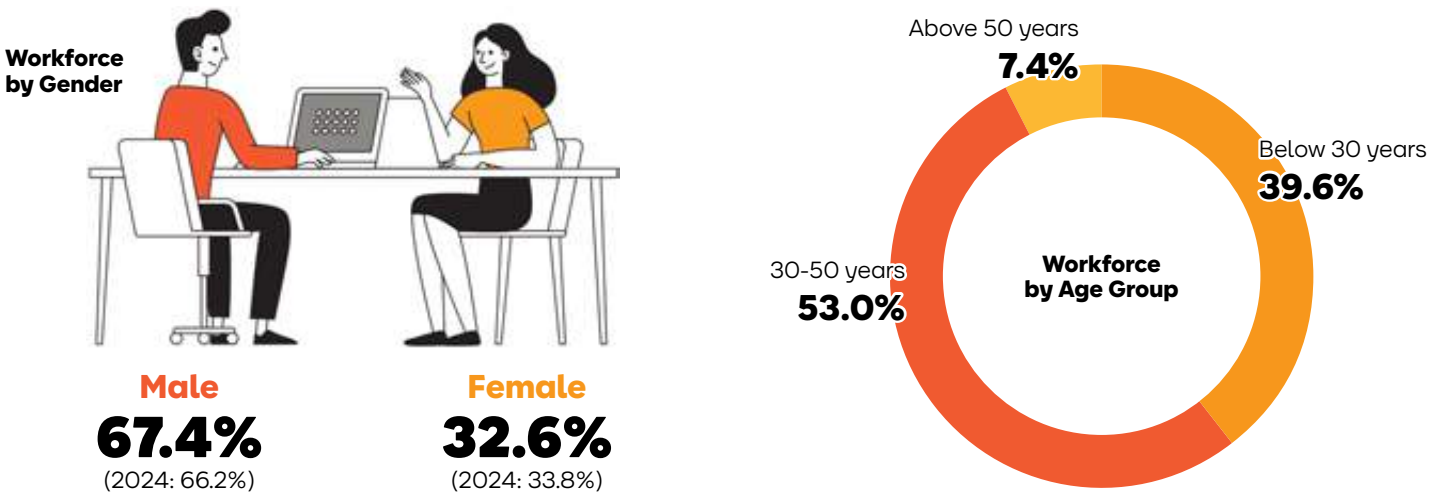


28%
women in IT

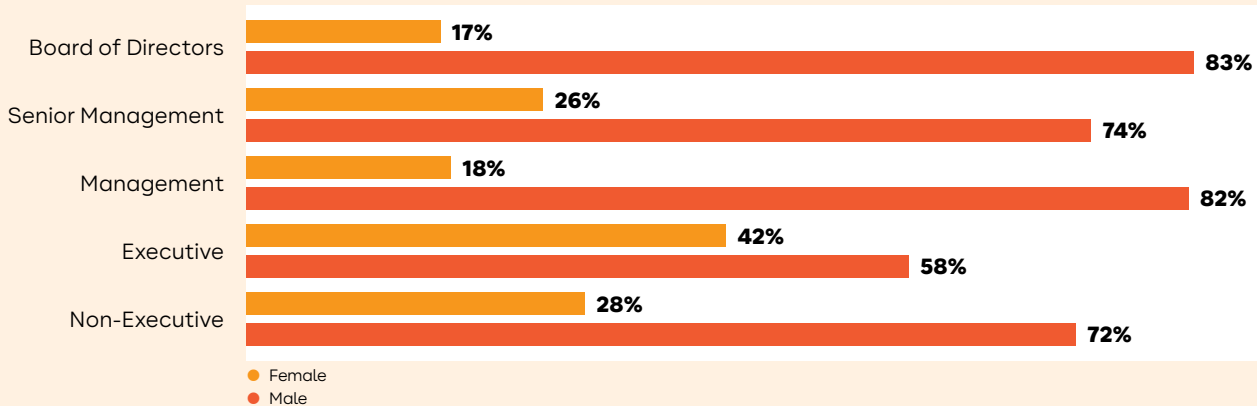
OUR WORKFORCE

We have a strong workforce of 20,555 Allstars with gender distribution comprising 67.4% men and 32.6% women. A mature and experienced demographic defines our team, with 53% of Allstars falling within the 30-50 age bracket and 52% of our workforce are Malaysian nationals, providing the local expertise and insight essential to driving our regional and global ambitions. Permanent, full-time employees constitute 88.1% of our team, while the remaining 11.9% are contract-based Allstars who provide the operational flexibility required to excel within the dynamic aviation and digital landscapes.

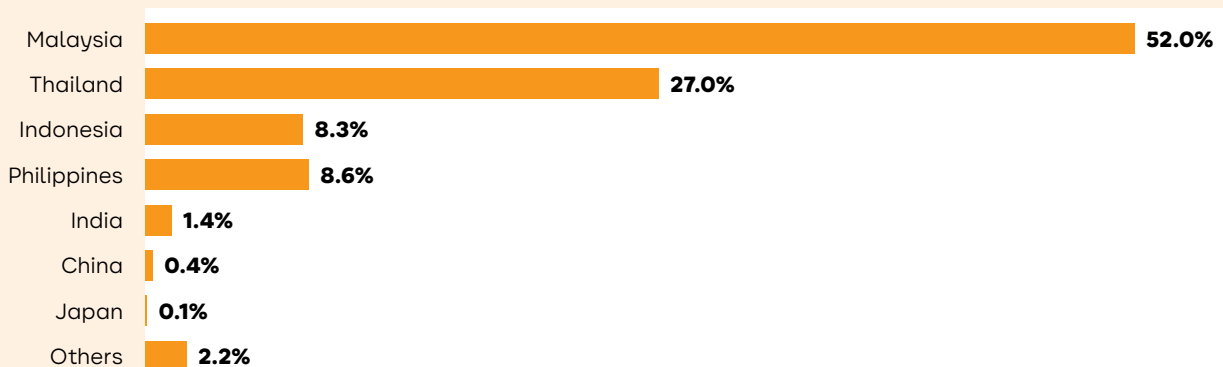
We prioritise cultivating an inclusive workplace that guarantees fair access to development for every individual, regardless of employment category. Although this distribution reflects the traditionally male-dominated nature of the aviation and engineering sectors, we remain committed to providing equal opportunities for shared growth across all entities and levels.



Workforce by Employment Category



Allstars by Nationality



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Empowering Allstars

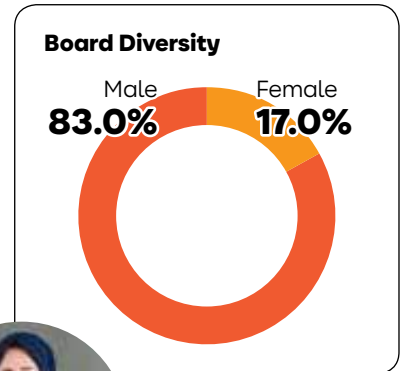
WOMEN IN LEADERSHIP

AirAsia has consistently defied norms and challenged the status quo to foster a more gender-balanced environment in a traditionally male-dominated industry. We empower our female Allstars to reach new heights, particularly in leadership and decision-making roles, starting at the very top with our Board. This commitment is central to our efforts to increase female representation in decision-making roles.

Board Diversity

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. 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.

A notable example of this leadership is Brigadier General (R) Dato' Fadzillah Binti Abdullah, who joined our Board of Directors in November 2024. As one of the highest-ranking female officers recently retired from the Royal Malaysian Armed Forces, she brings invaluable expertise in governance, risk management, and organisational resilience to our RMSC. Her presence underscores the Nomination and Remuneration Committee (NRC) dedication to identifying and promoting highly qualified female candidates for Board position.



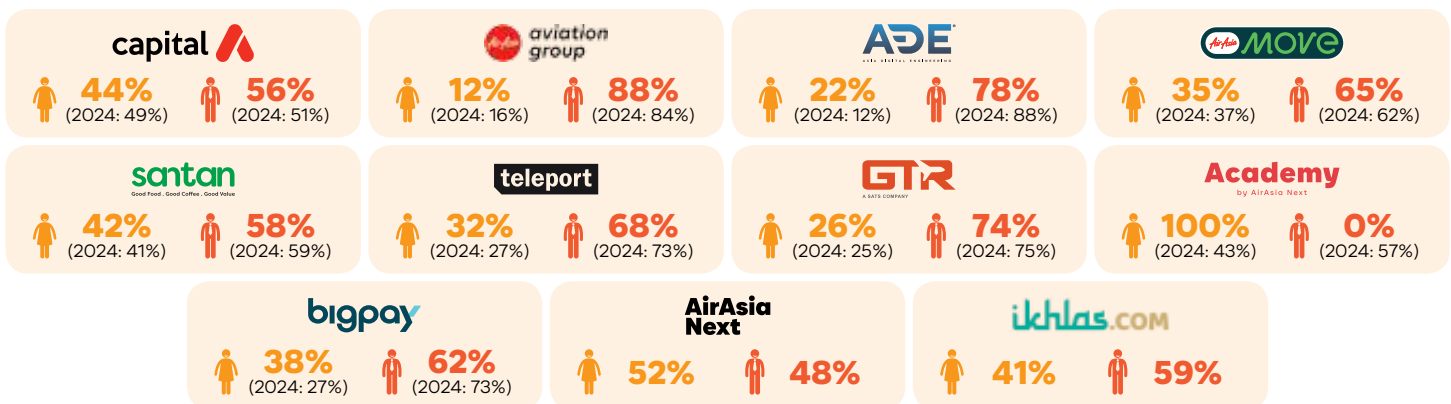
Brigadier General Fadzillah Abdullah

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

In 2025, women held 19% of decision-making roles across the Group. While representation varies between entities, several units demonstrated strong progress, particularly in non-aviation businesses such as Abc, Santan, Academy by AirAsia Next, and AirAsia MOVE. We recognise that a gender imbalance persists in aviation-focused entities, including the AirAsia Aviation Group, Ground Team Red, and ADE, where roles such as ramp operations and aircraft engineering remain predominantly male-dominated. However, we view these figures as a reflection of historical structural imbalances within the industry rather than a lack of capability. To address this, we are focusing on our internal talent flow with 26% women currently occupying senior management roles and the more balanced distribution of 42% women in executive roles provides a robust internal pipeline for future leadership successions.

By identifying these skews in technical and management tiers, we can mitigate unconscious bias and ensure equitable advancement for all Allstars. These results highlight both the advances in gender diversity across certain business units and the natural variation due to operational realities, providing clear direction for targeted development and inclusive initiatives in leadership.



Note: This chart only includes Allstars who hold managerial positions, those defined as senior management and management.

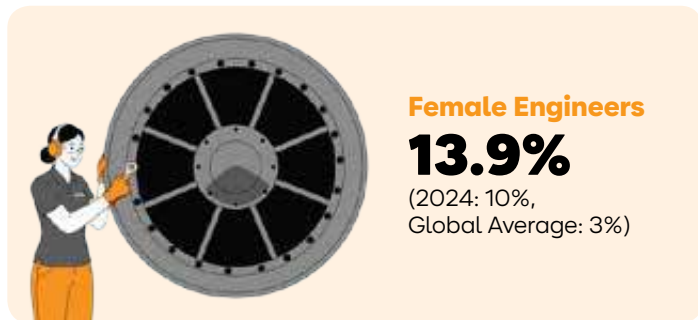
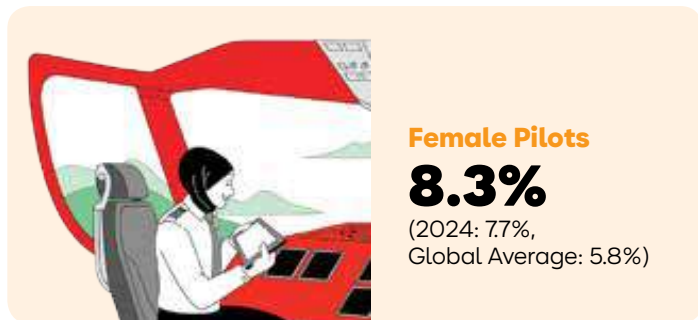
Key Highlights from 2025:

- Asia Digital Engineering doubled female representation to 22% (from 12%), reflecting targeted efforts to strengthen gender diversity in MRO leadership roles.
- BigPay increased to 38% (from 27%), enhancing gender balance in fintech and strategic positions.
- Academy by AirAsia Next achieved 100% female representation in leadership (up from 43%), following the entity's restructuring and rebranding.

Women in STEM

As AirAsia continues to expand its digital capabilities, we remain committed to strengthening our STEM workforce while fostering a diverse and inclusive team. Since accelerating this focus in 2024, we have increased the recruitment and retention of women in technology roles, bringing diverse perspectives that support innovation and product development.

Our commitment to diversifying technical roles is evident in our flight operations and engineering teams; sectors traditionally cited for having high barriers to entry due to rigorous training requirements. Initiatives targeting women in STEM, leadership, and high-paying positions have yielded results that exceed regional and global averages:



Notes:

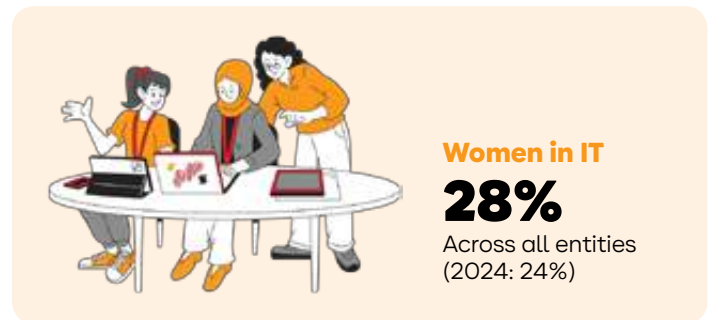
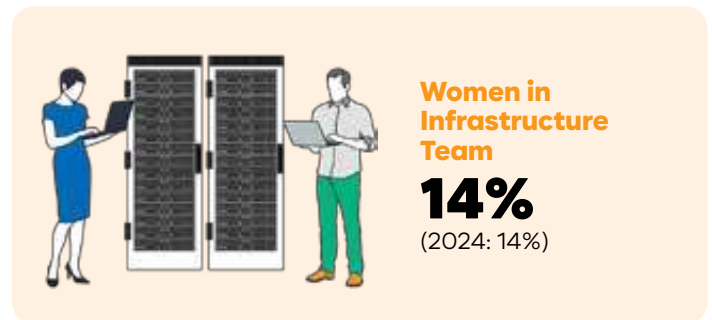
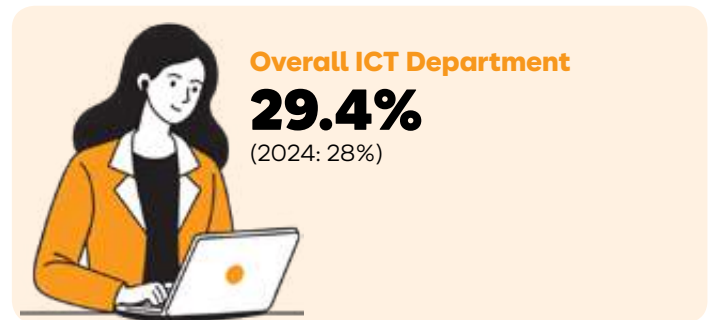
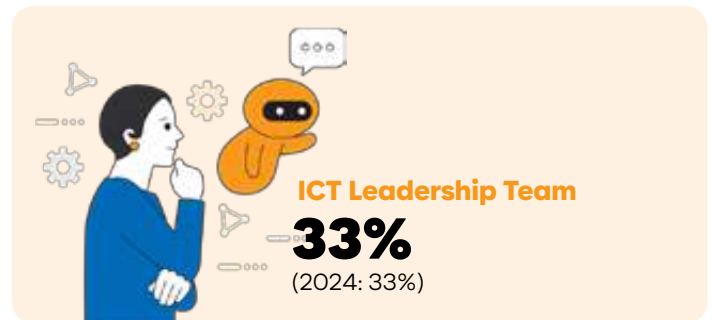
- A report by the International Society of Women Airline Pilots indicates that 5.8% of the world's pilots were women in 2021.
- According to the International Civil Aviation Organization Global Aviation Gender Survey 2021, 3% of aircraft maintenance engineers and technicians in service were women globally. The Asia Pacific region also recorded the highest global share of licensed female aircraft maintenance engineers and technicians at 4.4%.

By supporting women in these highly technical and operational roles, we are actively dismantling the structural imbalances of the past. The figures demonstrate that our technical training pathways are inclusive, ensuring that all high-potential Allstars have the support needed to excel in specialised aviation careers.

Group ICT's Women in Tech Initiative

In 2025, women represented 29.4% of the ICT department, an increase from 28% in 2024, just shy of the department's 30% target. This progress reflects our efforts to create pathways for women to thrive in technical roles while contributing to a more collaborative and dynamic team culture.

Across both aviation and non-aviation IT teams, women now make up 28% of our technology workforce, up from 24% in 2024. This growth underscores our commitment to developing STEM capabilities and expanding opportunities in technology careers. By supporting more women in STEM roles, we aim to build a stronger, more balanced workforce that drives innovation as we evolve into a travel and digital lifestyle brand.



SOCIAL

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:

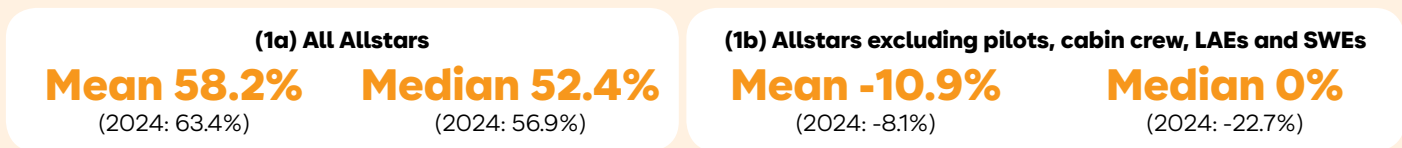
- 1 Inclusive of all Allstars
- 2 Allstars excluding pilots, cabin crew, licensed aircraft engineers (LAE) and software engineers (SWE)

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.

With the recent restructuring, where Capital A Berhad completed the disposal of AirAsia's short-haul airline businesses in Malaysia, Thailand, Indonesia, the Philippines, and Cambodia to AirAsia X Berhad in January 2026, this analysis also provides a clear view of pay dynamics in non-aviation versus aviation roles.

Our performance on the hourly pay difference between male and female employees in 2025 is as shown:

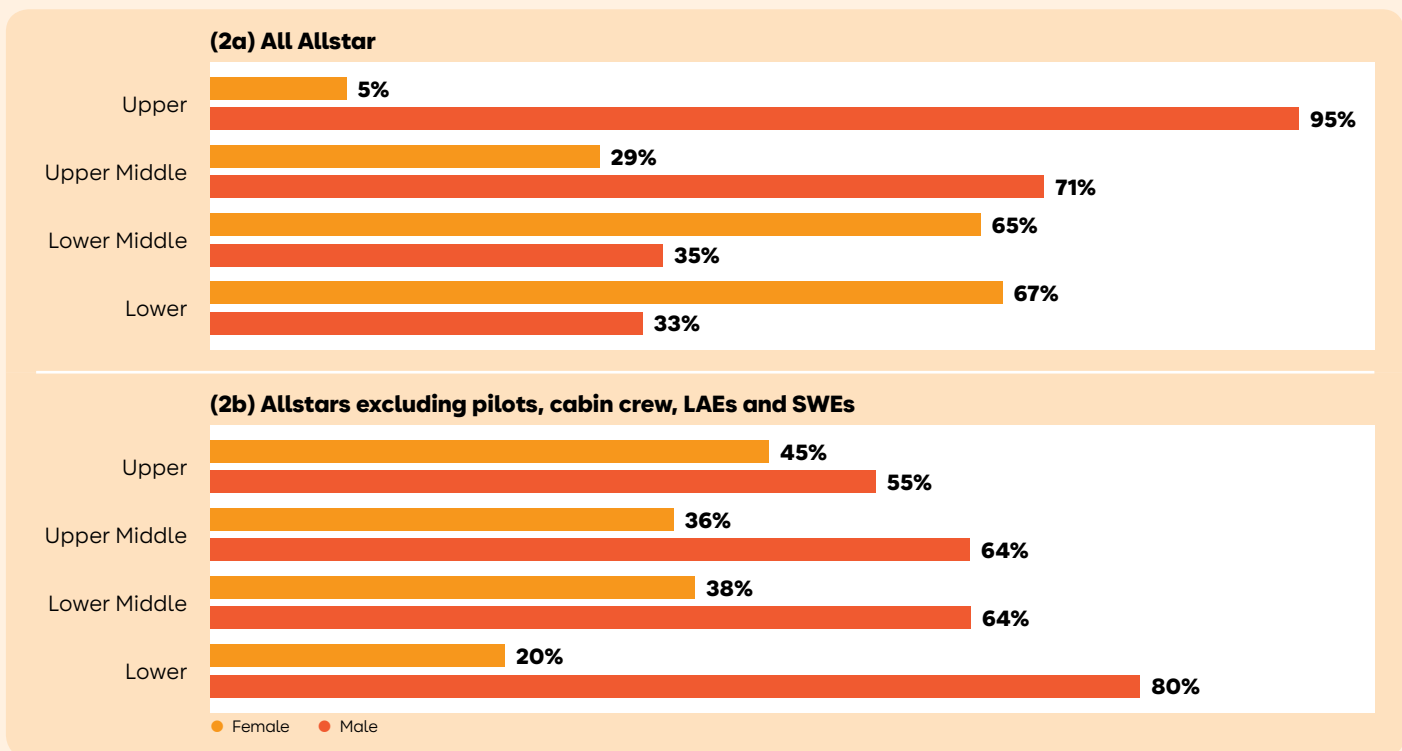
Figure 1: Hourly Pay Gap Analysis



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



What does the data show?

All Allstars

Across the Group, our median gender pay gap is 52.4% and the mean is 58.2%, improving from 56.9% and 63.4% in 2024 respectively (Figure 1a). As established in our workforce and leadership analysis, these figures primarily reflect structural imbalances rather than pay inequality. The concentration of men in high-paying technical roles such as pilots and LAEs, remain the primary driver of this skew. This trend is evident in the upper pay quartile, where men dominate at 95%, largely due to the concentration of pilots and LAEs while the lower pay quartile is more heavily female, with women representing 67% and men 33% (Figure 2a). Despite these structural challenges, our efforts to enhance pay competitiveness are proven by the contraction of the median pay gap.

Adjusted Analysis – Excluding Pilots, Cabin Crew, LAEs, and Software Engineers

When technical occupations with skewed gender representation (pilots, cabin crew, LAEs, and SWEs) are excluded, the data shows significant progress in pay equity. In this adjusted dataset, the mean pay gap is -10.9% and the median is 0%, indicating that women earn slightly more than men on average in comparable roles (Figure 1b). This reflects the distribution of operational and non-technical roles is more balanced, where women make up 45% of the highest pay quartile while men represented in the lower quartile at 80% (Figure 2b) due to the physical or shift-based nature of certain operational positions. Overall, these results demonstrate that our gender pay gap is largely driven by workforce composition rather than unequal pay for equivalent roles.

Addressing the Gender Pay Gap

We take a multi-pronged approach to address pay gap differences and foster pay equity across the Group:

- **Equal Pay Policies** – All roles are benchmarked to ensure fair pay for work of equal value, in line with local and international standards. Pilots, LAEs, and all other technical roles are compensated based on role and experience rather than gender.
- **Operational Role Diversification:** We are actively dismantling the structural imbalances by providing inclusive pathways into technical sectors, such as flight operations and engineering. By increasing the density of women in these traditionally male-dominated, high-paying tiers, we are systematically addressing the primary driver of our Group-wide pay gap.
- **Supporting Policies & Culture** – Strengthen an inclusive culture that supports career longevity and progression for women through initiatives that align with our broader commitment to the Women's Empowerment Principles.

Other initiatives can be read under the Women's Empowerment Principles section.

Women's Empowerment Principles (WEPs)

What's the Women Empowerment Principles?



Established by UN Women and the UN Global Compact, the WEPs provide guidance for businesses on advancing gender equality and women's empowerment across the workplace, marketplace and community. The principles are grounded in international labour and human rights standards and recognise that businesses have an important role to play in creating equitable opportunities for women.

In 2025, AirAsia became a signatory to the WEPs, signalling our commitment at the highest levels of leadership to advancing gender equality and collaborating with multi-stakeholder networks to strengthen business practices that empower women. These commitments include promoting equal pay for work of equal value, gender-responsive supply chain practices, and zero tolerance for sexual harassment in the workplace. The pledge was endorsed by the CEO of the aviation group.

This milestone builds on practices already embedded across the organisation. To further strengthen implementation, AirAsia also participated in the WEPs Corporate Action Lab (CAL) in collaboration with UN Women and TalentCorp Malaysia.

WEPs Corporate Action Lab (WEPs CAL)

The WEPs CAL is a 6–9 month cohort-based programme that supports companies in designing and piloting workplace solutions aligned with the WEPs. Malaysia was the first country globally to launch the programme, with AirAsia selected as one of the pioneering cohort members.

The inaugural cohort focused on building family-friendly workplaces, aligned with the Malaysia MADANI Economic Framework, which aims to increase women's labour force participation to 60% by 2033. Through the programme, AirAsia developed three initiatives to support employees with caregiving responsibilities and strengthen workplace inclusion.



Yap Yoke Wah, AirAsia's Head of Talent, Recruitment & Employer Branding at the closing ceremony of WEPs CAL.

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Empowering Allstars



Pilot Initiatives Developed Under WEPs CAL

Through the incubation process, AirAsia developed three pilot initiatives aimed at supporting caregivers and creating a more inclusive workplace.

Field-to-Desk Programme


- Building on the 2024 Moms-on-Duty campaign, this programme is set to launch in 2026 to support pregnant cabin crew and pilots unable to fly with temporary office-based roles.
- Provides short-term placements in office-based roles across corporate and operational teams
- Enables continued income, career continuity, and upskilling through exposure to desk-based work

Childcare and Elderly Care Support

- Introduced through the Allstars Wellness Wallet in Malaysia
- Provides on-demand childcare and eldercare support
- Partnered with Kiddocare (childcare services) and Teman Malaysia (eldercare services)
- Expands flexible care options for working parents and caregivers

Allstars Care Leave

- Introduced to support employees with caregiving and family responsibilities
- Covers parental care needs, family milestones, education-related events, and medical situations involving mothers or newborns
- Over 300 applications recorded within the first three months
- Positive feedback, particularly from working parents, on improved flexibility and support

 For more information on how we support working parents, see the Talent Attraction & Retention chapter of this report.

CASE STUDY

Inclusive Cabin Crew Uniform Policy

AirAsia updated its cabin crew uniform policy to allow female crew members to wear the hijab while on duty if they choose to do so. The update reflects AirAsia's commitment to building an inclusive workplace where Allstars from diverse backgrounds, cultures and beliefs feel respected and empowered to represent the airline.

Previously worn by crew on routes such as Jeddah due to local regulations, the option will now be extended across the network. The professionally tailored hijab and pants option complements AirAsia's existing cabin crew uniform, maintaining the airline's standards of comfort, safety and brand identity.

The policy was shaped through feedback from employees and reflects the airline's diverse workforce and the cultures it serves. Implementation is planned from Ramadan 2026 following consultation with cabin crew.



Celebrating Women on International Women's Day

In 2025, AirAsia marked International Women's Day under the theme "Accelerate Action", reinforcing our commitment to gender equality and UN SDG 5. Across our regions, Allstars participated in initiatives designed to empower women, build leadership capabilities, and enhance professional and personal development.

These activities, from leadership workshops and wellness sessions to all-women flight crew and visibility campaigns, strengthen female representation across leadership, operational, and STEM roles. By creating opportunities for development and fostering confidence, AirAsia is actively building a more inclusive and future-ready workforce, enabling women to contribute strategically to the company and the aviation industry.



TAA Allstars at the Glow & Go Run for IWD 2025.

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Empowering Allstars

Talent Attraction & Retention

GRI 3-3

At Capital A, our success is powered by our Allstars. From our beginnings with the vision of "Now Everyone Can Fly" to becoming a diversified portfolio, our Allstars remain at the heart of everything we do.

As we continue to grow across aviation, logistics, travel tech, and beyond, we are committed to attracting and nurturing talent, creating an environment where Allstars can thrive, innovate, and help connect people and transform lives worldwide.



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



Performance Overview 2025



1,900
new hires



78 hours
average training per pilot & cabin crew



Achieved
2 hours
for self-driven learning per Allstar



27
score in employee NPS

Empowering Allstars

Becoming Malaysia's Leading Employer



Triple wins at the HR Asia 2025



- Best Companies to Work For in Asia - AirAsia Malaysia
- Diversity, Equity & Inclusion
- Best Companies to Work For in Asia - Thai AirAsia

Quadruple wins at Top Employer 2025 Award by Jobstore.com



- Top Employer of the Year - Gold
- Top HR Team of the Year - Gold
- Top Employer of Graduate Choice - Silver
- Top Employer of Best Workplace - Silver

HR Excellence Awards Malaysia 2025



- Excellence in Graduate Recruitment and Development - Silver

Great Place to Work 2026



Indonesia AirAsia is the only airline in Indonesia to be certified by Great Place to Work®, recognising its exceptional workplace culture.

HRoot Awards 2025



Greater China Best Employer Award - AirAsia

Top 50 Employers in the Philippines for 2025 by Kalibrr



HIRING WITH PURPOSE

At Capital A, we look beyond academic and professional qualifications when welcoming new talent. We adopt a skills-first approach, assessing both capabilities and alignment with our eight Allstar values.

Our recruitment team actively sources future Allstars through diverse channels, including career fairs, social media, internships, and internal referrals. Candidates undergo thorough background checks and multiple interviews to verify qualifications and evaluate their suitability for the role.

To ensure fair, skills-based hiring, we have implemented a structured assessment methodology across all roles:

- Psychometric assessments
- Assessment centres with role-based case studies
- Panel interviews to support inclusive decision-making
- Unconscious bias training for selected hiring managers

In addition, selected hiring managers undergo unconscious bias training, which provides practical tips, case studies, and best practices to support fair and inclusive evaluation. This holistic approach fosters an inclusive recruitment process and ensures equal opportunities for all candidates.



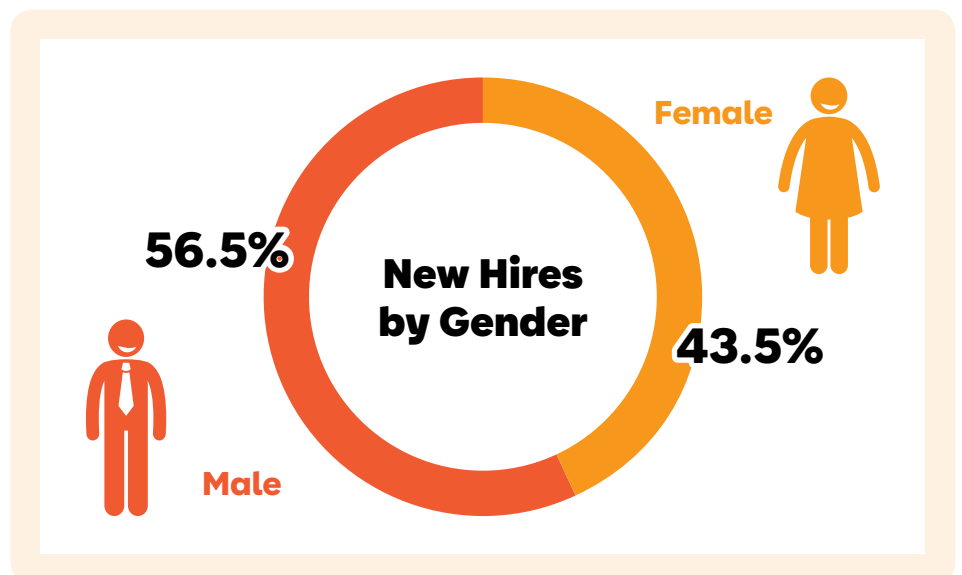
New Hires & Turnover

GRI 401-1

In 2025, we proudly welcomed over 1,900 new Allstars to our organisation, reflecting continued growth across the Group.

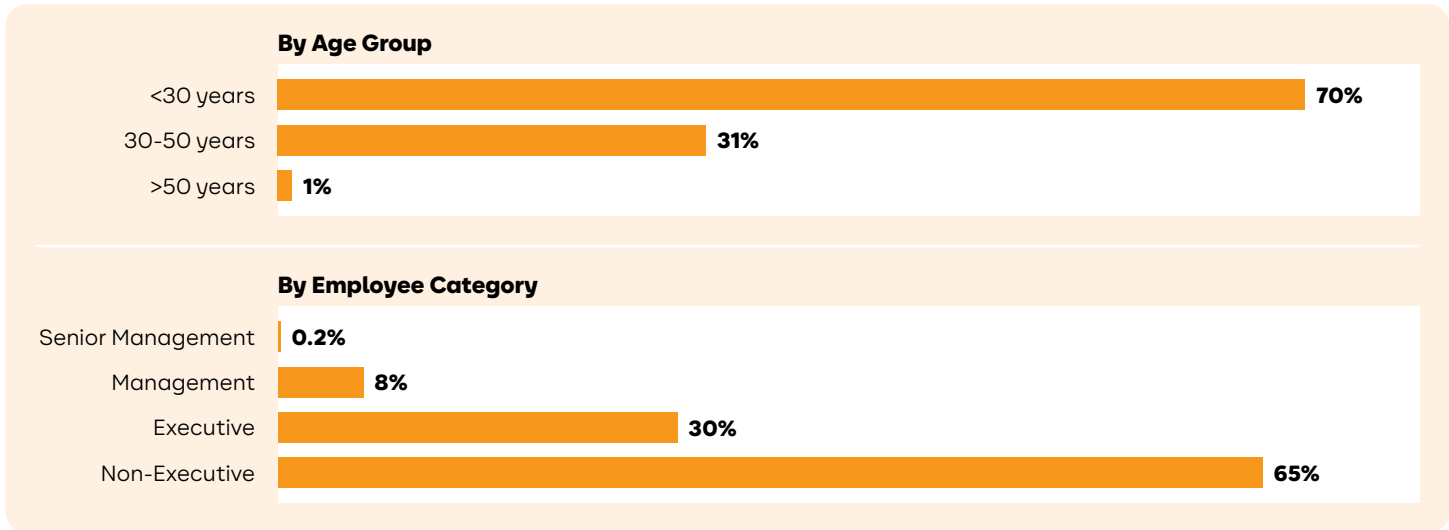
Our workforce maintains a healthy generational mix, with 70% aged below 30, 31% between 30 and 50, and 1% above 50. This balanced representation strengthens our ability to understand evolving customer and workforce expectations across generations.

The strong presence of younger talent brings fresh perspectives, bold ideas and innovative thinking, helping to shape the future of the travel and lifestyle industry. At the same time, we prioritised internal mobility, filling 98 vacant roles with internal candidates whose development and career progression we remain committed to supporting.



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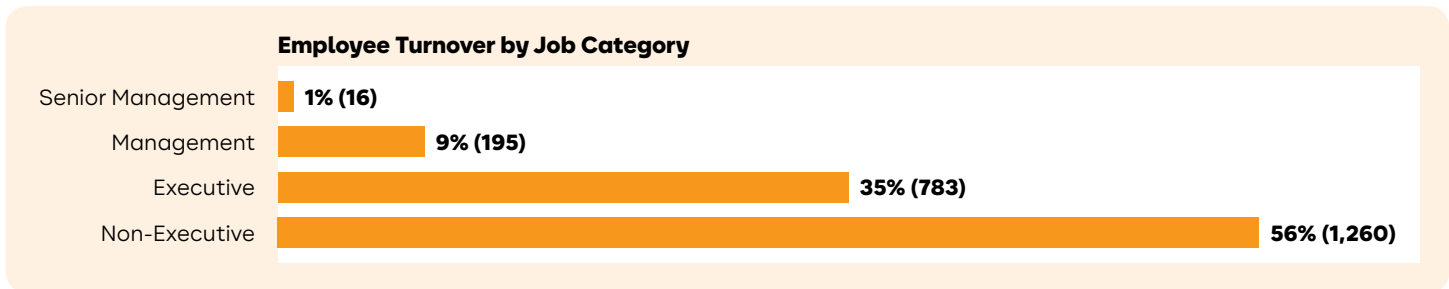
Empowering Allstars



To support seamless integration into the Capital A family, all new recruits attend a comprehensive full-day onboarding programme. The session introduces our identity, values and ways of working, covering the Capital A story, our Allstar Values, key policies such as safety and cybersecurity, and guidance on essential digital platforms including Workday, Workvivo, Google Suite and RedIcons. This ensures every new Allstar is equipped with the knowledge and tools needed to thrive from day one.

Employee retention remains a key focus. In 2025, our overall turnover rate declined to 10.8%, compared with 14.3% in 2024, potentially reflecting strengthened talent pipeline initiatives. While some turnover is natural in a dynamic organisation, we remain committed to fostering an engaging and supportive workplace.

Through career development programmes, internal mobility opportunities and continuous feedback analysis, we strive to build a motivated, resilient workforce aligned with our long-term ambitions.



STRENGTHENING OUR TALENT PIPELINE

Strengthening our long-term talent pipeline remains a priority, from internships and scholarships to management trainee programmes and school outreach. Many of these initiatives are aligned with critical STEM roles across the organisation, particularly aviation functions such as pilots and engineers, ensuring long-term operational resilience and technical excellence.



Building STEM Excellence

Some of our key initiatives supporting aviation STEM talent development include:

1 Cadet Pilot Programme

The AirAsia Cadet Programme provides a structured pathway for aspiring pilots to become fully qualified commercial aviators. In partnership with CAE, the programme reflects our commitment to nurturing homegrown talent and fostering a diverse, inclusive aviation workforce.

Unlike traditional cadet programmes, ours combines technical excellence with the Allstar spirit, encouraging dynamism, boldness, and innovation. In 2025, we welcomed 43 new cadets into the programme.

To further support aspiring pilots, we awarded the Allstars Cadet Pilot Scholarship to three Allstars. This initiative offers financial assistance to employees across all departments, helping them achieve their dream of becoming pilots while contributing to the growth of the aviation talent pool.



2 Aircraft Engineering Programme

ADE strengthened its engineering talent pipeline by proactively sourcing candidates for critical roles such as Licensed Aircraft Engineers (LAEs), Aircraft Technicians, and Workshop Technicians. Vacancies were promoted through LinkedIn, the ADE career website, and targeted career fairs, while shortlisted candidates were invited for interviews to ensure quality selection.

ADE does not practice gender selectivity and actively encourages women in STEM to apply for LAE and Technician roles. To support female talent, ADE provides:

- **Facilities:** Nursing rooms and childcare centres.
- **Inclusive Culture:** Guidelines and practices to ensure a bias-free workplace.
- **Career Progression:** Training and development opportunities, including the ADE Engineering Trainee Programme.
- **Benefits:** Monetary maternity support and 5 days of Child Care Leave per year.



Key initiatives also included participation in the Selangor Aviation Show and MYFUTUREJOBS Career Fair, continuous advertising of evergreen roles, leveraging internal referrals, and using LinkedIn Recruiter to attract experienced candidates. Together, these efforts ensure a steady, diverse, and sustainable talent pipeline to meet ADE's current and future operational needs.

SOCIAL Empowering Allstars

3 Scholarships

AirAsia continued to strengthen its strategic partnerships with civil aviation institutions in China, adding the Civil Aviation Flight University of China (CAFUC) this year, following the collaboration with the Civil Aviation University of China (CAUC) in 2024. This collaboration leverages the universities' educational and research strengths to enhance civil aviation cooperation between China and ASEAN, and further drive industry growth through talent exchange, academic collaboration, and industry engagement initiatives.

A total of 35 outstanding students from CAUC and CAFUC have benefited from the programme, including 20 AirAsia scholarships and 15 financial aid awards supporting top-performing students and those in need, ensuring accessibility for aspiring aviation professionals.

The partnership aims to build a pipeline of STEM-trained graduates for the aviation industry, while deepening China-ASEAN civil aviation ties and contributing to regional talent development.



2025 CAUC AirAsia Scholarship Awarding Ceremony.

Shaping Future Ready Leaders

Having a robust leadership and talent pipeline is essential to securing the future of Capital A and AirAsia. Our approach integrates leadership development, mentorship, and structured talent progression under a unified Allstars framework, ensuring a cohesive and future-focused capability build. We focus on coaching, mentoring and targeted development of identified Allstars to prepare them to take on leadership roles and ensure a strong succession pipeline that supports business continuity.

1 Allstars+ Leadership Programme

In 2025, Capital A launched its first-ever management trainee programme, the Allstars+ Leadership Programme. The "+" symbolises acceleration, growth, and the future.

Designed as an 18-month fast-track programme, Allstars+ accelerates talent development through structured job rotations across Group and operational functions, combined with immersive learning and executive mentorship. The programme empowers participants to take ownership of their careers while gaining broad, hands-on exposure to the business.

The programme is built on three core pillars:

Job Rotation

- 1 Structured rotations across Group and operational functions, designed to provide maximum exposure in a holistic business understanding manner. Includes regular check-ins and end-of-rotation evaluations.

Accelerated Development

- 2 Targeted learning interventions designed to build leadership capabilities covering resilience, design thinking, financial acumen, and high-impact communication. Includes a final "Shark Tank"-style business challenge.

Mentorship

- 3 Dedicated C-suite mentors provide direct exposure to senior leadership and strategic decision-making.

For our first intake, nine management trainees joined the programme. They are scheduled to complete their rotations by the second half of 2026, after which departments will have the opportunity to offer them full-time positions based on performance and fit.



2 Allstars Mentorship Programme

In conjunction with International Women's Day 2025, Capital A launched its first-ever mentorship programme dedicated to female Allstars.

The programme was designed to broaden access to development opportunities, particularly for Allstars who had not previously participated in formal training or leadership programmes. It aimed to encourage self-driven growth while testing a structured mentorship framework for future expansion. Ten senior leaders volunteered as mentors, representing diverse functions including Government Relations & Global Affairs, ICT, Commercial, Flight Operations, and People Department.

Over the six-month programme, 16 mentees and 10 mentors participated, including C-suite leaders from both operational and corporate roles. Mentees have the option to continue their mentorship beyond the formal programme period on their own initiative. Based on feedback, mentees reported that the programme supported their key focus areas, with several continuing mentor engagement beyond the structured programme.



3 Allstar Internships

For shorter-term placements, our internship programme provides students and fresh graduates with first-hand experience across our corporate and airline operations. Interns gain real-world industry exposure, build practical skills, and explore career pathways in areas such as engineering, digital innovation, and sustainable development.

In the past year, we hosted over 800 interns across Malaysia, Thailand, Indonesia, China, and the Philippines. By investing in young talent, we are nurturing the next generation of professionals ready to shape the future of travel and technology.



4 Executive Leaders Programme

AirAsia launched the Executive Leaders Programme, building on previous leadership offerings with a more holistic approach that includes business simulations and real-world case studies to strengthen strategic thinking and leadership capability.

The programme ran across four cohorts in Thailand, Indonesia, Malaysia, and the Philippines, engaging 67 participants. Through immersive and scenario-based learning, participants were challenged to apply judgement, agility, and decision-making in complex organisational contexts.

A core feature is the "Shark Tank" project, where participants developed innovative solutions and presented them to senior management, fostering critical thinking, problem-solving, and persuasive communication skills.



SOCIAL Empowering Allstars

5 Emerging Leaders Programme

The Emerging Leaders Programme, introduced to replace the previous leadership offering, is designed to develop high-potential Allstars by providing exposure to the fundamentals of leadership and accelerating their growth within the organisation. It offers a structured entry point for aspiring leaders to build core capabilities early in their careers.

Through a mix of foundational learning and practical application, participants develop essential skills including self-awareness, communication, collaboration, and decision-making. The programme serves as an early-stage feeder into the broader leadership and talent pipeline, equipping Allstars with the mindset and confidence to take on expanded responsibilities, engaging 96 participants in 2025.



6 Rise to Lead Programme

For our non-aviation businesses, we launched the Rise to Lead (RTL) program, a high-impact leadership development initiative designed to strengthen the capabilities of our leaders within AirAsia MOVE.

The programme, which will run for one year from the third quarter of 2025 to the second quarter of 2026, was designed for a cohort of 12 Allstars identified as emerging leaders. The RTL program provided a comprehensive and blended learning journey, equipping participants with the essential mindset, skills, and behaviors to lead with purpose and drive business impact.

The curriculum was structured around four key sprints:



1

Foundation & Self-Leadership

Participants developed self-awareness, emotional intelligence, and critical thinking skills.

2

Entrepreneurship & Intrapreneurship

This sprint focused on strategic thinking, business acumen, and cultivating a customer-centric leadership mindset.

3

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.

4

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.

Through a hybrid programme combining e-learning, interactive workshops and group coaching, participants applied new skills to real-world business challenges. A key component involved two cross-functional projects focused on departmental improvements and innovative solutions. This hands-on approach reinforced learning while enabling Allstars to build confidence and apply strategic leadership in their day-to-day roles.

7 Specialist Pathway Programme

The Specialist Pathway Programme (Expert Track) is AirAsia MOVE's structured career framework designed for technical talent who aspire to deepen their domain expertise and drive high-impact contributions, without pursuing people management roles. Equally valued as the People Management Track, the programme offers a clear progression path from Junior Engineer (entry level) through to Principal Architect (highest level in expert track equivalent to CTO), with defined competency expectations, career milestones, and an Human Resource Business Partner (HRBP)-supported assessment process to ensure the right talent is placed on the right path. In 2025, AirAsia MOVE proudly promoted 21 staff under this programme, a landmark achievement marking the very first cohort of Expert Track promotions in MOVE's history, setting a new standard for how we recognise and grow our deep technical talent.



Inspiring the Next Generation

We engage students at different stages of their education journey to nurture early awareness, inspire career aspirations, and strengthen interest in aviation and STEM.

1 Secondary Schools – Career Exposure & STEM Inspiration

Through our AirAsia School Takeover programme, we piloted outreach sessions across three high schools in the Klang Valley, Malaysia - SMK Taman Tasik, SMK Putrajaya Presint 16(1), and SMK Desa Perdana KL - reaching over 600 students from Form 1 to Form 4.

The programme featured sharing sessions by pilots, flight dispatchers, and other Allstars, alongside interactive aviation-related activities. These engagements provided students with real-world insights into aviation careers and helped demystify technical roles within the industry.



2 Primary Schools – Early Exposure Through Edutainment

At the primary level, we focus on building curiosity and positive brand connections through storytelling and interactive learning. Students are introduced to AirAsia and the AirAsia Buds characters, based on Asean's native animals, while learning travel do's and don'ts, regional destinations, and Southeast Asian geography.

Each session concludes with mascot appearances and an "Adventures Passport" stamping activity, creating memorable and meaningful experiences.

To date, the programme has reached over 19,000 primary school students (primarily Standard 4–6) across 50 schools in major states in Malaysia - Kuala Lumpur, Putrajaya, and Selangor. A further 20 schools are scheduled for visits in Q1 2026.

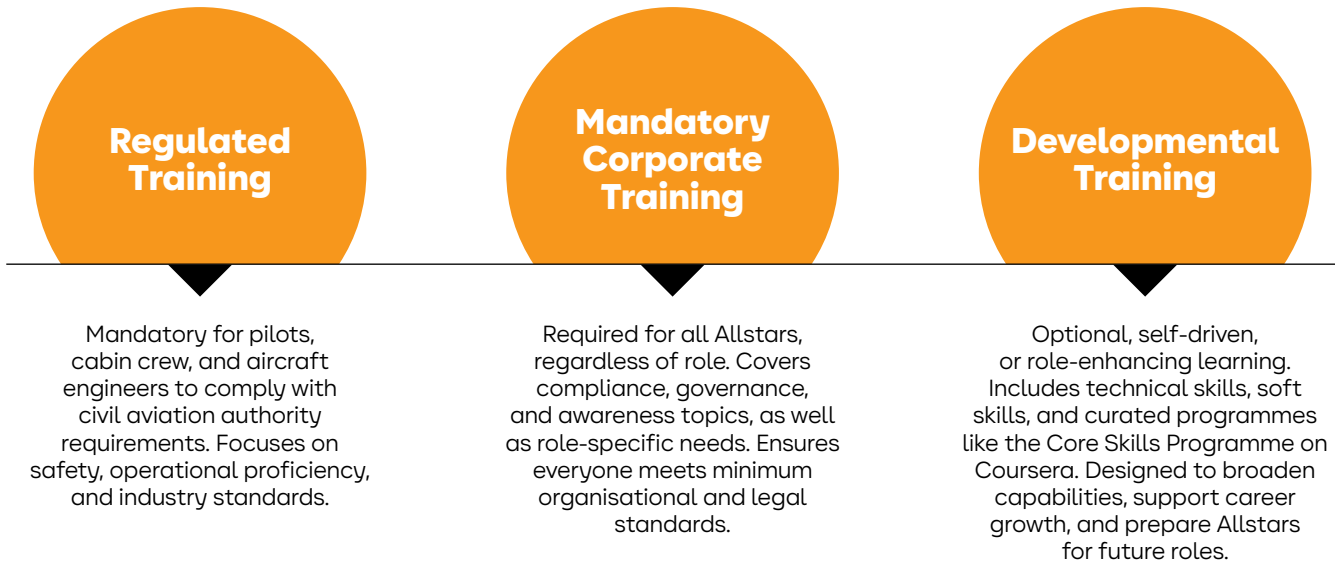


SOCIAL

Empowering Allstars

INVESTING IN OUR ALLSTARS

To support the career growth and personal development of our Allstars, we offer comprehensive learning and development programmes covering technical, functional, and soft skills. These initiatives help build dynamic, competitive, and future-ready Allstars, and can be categorised into three types:



1 Regulated Training for Pilots, Cabin Crew & Aircraft Engineers

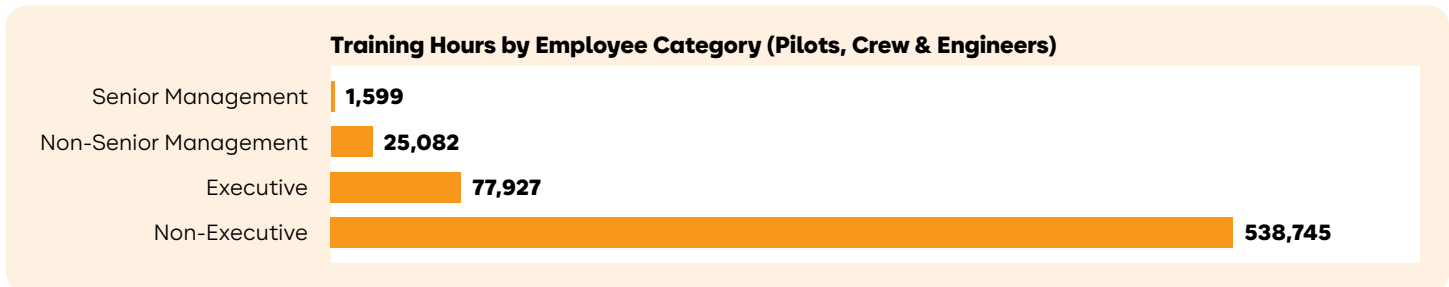
Continuous development of pilots and cabin crew is essential to maintaining operational excellence and safety standards. We invest significantly in theoretical, simulation-based, and on-the-job training, in line with civil aviation authority requirements, to ensure long-term proficiency, performance, and retention.

In 2025, we invested millions in our flight crew across our five AOCs, delivering over 500,000 training hours, an average of 75 hours per pilot and 80 hours per cabin crew. At ADE, aircraft engineers received over 10,000 hours of training, averaging seven hours per engineer, to maintain technical expertise and operational safety.



Pilots & Crew
>500,000 hours
of training

Aircraft Engineers
>10,000 hours
of training



Note: The chart above only reflects regulated training hours by employee category for pilots, cabin crew, and aircraft engineers.

2 Mandatory Corporate Training

All Allstars are required to complete mandatory training designed to uphold compliance, governance, and organisational standards. Key modules include:

#KnowTheSigns – Anti-Human Trafficking

Equips Allstars to identify indicators of trafficking, understand regional trends, and follow safe reporting protocols.

✓ **4,255** Allstars

✓ **2,200+** hours



For more details, refer to the Human Rights chapter of this report.

Anti-Bribery and Anti-Corruption (ABAC)

Ensures understanding of ABAC policies and compliance requirements.

✓ **93%** of Allstars completed the e-learning module



For more information, refer to the Corporate Governance chapter of this report.

Information Security Training

Annual 40-minute module covering data privacy, password hygiene, device security, and threat identification. The minimum passing score is 80%.

✓ **78.5%** completion rate



For more details, refer to the Information Security & Data Privacy chapter of this report.



BigPay Mandatory Training

Allstars working in BigPay complete additional role-based modules tailored to the needs of fintech operations. These modules equip employees with practical, job-specific skills that support business operations and compliance, while enhancing technical and professional capabilities.

ISTQB Foundation Level (CTFL)

The International Software Testing Qualifications Board (ISTQB) CTFL is a globally recognised entry-level certification in software testing. It provides a foundational understanding of testing principles, processes, and best practices, suitable for testers, test analysts, test engineers, test consultants, test managers, user acceptance testers, software developers, or anyone seeking a basic knowledge of software testing.

✓ **3** Allstars

✓ **66** hours of learning

Certificate in Anti-Money Laundering & Counter Financing of Terrorism (CAM)

Offers a comprehensive introduction to ML/TF risk awareness, methods employed, and the application of organisational policies and legal regulations to combat ML/TF activities.

✓ **9** Allstars were certified

✓ **63** hours of training

Advanced Microsoft Excel Programme

Designed for experienced users, covering complex formulas, advanced data analysis, Power Pivot, Macros, and data visualisation, enabling confident problem-solving in real-world scenarios.

✓ **34** Allstars

✓ **56** hours of learning

Sales Tax, Service Tax & E-Invoicing Webinar

Equips participants with practical knowledge and essential updates to enhance compliance and business operations.

✓ **2** Allstars

✓ **14** hours of learning

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Empowering Allstars



GTR Training for Ground Handling

GTR Allstars in ground handling roles undergo mandatory, role-based training to perform their duties safely and in compliance with airport regulations, SOPs, and civil aviation authority requirements. These trainings ensure operational safety, service quality, and regulatory compliance. To keep knowledge current, refresher training is conducted annually in addition to the initial training.

Key training modules include:

Dangerous Goods (DG) Training

Ensures safe handling of dangerous goods shipments, including acceptance, storage, build-up, loading, and Notification to Captain (NOTOC) procedures, in accordance with ICAO and IATA regulations.

<p>✓ Initial Training: 437 Allstars 440 training hours</p>	<p>✓ Refresher: 1,437 Allstars 304 training hours</p>
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Operations Training for Guest Service, Ramp and Cargo Teams

Strengthens operational competency and service delivery across frontline ground handling functions.

<p>✓ Initial Training: 436 Allstars 2,668 training hours</p>	<p>✓ Refresher: 1,402 Allstars 512 training hours</p>
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Emergency Response Plan Training

Prepares staff to respond effectively to aircraft, passenger, or crew incidents and provide necessary assistance during emergencies.

<p>✓ Initial Training: 646 Allstars 272 training hours</p>	<p>✓ Refresher: 1,073 Allstars 200 training hours</p>
--	---

Airside Safety Training

Equips staff with knowledge of safety risks and safe working practices in airside and ramp environments.

<p>✓ Initial Training: 646 Allstars 272 training hours</p>	<p>✓ Refresher: 1,073 Allstars 200 training hours</p>
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For more details on safety training, please refer to the Health & Safety chapter of this report.



Good Food . Good Coffee . Good Value

Santan Food Safety Training

For Santan, food safety training is a legal requirement under the Malaysian Food Act 1983 and Food Hygiene Regulations 2009, covering hygiene, temperature control, contamination prevention, and safe food handling. Similar requirements apply in other countries where Santan operates, ensuring consistent standards across all locations.

In compliance with these laws, 39 Santan Allstars completed the training, equipping them with the knowledge and practical skills to maintain food safety, prevent contamination, and ensure high-quality service for customers.

For more details on Food Safety, please refer to the Health & Safety chapter of this report.



Teleport Cargo Training

Allstars at Teleport complete role-based mandatory training designed for air freighter operations, ensuring safety, operational proficiency, and regulatory compliance across all cargo functions. Training covers critical areas such as Bomba Threat Awareness, First Aid, Safety Induction, Human Factors, Safety Management Systems, Emergency Response Procedures, Basic Cargo Operations, Smart Kargo, One Teleport system training, and Dangerous Goods Awareness and Functions 3 & 4.

These modules equip participants with the knowledge and skills needed to manage air cargo safely, handle hazardous materials, respond to emergencies, and operate Teleport's systems efficiently, reflecting the specific requirements of air freighter roles.

<p>✓ 622 Allstars</p>	<p>✓ 3,098 hours of training completed</p>
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3 Developmental Training

Beyond mandatory training, Allstars are encouraged to pursue technical and soft skills development to broaden capabilities and support career growth.

To further expand learning opportunities, we partnered with Coursera, a global platform offering internationally recognised courses and certifications. This complements our Academy by AirAsia Next platform, giving Allstars access to global content and specialised expertise while continuing to benefit from our internal learning ecosystem. Key focus areas include AI for data analysis, workflow optimisation, digital marketing, online safety, and emerging skills.

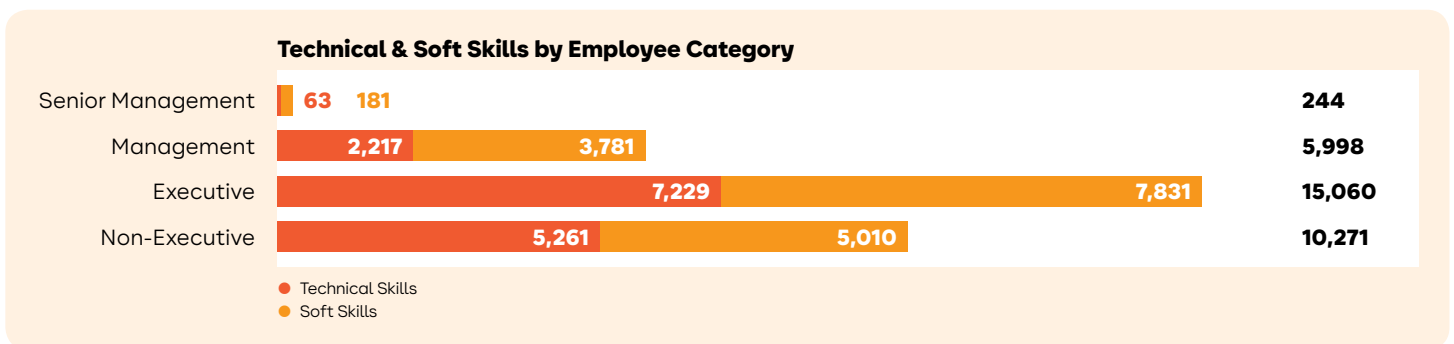
Our 2025 performance is as below:

Key Performance

Technical Skills: ✓ >19,000 hours of training ✓ 12,300 learners	Soft Skills: ✓ >21,700 hours of training ✓ 10,300 learners
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Note: This only reflects courses completed on Coursera and Academy by AirAsia Next.

These initiatives complement operational training and ensure Allstars are equipped to innovate, adapt, and thrive in their roles.



Note: The chart above reflects only the technical and soft skills training hours completed by Allstars through the Coursera and Academy by AirAsia Next platforms. Training is categorised into technical and soft skills, with total hours summed per employee category.

On top of learning from Coursera and Academy by AirAsia Next, Allstars from GTR, Teleport, and BigPay engage in self-driven learning tailored to their professional and personal development. In total, over 48,500 hours were completed across 29,800 participants, averaging about two hours per Allstar.

Key Performance

Total Self-Driven Learning

✓ **48,500** hours of training

✓ **29,800** Allstars

Note: This reflects courses completed on Coursera, Academy by AirAsia Next as well as other trainings done externally.

Core Skills Programmes

We have also curated four Core Skills Programmes on Coursera, structured to address evolving organisational needs and focus on four essential capability areas:

Generative AI & Big Data

Leveraging emerging technologies and data-driven tools to enhance decision-making, productivity, and innovation.



Systems Thinking

Understanding how different elements connect and interact to see the bigger picture and solve complex problems.

Service Orientation

Strengthening our commitment to delivering excellent service and creating positive experiences for others.



Resilience & Agility

Developing the mindset and capabilities to remain adaptable and effective in times of change.

SOCIAL

Empowering Allstars

Performance Review

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.



Our Aviation team adopts high performance culture by emphasising clarity, accountability and continuous feedback. We utilise the Objectives and Key Results (OKR) framework to align individual goals with the Group's business priorities and ensure clear performance expectations across teams.

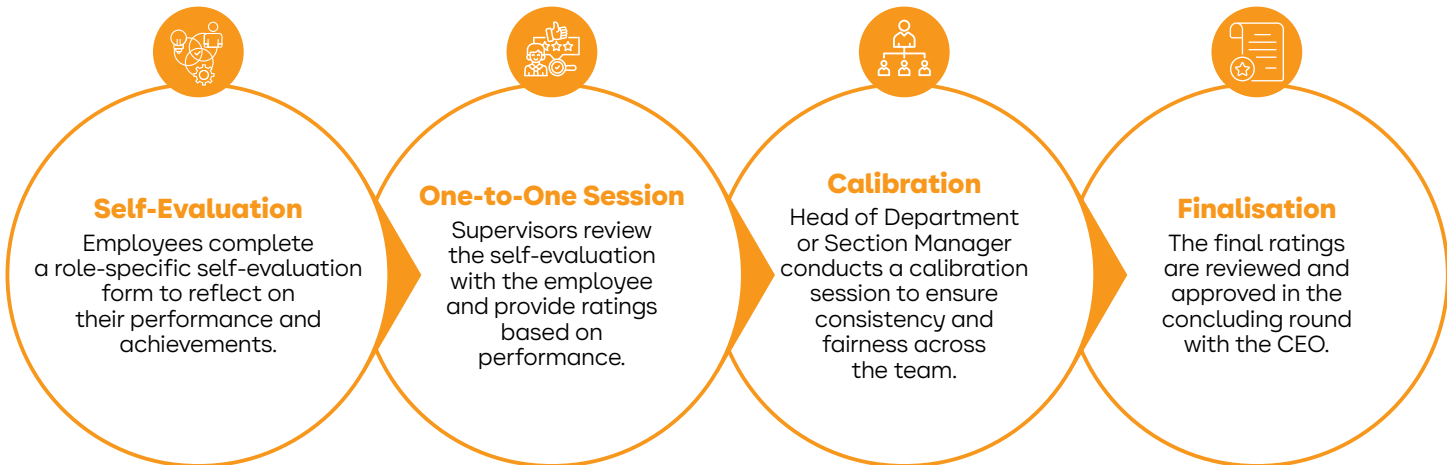
In 2025, we simplified our performance management approach by introducing a three-point rating scale (A/B/C) to enable clearer performance differentiation and more meaningful performance conversations. It's a culture of ongoing feedback, development and alignment with organisational goals. In 2025, 100% of our Aviation Allstars completed their performance reviews.

Key Performance

<p><input checked="" type="checkbox"/> 100% Allstars in the aviation arm received appraisals</p>	<p><input checked="" type="checkbox"/> 90% Allstars in ADE received appraisals</p>
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ADE has implemented a structured appraisal process tailored to each employee's role and department. The process includes:



This approach ensures transparency, fairness, and alignment with ADE's performance and development objectives. In 2025, 90% of employees have received their appraisals with the remaining still under progress upon writing this report.

ESG KPIs

We ensure that our top management's performance incorporates ESG KPIs, including carbon intensity and ESG rating targets. By embedding these metrics into regular performance management, sustainability is placed at the forefront of decision-making, promoting accountability across all business functions and reinforcing the organisation's commitment to ESG priorities.

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.

We conducted the eNPS survey, or Organisational Climate Survey, in August 2025 with a response rate of 86% and a score of 27, seven points lower than 2024. A closer look at the eNPS score shows that Allstars have clarity on their roles and responsibilities, understand the company's strategy, value the learning opportunities, and take pride in being part of the organisation. Scores on compensation slightly improved from the previous year, with ongoing initiatives in place to address it. Career growth and feedback also scored moderately, highlighting opportunities to further strengthen the employee experience and engagement across the organisation.

✓ **86%** response rate
(2024: 86%)

✓ **27** eNPS score
(2024: 34)



GTR conducted its own employee engagement survey in 2025, achieving a strong 88% engagement score, up from 73% in 2024. This reflects significant progress in strengthening the employee experience while highlighting areas for further improvement.

In response to employee feedback on internal equity and following the Malaysian Human Resources Ministry's minimum wage adjustment in February 2025, GTR implemented two salary adjustment cycles to address pay compression and market alignment. A July 2025 adjustment was applied to non-executive employees who were not covered under the minimum wage order, while a November 2025 adjustment was implemented for executive-level employees whose salaries were assessed to be below prevailing market benchmarks.

✓ **88%** Employee Satisfaction
(Target: 92%; 2024: 73%)

In addition, GTR strengthened frontline engagement by rolling out new uniforms for the Ramp Department and is currently finalising upgraded uniforms for the Guest Services Department, reinforcing professionalism and employee pride.



bigpay

BigPay maintained a strong employee engagement score of 90% in 2025. Engagement is measured through multiple channels, including participation in company events, such as Townhalls, Knowledge Sharing Lunches, festive celebrations, team-building activities, and annual Culture Surveys, which include the eNPS. These insights help BigPay foster a connected, motivated, and high-performing workforce while continuously improving the employee experience.

✓ **90%** Employee Engagement
(2024: 86%)

SOCIAL

Empowering Allstars

Rewards & Benefits

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
Allstars Care Leave Upgraded	An enhanced, repurposed leave policy designed to support employees during significant life events and personal commitments such as marriages, examinations, parental duties, and family celebrations.
Free Munch	Provide a daily food allowance for Allstars.
Self-Driven Learning Upgraded	Providing access to Academy and Coursera, tapping into world-class learning content from renowned global universities and top Silicon Valley companies.
Financial Health	Organise financial education sessions with several external organisations.
Physical Health	Encourage a healthy and active lifestyle while at the office, by providing an in-house gym and access to physiotherapy.
Well-being New	Provide access to our in-house counselors, Allstars Peer Support buddies, and external counselling services to express any concerns in their personal and professional life.
Wellness Wallet	A flexible wellness wallet that supports a variety of well-being needs including optical, dental, fitness, health screening, fitness activities, wellness services, childcare and elderly care services, and even veterinary among others.
Travel Benefits	Offer discounted flights for Allstars via employee e-coupons and ID90 for them and their dependents travel needs.
Medical 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.



Caring For Allstars and their Families

AirAsia is committed to supporting the working mothers and fathers across the company. We provide a range of benefits, including maternity and paternity leave, marriage leave, on-site childcare at RedQ, and nursing rooms at RedQ in Malaysia and RedHouse in Indonesia. In 2025, we had 71 female and 127 male Allstars who took parental leave to care for their families respectively.

Allstars Care Leave

To further support work-life balance, AirAsia enhanced its leave policies in 2025 with the introduction and expansion of Allstars Care Leave:

New Leave Options

- **Parental Leave** – for Allstars to attend to child-related matters.
- **Family Celebration Leave** – for important milestones, such as a child's marriage or the birth of a grandchild.

Upgraded Leave Options

- **Examination Leave** – to attend academics examinations and graduation
- **Marriage Leave** – for Allstars wedding celebration
- **Representation Leave** – represent state or country for official events

We also introduced Special Maternity Leave for mothers whose newborns require extended medical attention or follow-ups. Eligible Allstars can take up to 30 additional days of leave following their standard Maternity Leave, with flexibility to use the leave within 12 months of the child's birth.

These enhancements reflect AirAsia's ongoing commitment to supporting Allstars' well-being, family life, and career growth.



Good Health & Wellbeing

1 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:

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 2025, our team of peer supporters was 103-strong across all AOCs.



Employee Assistance Program

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.

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.



For more information on supporting mental well-being, please refer to the Health & Safety chapter of this report.

2 Sports Competitions

AirAsia RedRun

The AirAsia RedRun is a community-focused running event with 5km, 10km, and 21km categories, designed to engage runners and fitness enthusiasts of all levels. It reflects AirAsia's ongoing commitment to bringing communities together while promoting healthy lifestyles across some of the region's most vibrant cities.

In 2025, RedRun events were held in Penang and Bali, attracting over thousands of participants. Building on this success, the 2026 edition will expand to Da Nang, Kota Kinabalu, and other exciting destinations, continuing to foster connections through both travel and meaningful lifestyle experiences.



SOCIAL

Empowering Allstars

Allstars 70KM Langkawi Santai Ride

AirAsia successfully hosted the 70km Langkawi Ride, starting at Pantai Cenang and making scenic stops at Telaga Harbour Marina and Tanjung Rhu Beach. The event brought together our Allstars and local cycling enthusiasts from Lembaga Pembangunan Langkawi, promoting health, wellbeing, and active lifestyles.

Through initiatives like the Langkawi Ride, AirAsia continues to strengthen community engagement, foster teamwork, and encourage sustainable, healthy living across the region, while showcasing the natural beauty of our destinations.



Allstars ASEAN Futsal Tournament 2025 – Team Spirit in Action

The Allstars ASEAN Futsal Tournament 2025 brought together nearly 600 participants across 50 men’s teams and 10 mixed teams, representing Malaysia, Indonesia, Thailand, the Philippines, and China.

Allstars from across our businesses, including AirAsia, AirAsia X, ADE, Santan, GTR, Teleport, BigPay, MOVE, Ikhlas.com, and Capital A, showcased their talent, teamwork, and competitive spirit. Events like these strengthen cross-country collaboration, foster camaraderie, and celebrate the diverse and dynamic culture that defines AirAsia.



3 Physical Wellness

Allstars Yoga Retreat 2025

The 2025 Allstars Yoga Retreat brought together 65 participants from Japan, Philippines, Malaysia, Indonesia, and Thailand for a memorable 3-day, 2-night experience in the serene mountains of Chiang Mai.

The retreat combined wellness, creativity, and cultural exploration, with activities including:

- Sound Therapy with Himalayan Singing Bowls led by Chick Sirilak Thanaphanich from Cabin Crew
- Yoga classes led by Immy Teacher Kanchana Jasaan from the Culture Team
- Creative Ceramic Painting Workshop at Maha Charmlearn Cafe & Creative Community

This retreat was more than a wellness event. It fostered cross-cultural connections, strengthened relationships among Allstars, and energised our community for the year ahead.



Long Service Award

This year, we continued to thank our Allstars from the class of 2020 to 2023 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 well as the restructuring of the aviation and non-aviation businesses. As a heartfelt gesture of our appreciation, we presented them with a well-deserved token of recognition for their long-standing dedication.



SOCIAL
Empowering Allstars

Human Rights

GRI 3-3, 408-1, 409-1

The Group is committed to upholding fundamental human rights across all operations, aligning with the Universal Declaration of Human Rights and the core conventions of the International Labour Organization (ILO). This commitment is operationalised through our Code of Conduct and Ethics, Anti-Harassment Policy, Supplier Code of Conduct and Sustainability Policy, which mandate the prevention of human trafficking and prohibit forced labour, child labour, and discrimination.



Our Management Approach

- Human Rights Policy
- Code of Conduct and Ethics
- Anti-Harassment Policy
- Supplier Code of Conduct
- Sustainability Policy
- Employee Handbook

Supporting the UN SDGs



Performance Overview

2025



4,255

Allstars completed anti-human trafficking e-learning module



>2,200

training hours on anti-human trafficking



6,739

Allstars completed anti-harassment training



50%

decrease in harassment reports

SOCIAL

Empowering Allstars

HUMAN RIGHTS POLICY

In 2024, Thai AirAsia became the first AirAsia airline to introduce a Human Rights Policy. This prompted a groupwide initiative in 2025 to develop and formalise a Group Human Rights Policy that can be localised and adapted by all entities within the Capital A Group. With expertise from an independent external advisor, we conducted an internal gap analysis and benchmarking exercises. This process evaluated baseline awareness and existing governance mechanisms through groupwide surveys, cross-functional focus group discussions, and targeted consultations during the year. These activities yielded important findings in the following areas:

- **Governance Foundation:** The assessment identified a solid foundational framework, supported by robust, function-specific policies already in place.
- **Strategic Consolidation:** There is a clear opportunity to transition from a decentralised compliance model to a unified, Group-wide human rights integration strategy, establishing industry leadership in ESG alignment.
- **Operational Nuance:** To ensure effective implementation, the upcoming policy must account for cultural diversity across our regional operating environments, ensuring authentic compliance and localised relevance.

Building on our existing governance foundation, we began a process to draft a Group Human Rights Policy which is currently at final review stages. The formal adoption and rollout will be undertaken in 2026, supported by targeted management training and awareness programs.



Thai AirAsia's Human Rights Policy

For more information on Thai AirAsia's Human Rights Policy, visit <https://www.aavplc.com/storage/document/cg/taa-human-rights-policy-en.pdf>

CASE STUDY

Thailand 

Human Rights Risk Assessment

As the leader in developing our human rights framework, TAA conducted its first Human Rights Risk Assessment (HRRRA) in 2025 to identify, evaluate, and manage salient human rights risks across its value chain. The methodology integrated value chain mapping, global risk benchmarking, peer reviews, and historical grievance data, supported by direct engagement with core stakeholder groups, including employees, suppliers, customers, and local communities.

Assessment Findings & Salient Risks

The assessment concluded that TAA possesses no critical risk exposures within its direct operations. However, acknowledging the inherent complexities of the regional aviation and travel sector, the HRRRA identified specific salient risks that require proactive management. These are primarily concentrated in the impact of climate change and global warming, community concerns on waste and pollution generated from tourism, supply chain labour practices (forced labour) and customer touchpoints (human trafficking and discrimination).

Mitigation & Strategic Roadmap

While TAA currently deploys mitigation controls—including established grievance mechanisms, engagement programs, and baseline policies—the 2025 HRRRA identified strategic opportunities to mature our human rights risk management framework. Moving forward, TAA will focus on:

- **Governance & Oversight:** Formalising regular reporting structures to ensure active Management and Board-level oversight of human rights performance.
- **Operational Enforcement:** Strengthening the practical implementation of policies across all business units.
- **Capacity Building:** Expanding employee awareness and targeted training to identify and escalate potential human rights indicators.
- **Continuous Assurance:** Institutionalising regular risk assessment cycles to monitor the evolving threat landscape.

ANTI-HUMAN TRAFFICKING

Operating an extensive regional network, the Group recognises that the aviation sector can be inadvertently exploited by transnational criminal networks. We actively monitor the intersection of our operations with critical human rights risks, specifically human trafficking, modern slavery, child exploitation, and the illicit transport of individuals coerced into regional cyber-scam syndicates.



To mitigate these risks, we mandate targeted human trafficking awareness training for all frontline personnel, including cabin crew and aviation security. The curriculum equips Allstars to:

- Identify behavioural and situational indicators of trafficking.
- Understand evolving regional threat trends.
- Execute standardised reporting and escalation protocols safely and discreetly.



4,255 Allstars completed the module

>2,200 training hours on anti-human trafficking

As a result of ongoing training, frontline personnel have demonstrated increased vigilance in identifying and reporting potential cases. Between 2023 and 2025, a total of nine suspected incidents were recorded, with most detected and reported by our Cabin Crew team. Of the nine cases, six were resolved, while the remaining cases were escalated to the authorities for further investigation.

Strategic Outlook

To maintain operational readiness against shifting criminal methodologies, our mitigation framework will undergo the following enhancements in 2026:

- **Curriculum Updates:** We target a triennial review of our e-learning modules to ensure continued relevance. This training is embedded within the Capital A onboarding program and frontline employees are required to complete the module once every two years.
- **Multi-Agency Intelligence Sharing:** We are initiating targeted Focus Group Discussions (FGDs) uniting AirAsia frontline personnel, specialised rescue NGOs, and regional government agencies. These sessions are designed to capture real-time intelligence on evolving trafficking typologies, ensuring our internal controls and reporting mechanisms remain highly adaptive.
- **AOC Standardisation:** Following the curriculum update, we will execute a standardised rollout across all AOCs to ensure consistent threat detection capabilities Group-wide.
- **Victim-Centric Digital Access to Regional Support:** In parallel, we are strengthening our victim-centric approach by developing a multilingual web-based platform that enables individuals to access assistance regionally.

ANTI-HARASSMENT

The Group enforces a zero-tolerance policy regarding all forms of workplace harassment, discrimination, and bullying. To establish clear behavioral boundaries both inside and outside the workplace, our comprehensive anti-harassment e-learning module is a mandatory compliance requirement for all new onboarding recruits and necessitates periodic recertification by existing Allstars.

We actively cultivate a safe and respectful operational environment through continuous education. Instructional materials are prominently deployed across physical offices and digital workspaces, explicitly defining the various manifestations of harassment and outlining the secure escalation pathways available to Allstars. Allstars are empowered to report human rights concerns, discrimination, or harassment without fear of retaliation through multiple established grievance mechanisms.

In 2025, the Group recorded 14 formal harassment reports through our grievance channels. As of year-end 2025, all logged cases have undergone confidential investigations. Substantiated violations were met with decisive consequence management, with disciplinary actions ranging from formal written warnings (50%) to the employment termination of the perpetrators (50%), reaffirming the integrity of our zero-tolerance framework.

6,739 Allstars completed the anti-harassment e-learning module (2024: 1,014)

14 harassment reports (2024: 28 reports)

PREVENT HARASSMENT

Unwanted or inappropriate behavior causing distress, discomfort, or harm. It can be physical, verbal, or emotional, often repetitive, and may occur in workplaces, schools, or online.

How to deal with it?

- Keep distance**
Avoid to stay close to harasser. If can't, ask your colleagues to stay with you.
- Speak up**
If you feel uncomfortable, inform harasser about what you feel.
- Inform Direct Manager**
About what happened with all details to seek an advice.

Types of Harassment

- Verbal:** threat of using words or language to insult, threaten, belittle, intimidate, or threaten someone.
- Visual:** the use of images, symbols, gestures, or other visual content to intimidate, offend or harass someone.
- Physical:** an unwanted physical contact or behavior that makes someone feel uncomfortable, threatened, or afraid.

Report channels https://www.capitala.com/whistleblowing_channel.html

For more information, please refer to the Grievance Mechanisms section of the Corporate Governance chapter.


SOCIAL

Empowering Allstars

LABOUR RIGHTS

Expanding upon our core prohibitions against forced labour, child labour, and discrimination, the Group enforces comprehensive labour rights protections across both our direct operations and our value chain. These operational standards are formally codified within the Employee Handbook and the Supplier Code of Conduct.

<p>Living Wage & Competitive Compensation</p> 	<p>We conduct regular remuneration reviews to ensure our baseline salaries consistently exceed statutory minimum wage requirements across all operating jurisdictions.</p> <p>Furthermore, we actively benchmark our compensation structures against regional market data to provide competitive salary and benefits packages that support a sustainable standard of living for our workforce.</p> <p><i>For more information, please refer to the Rewards & Benefits Section</i></p>
<p>Working Hours & Overtime Management</p> 	<p>The Group strictly adheres to statutory maximum working hour regulations in every region of operation.</p> <p>For eligible employees, we deploy monitoring mechanisms to track scheduled hours, prevent excessive overtime, mitigate occupational fatigue, and ensure accurate and prompt disbursement of overtime compensation.</p>
<p>Gender Pay Equity</p> 	<p>As an equal opportunity employer, we mandate equal remuneration for men and women performing equivalent roles.</p> <p>We conduct gender pay gap assessments to identify, monitor, and rectify any unwarranted compensation disparities across the organisation.</p> <p><i>For more information, please refer to the Gender Pay Gap section of the Diversity & Inclusion chapter.</i></p>
<p>Statutory Leave & Work-Life Balance</p> 	<p>Allstars are provided with paid annual leave entitlements in full compliance with localised labour laws. To support employee well-being and maintain a healthy work-life balance, the management actively encourages Allstars to utilise their leave balances within the respective calendar year.</p> <p>Additionally, unpaid leave provisions are structurally available to support employees navigating exceptional personal circumstances.</p>

 For more information on our Code of Conduct please refer to https://www.capitala.com/corporate_governance.html

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.



Our Management Approach

• Sustainability Policy

Supporting the UN SDGs



Performance Overview

2025



RM196,760

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



RM123,107

disbursed to existing grantees



RM1,009,590

in contributions for uplifting and empowering communities in Asean



912
Allstar
 volunteering hours

SOCIAL
Uplifting Communities in Asean

GROWING ASEAN SOCIAL ENTERPRISES

As we expand connectivity across the region, we remain committed to supporting the communities linked to our network. Through strategic partnerships with social enterprises and by leveraging the reach of the AirAsia ecosystem, we support social ventures in scaling solutions that generate positive social and environmental outcomes. Social enterprises continue to play an important role in driving inclusive economic growth, addressing local challenges, and strengthening community resilience.

What is a social enterprise?

Purpose-driven businesses that do more than earn revenue. They address social and/or environmental challenges and has a financially viable business model.



AirAsia Foundation remains central to these efforts, providing grant funding and advisory support to social enterprises across the region. The Foundation supports enterprises working across a range of impact areas, including women's empowerment, indigenous and local livelihoods, heritage preservation, youth engagement, arts and culture, environmental conservation, and poverty alleviation, enabling them to expand their reach and deepen their impact.

In 2025, AirAsia Foundation continued to align its grant-making activities with Capital A's business objectives, focusing on priority areas that support the Group's sustainability agenda. Grant support was directed towards enterprises that:

- Promote sustainable travel**
- Strengthen climate resilience**
- Support biodiversity conservation**
- Advance human rights**

Our 2025 Performance

AirAsia Foundation directly impacted 190 beneficiaries through the support of three new grantees, bringing our collective network to 38 grantees since 2012. A total of RM196,760 in grants was awarded to these organisations to support their growth and community impact. Profiles of the new grantees are highlighted in the sections below.



3 new grantees

Total since 2012: 38

RM196,760 awarded to new grantees

Total in 2024: RM176,150

RM123,107 disbursed

to existing grantees

190 direct beneficiaries

Total since 2012: 3,825

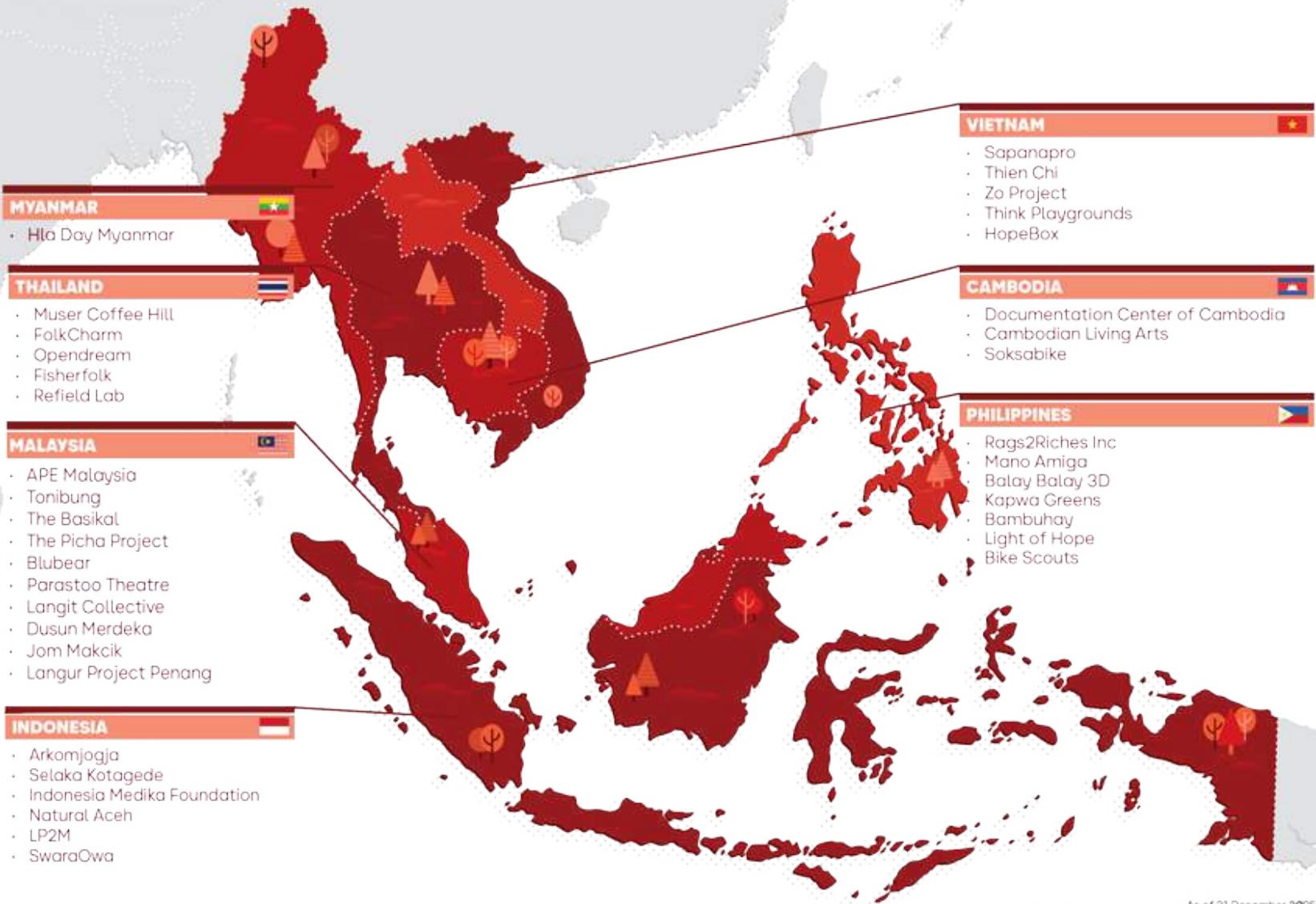
RM713 invested per beneficiary

Total since 2012: RM2.7 million

280 families and communities impacted

Total since 2012: 12,946

Social Enterprises We Support in Asean



As of 31 December 2025

SOCIAL Uplifting Communities in Asean

Sustainable Travel

As a leading aviation group, AirAsia recognises its responsibility to promote travel that delivers positive outcomes for local communities while minimising social, economic, and environmental impacts. We support initiatives that strengthen community participation in travel value chains and encourage more responsible travel practices across destinations within our network.

In 2025, we continued to monitor the progress of our 2024 grant recipient to pilot a Sustainable Travel Model in Krabi and the implementation of Journey D.

Krabi Sustainable Travel Project Pilot



Refield Lab was awarded a grant in 2024 to pilot a sustainable travel model in Krabi, Thailand.

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.



Tourism in Thailand is often concentrated around popular attractions, leaving cultural heritage sites, local communities, and fragile ecosystems overlooked. Overcrowding can lead to waste, pollution, and the depletion of natural resources.

Objective



With this funding, the team will:

- Coordinate with local stakeholders to review, collect, and analyse data from selected locations
- Develop a sustainable destination management plan for key areas in Krabi
- Create a sustainable travel guide to support responsible tourism practices


In 2025, Refield Lab, in collaboration with local partners ChangeFusion and ENLIVE Foundation, developed a Sustainable Travel Guide to raise awareness of environmentally and socially responsible travel practices in Krabi. The guide highlights community-led activities, local natural assets and practical guidance on responsible travel behaviours. Four key areas in Krabi were featured: Phi Phi Island, Sriboya Island, Khlong Prasong (Koh Klang), and Railway.

Progress in 2025

The guide was completed and is ready to provide travellers with meaningful, alternative experiences that reduce pressure on popular sites. An activation campaign to launch the guide with tourism partners is planned for 2026.

<p>Grant Amount RM89,151</p>	<p>Amount Disbursed RM33,506 in 2025 (100% disbursed) 2024: RM55,179</p>	<p>Areas of Impact</p> <ul style="list-style-type: none"> • Responsible travel • Sustainable communities  
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Note: Grant was awarded in local Thai currency and converted to Malaysian ringgit for the purpose of this report.

 [Read more about Refield Lab's work at airasiafoundation.com](https://airasiafoundation.com)

Journey D: The City of Lampang



Journey D is Thai AirAsia's social investment initiative that supports community-based tourism. Since 2017, the programme has aimed to promote low-carbon tourism while strengthening community livelihoods and encouraging sustainability awareness at the local level.

Following the launch of the Don Mueang–Lampang route in late 2024, Journey D partnered with the Culture 21 initiative by the Department of Cultural Promotion and the Village to the World project by the Tourism Authority of Thailand (TAT) to develop Lampang as a "Sustainable Cultural City." In 2025, the programme expanded to include the Pong Sanuk Nuea and Ban Tha Ma-O communities, bringing them into the Journey D initiative and extending the reach of its sustainability and cultural development efforts.

Objective

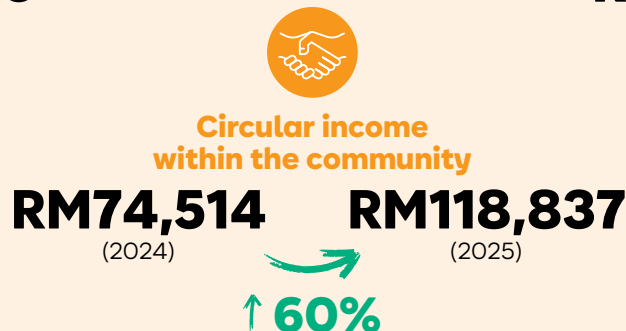
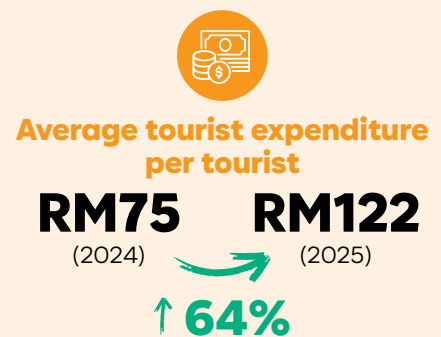
- The project aims to support community-based tourism by:
- generating circular income at the grassroots level through cultural festivals
 - strengthening local entrepreneurs' capacity
 - fostering environmental stewardship, for example through Wang River restoration, by integrating local faith and traditions into community activities.
 - shifting the community from resource users to resource stewards, contributing to improved river cleanliness and waste reduction.

Cultural heritage was revitalised through the traditional Fon Phi Pu Ya ritual dance and the creation of "The Sound of Lampang" as an intergenerational cultural learning space. These efforts contributed to Lampang receiving national recognition at the Thailand Culture for SDGs Awards 2025, highlighting the city as a model for leveraging culture to advance the Sustainable Development Goals.



Progress in 2025

The programme in Lampang was completed in 2025, reaching both existing and new communities. Key results from pre-implementation (2024) to post-implementation (2025) include:



SOCIAL Uplifting Communities in Asean

Climate Resilience

Climate change presents increasing risks to the communities we serve, particularly those in disaster-prone and climate-vulnerable regions. In recent years, the frequency and severity of climate-related disasters such as floods, storms, droughts and wildfires have continued to rise globally, affecting millions of people and placing greater strain on vulnerable communities.

Strengthening community resilience therefore remains a core focus of the Foundation. This includes supporting efforts that enhance preparedness, adaptive capacity, and recovery in the face of growing climate risks. In 2025, the Foundation supported several initiatives aimed at strengthening climate resilience:

Yayasan Arkom Indonesia: Documenting Post-Disaster Community-led Relocation Model

Indonesia 



AirAsia Foundation provided a grant to Yayasan Arkom Indonesia to support the knowledge management and documentation of the community-led post-disaster recovery practices.

Yayasan Arkom Indonesia is a network of community architects founded in 2007, which works across Indonesia to advance ecological and inclusive housing and settlement solutions for urban and disaster-affected communities, with a focus on participatory planning, post-disaster reconstruction, community empowerment, knowledge management, and resilience-building.

Objective

The grant supports Yayasan Arkom Indonesia in documenting lessons learned, challenges, and best practices from the post-disaster recovery phase following the 2018 earthquake and tsunami in Palu and Lombok.

Through a book and video documentary titled *Pilih, Pilih, Pulih*, the 2025 grant aims to capture the community-led self-relocation housing model as a knowledge resource for policymakers, community groups, and non-governmental organisations to design and implement effective post-disaster recovery programmes and replicate the model in other communities.



Progress in 2025

The documentation project progressed to completion, and *Pilih, Pilih, Pulih* was launched in March 2026 in conjunction with Indonesia AirAsia's inaugural flight to Palu. The publication showcases how the programme delivered 95 earthquake-resilient homes, supported four communities in developing disaster risk-informed spatial planning documents endorsed by local authorities, and established communal facilities to strengthen social recovery. The community-led self-relocation model, which promotes active resident participation, environmentally friendly construction materials, and local economic recovery, has been recognised and replicated by Indonesia's Ministry of Public Works and Housing.



Grant Amount
RM22,869

Amount Disbursed in 2025
RM22,869
(100%)

Areas of Impact

- Climate resilience
- Community livelihood



Note: Grant was awarded in local Indonesian Rupiah currency and converted to Malaysian ringgit for the purpose of this report.

Light of Hope: Providing Access to Electricity through Clean Energy

Philippines 



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.

Objective

In 2024, Light of Hope was awarded a grant to pilot a lease-to-own model for solar-powered battery units in the Philippines, aiming to replace kerosene lamps and build on their existing subscription-based approach. The initiative aims to provide families with reliable, clean energy to improve accessibility and long-term adoption.

Progress in 2025

By 2025, Light of Hope deployed 50 solar-powered battery units to families on Pangan-an and Banacon islands. The units have improved living conditions, allowing students to safely study at night without the fire risks associated with kerosene lamps.

They also strengthened community energy resilience during disasters, as beneficiary households serve as reliable power sources, enabling neighbors to charge phones, access information, and stay connected during blackouts. The Light of Hope team continues to monitor the feasibility of the lease-to-own model for broader adoption throughout the project period.



Light of Hope team demonstrating the use of the solar-powered battery units.



Solar-powered battery unit charging phones.



Founder of Light of Hope, Jovie Gil Montajes.

<p>Grant Amount RM43,447</p>	<p>Amount Disbursed in 2025 RM19,343 (100%)</p>	<p>Areas of Impact</p> <ul style="list-style-type: none"> • Clean energy • Climate change mitigation • Product innovation <div style="display: flex; justify-content: space-around;"> <div data-bbox="1406 2046 1475 2112">  </div> <div data-bbox="1484 2046 1553 2112">  </div> </div>
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SOCIAL Uplifting Communities in Asean

Biodiversity Conservation

We recognise that biodiversity loss is driven by multiple interconnected factors, including climate change, resource depletion, pollution and unsustainable human activities. Protecting biodiversity is essential not only for environmental integrity but also for the livelihoods and wellbeing of communities that depend on healthy ecosystems.

In 2025, our largest contributions were in biodiversity conservation as we awarded two new grants for conservation through community livelihoods and environmental education. The Foundation also continued monitoring existing grantees working in marine biodiversity.

New Grantee

Malaysia 

Langur Project Penang: Advancing Primate Conservation Through Education



Langur Project Penang (LPP) is a primate conservation social enterprise focused on addressing the ecological and behavioural challenges of urban primates, particularly dusky langurs.

As rapid urbanisation fragments forest habitats, wildlife is increasingly confined to smaller areas, leading to greater human-wildlife interactions and risks to both communities and biodiversity. LPP develops practical and humane solutions that enable coexistence between humans and non-human primates.

Objective

The grant supports LPP in strengthening operational sustainability and scaling its impact, with the goal of achieving financial self-sufficiency by 2027. It enables the organisation to:

- Improve community awareness of primates and coexistence practices
- Sustain ongoing research and conservation activities
- Expand its Rainforest Programme for hands-on conservation education



LPP's approach involves three key areas:

Citizen science

Involving local communities in data collection and monitoring of human-primate interactions

Conservation measures

Implementing initiatives such as wildlife crossings to reconnect fragmented habitats and support safe movement for arboreal species

Environmental education

Working with residents, authorities, and other stakeholders to deliver conservation awareness and education

LPP was awarded the grant in the second half of 2025, with fund disbursement beginning in 2026.

Plans for 2026

In 2026, LPP will:

- Expand community engagement to strengthen human-primate coexistence practices
- Continue and scale research and conservation activities
- Grow the Rainforest Programme, delivering workshops, school activities, and awareness campaigns

Grant Amount
RM58,000

Amount Disbursed in 2025
Tranche 1 to be disbursed
in January 2026

- Areas of Impact**
- Biodiversity conservation
 - Education



New Grantee

Indonesia



SwaraOwa: Conserving Javan Gibbons Through Shade-Grown Coffee



SwaraOwa is a social enterprise based in Central Java, that focuses on the conservation of endangered primate species, particularly the Javan gibbon, and the protection of its forest habitat. SwaraOwa adopts an agroforestry approach that links biodiversity conservation with sustainable livelihoods for ex-hunters and local farming communities.

Objective

SwaraOwa aims to protect Javan gibbons while supporting local communities through its coffee brand, Owa Coffee, which promotes shade-grown cultivation to preserve forest cover and raise awareness of gibbon conservation. The grant supports expanding the model by increasing the number of farmers trained and the production of the shade-grown coffee.



Plans in 2026

In 2026, SwaraOwa will:

- Train 25 farmers in shade-grown coffee practices that support forest conservation
- Increase the production of wildlife-friendly coffee linked to habitat protection
- Expand community and consumer awareness initiatives on Javan gibbon conservation
- Strengthen marketing efforts to highlight the link between sustainable coffee and biodiversity protection community livelihoods and long-term forest stewardship.

By linking sustainable livelihoods with forest-friendly practices, the initiative encourages communities to actively participate in biodiversity conservation while enabling community-based economic opportunities that incentivise forest protection.



Grant Amount
RM70,543

Amount Disbursed in 2025
**Tranche 1 to be disbursed
in January 2026**

Areas of Impact

- Biodiversity conservation
- Community livelihood
- Sustainable farming



Note: Grant was awarded in local Indonesian Rupiah currency and converted to Malaysian ringgit for the purpose of this report.

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Fisherfolk: Supporting Sustainable Fisheries, Marine Biodiversity and Women’s Livelihoods

Thailand 



Fisherfolk is a women-led social enterprise based in southern Thailand that produces pre-cooked frozen Southern Thai specialties while supporting sustainable fishing practices, marine biodiversity conservation, and improved livelihoods for local fisherfolk.

Objective

The grant supported Fisherfolk in:

- upgrading its production capacity through the renovation of its kitchen facilities
- purchasing essential equipment, including a quick freezer
- expand marketing initiatives to attract more customers and raise awareness about sustainable fishery practices

Following the upgrades, the facility met required food safety standards and obtained halal certification. The improved kitchen layout increased operational efficiency and strengthened confidence among visiting customers, while the quick freezer enhanced the quality and consistency of frozen meal products.

Progress in 2025

As a result of the facility upgrades, regular customers and improved recipes, Fisherfolk recorded a 50% increase in revenue from both frozen pre-cooked and freshly prepared meals. The enhanced facilities also enabled the enterprise to host larger visiting groups from neighbouring communities and academic institutions to learn about sustainable fisheries and marine conservation practices.

This growth contributed to increased income for local women employed by the enterprise and created additional part-time employment opportunities during group visits.



Grant Amount
RM87,361

Amount Disbursed in 2025
RM39,184
 (100%)

Areas of Impact

- Marine biodiversity
- Sustainable fishing practices
- Women empowerment
- Product innovation





Human Rights

Respect for human rights is fundamental to inclusive and sustainable community development. In 2025, AirAsia Foundation awarded a grant to support the rights of gender-based violence survivors to access safety and economic independence.

By expanding access to economic opportunities and inclusive community participation, these initiatives also contribute to prevention efforts. Limited access to income and employment increases vulnerability to exploitation, scams, and trafficking. Supporting inclusive livelihoods and community resilience helps reduce these risks and strengthens long-term social stability across the region.

New Grantee

Vietnam



HopeBox: Supporting rights of survivors to safety and economic independence



Hopebox is a social enterprise that supports women who have experienced gender-based violence (GBV). They respond to the lack of comprehensive psychology and economic recovery services for GBV survivors in Vietnam by providing safe employment and training for the survivors.

Plans for 2026

In 2026, HopeBox will:

- Operationalise the pastry production and training studio
- Expand training programmes to support more women survivors
- Increase production capacity to meet growing demand through existing and new partnerships
- Strengthen market access and brand presence to support long-term sustainability



Women of HopeBox provided training in baking skills.

Grant Amount
RM68,217

Amount Disbursed
RM30,952
(45%)

Areas of Impact

- Women empowerment
- Poverty alleviation



Note: Grant was awarded in local Vietnamese Dong currency and converted to Malaysian ringgit for the purpose of this report.

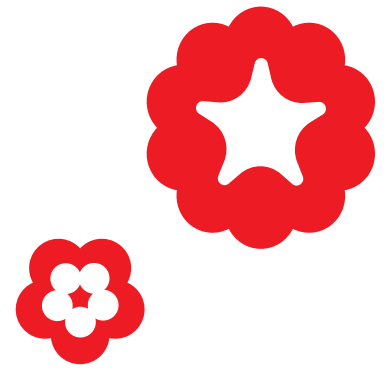


AirAsia Foundation Grant Application

AirAsia Foundation conducts an annual application cycle. Organisations whose projects align with the Foundation's focus areas and meet the eligibility criteria are encouraged to monitor airasiafoundation.com for upcoming application opportunities.

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AIRASIA FOUNDATION OUTREACH

Grant Application Bootcamps

In conjunction with the launch of a new grant cycle, AirAsia Foundation conducted two outreach roadshows through Grant Application Bootcamps in 2025, aimed at strengthening access to funding and improving grant readiness among social enterprises.

The bootcamps provided participants with a clear overview of the Foundation's:

- grant criteria and application process
- practical guidance on the types of proposals and social enterprises supported by the Foundation
- tips on grant writing

The sessions were designed to build capacity among early- and growth-stage social enterprises seeking to expand their operations.

The Thailand bootcamp, delivered in collaboration with ChangeFusion and SE Thailand, was attended by 38 organisations. In Malaysia, the Foundation partnered with Asia School of Business to deliver a second bootcamp, which reached 40 organisations and supported broader regional outreach to social entrepreneurs.



Women-Led Social Enterprises

At AirAsia Foundation, many of the social enterprises in our network are women-led, reflecting the important role women play in driving community-based solutions and social innovation. The Foundation supports these entrepreneurs by providing opportunities to build visibility, expand their markets, and connect with new audiences.

As part of this effort, the Foundation featured four women-led social enterprises - Athena Empowers, Gerai OA, Eats, Shoots & Roots, and Bungkus - by providing them with a platform to showcase their businesses at AirAsia's headquarters in RedQ in conjunction with International Women's Day. The initiative enabled these enterprises to connect directly with Allstars and promote their impact-driven products and services.

Through their work, these enterprises address key social and environmental issues, including recycling, waste management, women's livelihoods, and education.

Knowledge Sharing Sessions

As a regional foundation supporting social enterprises across ASEAN, AirAsia Foundation leverages its network to share insights and foster collaboration. Drawing on its presence across the region, the Foundation provides practical perspectives on scaling impact and building sustainable partnerships.

In 2025, the Foundation participated in key knowledge-sharing and stakeholder dialogue platforms, including sessions and panels with:

- Sustaining and Maximising the Role of Civil Society Organizations (CSOs) convened by the ASEAN Secretariat, sharing insights on corporate philanthropy and engaging with CSOs
- Climate Finance Innovation Lab on funding pathways organised
- Satu Creative on partnership building
- Women Entrepreneurs Nagano on Women's Power and Regional Innovation from a Global Perspective at their conference in June 2025

These engagements helped raise awareness of funding and collaboration opportunities for social enterprises across the region.



DESTINATION GOOD



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.

The Foundation continued to operate the Destination GOOD social enterprise retail platform to support income generation for the 49 enterprises featured. Among the top performing products was the Soggy No-More collection, which upcycles expired life jackets into lifestyle items. Through social media and events, Destination GOOD recorded the following sales performance:

✓ **RM19,092**

earned from sale of products (2024:RM52,320)

✓ **16**

Social enterprises Supported through Destination GOOD (2024: 29 social enterprises)



Shop for a difference at <https://destinationgood.com/>

SOCIAL

Uplifting Communities in Asean

HUMANITARIAN & POST-DISASTER ASSISTANCE



The Group's humanitarian efforts focused on supporting communities affected by climate-related disasters. Multiple severe weather events occurred across the region during the year, including typhoons or extreme flooding impacting countries such as Vietnam, Indonesia, Thailand, Philippines and Malaysia.

As climate change continues to increase the frequency and severity of these events, flood-related impacts have become more pronounced across communities within our operating footprint. In response, the Group prioritised humanitarian initiatives that support disaster preparedness, response and recovery, recognising the importance of timely assistance and long-term resilience in climate-vulnerable regions.

Regional Snapshot

✓ **RM994,590** Raised from seats sold

✓ **RM15,000** Provided for relief support

✓ **691** beneficiaries received food packs, hygiene kits, and essential supplies

✓ **170** flight tickets for humanitarian organisations and volunteers

Note: Funds were raised in local Philippine peso PHP 15,000,000 and converted to Malaysian ringgit for the purpose of this report.

Here's a breakdown of our humanitarian assistance initiatives:

1

Indonesia

Typhoon Senyar, Indonesia

In late 2025, flooding and landslides in Sumatra and Aceh prompted urgent relief efforts. AirAsia and AirAsia Foundation provided targeted support to relief and recovery efforts in affected communities. Assistance was delivered between December 2025 and January 2026 through a combination of sponsored flight tickets, special fare arrangements, and direct funding, working closely with local partners to ensure needs-based interventions.



Delivery of food supplies to the community kitchen.

Funding and Essential Aid Distribution

A total of RM15,000 was provided to Natural Aceh and Lembaga Pengkajian dan Pemberdayaan Masyarakat (LP2M) to support flood-affected communities in Aceh and Padang. LP2M distributed 187 hygiene kits to women to support household cleaning and personal hygiene. Natural Aceh utilised the funds to address urgent needs, including the provision of food packages, clothing, sleeping materials, hygiene kits, generators, solar-powered lamps, and trauma support activities for children, benefiting an estimated 504 individuals.

Logistics and Humanitarian Access

In addition, eight flight tickets were sponsored for humanitarian organisations, facilitating the delivery of food, water, and hygiene kits to more than 1,500 households. We also supported Yayasan Arkom Indonesia in conducting rapid needs assessments, providing eight sponsored flight tickets to enable the team to evaluate affected areas and inform early recovery planning and community-led interventions.

Healthcare Support

Healthcare support was a critical component of the response. AirAsia supported a humanitarian medical mission by Beacon Hospital through special fare arrangements, enabling a team of 19 doctors and healthcare professionals from Malaysia to provide on-site medical care to nearly 600 flood and landslide victims in Aceh Tamiang and surrounding areas, ensuring urgent health needs were met quickly and effectively.



Psychosocial support and aid packages for children.

Water, Sanitation and Shelter

Following the needs assessment, Yayasan Arkom Indonesia facilitated the cleaning of 13 water wells for residents. They were trained and equipped to maintain them independently, ensuring sustainable access to clean water. Shelter support included the construction of six communal units and the distribution of 13 shelter kits, providing urgent relief while supporting longer-term recovery.



Preparation of aid packages.

2

Philippines 

Cebu Earthquake & Typhoon Kalmaegi, Philippines

In late October 2025, the Cebu earthquake struck the Philippines, followed shortly by Typhoon Kalmaegi in early November 2025, causing widespread damage to homes, infrastructure, and livelihoods across affected regions, particularly in Cebu and nearby provinces.

In response, AirAsia launched the "To the Philippines with Love" campaign from 15 November 2025 to 14 January 2026 to support recovery efforts. Under this initiative, PHP15 from every seat sold during this period was committed to funding disaster relief and recovery initiatives. A total of PHP15,000,000 was raised from the seats sold.

Funds raised will be administered by AirAsia Foundation. To ensure effective deployment of funds, AirAsia Foundation has launched a Philippines Disaster Relief Grant to support grassroots organisations working on recovery efforts in communities affected by the earthquake and typhoon. The grant call invites eligible organisations to submit proposals focused on rebuilding community infrastructure, restoring livelihoods, and strengthening disaster preparedness.

All applications will undergo an evaluation process, with shortlisted proposals presented to the Foundation's Council of Trustees for review and approval. This governance ensures that funding is directed towards areas of greatest need with an emphasis on community-led initiatives that support vulnerable groups and contribute to long term resilience.



TO THE PHILIPPINES WITH LOVE



Let's rebuild hope together.

A total of
PHP 15,000,000
 was raised from the seats sold

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Uplifting Communities in Asean

3

Thailand 

Hat Yai Floods

Following severe flooding in Hat Yai and the southern region of Thailand, Thai AirAsia has supported the transport of donated supplies from various organisations through its flight network, connecting Don Mueang, Chiang Mai, and other regional provinces to Hat Yai and Narathiwat. Between 24 November and 3 December 2025, the total volume of relief goods transported exceeded 98,000 kg. In addition to transporting essential supplies, the Company has partnered with the Mirror Foundation to provide 150 complimentary return tickets for volunteers deployed to restore homes between 29 November and 13 December 2025.

Allstars were also invited to donate essential items to support affected colleagues and their families. A total of 100 Allstars volunteers participated in packing donated supplies, contributing 200 volunteer hours. In total, 13,200 kg tonnes of relief items were transported via AirAsia flights to southern Thailand to support affected Allstars and their families.



Allstar Contributions

- 100** Allstar volunteers
- 200** volunteer hours
- 13,200kg** of relief items from Allstars

4

Malaysia 

Malaysia Floods

In Malaysia, AirAsia supported 4 flight tickets to transport relief aid officers from the humanitarian aid organisation, Iltizam Relief Society, to provide immediate relief such as food baskets and water to 734 families for the flood in Penampang, Sabah.



EMPLOYEE VOLUNTEERISM - #ALLSTARSDOGOOD

AirAsia continues to encourage employee volunteerism and community engagement through the Allstars Do Good initiatives.

✓ 912 Volunteer hours to meaningful cause
(2024: 839 hours)

✓ RM8,208 Paid Volunteering Time Off
(2024: RM7,551)

1

Allstars Care Box and Red Heart Fund

After the earthquake and typhoon in Cebu, Allstars mobilised to support affected colleagues through the "Allstars Care Box" initiative. Care packages containing essential supplies were distributed directly to impacted Allstars under the "by Allstars for Allstars" effort.

In addition, financial and material support was provided through the Red Heart Fund, which raised RM 17,364. The fund combined contributions from Allstars and the Red Heart Fund to assist colleagues in rebuilding and recovering from the disaster. The Allstars Red Heart Fund was established in 2011 to help and support Allstars who experience a sudden hardship or emergency situation that is caused by an unforeseen or unavoidable event.

Furthermore, following the floods in Malaysia, a dedicated page was launched in internal Workvivo for affected Allstars to submit requests for assistance and RM 7,204 was contributed by Allstars to support colleagues affected by the disaster in Sumatra, Indonesia.



Care Box

2

Airport Operations Volunteering

The airport volunteering programme provides Allstars with exposure to airline ground operations and guest engagement. The initiative aims to strengthen understanding of operational roles while reinforcing the Allstar value of "Have Empathy and Respect" when serving guests. Volunteers receive basic training and are assigned tasks where they can provide assistance during peak and festive travel periods, supporting ground staff at the airport to help ensure smoother travel experience for guests.

In 2025, a total of 89 Allstars participated in the programme, contributing 712 volunteer hours.

✓ 89
Allstars assisted

✓ 712
volunteer hours



SOCIAL Uplifting Communities in Asean

3

Blood Donation Drive

The Blood Donation Drive encourages Allstars participation in blood donation to support healthcare needs.

In Malaysia, the programme was conducted in collaboration with the National Blood Centre, with a total of 481 Allstars donating blood in 2025. In Indonesia, the initiative was organised with Palang Merah Indonesia, receiving 106 donors in 2025. Both programmes are planned to continue in 2026.



587 Allstars

contributed to the national blood bank



4

Do Good This Christmas

This Christmas initiative encouraged Allstars to support community organisations through volunteering and donations.

A total of 36 Allstars volunteered at Joy Garden, supporting activities such as cookie decorating and event facilitation. In addition, 107 Christmas gifts were donated through a donation-in-kind drive held at RedQ, RedStation, and Wisma Capital A. The estimated value of donated items is more than RM10,000.



Performance Table

Indicator	2023	2024	2025
ECONOMIC			
Corporate Governance			
Number of bribery and corruption cases reported	2	0	0
Number of discrimination or harassment	33	28	14
Sustainable Supply Chain			
Total number of new suppliers	1,499	1,091	1,110
Total number of critical suppliers	111	153	234
Total spend on local suppliers (RM)*	3.0 million	2.5 million	5.3 million
Guest Experience			
Customer satisfaction**	ADE	-	95%
	Teleport	87%	96%
	airasia MOVE (NPS)	49	55
	Santan (NPS)	9	56
	BigPay (CSAT)	94%	90%
	Academy	93%	98%
	AirAsia • NPS	52	53
	• CSAT	67%	89%
	GTR (NPS)	49	55
	On-time performance	77%	76%
Percentage of short-haul flight (<6 hours) with more than 15 minutes delay	23%	24%	29%
Load factor for short-haul flight (<6 hours)	88%	89%	84%
Technology & Innovation			
Corporate data literacy score (%)	66.2%	70.2%	72.4%
Information Security & Data Privacy			
Total number of information security breaches or other cybersecurity incidents	0	0	0
Total amount of fines/penalties paid in relation to information security breaches or other cybersecurity incidents	0	0	0
ENVIRONMENT			
Climate Strategy			
Scope 1 (tonnes CO ₂ e)	4,876,565	5,440,467	5,785,598
Scope 2 (tonnes CO ₂ e)	9,972	12,516	14,441
Scope 3 (tonnes CO ₂ e)*	1,020,2673	1,144,109	1,210,768
Fuel consumption (tonnes)	1,528,233	1,704,216	1,812,078
Carbon intensity ratio (gCO ₂ /RPK)	74.0	72.3	75.5
Carbon intensity ratio (gCO ₂ /ASK)	64.4	63.7	62.9
Non-renewable electricity purchased (MWh)	15,083	18,147	21,067
Energy use intensity (kWh/m ² /yr)*	116	140	147
NOx emissions (tonnes)	2,675	4,183	4,366
NOx emissions intensity (gNOx/RPK)	0.041	0.057	0.066
SOx emissions (tonnes)	285	332	336
Volatile organic compounds (VOC) emissions (tonnes)	986	1,115	1,163
Waste Management			
Hazardous waste	Solid waste (tonnes)*	82.9	109.7
	Liquid waste (litres)	26,796	14,814
Non-hazardous waste generated (tonnes)	1,003	1,714	2,495
Waste diverted from disposal (tonnes)	494	816	940
Waste disposed (tonnes)	509	898	1,556
Food Waste (kg)	765,416	718,111	667,043

* Excludes fuel, aircraft purchase & lessors.

** NPS: Net promoter score; CSAT: Customer satisfaction score

* Restated 2023–2024 performance data to reflect refined calculation methodologies and enhanced data integrity.

Note: The Group measures its GHG emissions in accordance with the globally recognised GHG Protocol Corporate Accounting and Reporting Standard, to ensure full alignment with global best practices and IFRS S2 disclosure requirements.

For our most material Scope 1 emissions, the primary input is actual Jet A-1 fuel consumption data, extracted directly from our flight operations and fuel management systems. The key assumptions involve applying industry-standard emission factors and Global Warming Potential (GWP) rates—sourced from the Intergovernmental Panel on Climate Change (IPCC) and the ICAO CORSIA framework—to accurately convert fuel volumes into CO₂ equivalents.

For our Scope 2 emissions, the primary input is purchased electricity data derived from utility billing records, utilising extrapolated historical averages to account for any localised data gaps. Key assumptions involve applying national grid emission factors sourced from the respective energy authorities in each operating country.

For our Scope 3 emissions, inputs include data extracted from cloud service dashboards (Category 1), upstream fuel consumption records (Category 3), logistics invoices (Category 4), corporate travel bookings (Category 6), and employee commuting data (Category 7). Key assumptions involve applying globally recognised emission factors sourced from the UK's Department for Energy Security and Net Zero (DESNZ).

Performance Table

Indicator		2023	2024	2025	
SOCIAL					
Health & Safety					
Total man hours worked		38,881,088	42,579,500	44,185,704	
Number of recordable work-related injuries		68	76	90	
Lost Time Injury (originally Number of lost days)		1,306	1,324	1,166	
Lost Time Injury Frequency Rate (LTIFR) <i>LTIFR = (lost time injuries/total hours worked)*1000000</i>		33.6	31.1	26.4	
Incident rate		3.8	3.6	4.5	
Severity rate		33.6	30.2	26.4	
Safety Training					
Safety Training Hours		200,586	5,655	10,590	
Average Safety Training Hours per Employee		233	76	32	
Diversity & Inclusion					
Total number of employees		21,063	21,851	20,555	
Distribution by gender	Female	7,069 (33.6%)	7,375 (33.8%)	6,702 (32.6%)	
	Male	13,994 (66.4%)	14,476 (66.2%)	13,853 (67.4%)	
Distribution by employment type	Full time	Female	5,660 (32.5%)	6,011 (32.3%)	5,725 (31.6%)
		Male	11,768 (67.5%)	12,610 (67.7%)	12,392 (38.4%)
	Contract	Total	17,428	18,621	18,117
		Female	1,408 (38.7%)	1,347 (41.7%)	977 (5.4%)
	Male	2,227 (61.3%)	1,883 (58.3%)	1,460 (40.1%)	
	Total	3,635	3,230	2,437	
Talent Attraction & Retention					
New hires	By Gender	Female	1,818 (37.6%)	1,503 (39.1%)	826 (43.5%)
		Male	3,011 (62.4%)	2,337 (60.9%)	1,074 (56.5%)
		Total	4,829	3,840	1,900
	By Age Group	Below 30 years	3,438	2,725	1,330
		30-50 years	1,324	1,097	598
		Above 50 years	67	18	27
By Employee Category	Senior Management	26	41	4	
	Management	231	179	155	
	Executive	1,488	1,343	565	
	Non-Executive	3,084	2,277	1,232	
Open positions filled by internal candidates		1,350	1,336	98	
Employee turnover	Female	14.4%	5.5%	4.1%	
	Male	10.7%	8.8%	6.6%	
Percentage of turnover by employee category and gender	Senior Management	Female	56.6%	34.3%	19.2%
		Male	43.4%	65.7%	15.1%
	Management	Female	67.4%	31.5%	14.5%
		Male	32.6%	68.5%	7.0%
	Executive	Female	54.7%	40.9%	8.2%
		Male	45.3%	59.1%	9.4%
	Non-Executive	Female	58.7%	37.9%	18.7%
		Male	41.3%	62.1%	11.4%
	Training				
	Amount invested in training (RM) ¹		3.7 million	2.9 million	2.1 million
Average training hours per employee ²		6.6	8	2	
Human Rights					
Allstars completed anti-harassment training		2,965	1,014	6,739	
Allstars completed anti-trafficking e-learning module		7,835	870	4,255	
Community Investment					
AirAsia Foundation - grants awarded (RM)		244,097.42	176,150	196,760	
AirAsia Foundation - amount disbursed (RM)		89,692.60	176,548	123,107	
Contributions to the community (RM)		119,616.71	35,831	1,009,590	
Number of volunteering hours		914	839	912	

¹ Amount invested excludes regulated training for pilots, cabin crew, and aircraft engineers as required by relevant civil aviation authorities and agencies.

² Average training hours per employee excludes regulated training for pilots, cabin crew, and aircraft engineers.

GRI Content Index

Pillar	GRI Standard	Disclosure	Page	Remarks	Omissions	Remarks
General Disclosure	General Disclosures					
		The organisation and its reporting practices				
		2-1 Organizational details				Annual Report 2025
		2-2 Entities included in the organization's sustainability reporting	1	About This Report		
		2-3 Reporting period, frequency and contact point				
		2-4 Restatements of information	-	-		Restatement of data are noted in the sections where they appear.
		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 Annual Report: Sustainability Statement
		2-7 Employees	110	Diversity & Inclusion		
		2-8 Workers who are not employees				
		Governance				
		2-9 Governance structure and composition				
		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	9	Introduction: Sustainability Governance		Annual Report: Our Leadership
		2-13 Delegation of responsibility for managing impacts				
		2-14 Role of the highest governance body in sustainability reporting				
	GRI 2: General Disclosures 2021	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	21	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	9	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		
		2-23 Policy commitments	8 21	Our Sustainability Approach Corporate Governance: Ethics and Integrity		Policies: https://www.capitala.com/corporate_governance.html
		2-24 Embedding policy commitments	8 21	Our Sustainability Approach Corporate Governance: Ethics and Integrity		
		2-25 Processes to remediate negative impacts				Whistleblowing Channel: https://www.capitala.com/whistleblowing_channel.html
	2-26 Mechanisms for seeking advice and raising concerns	21-22	Corporate Governance: Grievance Mechanisms		Whistleblowing Channel: https://www.capitala.com/whistleblowing_channel.html	
	2-27 Compliance with laws and regulations		Corporate Governance: Ethics and Integrity		Policies: https://www.capitala.com/corporate_governance.html	
	2-28 Membership associations	13	Membership Associations			

GRI Content Index

Pillar	GRI Standard	Disclosure	Page	Remarks	Omissions	Remarks	
Economic		Stakeholder Engagement					
		2-29 Approach to stakeholder engagement	11	Stakeholder Engagement			
		2-30 Collective bargaining agreements	-	-			
		Material Topics					
		GRI 3: Material Topics 2021	3-1 Process to determine material topics 3-2 List of material topics	14-18	Material Matters		
		Good Governance					
		GRI 3: Material Topics 2021	3-3 Management of material topics	18	Corporate Governance		
		GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	23	Corruption Risk Assessment		
			205-2 Communication and training about anti-corruption policies and procedures	22-25	Corporate Governance: Anti-Corruption		
			205-3 Confirmed incidents of corruption and actions taken				
		GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	22	Corporate Governance: Grievance Mechanisms		
		GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	29	Corporate Governance: Responsible PR & Communications		
		Sustainable Supply Chain					
		GRI 3: Material Topics 2021	3-3 Management of material topics	30	Sustainable Supply Chain		
		GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	33	Sustainable Supply Chain: Supporting Local Suppliers		
		GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	32	Sustainable Supply Chain: Supplier Selection Process		
			308-2 Negative environmental impacts in the supply chain and actions taken				
		GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	31	Sustainable Supply Chain: Supplier Code of Conduct		
		GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor				
		GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	32	Sustainable Supply Chain: Supplier Selection Process		
			414-2 Negative social impacts in the supply chain and actions taken				
	Guest Experience						
	GRI 3: Material Topics 2021	3-3 Management of material topics	37	Guest Experience			
	Technology & Innovation						
	GRI 3: Material Topics 2021	3-3 Management of material topics	49	Technology & Innovation			
	Information Security & Data Privacy						
	GRI 3: Material Topics 2021	3-3 Management of material topics	61	Information Security & Data Privacy			
	GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	66	Information Security & Data Privacy: Complaints or Material Breaches			

Pillar	GRI Standard	Disclosure	Page	Remarks	Omissions	Remarks
Environmental	Climate Strategy					
	GRI 3: Material Topics 2021	3-3 Management of material topics	67	Climate Strategy		
	GRI 302: Energy 2016	302-1 Energy consumption within the organization	83	Climate Strategy: Total Group Energy Consumption		
		302-2 Energy consumption outside of the organization	83-84	Climate Strategy: Scope 3 GHG Emissions		
		302-3 Energy intensity	80-83	Climate Strategy: Scope 1 & 2 GHG Emissions		
		302-4 Reduction of energy consumption	83	Climate Strategy: Scope 2 GHG Emissions		
	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	85	Climate Strategy: Water Consumption		
		303-4 Water discharge	85	Climate Strategy: Wastewater Management		
		303-5 Water consumption	85	Climate Strategy: Water Consumption		
	GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	146	Uplifting Communities in Asean: Biodiversity		
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	80-82	Climate Strategy: Scope 1 GHG Emissions		
		305-2 Energy indirect (Scope 2) GHG emissions	83	Climate Strategy: Scope 2 GHG Emissions		
		305-3 Other indirect (Scope 3) GHG emissions	83-85	Climate Strategy: Scope 3 GHG Emissions		
		305-4 GHG emissions intensity	80	Climate Strategy: Carbon Intensity		
		305-5 Reduction of GHG emissions	80-82	Climate Strategy: Scope 1 GHG Emissions		
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	84	Climate Strategy: Other GHG Emissions		
	Waste Management					
	GRI 3: Material Topics 2021	3-3 Management of material topics				
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	86	Waste Management		
		306-2 Management of significant waste-related impacts				
306-3 Waste generated						
306-4 Waste diverted from disposal		87	Waste Management: Hazardous & Non-Hazardous Waste			
306-5 Waste directed to disposal						

GRI Content Index

Pillar	GRI Standard	Disclosure	Page	Remarks	Omissions	Remarks
Social	Safety As Our Priority					
	GRI 3: Material Topics 2021	3-3 Management of material topics	93	Safety As Our Priority		
	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	94	Safety As Our Priority: Operational Safety		
		403-2 Hazard identification, risk assessment, and incident investigation	95	Safety As Our Priority: Safety Risk Management		
		403-3 Occupational health services	94	Safety As Our Priority: Operational Safety		
		403-4 Worker participation, consultation, and communication on occupational health and safety	102	Safety As Our Priority: Safety Promotion		
		403-5 Worker training on occupational health and safety	102	Safety As Our Priority: Safety Promotion		
		403-6 Promotion of worker health	99	Safety As Our Priority: Wellbeing at the Heart of Safety		
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	94	Safety As Our Priority: Operational Safety		
		403-8 Workers covered by an occupational health and safety management system	94	Safety As Our Priority: Operational Safety		
		403-9 Work-related injuries	106	Safety As Our Priority: Occupational Health and Safety		
		403-10 Work-related ill health	106	Safety As Our Priority: Occupational Health and Safety		
	GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	108	Safety As Our Priority: Food Safety		
	Diversity and Inclusion					
	GRI 3: Material Topics 2021	3-3 Management of material topics	110	Diversity and Inclusion		
	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	110	Diversity and Inclusion		
		405-2 Ratio of basic salary and remuneration of women to men	114	Diversity and Inclusion: Gender Pay Gap		
	Talent Attraction and Retention					
	GRI 3: Material Topics 2021	3-3 Management of material topics	117	Talent Attraction & Retention		
	GRI 401: Employment 2016	401-1 New employee hires and employee turnover	119	Talent Attraction & Retention: New Hires & Turnover		
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	132	Talent Attraction & Retention: Rewards & Benefits		
		401-3 Parental leave	133	Talent Attraction & Retention: Caring for Allstars and their Families		
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	126	Talent Attraction & Retention: Investing in Our Allstars		
		404-2 Programs for upgrading employee skills and transition assistance programs				
		404-3 Percentage of employees receiving regular performance and career development reviews	130	Talent Attraction & Retention: Performance Review		
	Human Rights					
	GRI 3: Material Topics 2021	3-3 Management of material topics				
	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	135-138	Human Rights		
	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor				
	Uplifting Communities in Asean					
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	139	Uplifting Communities in Asean			

IFRS S2 Disclosure Index

• Sustainability Governance, page 9

Governance	S2.06(a)(i)	<ul style="list-style-type: none"> • Sustainability Governance, page 9 • Sustainability Policy, page 10 • Board Charter • Risk Management and Sustainability Committee Terms of Reference
	S2.06(a)(ii)	
	S2.06(a)(iii)	
	S2.06(a)(iv)	
	S2.06(a)(v)	NSRF transition reliefs applied
	S2.06(b)(i)	<ul style="list-style-type: none"> • Sustainability Governance, page 9 • Sustainability Policy, page 10 • Risk Management and Sustainability Committee Terms of Reference • Risk Management and Sustainability Committee Terms of Reference
	S2.06(b)(ii)	
Strategy	S2.10(a)	<ul style="list-style-type: none"> • Climate Strategy, page 67 • Net Zero by 2050, page 68-74 • Climate-related Risks and Opportunities, page 76-78
	S2.10(b)	
	S2.10(c)	
	S2.10(d)	
	S2.13(a)	• Climate-related Risks and Opportunities, page 76-78
	S2.13(b)	NSRF transition reliefs applied
	S2.14(a)(i)	<ul style="list-style-type: none"> • Climate Strategy, page 67 • Net Zero by 2050, page 68-74 • Climate-related Risks and Opportunities, page 76-78
	S2.14(a)(ii)	
	S2.14(a)(iii)	
	S2.14(a)(iv)	
	S2.14(a)(v)	
	S2.14(b)	
	S2.14(c)	
	S2.15(a), S2.16(a)	
	S2.15(b)	
	S2.16(b)	
	S2.16(c)	
	S2.16(d)	
	S2.21(a)	
	S2.21(b)	
	S2.21(c)	
	S2.22(a)(i)	
	S2.22(a)(ii)	
	S2.22(a)(iii)	
	S2.22(a)(iii)	
	S2.22(b)	
	S2.22(b)(i)	
	S2.22(b)(ii)	
	S2.22(b)(iii)	
	Risk Management	
S2.25(a)(i)		
S2.25(a)(ii)		NSRF transition reliefs applied
S2.25(a)(iii)		<ul style="list-style-type: none"> • Risk Management, page 26 • Managing Climate-Related Risks, page 27
S2.25(a)(iv)		<ul style="list-style-type: none"> • Risk Management, page 26 • Managing Climate-related Risks, page 27 • Climate-related Risks and Opportunities, page 76-78
S2.25(a)(v)		
S2.25(a)(vi)		
S2.25(b)		
S2.25(c)		

IFRS S2 Disclosure Index

Metrics and Targets		
	S2.29(a)(i)	<ul style="list-style-type: none"> Measuring Our Carbon Footprint, page 79
	S2.29(a)(ii), S2.B28(a)	<ul style="list-style-type: none"> Energy and Emissions Management, page 79
	S2.29(a)(iii)	<ul style="list-style-type: none"> Scope 1 GHG Emissions, page 81
	S2.29(a)(iv)	<ul style="list-style-type: none"> Scope 2 GHG Emissions, page 83 Scope 3 GHG Emissions, page 83-84
	S2.29(a)(v)	Not applicable
	S2.29(a)(vi)	<ul style="list-style-type: none"> Energy and Emissions Management, page 79 Scope 3 GHG Emissions, page 83-84
	S2.29(b)	NSRF transition reliefs applied
	S2.29(c)	
	S2.29(d)	
	S2.29(e)	
	S2.29(f)(i)	
	S2.29(f)(ii)	
	S2.29(g)(i)	
	S2.29(g)(ii)	
	S2.33	<ul style="list-style-type: none"> Climate Strategy, page 67
	S2.33(a)	<ul style="list-style-type: none"> Net Zero by 2050, page 68-74
	S2.33(b)	
	S2.33(c)	
	S2.33(d)	
	S2.33(e)	
	S2.33(f)	
	S2.33(g)	
	S2.33(h)	
	S2.34	<ul style="list-style-type: none"> Climate Strategy, page 67
	S2.34(a)	<ul style="list-style-type: none"> Net Zero by 2050, page 68-74
	S2.34(b)	
	S2.34(c)	
	S2.34(d)	
	S2.36(a)	<ul style="list-style-type: none"> Climate Strategy, page 67
	S2.36(b)	<ul style="list-style-type: none"> Net Zero by 2050, page 68-74
	S2.36(c)	
	S2.36(d)	
	S2.36(e)	
	S2.36(e)(i)	
	S2.36(e)(ii)	
	S2.36(e)(iii)	
	S2.36(e)(iv)	

Statement of Assurance

In strengthening the credibility of the Sustainability Report, selected matters of this Sustainability Report have been subjected to an internal review by Capital A Berhad's internal auditors and have been approved by the 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	<ul style="list-style-type: none"> 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
Information Security & Data Privacy	<ul style="list-style-type: none"> a) Number of substantiated complaints concerning breaches of data privacy and losses of data
Health & Safety	<ul style="list-style-type: none"> a) Number of work-related fatalities b) Lost time incident rate c) Number of employees trained on health and safety standard
Talent Attraction and Attraction/ Human Rights	<ul style="list-style-type: none"> a) Total hours of training by employee category b) Percentage of employees that are contractors or temporary staff c) Total number of employee turnover by employee category d) Number of substantiated complaints concerning human rights violations
Climate Strategy	<ul style="list-style-type: none"> a) Scope 1 emissions in tonnes of CO₂e b) Scope 2 emissions in tonnes of CO₂e c) Scope 3 emissions in tonnes of CO₂e a) Total energy consumption b) Total volume of water used

Scope

The boundary of the internal review covered Capital A Berhad and its subsidiaries companies during the Financial Year 2025.

Capital A Berhad

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