

capital 

Sustainability Report 2025

Ready, Set,  
**Grow**



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# 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 (3<sup>rd</sup> 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](mailto:sustainability@airasia.com)



[www.capitala.com/sustainability.html](http://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 CO<sub>2</sub> 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 CO<sub>2</sub>, 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.

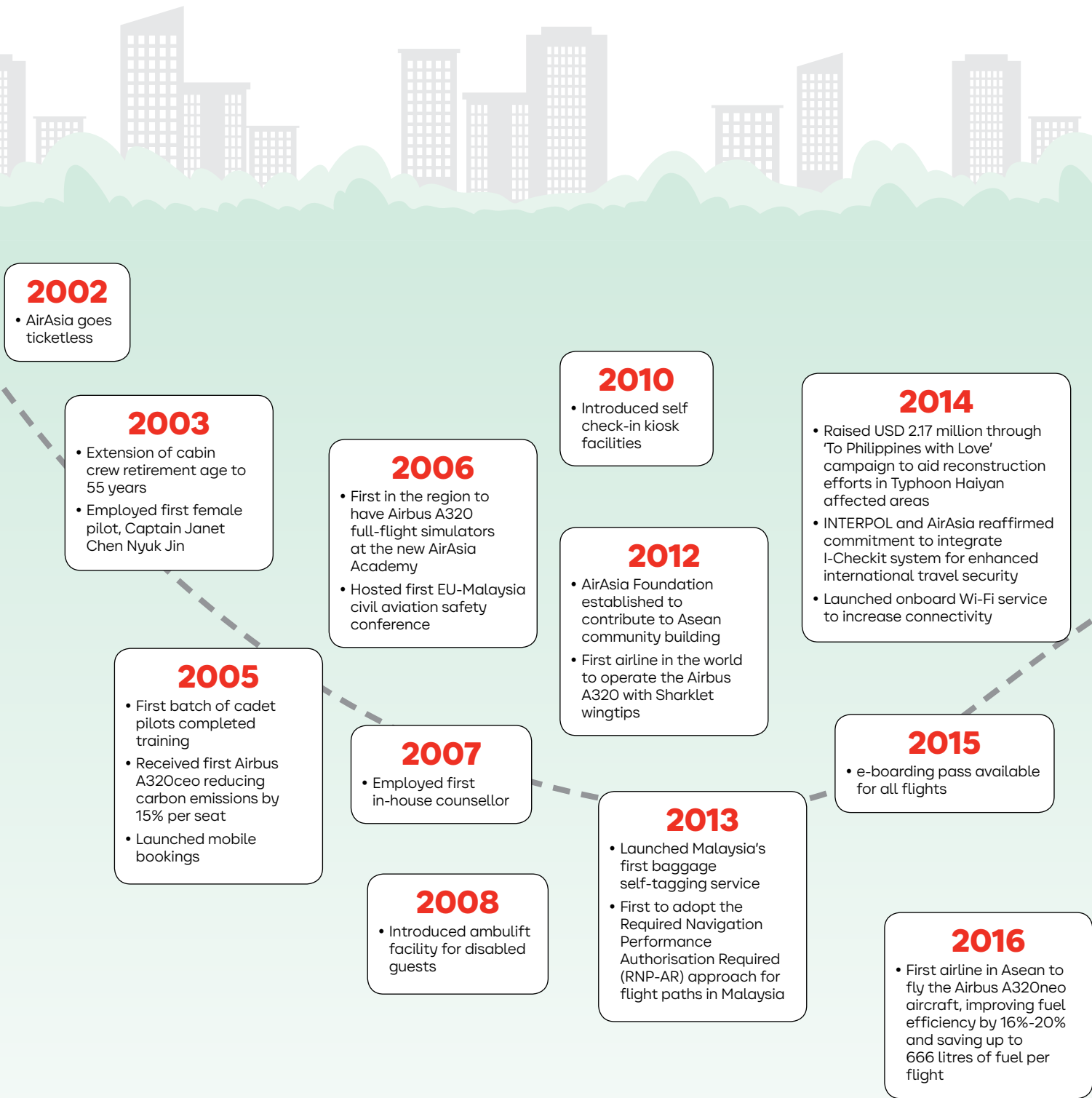
We close 2025 with a groundbreaking step: introducing a hijab option for our cabin crew. Since its beginning, AirAsia has led Asia in implementing policies that attract and retain women in aviation. This latest move honours the service of our crew members and helps us retain skilled, experienced professionals 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 CO<sub>2</sub> 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**

gCO<sub>2</sub>/ASK

(2024: 63.7)



**76.3**

gCO<sub>2</sub>/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 tCO<sub>2</sub>e**

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

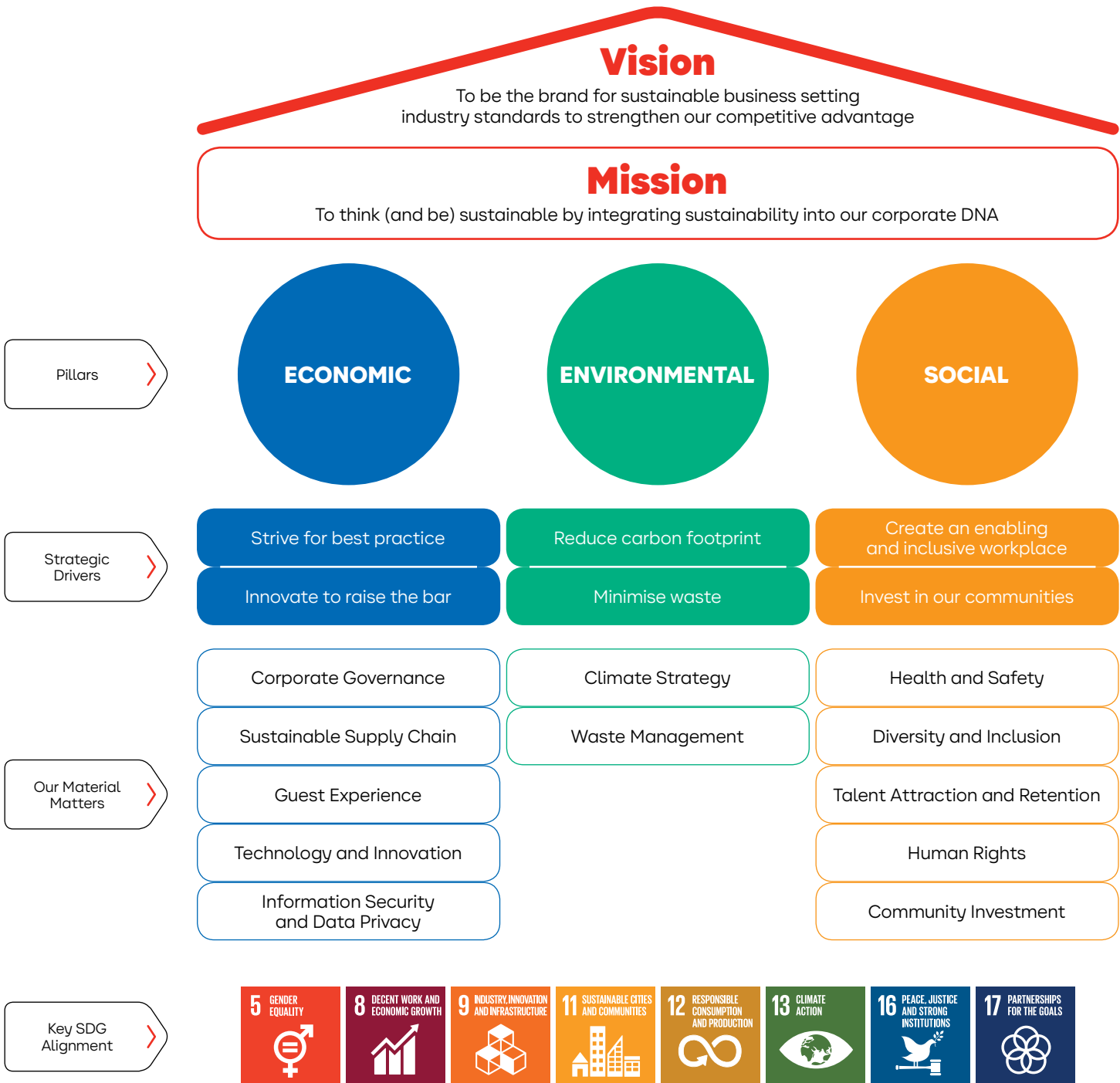
(2024: 8 hours)

# 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:



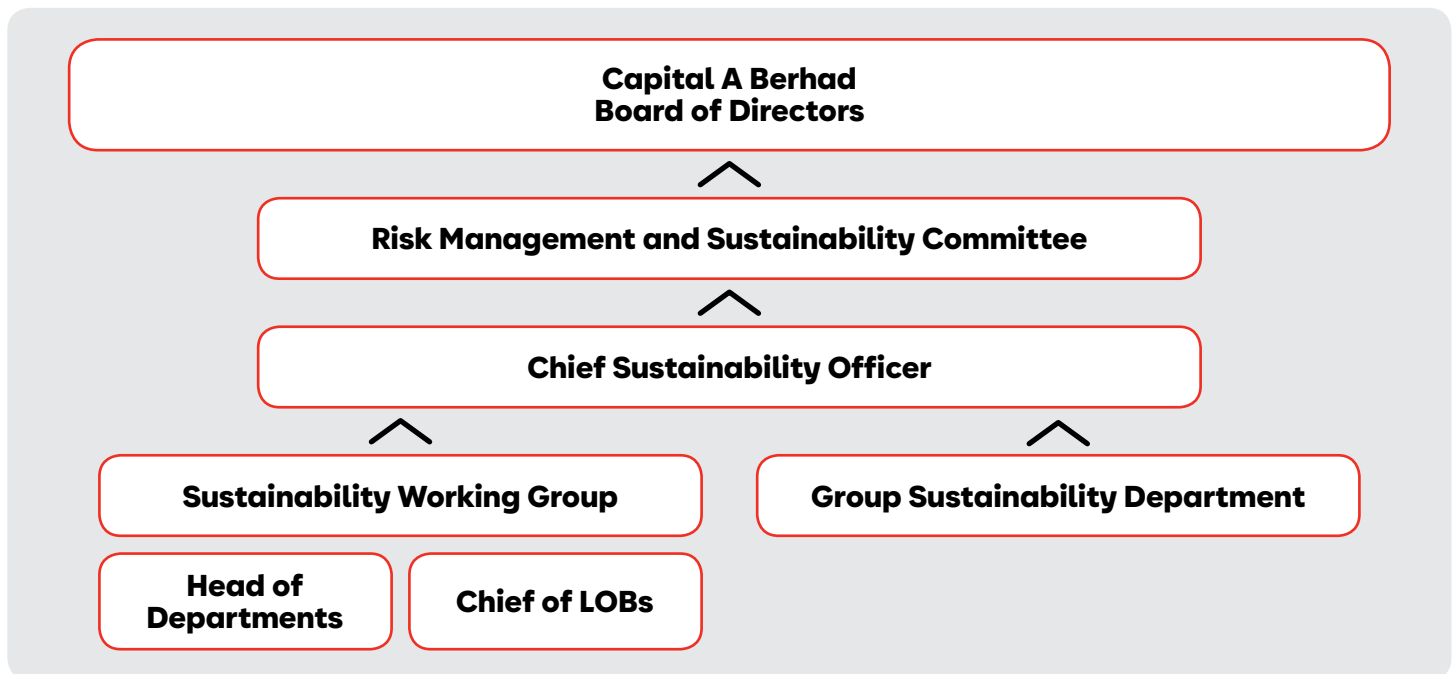
Complementing the Group's five-year business strategy, our sustainability roadmap is executed through six strategic drivers categorised under the EES pillars, which encompass a total of 12 material topics. To effectively measure and track our progress toward specific goals, we have established internal, 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><b>Capital A's Board of Directors</b></p>	<ul style="list-style-type: none"> <li>○ 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).</li> <li>○ Assesses collective skills and competencies through the Nomination and Remuneration Committee (NRC), to ensure effective oversight of sustainability and climate-related risks and opportunities.</li> <li>○ Receives progress reports on high-priority sustainability and climate-related matters quarterly.</li> </ul>
<p><b>Risk Management and Sustainability Committee (RMSC)</b></p>	<ul style="list-style-type: none"> <li>○ Responsible for providing Board-level oversight, assessing the Group's strategic direction, policies, principles, and practices related to both sustainability and risk management matters.</li> <li>○ 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.</li> <li>○ Monitors quarterly progress against sustainability and climate-related targets, providing strategic direction and recommendations to ensure continuous alignment with overarching Group objectives.</li> </ul>



## 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
<b>Board of Directors</b>		
<ul style="list-style-type: none"> <li>Board meetings</li> <li>Annual General Meetings</li> <li>Corporate events</li> <li>Extraordinary General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate governance &amp; strategies</li> <li>Business development &amp; partnerships</li> <li>Human capital management</li> <li>Sustainability practices</li> </ul>	<ul style="list-style-type: none"> <li>Focus on enhancing our branding and expanding lines of business</li> <li>Adopt sustainable practices</li> </ul>
<b>Employees (Allstars)</b>		
<ul style="list-style-type: none"> <li>Workvivo</li> <li>Employee appraisals</li> <li>Community engagement</li> <li>Online surveys</li> <li>Townhalls</li> <li>Cultural, sports, well-being &amp; appreciation events</li> <li>Open office layout</li> </ul>	<ul style="list-style-type: none"> <li>Diversity, inclusion &amp; equal opportunity</li> <li>Corporate governance practices</li> <li>Training &amp; career development</li> <li>Work-life balance</li> <li>Financial performance</li> <li>Fair remuneration &amp; compensation</li> <li>Security, safety &amp; welfare</li> <li>Mental health support system</li> </ul>	<ul style="list-style-type: none"> <li>Foster inclusivity and positive relationships through employee engagement programmes</li> <li>Provide frequent updates on the Group's performance and changes in policies and procedures</li> <li>Provide training and skills enhancement opportunities</li> <li>Ensure fair compensation</li> <li>Provide safe and healthy working environment</li> <li>Daycare centre/creche and lactation room</li> </ul>
<b>Business Partners</b>		
<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Financial institutions &amp; aircraft investor credit roadshows</li> <li>Workshops &amp; seminars</li> <li>Global aviation finance conferences</li> <li>Technical support based in RedQ</li> <li>Commercial support with GE based in KL &amp; Airbus based in Singapore</li> </ul>	<ul style="list-style-type: none"> <li>Agreeable terms and contracts</li> <li>Service delivery and cost</li> <li>Risk management</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen partnerships with agreeable terms and contracts</li> </ul>
<b>Customers (Guests)</b>		
<ul style="list-style-type: none"> <li>Continuous customer satisfaction surveys</li> <li>Online submissions</li> <li>Customer support live chat</li> <li>Social media</li> <li>Messenger channels</li> <li>AirAsia sales offices, travel &amp; service centres</li> </ul>	<ul style="list-style-type: none"> <li>Customer experience</li> <li>Process efficiency</li> <li>Competitive pricing &amp; experience throughout physical/digital journey</li> <li>Data privacy &amp; security</li> <li>Safety &amp; well-being</li> <li>Loyalty rewards</li> </ul>	<ul style="list-style-type: none"> <li>Provide fast and prompt response to customer requests</li> <li>Continue to increase customer satisfaction through process efficiency</li> <li>Protect customers' data as well as their health and safety</li> <li>Responsible marketing and communications</li> </ul>

# Our Sustainability Approach

## Engagement Channels

## Areas of Interest

## How We Respond

### Investors

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Investor meetings &amp; conference calls</li> <li>• Annual General Meetings &amp; Extraordinary General Meetings</li> <li>• Investor Relations website</li> <li>• Investor briefings by Senior Management</li> <li>• Annual Reports</li> </ul> | <ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Corporate governance practices</li> <li>• Long-term business strategy</li> <li>• Brand management</li> <li>• Operational performance</li> <li>• Occupational health &amp; safety</li> <li>• Customer relationship management</li> <li>• Innovative initiatives</li> <li>• EES management</li> </ul> | <ul style="list-style-type: none"> <li>• Actively communicate with investors</li> <li>• Provide timely updates on business performance &amp; strategies</li> <li>• Focus on enhancing our branding and expanding lines of business</li> <li>• Ensure safe &amp; healthy working environment</li> <li>• Adopt sustainable practices</li> </ul> |
|---|---|---|

### Market Analysts

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

### Regulators/Governmental Bodies

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Regular dialogue through face-to-face meetings &amp; official correspondence</li> <li>• Parliamentary sessions</li> <li>• Formal meetings with government officials initiated by Capital A</li> <li>• Tours and familiarisation visits to Capital A premises</li> </ul> | <ul style="list-style-type: none"> <li>• Corporate governance practices</li> <li>• Policy &amp; regulatory compliance</li> <li>• Risk &amp; crisis management</li> <li>• Data privacy &amp; security</li> <li>• EES management</li> </ul> | <ul style="list-style-type: none"> <li>• Engage closely with regulators and governmental bodies</li> <li>• Announce or report relevant information in a timely manner</li> <li>• Maintain standards and certifications</li> </ul> |
|--|---|---|

### Social Enterprises

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

### Suppliers

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

### Local Communities

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

## 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.

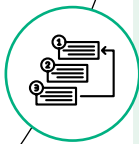
## Materiality Assessment

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

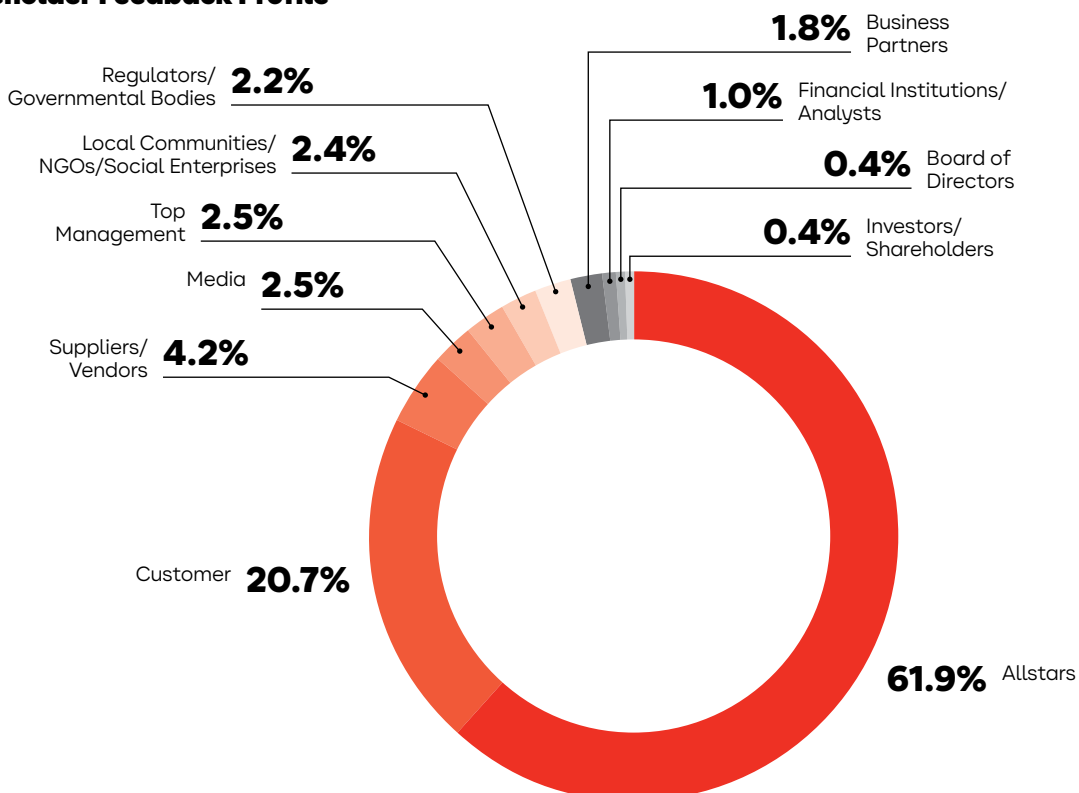
An online materiality survey was distributed to all key stakeholders, inviting them to rank the 12 identified material matters according to the level of importance to them and impact on the Group. We received 1,373 responses. The results were subsequently weighted to reflect relative significance and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



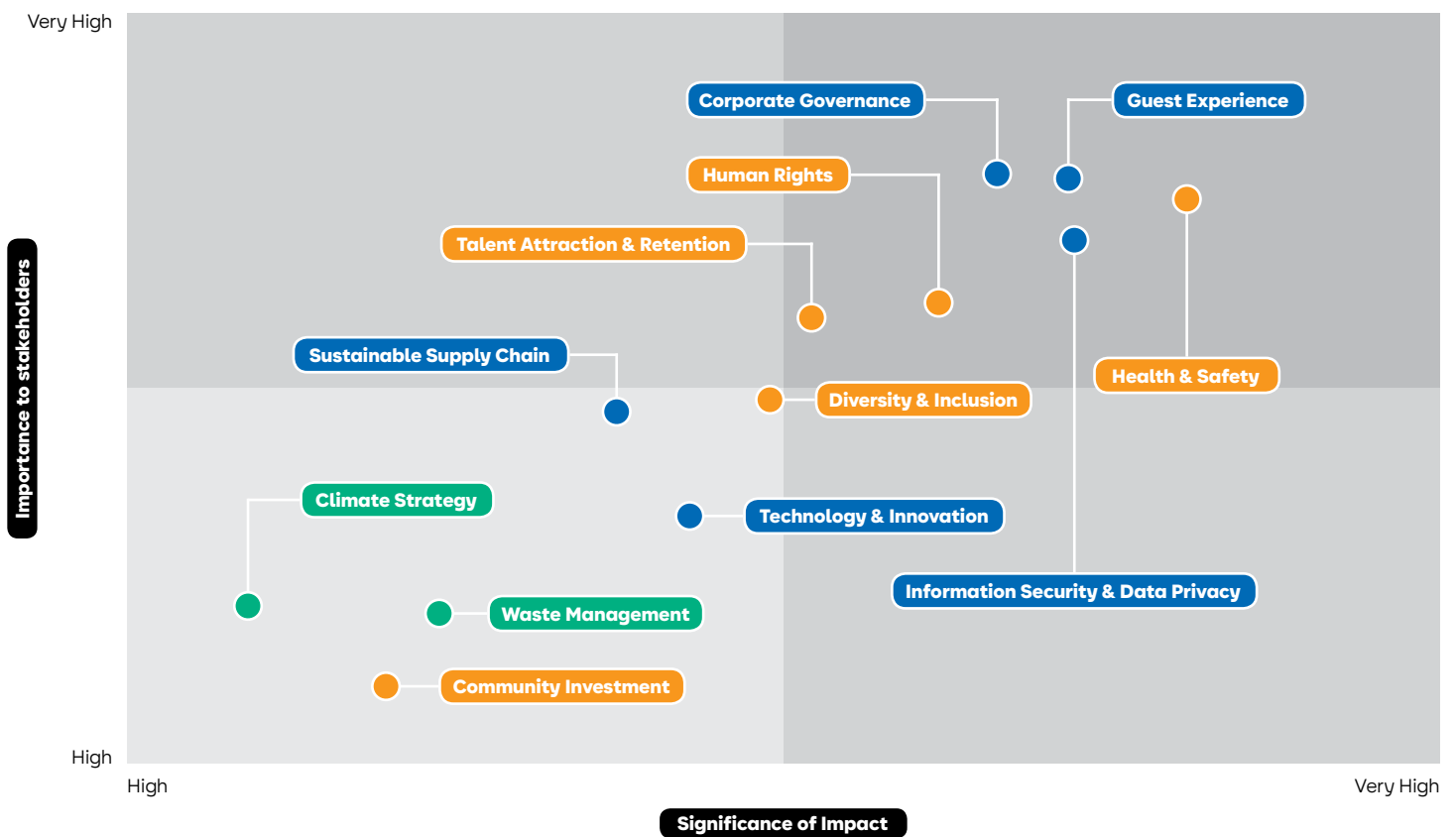
### Validate

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 &amp; 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 &amp; 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.

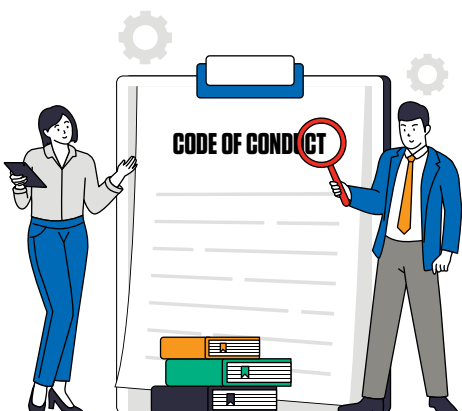
The Code mandates rigorous compliance in critical areas, specifically anti-bribery and anti-corruption, confidentiality of information, conflicts of interest, and anti-competitive practices. We conduct a periodic review of the code to ensure continued relevance and effectiveness.

## 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.

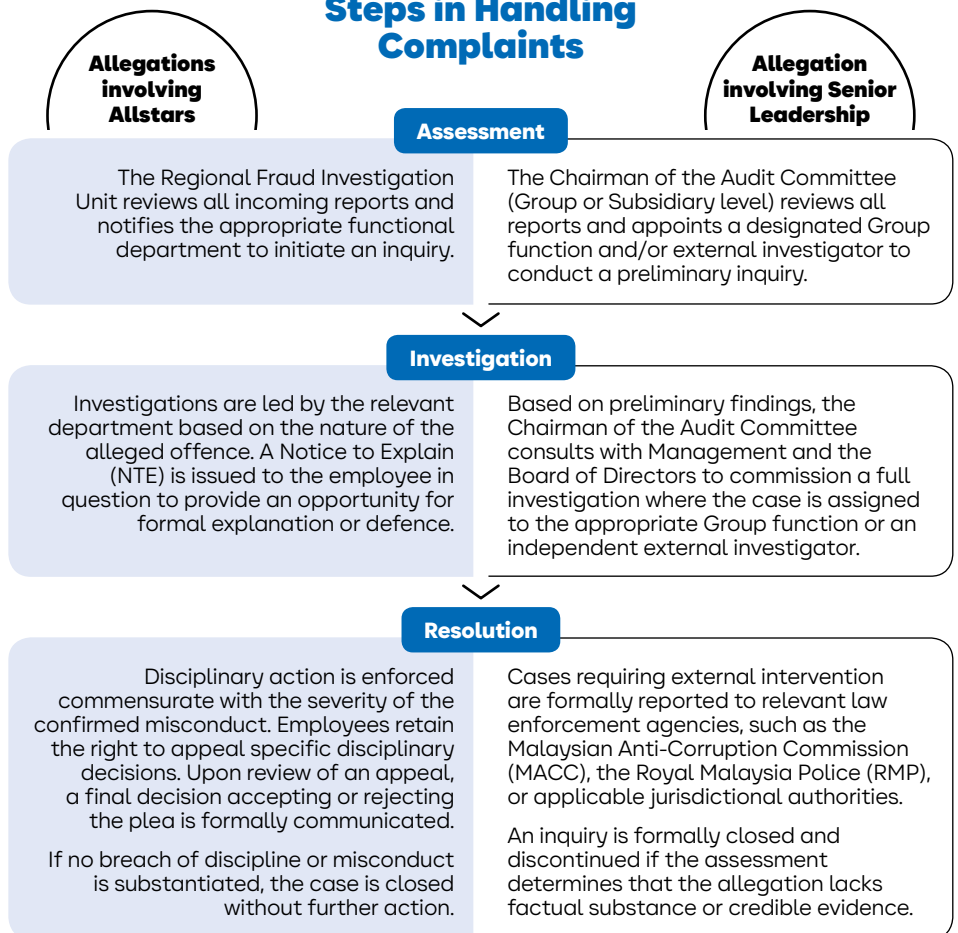
## 1 Whistleblowing Channel

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](https://www.capitala.com/whistleblowing_form.html)
- [whistleblower@airasia.com](mailto:whistleblower@airasia.com)
- [auditcommitteechairman@airasia.com](mailto: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

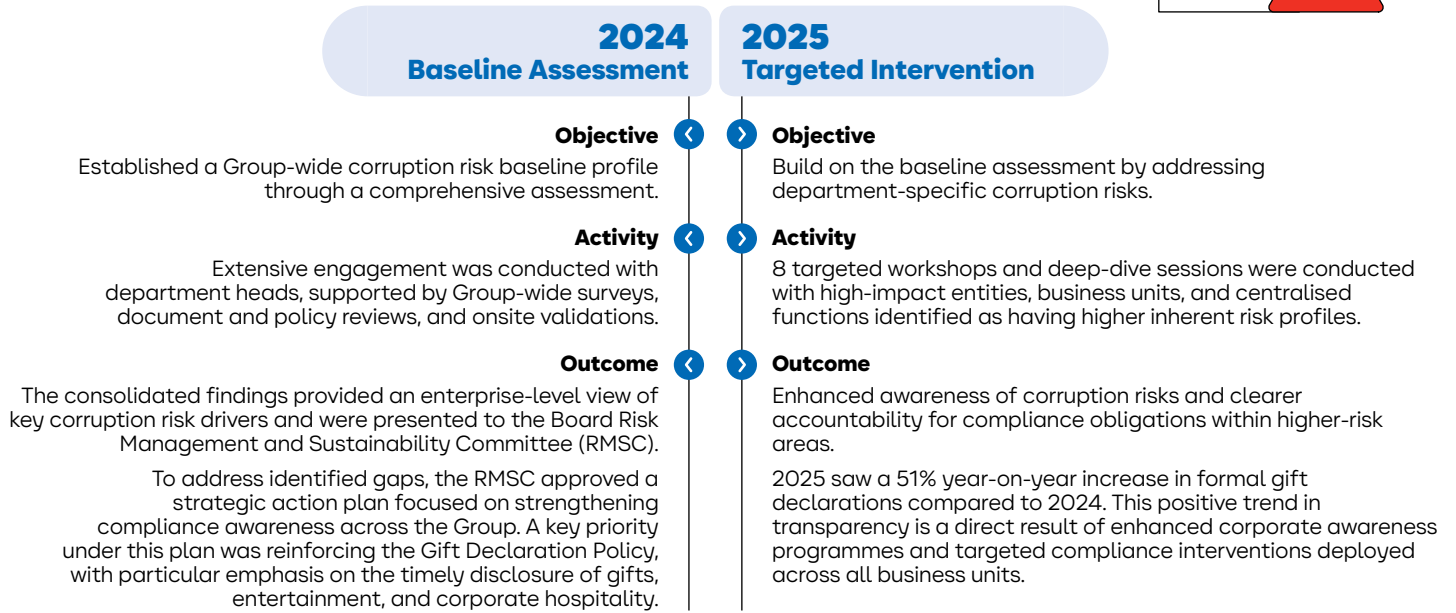
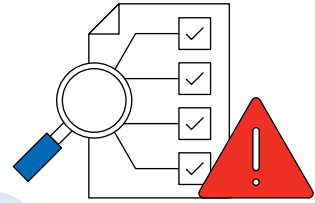
 **100%** of new joiners were trained on and acknowledged the ABAC Policy as part of their onboarding

 **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



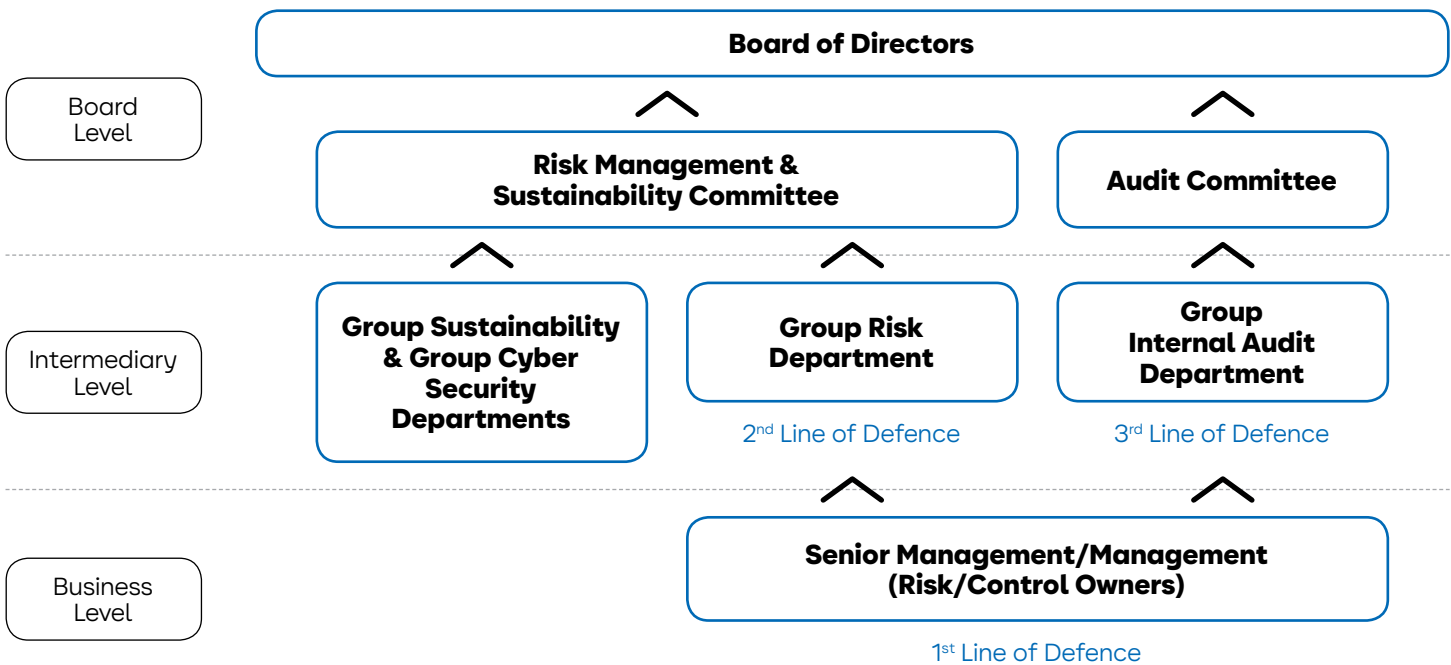
**ECONOMIC**  
**Good Governance**

**RISK MANAGEMENT**

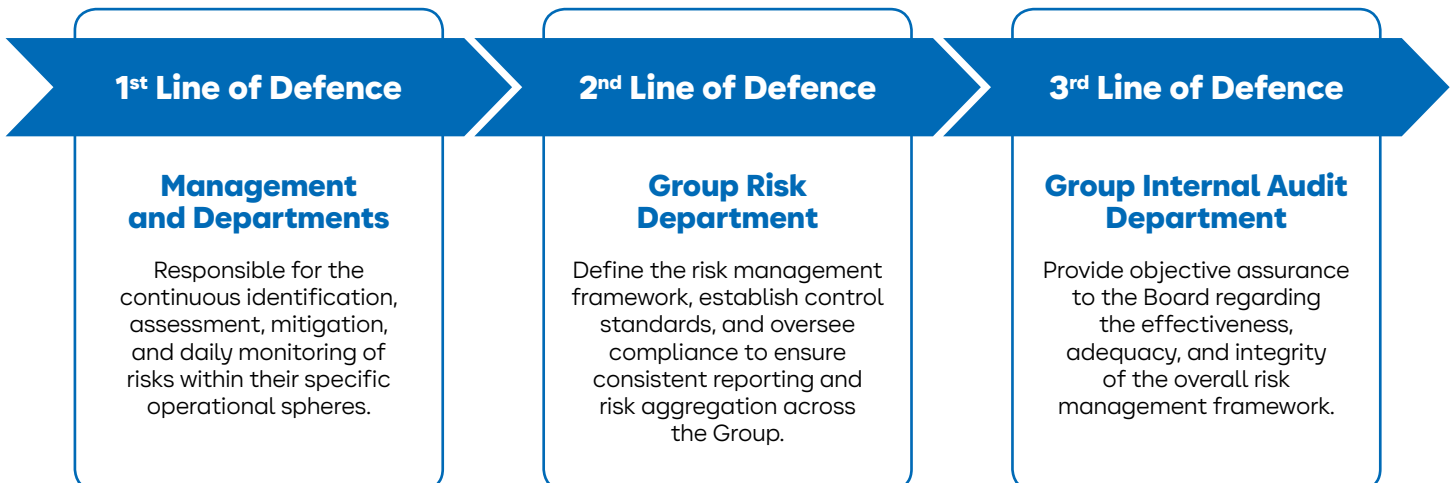
Our Enterprise Risk Management (ERM) Framework forms the foundation of the Group's strategic resilience. It serves to institutionalise a risk culture, ensuring that risk considerations are embedded in decision-making processes. Our policy is aligned with global best practices, specifically ISO 31000:2018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

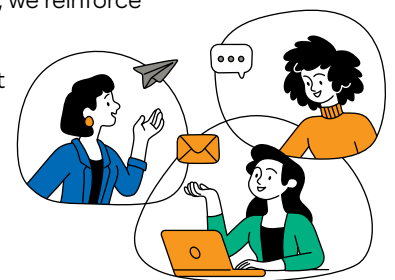
Simultaneously, we leveraged our digital reach to deepen stakeholder engagement on pivotal topics, including AI-driven operational efficiency, decarbonisation pathways, and responsible tourism. This omnichannel strategy ensured that our sustainability narrative remained aligned with evolving stakeholder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



## Performance Overview 2025



**9,064**  
total suppliers



**1,110**  
new suppliers



**231**  
critical suppliers



**21.8%**  
expenditure  
on local suppliers

### 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



# 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

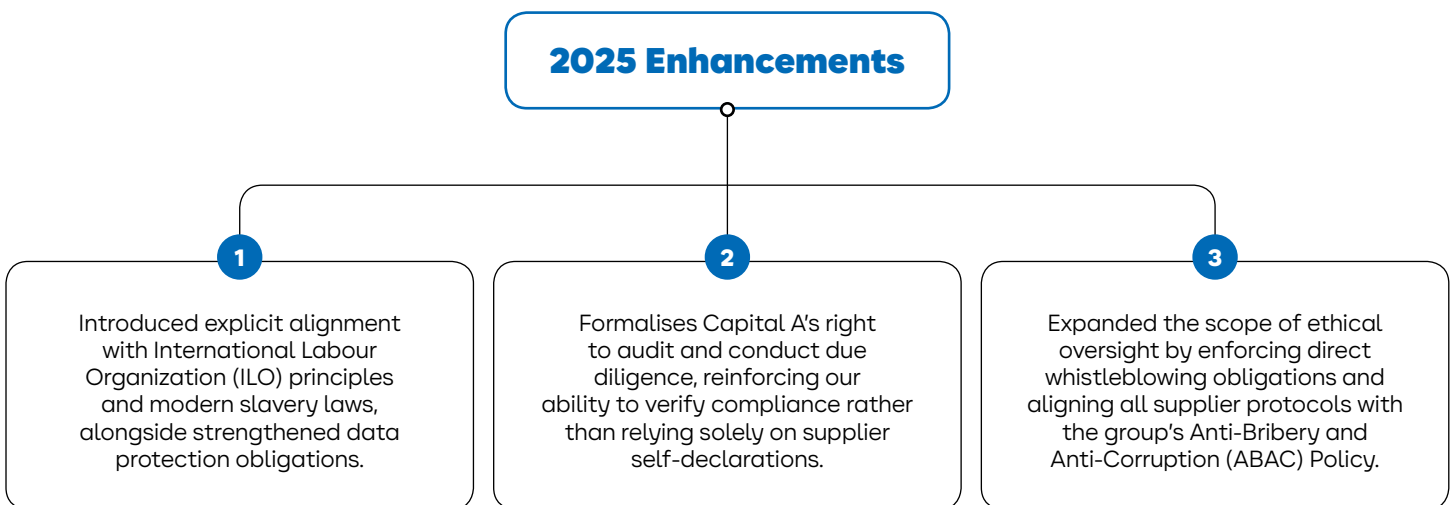
Active management of environmental risks, pollution prevention, resource efficiency, and biodiversity protection.



### 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.

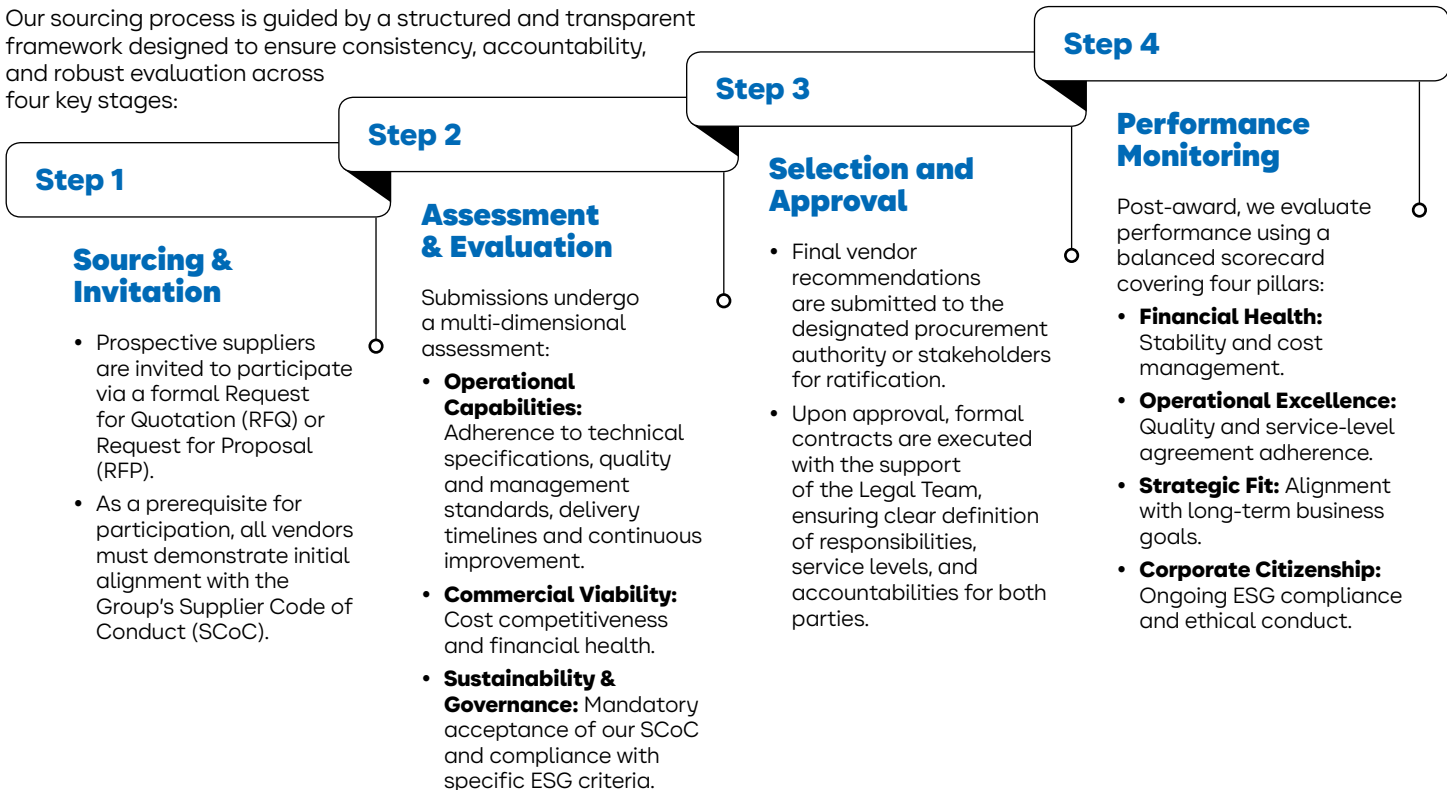
<b>Responsible Sourcing &amp; Ethics</b>	Protocols for compliance, transparency, and fairness now actively drive our procurement processes. The policy ensures that our vendors go beyond basic adherence to our Supplier Code of Conduct by integrating specific, measurable controls to prevent corruption, bribery, conflicts of interest and anti-competitive behaviour.
<b>ESG Prioritisation in Selection</b>	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.
<b>Environmental &amp; Human Rights Impact</b>	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.
<b>Oversight &amp; Capacity Building</b>	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:

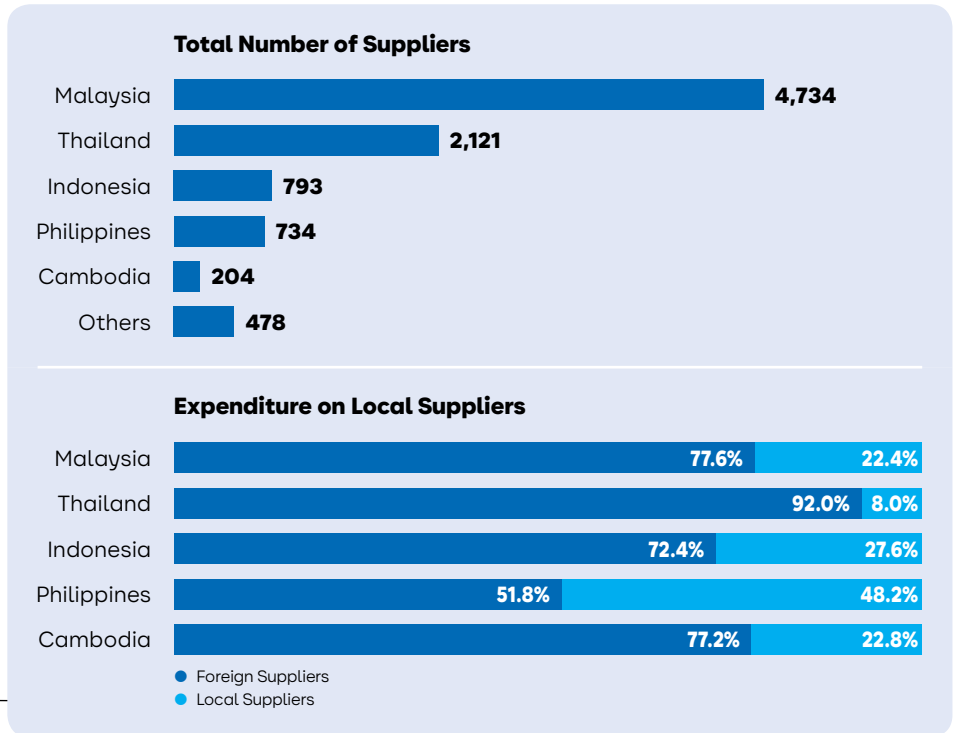


# SUPPORTING LOCAL SUPPLIERS

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

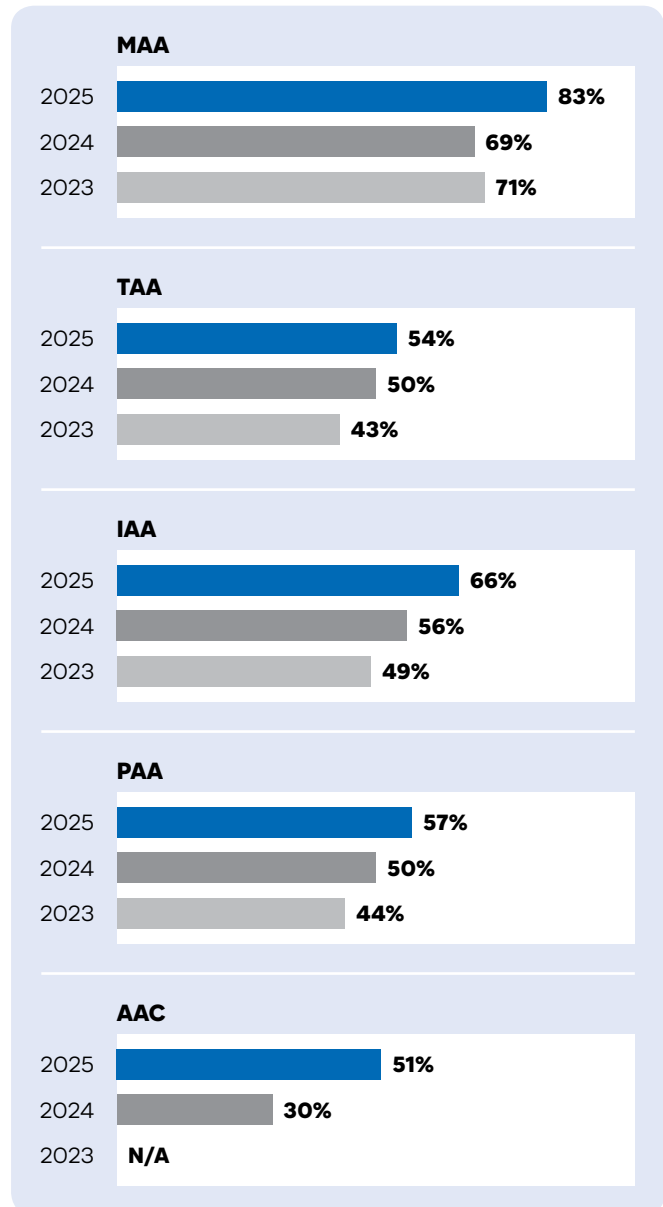
Self check-in is a well-established feature that many of our guests already rely on. Building on this familiarity, we introduced Auto Check-in, an opt-in service that removes the need for guests to manually check-in via AirAsia MOVE, airport kiosks, or staffed counters.

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



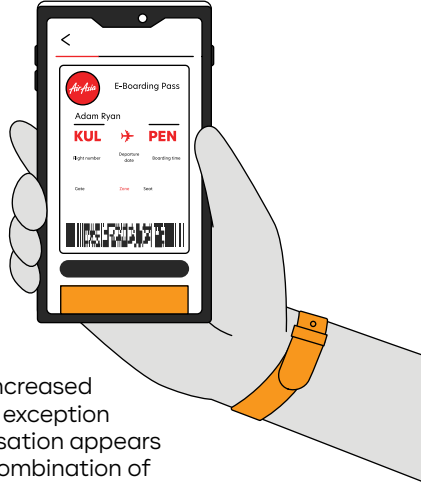
We expect uptake of auto check-in to increase further in the coming year as awareness and familiarity grow.

**ECONOMIC**

# Transforming into a Digital Travel and Lifestyle Brand

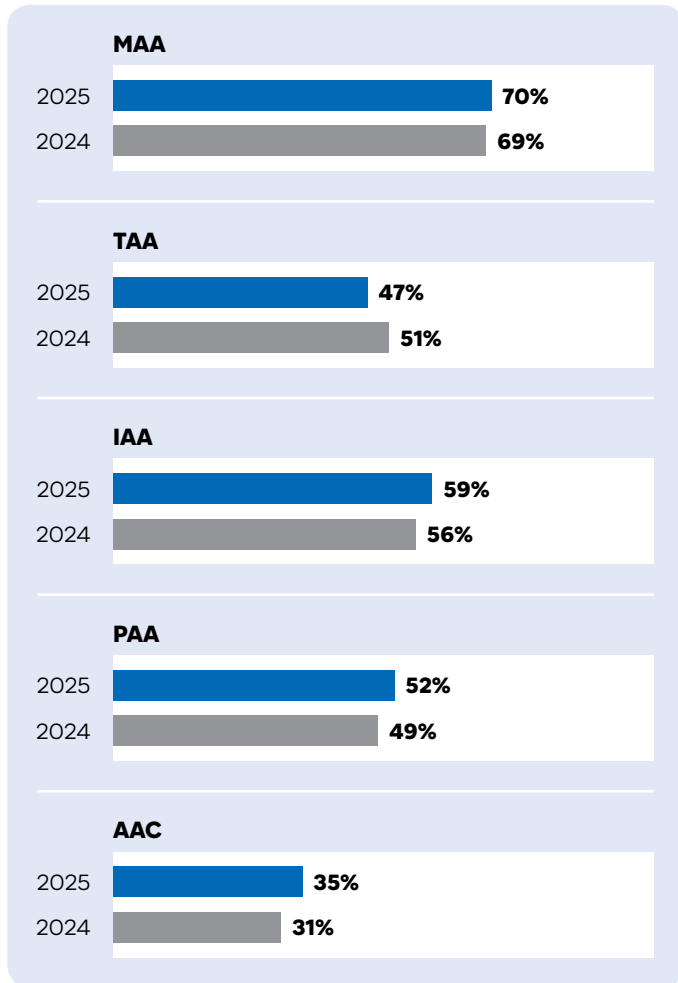
## c) e-Boarding Pass

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.



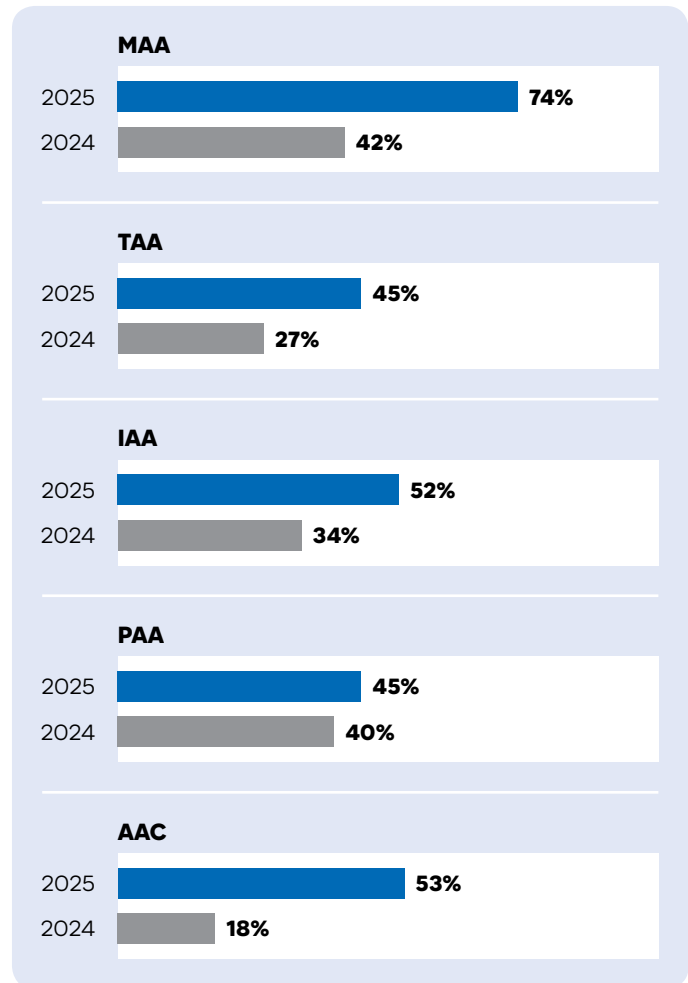
Overall, adoption has increased across most AOCs. The exception is TAA, where lower utilisation appears to be influenced by a combination of operational requirements (such as additional document verification), airport limitations and customer preferences.

### 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.



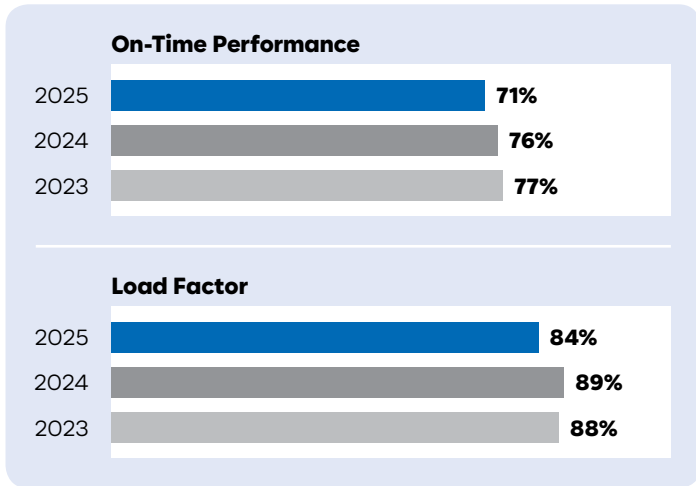
ECONOMIC

# Transforming into a Digital Travel and Lifestyle Brand

## 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

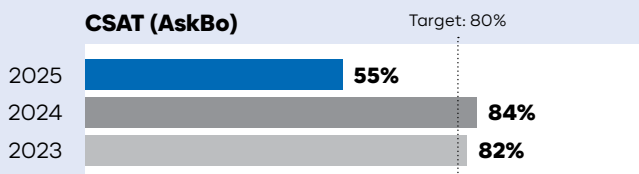
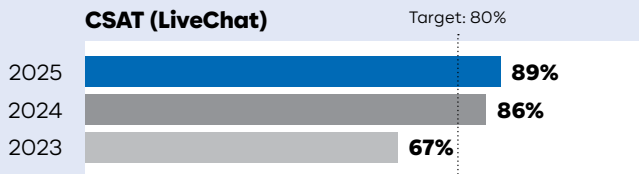
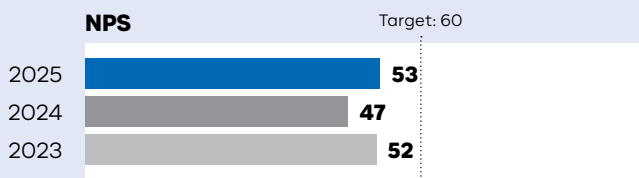
NPS measures the overall guest experience with AirAsia and AirAsia MOVE, from booking to journey completion. Surveys are sent once after payment and again within 24 hours of the guest's flight.

### 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.



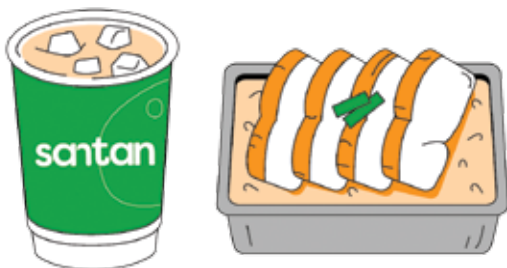
**56** NPS Score  
(2024: 19; Target: 50)



**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><b>✓ 96%</b> customer satisfaction score (95% in 2024; Target 80%)</p>	<p><b>✓ 100%</b> complaints received were addressed</p>
---	---

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><b>✓ 55</b> AirAsia NPS Score (2024: 49; Target: 50)</p>	<p><b>✓ 50</b> 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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# Transforming into a Digital Travel and Lifestyle Brand



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](https://youtube.com/@AirAsiaBuds)

## AirAsia World on Roblox



Discover our destinations on Roblox by searching AirAsia World



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# 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

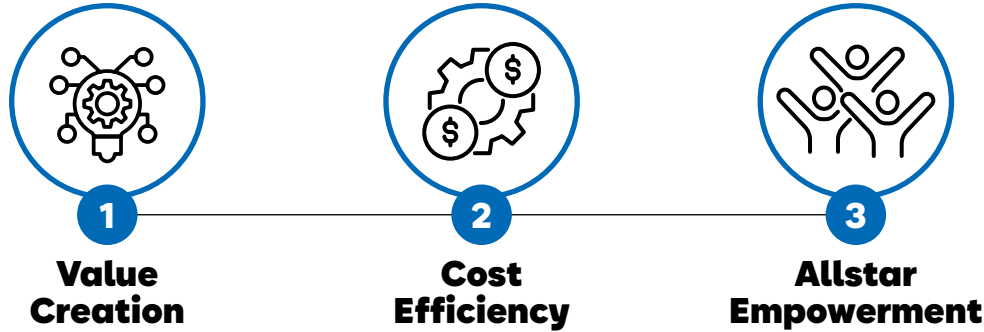


**>2,800**  
manhours saved via ADE's digital automation

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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.

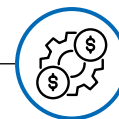
**Progress & Impact**

- 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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

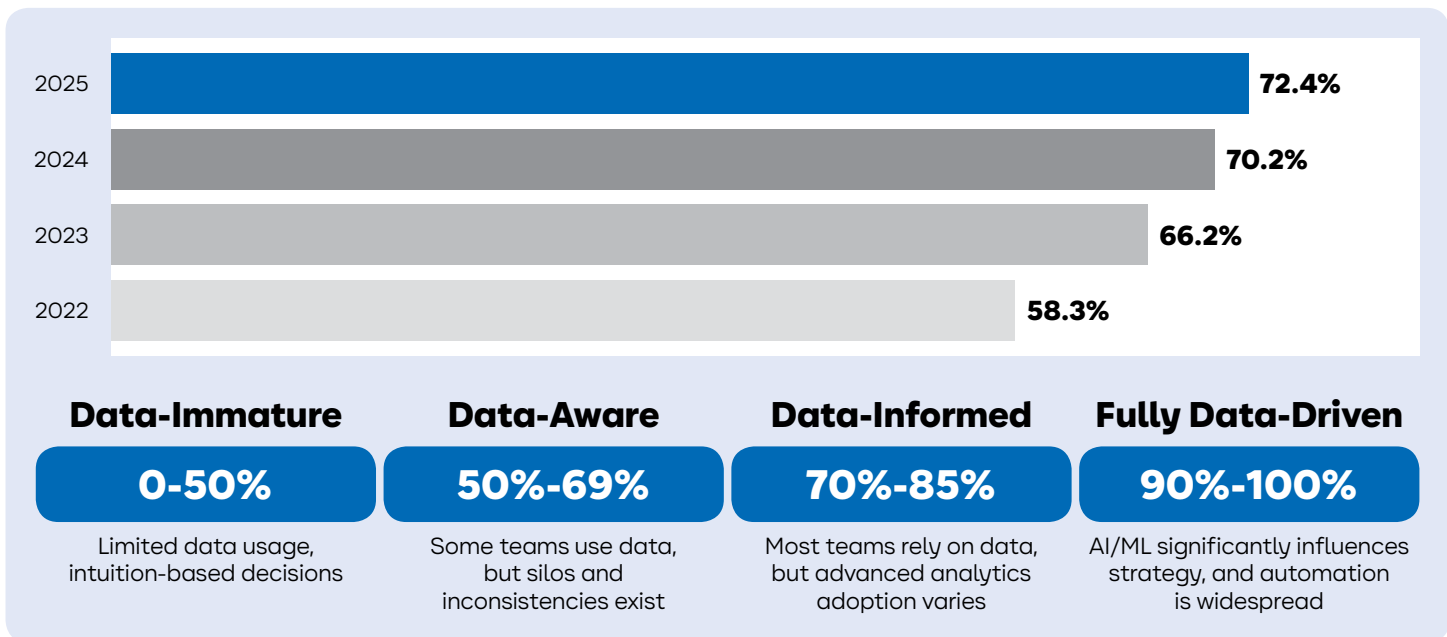


Our Group ICT team is unlocking the potential of our data assets, empowering Allstars to make faster, smarter decisions anytime, anywhere, without relying on IT intervention.

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><b>Level 1: Introduction to Data Democratisation</b></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><b>Level 2: Practical Visualisation &amp; AI Tools</b></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



**ECONOMIC**

# 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"> <li>Provides real-time aircraft health and deferred defect management.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>In-house web and mobile time tracking system for employee shift management.</li> <li>Offers live updates on attendance, geo-fenced tracking, rostering, and overtime claims.</li> </ul>	<ul style="list-style-type: none"> <li>Cabin monitoring module utilises advanced RFID scanning technology from Zebra Technologies.</li> <li>Streamlines and accelerates aircraft life vest inspections, ensuring efficiency, accuracy, and safety because every life vest matters.</li> </ul>



**RM48 million**  
cost savings




**>2,800 hours**  
Man-hours savings



**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.

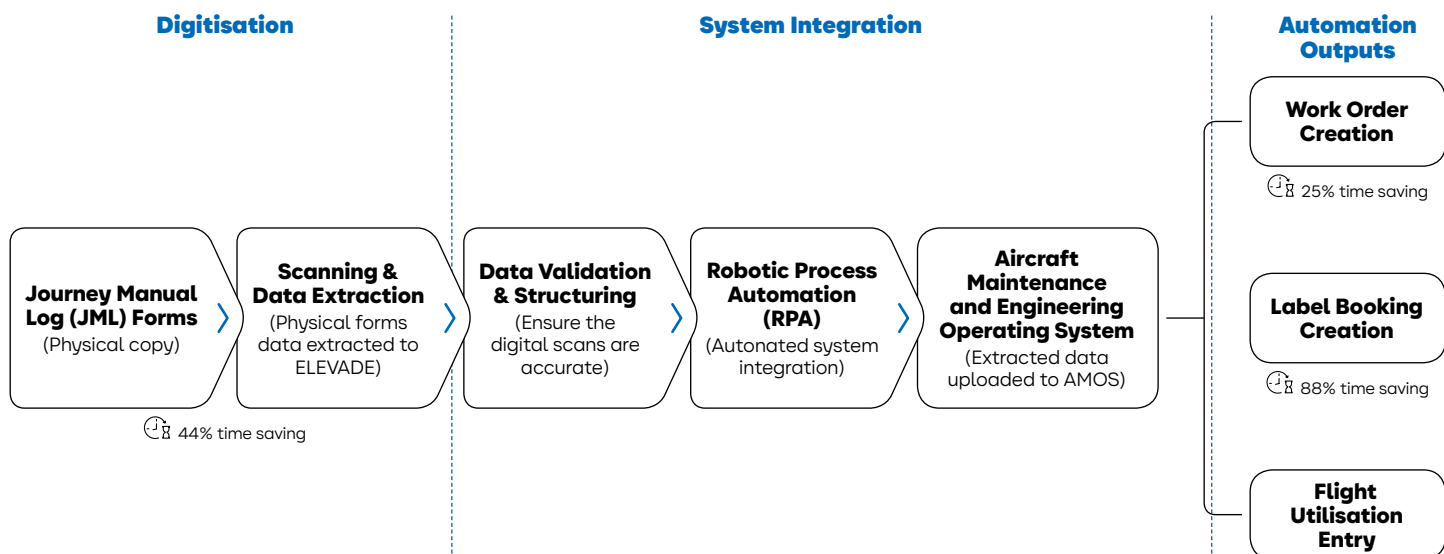
## Scaling Digital Automation Across Maintenance Operations

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.

**ECONOMIC**

# 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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## 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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**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**

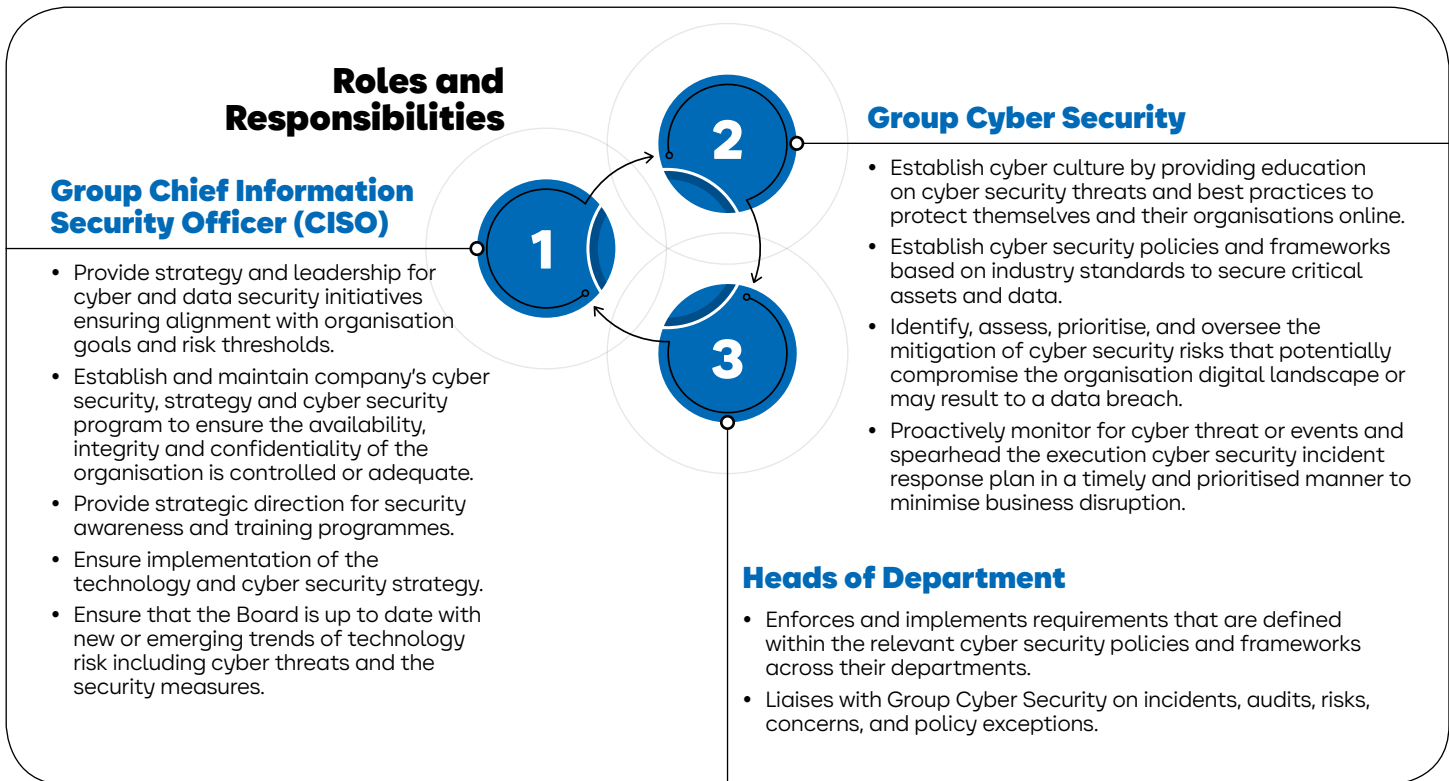
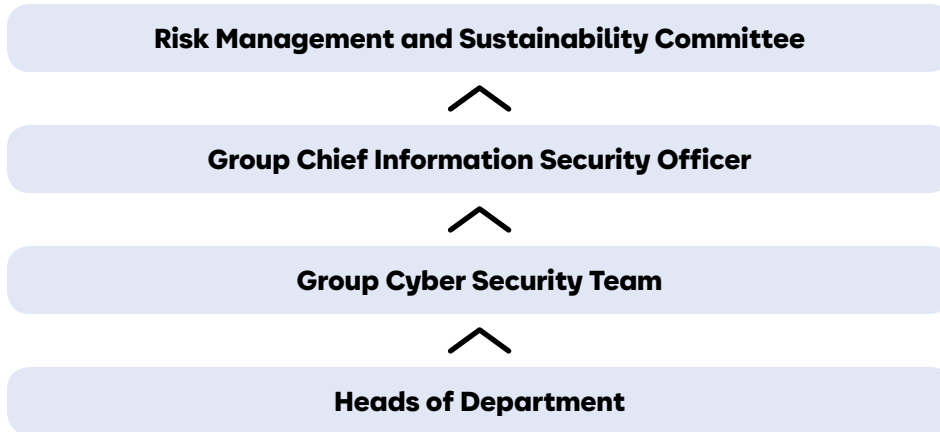
material security and data breaches

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## 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.

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## 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.



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## 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.