

**ENVIRONMENTAL**  
**Addressing Climate Change**

# Climate Strategy

GRI 3-3

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



**Our Management Approach**

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

**Supporting the UN SDGs**



## Performance Overview 2025



**62.9**  
gCO<sub>2</sub>/ASK



**76.3**  
gCO<sub>2</sub>/RPK



**135,788**  
tonnes  
CO<sub>2</sub> avoided through  
decarbonisation initiatives



**5,785,598**  
tCO<sub>2</sub>e  
of Scope 1 emissions



**14,441**  
tCO<sub>2</sub>e  
of Scope 2 emissions



**1,210,768**  
tCO<sub>2</sub>e  
of Scope 3 emissions

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## NET ZERO BY 2050

### 2025 Overview

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

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

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

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

## Best Practice Highlights

### Contributing Expertise to International Aviation Environmental Protection



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

### Setting the Agenda on Sustainable Decarbonisation Financing



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

### A Leader in Cutting Ground Emissions



AirAsia is the first airline in Asean to deploy two innovative technologies to reduce its ground-based emissions. In 2025, AirAsia accelerated its "APU Off" programme, expanding the fleet of Combo Units from 4 to 21. This enabled the airline to cut ground emissions by 7,123 tonnes of CO<sub>2</sub>e, saving 2.9M litres of aviation fuel.

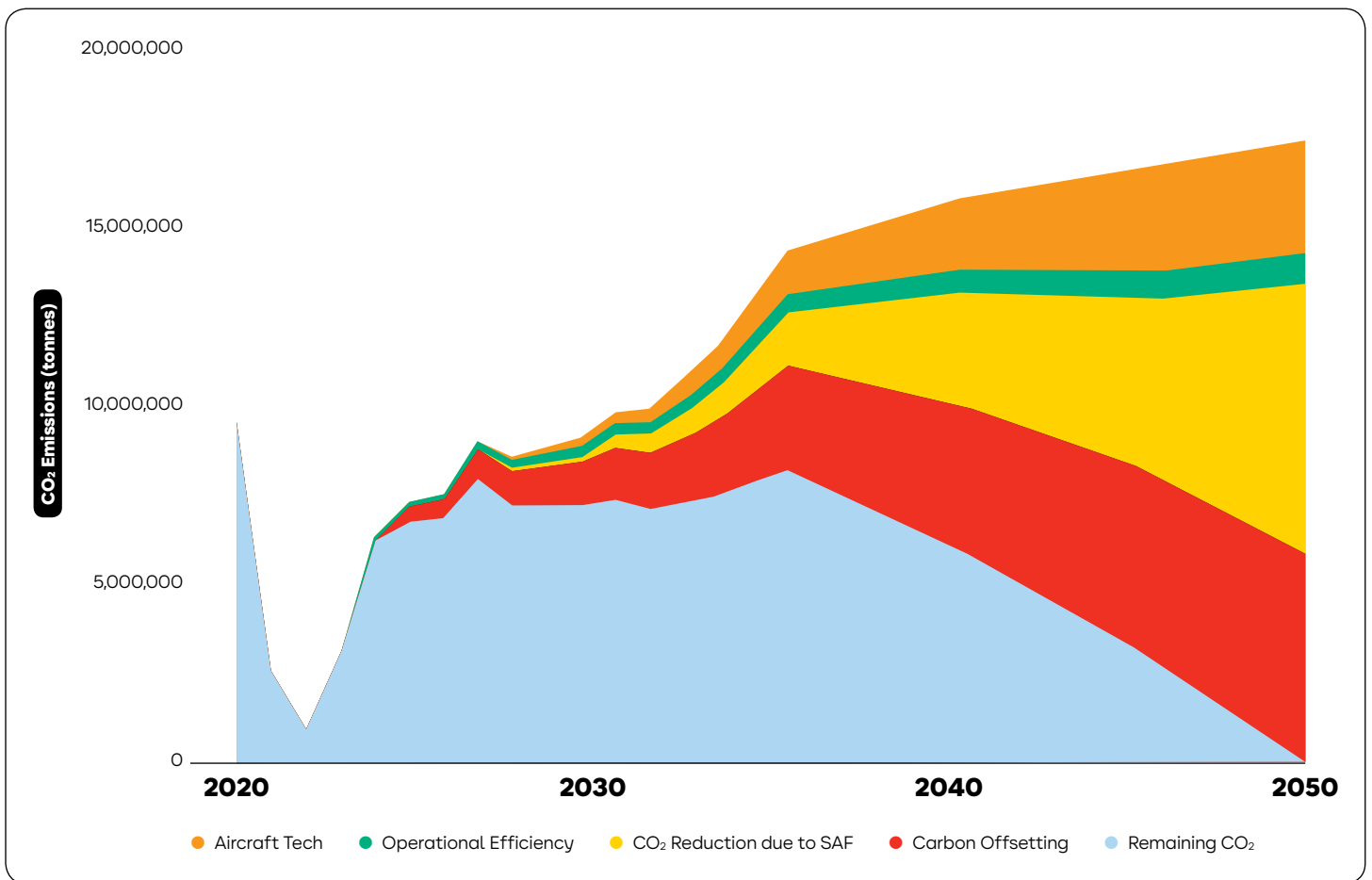
In August 2025, AirAsia also became the first regional airline to adopt Aerowash, a robotic drywash system that cleans exteriors to improve aerodynamics and lower fuel burn. As the pioneering operator in Southeast Asia, AirAsia will monitor and analyse fuel savings throughout 2026, with the goal of validating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

## Net Zero Modelling

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

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

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



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

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

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

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

### Pathway 1: Operational Efficiency

GRI 305-4

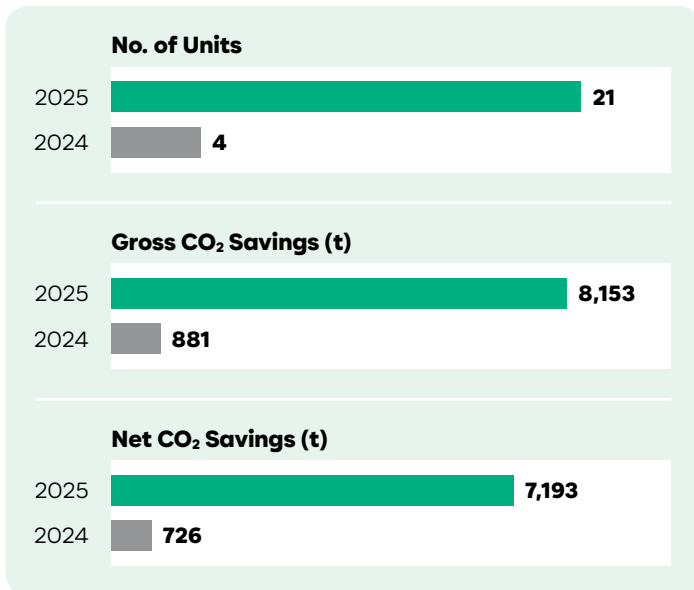
#### Ground Operations

##### 1 "APU Off" Programme

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

Following successful trials in late 2024, AirAsia accelerated the deployment, expanding the fleet to 21 units to serve its hubs in Kuala Lumpur, Kota Kinabalu, Kuching and Manila. Through progressive training and familiarisation of ground personnel, the carbon savings per unit doubled throughout 2025, achieving a total net reduction of 7,193 tonnes of CO<sub>2</sub>. This is equivalent to saving approximately 2.9 million litres of jet fuel.

#### Results of "APU Off" Implementation



To complete the deployment for Malaysia, six additional units will be introduced in 2026. The programme will also launch in Indonesia in 2026. At full deployment, the Combo Units are expected to reduce AirAsia's total CO<sub>2</sub> emissions by 1%.



##### 2 Aerowash Dry Exterior Cleaning

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

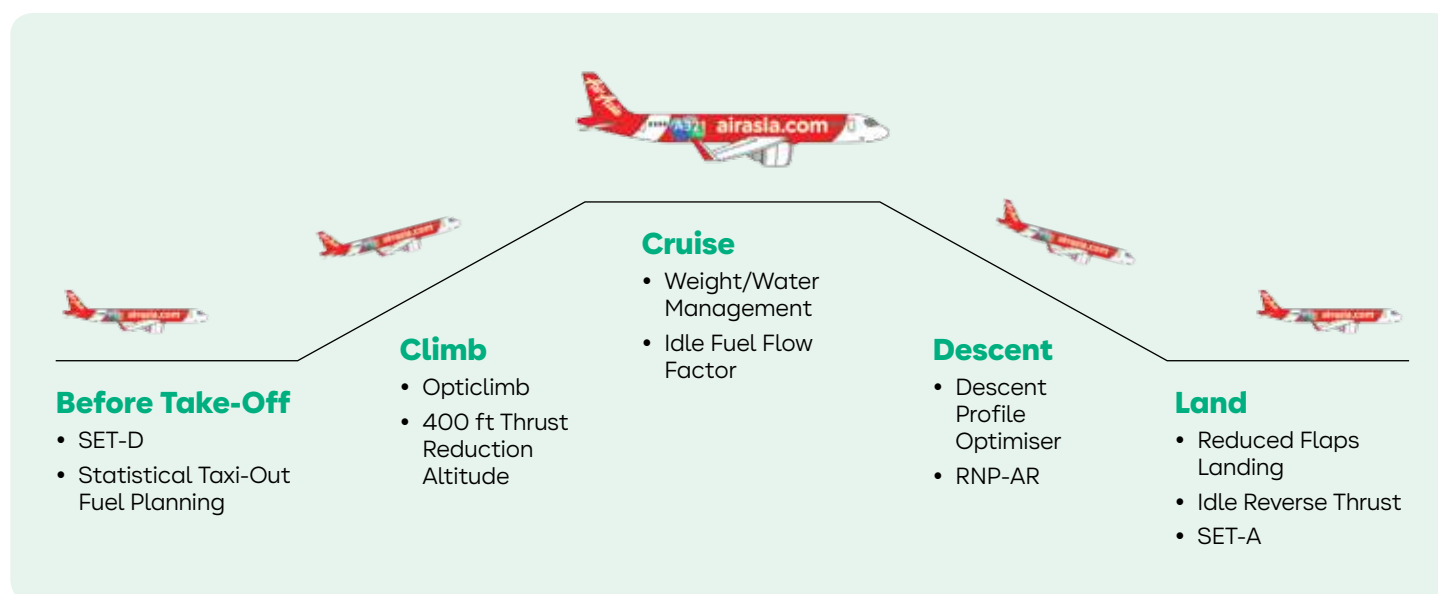
The system utilises a remotely operated robotic arm on a mobile base, significantly reducing manpower requirements compared to conventional washing. The cleaning agents are 100% plant-based and biodegradable, allowing AirAsia to save up to 10,000 litres of water per wash and eliminate chemical wastewater.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



## Flight Operations

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

The table below provides an overview of the top contributors to 2025 CO<sub>2</sub> reductions. Descriptions of all listed fuel efficiency measures are available in AirAsia's Guide to Aviation Sustainability or from our previous sustainability report.



### Performance Highlights 2025 (4 AOCs)

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

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

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

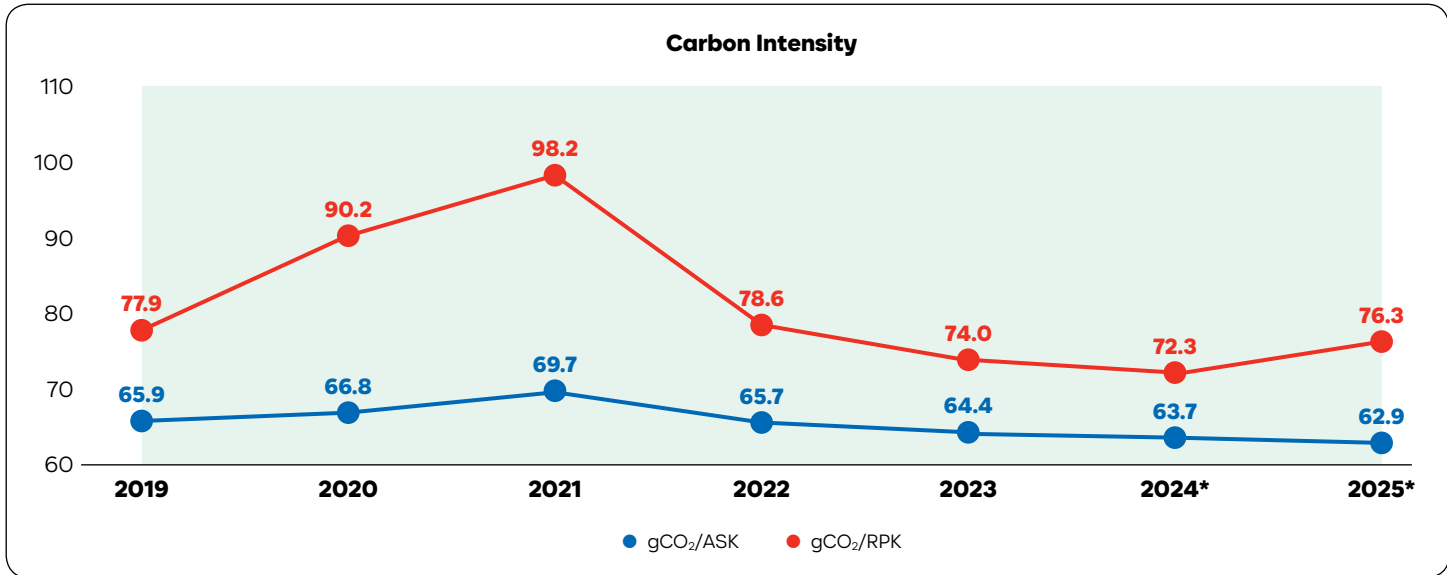
In June 2025, AirAsia co-organised an ASEAN Workshop of Operational Efficiencies with EASA and CAAM. The forum brought together regional air traffic control authorities and operators to discuss advancements in airspace management, share best practices and improve emissions monitoring. Experts from Europe's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

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

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The combined impact of these ground and flight operations initiatives led to a 1.2% reduction in carbon intensity on a per-seat basis from 63.7 gCO<sub>2</sub>/ASK to 62.9 gCO<sub>2</sub>/ASK. Carbon intensity on a per-passenger basis rose, however, largely due to lower load factors across the four larger AOCs, a consequence of dampened travel demand from ongoing global geopolitical and economic uncertainties.



\* Including Cambodia AirAsia from 2024

Fuel Saved  
**42,971 tonnes**

Equivalent Trees Planted  
**2.26 million trees**



CO<sub>2</sub> Avoided  
**135,788 tonnes**

Fuel Cost Saved  
**USD 30,939,120**

## Pathway 2: Fleet Management

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

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

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

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

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

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

**AirAsia's fleet distribution as of 31 December 2025**

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

**Fleet Age**

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

**Fleet Strength as at 31 December of each calendar year**

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

**Teleport**

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

## Pathway 3: Sustainable Aviation Fuels (SAF)

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



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

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

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## Pathway 4: Carbon Offsetting

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

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

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

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

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

## Stakeholder Engagement

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

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

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

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

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

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



## AirAsia Speaking Highlights

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

### Media Features

Opinion:

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

The Edge Malaysia, 17 February 2025

Interview:

#### "The Environment - AirAsia Soars"

Airline News with Geoffrey Thomas, 5 May 2025

Interview:

#### "The Hard Task of Cutting Airline Emissions"

Business FM Malaysia, 11 November 2025

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



### Episode Highlights

Cutting Through Greenwash

US Extends SAF Credits - but at what Cost?

Will CORSIA Survive its First Phase?

## IFRS S2 Statement

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

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

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

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

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



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## CLIMATE-RELATED RISKS AND OPPORTUNITIES

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

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

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

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

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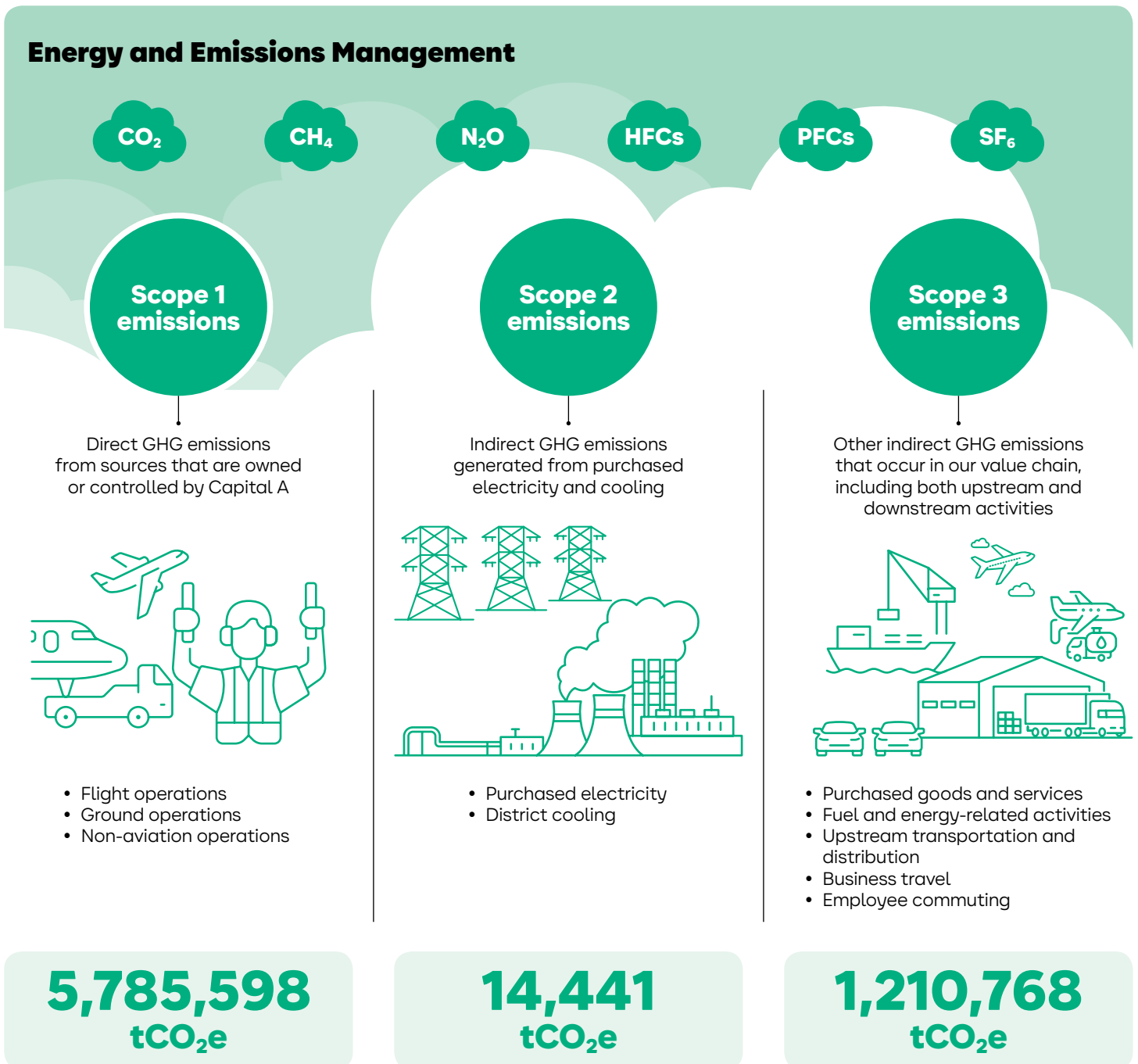
Beyond mitigation strategy, we view the climate landscape as a source of strategic advantage. We identify and evaluate climate-related opportunities—ranging from resource efficiency to operational resilience—and integrate these considerations directly into our corporate strategy and financial planning.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

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

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

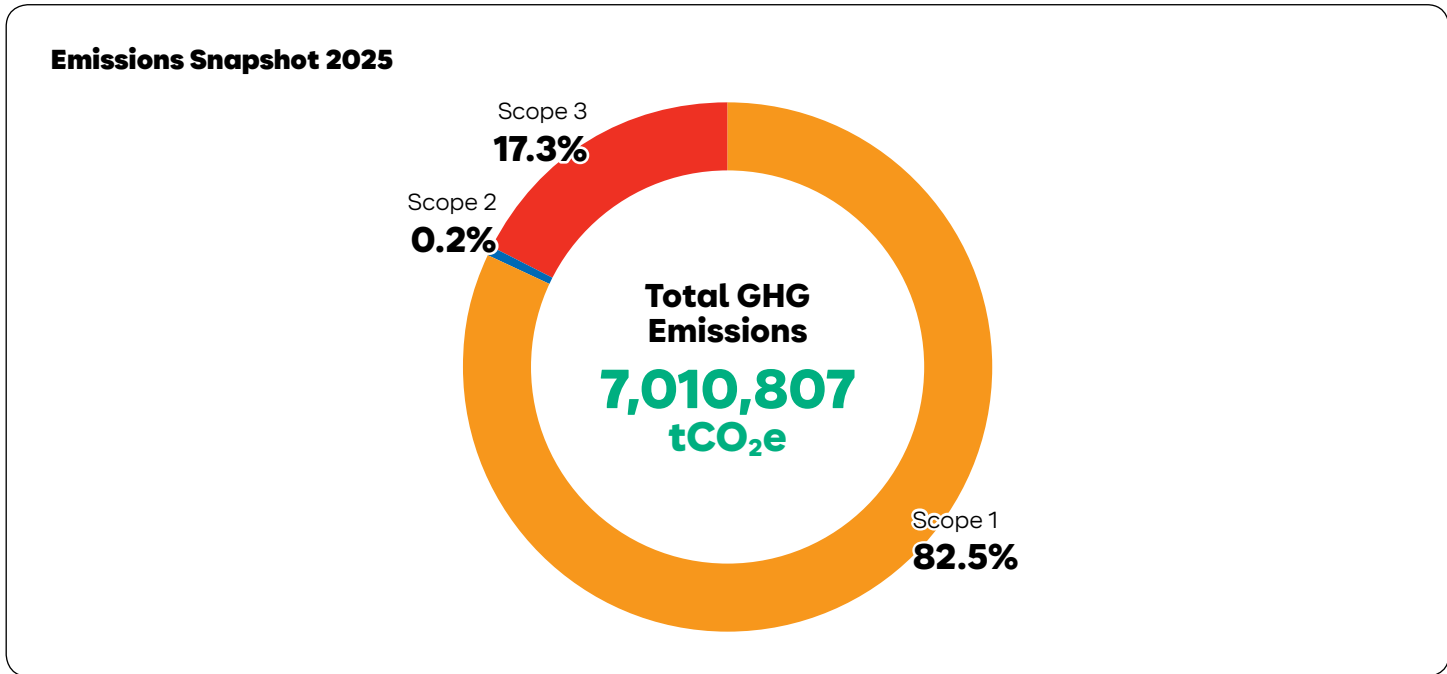
# MEASURING OUR CARBON FOOTPRINT

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



## ENVIRONMENTAL

# Addressing Climate Change



## 1 Scope 1 GHG Emissions

GRI 305-1, 305-4

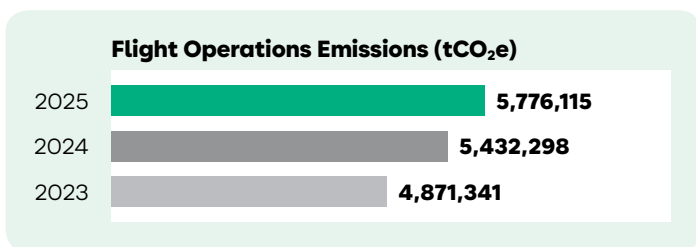
### Flight Operations

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

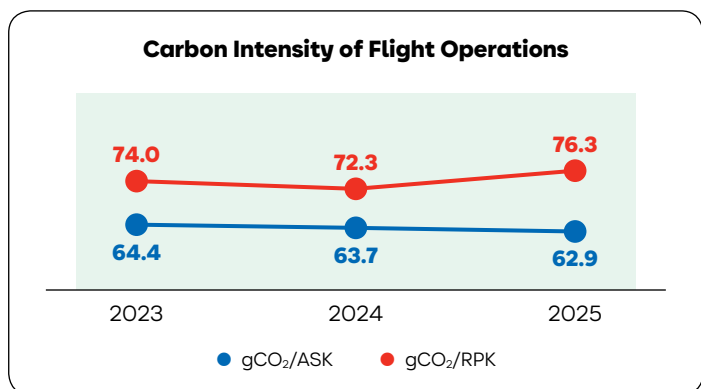
In 2025, total fuel consumption increased by 6% to 1,812,078 tonnes (2024: 1,704,216 tonnes), resulting in a corresponding rise in Scope 1 emissions to 5,776,115 tCO<sub>2</sub>e (2024: 5,432,298 tCO<sub>2</sub>e). This absolute increase aligns directly with the restoration of our network, as total flight volumes recovered near pre-pandemic levels by year-end.

While absolute emissions grew in tandem with our capacity expansion, fleet-level operational efficiency remained stable. Our carbon intensity, measured in grams of CO<sub>2</sub> per Available Seat Kilometer (gCO<sub>2</sub>/ASK), decreased by 0.8g to 62.9 gCO<sub>2</sub>/ASK. This reduction reflects our disciplined approach to operational efficiency.

However, our carbon intensity per Revenue Passenger Kilometer (gCO<sub>2</sub>/RPK) increased by 4.0g to 76.3 gCO<sub>2</sub>/RPK, driven by lower passenger load factors across our four primary AOCs amid ongoing macroeconomic and geopolitical headwinds.



Note: The data reported includes the CO<sub>2</sub> equivalents of methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) emissions. AirAsia does not emit hydrofluorocarbons, perfluorocarbons or sulphur hexafluoride from flight operations.



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

## Ground Operations

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

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

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

 **2,558 tonnes**  
Diesel consumption

 **8,422 tCO<sub>2</sub>e**  
Ground operations emissions

## Non-Aviation Operations

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

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

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

 **1,061 tCO<sub>2</sub>e**  
Non-aviation operations emissions

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



## Electrification of Ground Support Equipment

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

### Electric Industrial Vehicles

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

### Electric Ground Power Units (e-GPUs)

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



# ENVIRONMENTAL Addressing Climate Change

## teleport

### Optimising Cargo Capacity

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

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



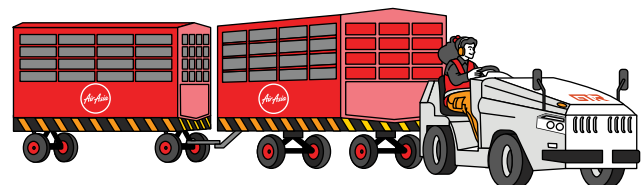
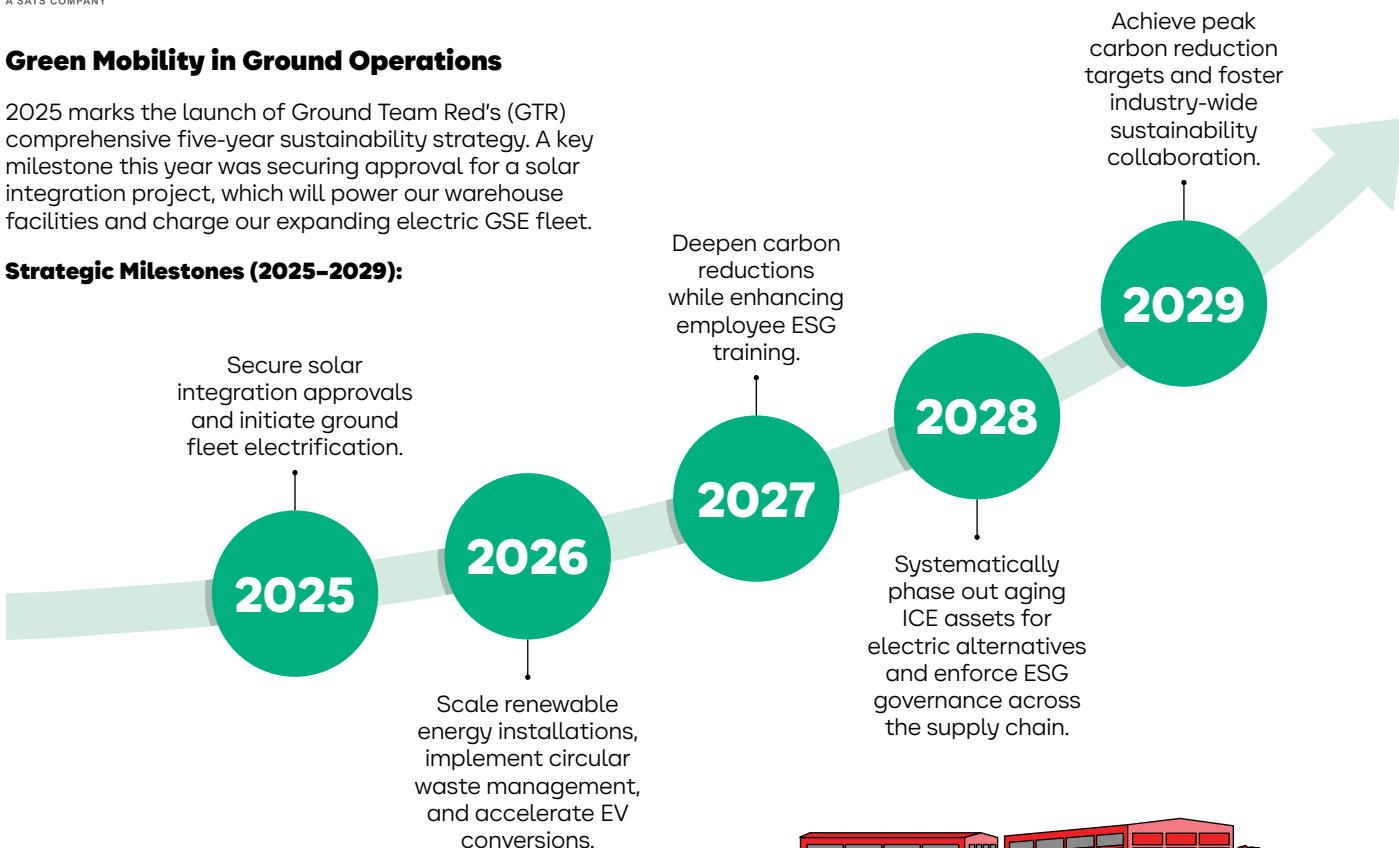
- ✓ **18,654 tonnes** Freighters fuel consumption
- ✓ **59,461 tCO<sub>2</sub>e** Freighters emissions



### Green Mobility in Ground Operations

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

#### Strategic Milestones (2025–2029):



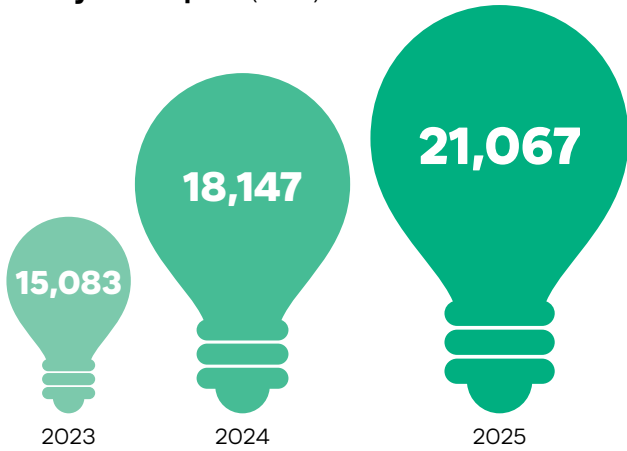
## 2 Scope 2 GHG Emissions

GRI 302-1, 305-2

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

Due to this expanded operational boundary, our absolute electricity consumption increased by 15% to 21,067 MWh. This resulted in a proportional 14% rise in total Scope 2 emissions, growing from 12,695 tCO<sub>2</sub>e in 2024 to 14,441 tCO<sub>2</sub>e in 2025. Despite the absolute emissions increase, our building energy intensity is at 147 kWh/m<sup>3</sup>, with emissions intensity of 0.1 tCO<sub>2</sub>e/m<sup>3</sup>.

### Electricity Consumption (MWh)



### Scope 2 Emissions (tCO<sub>2</sub>e)



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

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



### Total Group Energy Consumption

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

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



## 3 Scope 3 GHG Emissions

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

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

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

## ENVIRONMENTAL

## Addressing Climate Change

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

Note:

1. Scope 3 emissions are calculated using the Technical Guidance for Calculating Scope 3 Emissions methodology, published by GHG Protocol; and the emission factors are sourced from UK Government GHG Conversion Factors for Company Reporting 2025.
2. Business travel emissions (Category 6) include duty travel from non-AirAsia and AirAsia X flights and hotel stays.
3. Employee commuting emissions (Category 7) only covers employees that travel by car and are parking at our head corporate offices (RedQ, Kuala Lumpur and RedHouse, Indonesia).
4. Figures for 2023 and 2024 have been restated to include upstream transportation and distribution emissions (Category 4) and to eliminate the double counting of data.

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

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

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

## 4 Non-CO<sub>2</sub> Emissions and Air Quality

GRI 305-7

Beyond carbon dioxide, jet fuel combustion generates non-CO<sub>2</sub> emissions, including nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), and volatile organic compounds (VOCs). These byproducts primarily influence local air quality and atmospheric chemistry.

We adhere to ICAO Annex 16, Volume II, which establishes permissible limits for these aircraft engine emissions. To minimise our footprint, we prioritise a fleet modernisation strategy centered on advanced engine technology. As of 2025, our fleet maintains full compliance with relevant international standards, with our ongoing transition to the Airbus A321neo further reinforcing our alignment with the stringent ICAO CAEP/8 NO<sub>x</sub> standards.

Pollutants	2023	2024	2025
NO <sub>x</sub> emissions (tonnes) <sup>1</sup>	2,675	4,183	4,363
NO <sub>x</sub> emissions intensity (gNO <sub>x</sub> /RPK) <sup>1</sup>	0.041	0.057	0.066
SO <sub>x</sub> emissions (tonnes) <sup>2</sup>	285	332	336
VOC emissions (kg) <sup>2</sup>	985,861	1,115,000	1,163,000

1. NO<sub>x</sub> emissions and compliance data are obtained from the ICAO Emissions Data Bank Issue 29B.
2. SO<sub>2</sub> and VOC emissions data are sourced from US Environmental Protection Agency's Generic Aircraft Type Emission Factors Table; under the category Aircraft/Commercial. SO<sub>2</sub> represents the highest composition of SO<sub>x</sub> emissions per US EPA standards, hence SO<sub>2</sub> is considered as SO<sub>x</sub> for the purpose of calculations.

## Water Consumption

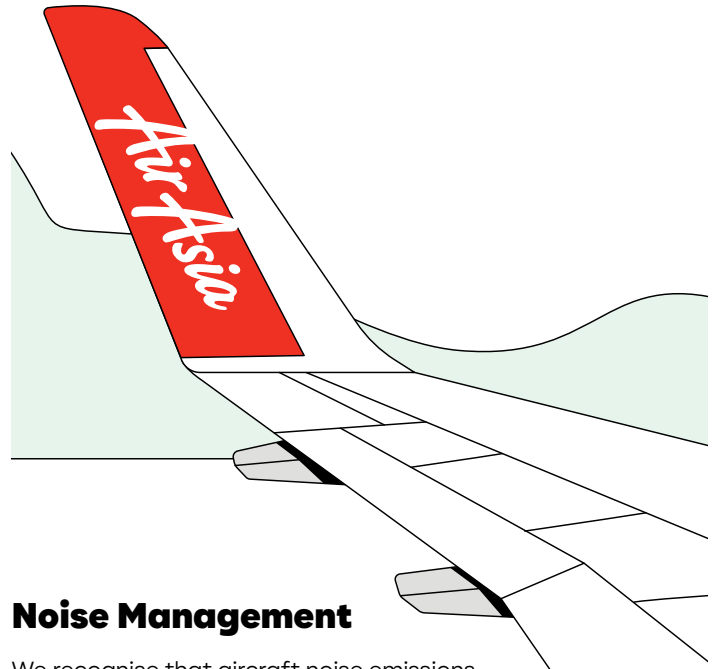
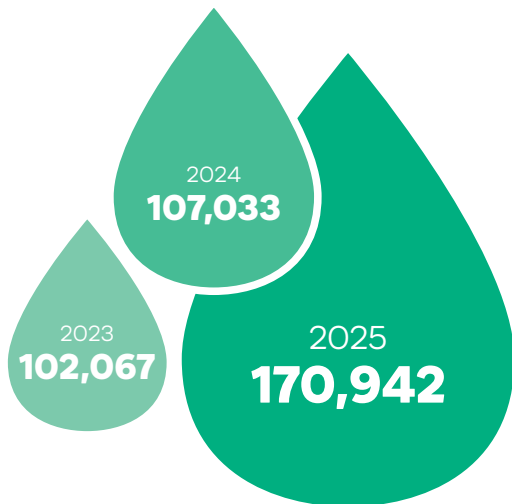
GRI 303-1, 303-5

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

In 2025, our total absolute water consumption was recorded at 170,942 m<sup>3</sup>, representing a 60% increase compared to 2024. This significant variance was primarily driven by an isolated infrastructure failure—specifically, a concealed underground supply pipe burst at our RedQ headquarters.

To provide an accurate reflection of our operational efficiency, our normalised water consumption—excluding the leak—was estimated at 112,134 m<sup>3</sup>. This represents a nominal 5% year-on-year increase, which is directly attributable to the expansion of our reporting boundary to formally include our MRO hangar facilities.

### Water Consumption (m<sup>3</sup>)



## Noise Management

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

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



## Wastewater Management

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

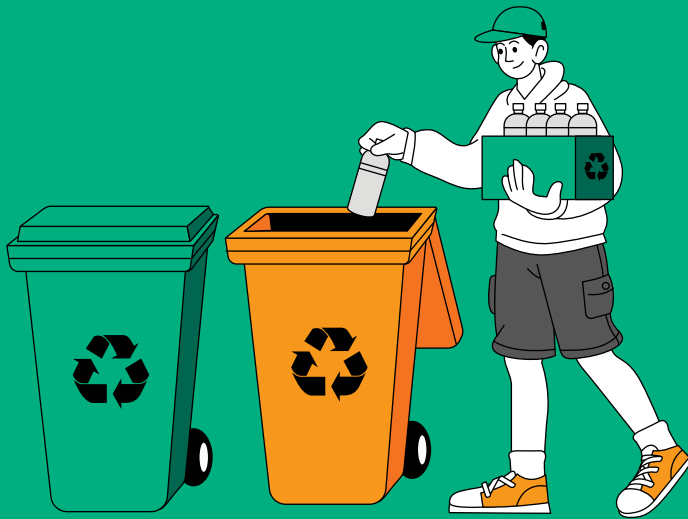
Operational procedures vary by region to align with specific infrastructure requirements. In the Philippines, Philippines AirAsia (PAA) discharges wastewater into the centralised system managed by the Manila International Airport Authority (MIAA). Meanwhile, Indonesia AirAsia (IAA) utilises on-site sewage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

**ENVIRONMENTAL**  
**Addressing Climate Change**

# Waste Management

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

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



**Our Management Approach**

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

**Supporting the UN SDGs**



## Performance Overview

# 2025



**23%**  
waste diverted from disposal



**40,980kg**  
office waste recycled



**3,230kg**  
of Used Cooking Oil recovered



**377kg**  
food rescued



**100**  
life jackets upcycled

## HAZARDOUS WASTE

GRI 306-3

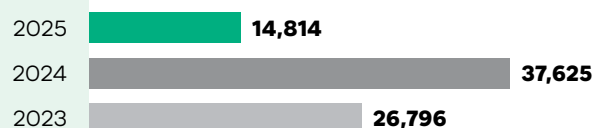
To ensure responsible management and regulatory compliance, we continue to engage licensed contractors for the handling of our hazardous waste streams, including spent oils and fluids, absorbents, containers, filters, oil rags, paint, and grease. Our management processes are conducted in strict adherence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

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

### Solid Hazardous Waste (tonnes)



### Liquid Hazardous Waste (litres)



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

## NON-HAZARDOUS WASTE

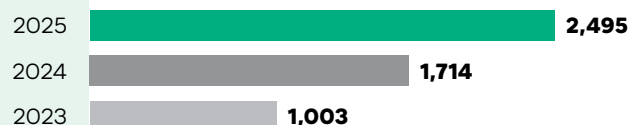
GRI 306-3, 306-4, 306-5

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

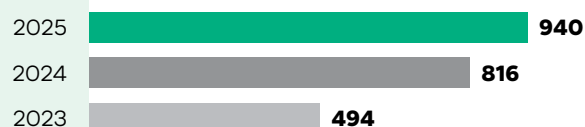
- **Reduction:** We minimise waste generation by leveraging AI-driven demand forecasting for catering, extending the lifecycle of aircraft components, and driving waste avoidance campaigns for our workforce
- **Diversion and Recycling:** We achieved a 38% diversion rate. Key drivers included recycling,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

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

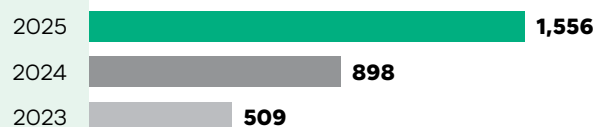
### Total Waste Generated (tonnes)



### Waste Diverted from Disposal (tonnes)



### Waste Directed to Disposal (tonnes)



Note:

1. Non-hazardous waste for AirAsia Malaysia and AirAsia Indonesia only include general waste from offices as cabin waste is managed by airport authorities.
2. Non-hazardous waste for AirAsia Philippines and AirAsia Thailand only includes cabin waste collected from our flights as office waste is managed by airport authorities.
3. Waste diverted from disposal via recovery and recycling processes.
4. Figures for 2024 have been restated to reflect corrected unit conversions.

## ENVIRONMENTAL

# Addressing Climate Change

### 1 Inflight Waste

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

#### Smart Reduction: AI & Pre-Booking

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

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

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

#### Management & Disposal

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


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

## CASE STUDY


# Santan's AI-Powered Demand Planning

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

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



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





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

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

## Santan's Biodegradable Packaging

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

## 2 Catering Waste

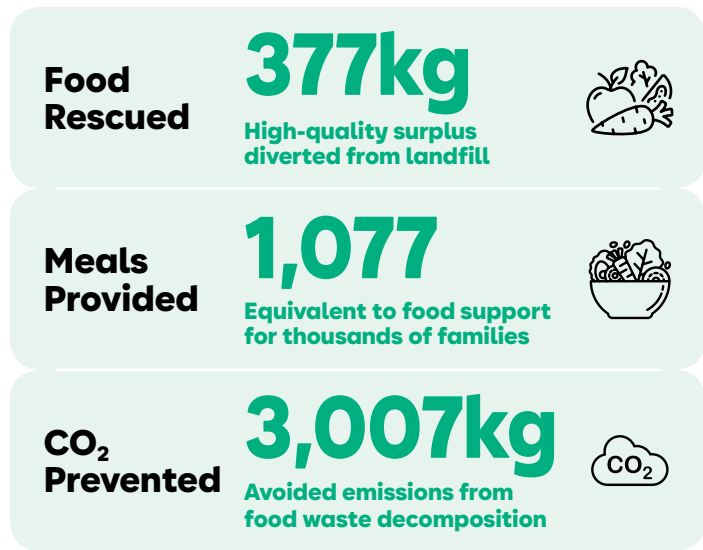
### Inflight Catering Warehouse

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



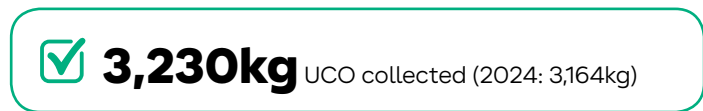
In parallel, we have established a food surplus partnership with The Lost Food Project. Through this initiative, unsold ready-to-eat meals and beverages that remain safe for consumption are redirected to underserved communities across the Klang Valley, including Orang Asli settlements and partner NGOs,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

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

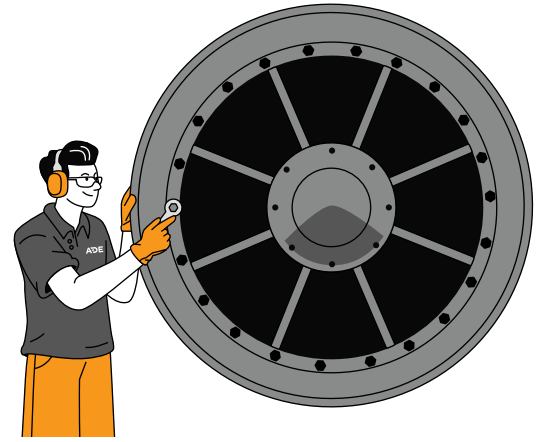


### Used Cooking Oil

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



# ENVIRONMENTAL Addressing Climate Change



## 3 Aeronautical Waste

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

ADE's Key Strategic Principles:

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

### Workshop Capabilities

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



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

# teleport

## 4 Cargo Waste

### Reusable Canvas Covers for Cargo Handling

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



## 5 Office Waste

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

**40,980kg**

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



# Plastic Detox

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



Key activities included:

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

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

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



ENVIRONMENTAL

# Addressing Climate Change

## CIRCULARITY AND MATERIAL STEWARDSHIP

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

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

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

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

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

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

✓ **RM442,485**  
revenue generated



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



**SOCIAL**

**Safety as Our Priority**

# Safer and Stronger Together

GRI 3-3

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

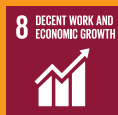


**Our Management Approach**

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

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

**Supporting the UN SDGs**



**Performance Overview**

# 2025



**9,540**

safety reports filed



**32**

safety training hours



**0**

fatalities



**5.3**

Lost Time Incident Rate



**90**

work-related injuries recorded



**7**

Stars Safety Rating

**SOCIAL**

# Safety as Our Priority

## OPERATIONAL SAFETY

Our dedication to operational and technical excellence is anchored on the Safety Management System (SMS), which serves as the foundation of our operations. It is meticulously designed to prevent incidents, and ensure strict compliance with all regulatory requirements through well-defined policies and processes as well as clear lines of accountability. We define our SMS framework in four aspects:

### Safety Management System


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

### SMS Pillar 1: Safety Policy

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

The policy:

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

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

## Safety Governance

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

### Safety Review Board (SRB)

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

### Chief Safety Officer

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

### Safety Action Group (SAG)

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



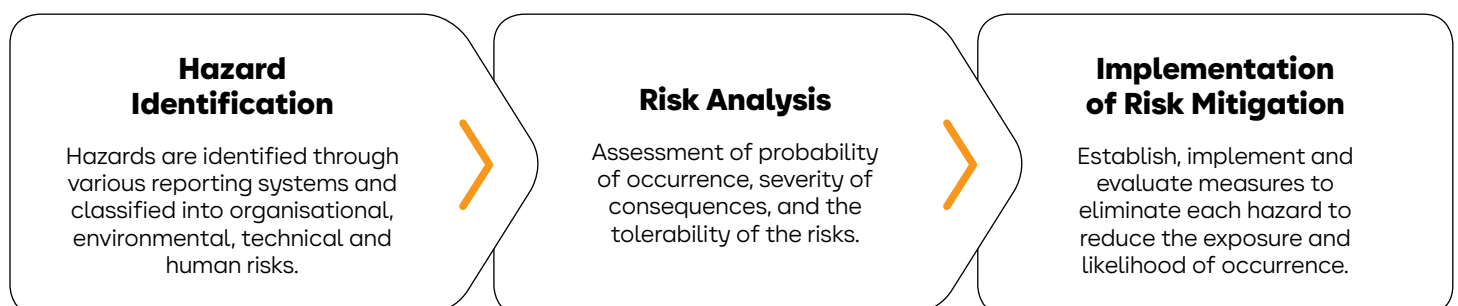
## SMS Pillar 2: Safety Risk Management

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

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

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

By systematically managing our risks via this three-step process, we create a secure working environment where the likelihood of accidents and injuries is minimised.



**SOCIAL**

# Safety as Our Priority

## 1 RedEye: See It, Stop It, Report It

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

Key features:

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

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




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

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

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

All safety reports are channelled to the relevant Safety Departments where they are categorised, assessed and routed to the appropriate subject matter expert for investigation.

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

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

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

## 2 Dangerous Goods Management

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

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

### teleport

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

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



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

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

**CASE STUDY**

# Managing Emerging Onboard Safety Risks: Lithium Battery

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

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

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

**Safe Storage Measures**

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

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

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

**Safety Communication**

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

**Crew Preparedness**

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

**Outcomes**

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

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

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



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# Safety as Our Priority

## 3 Strengthening Our Response to Climate-Driven Turbulence

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

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

### Enhanced Crew Procedures

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

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

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

### 2025 Incident Overview

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

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

### Operational Enhancements

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

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

## 4 Emergency Response Preparedness

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

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



### Annual Emergency Drills

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



### Basic Life Support

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

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

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

## 5 Wellbeing at the Heart of Safety

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

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

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

### Wellbeing Tools available to Allstars



**IMSAFE**



**Critical Incident Stress Management**



**Fatigue Risk Management**



**Counselling**



**Substance Management**



**Health Checks**



**IMSAFE**

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

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



**Illness**

→ Do I have any symptoms?  
Am I unwell?



**Medicine**

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



**Stress**

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



**Alcohol**

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



**Fatigue**

→ Am I tired & not adequately rested?



**Emotion**

→ Am I emotionally upset?



**Fatigue Risk Management**

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

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

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**Systemic Substance Management Mechanism**

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



**Critical Incident Stress Management (CISM) & Allstars Peer Support**

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

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

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



**Counselling Support**

This year, we laid the foundation to improve access to counselling services across our offices, ensuring better support for Allstars in managing both personal and professional challenges. Starting January 2025, we introduced an in-house counselling service at RedQ, providing a convenient and confidential resource for Allstars seeking emotional and psychological assistance. The team is working with Naluri, our digital health platform, to provide a regular in-house counsellor for the Philippines, Thailand and Indonesia once a month.

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

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



**Preventative Health Care Checks**

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



## SMS Pillar 3: Safety Assurance

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

### Performance Monitoring

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

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

### Management of Change

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

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

### Continuous Improvement

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

In 2025, efforts on continuous improvement include:

#### 1. Harmonising Safety Governance and Frameworks

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

#### 2. Modernising Investigation Processes and Just Culture

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

#### 3. Targeted Operational Risk Mitigation

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

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**IATA Operational Safety Audit**

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

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

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

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

**SMS Pillar 4: Safety Promotion**

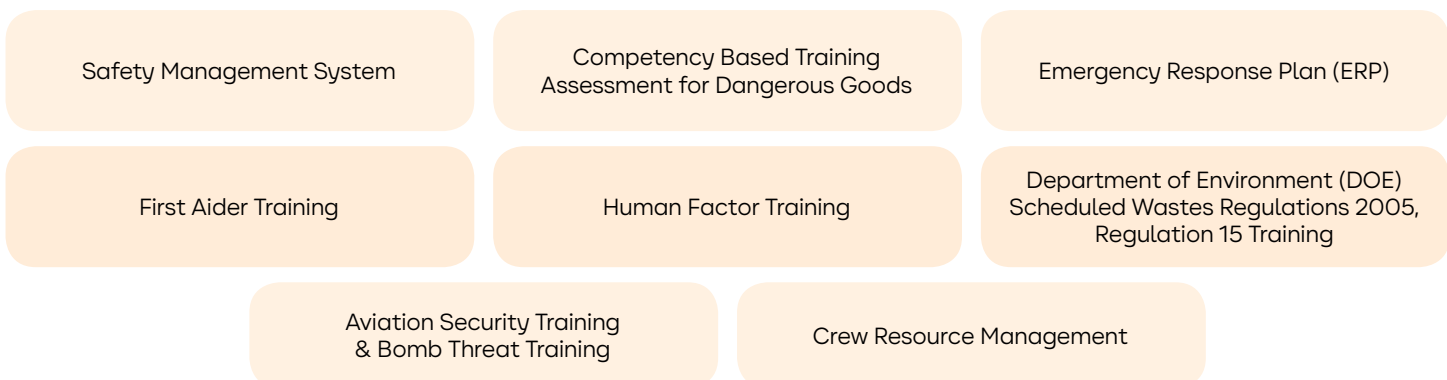
Guided by our value, 'Safety is #1', we cultivate a positive safety culture by fostering a collective mindset where every Allstar integrates safety into their daily activities. By enhancing technical competence, ensuring clear communication, and promoting active information sharing, we instil a shared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

**Training and Communication**

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







**Functional Training for Airlines and Airline Services**

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



### Safety Awareness Training

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

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

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

Average of  
**980**  
Allstars received safety training

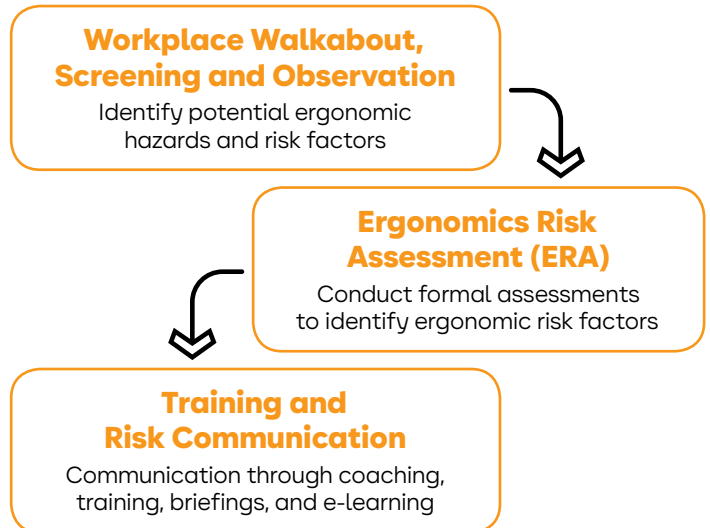
Average of  
**32 hours**  
of safety training provided

## 1 Ergonomics and Workplace Safety

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

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

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



### Walkabouts, Screening & Observation

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

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



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# Safety as Our Priority

## Ergonomics Risk Assessment (ERA)

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

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



## Training & Risk Communication

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

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

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

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

## 2 OSH Coordinator Training

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

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

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



### 3 Safety Day 2025: "Safety Starts with Me"

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

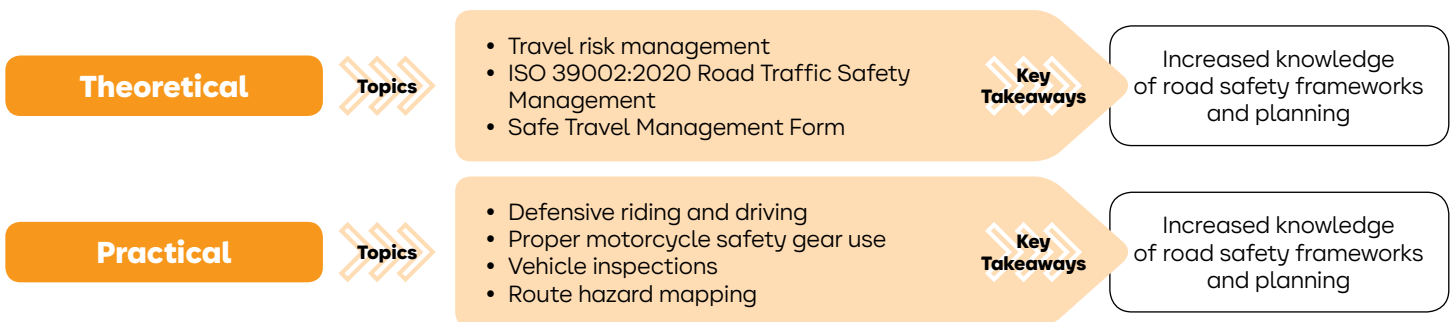
We extended the celebration to our Kuching and Thailand hubs, and were honoured to welcome the Department of Occupational Safety and Health (DOSH) and Social Security Organisation (PERKESO) to our RedQ office.

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



### 4 Commuting Safely

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



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

### 5 Just Culture

We embrace the Just Culture approach, which balances accountability with learning from mistakes. While human errors are inevitable, we ensure that Allstars can report incidents or near-misses without fear of unjust punishment, provided their actions were not intentionally negligent or reckless. By encouraging peer-to-peer information sharing, we cultivate trust and foster a non-punitive environment focused on learning.

**SOCIAL**

**Safety as Our Priority**

**OCCUPATIONAL HEALTH AND SAFETY**

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

**Safety Performance**

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

**Allstars**

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

Note:

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

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

**Non-Allstars**

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

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

Note:

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

Calculations:

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

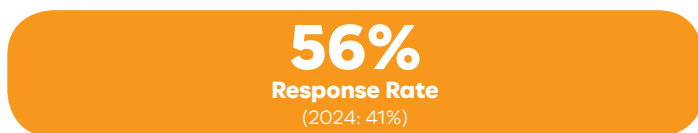
In 2025, reported injuries increased by 18.4% compared to 2024, largely in line with the expansion of operations. Flight activity grew year-on-year, alongside the launch of the Cambodia AOC and the full activation of the ADE hangar, increasing overall workload and operational complexity. This expansion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

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

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

### Allstars Safety Survey

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



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



### Chemical Safety Management

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

### Hearing Conservation Programme and Noise Risk Assessment

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

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

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



### Indoor Air Quality

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

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

**SOCIAL**  
**Safety as Our Priority**



**Food Safety**

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

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

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

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

**Monitoring & Incident Management**

In 2025, we identified isolated food safety and quality non-compliance incidents, which were swiftly addressed through comprehensive audits, lab analysis and daily meal testing. Suppliers not meeting our standards received warning letters, product withdrawal or suspension, with alternative suppliers sourced when necessary. These actions led to immediate corrective measures and better alignment on quality expectations. We are pleased to report no food poisoning outbreak incidents.

**Club Zero - Promoting Healthier Choices**

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

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



**Nutrition Commitment**

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

# RECOGNISING EXCELLENCE IN SAFETY



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

## Top 10 Safest Low-Cost Airlines by AirlineRatings.com

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



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



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

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



## ADE Secures EASA and FAA Certifications

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

## Thai AirAsia receives Zero Accident Award

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



SOCIAL

Empowering Allstars

# Diversity & Inclusion

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

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

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



### Our Management Approach

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

### Supporting the UN SDGs



## Performance Overview 2025



**32.6%**  
women in the workforce



**17%**  
women at Board level



**19%**  
of decision-making roles are occupied by women



**8.3%**  
female pilots

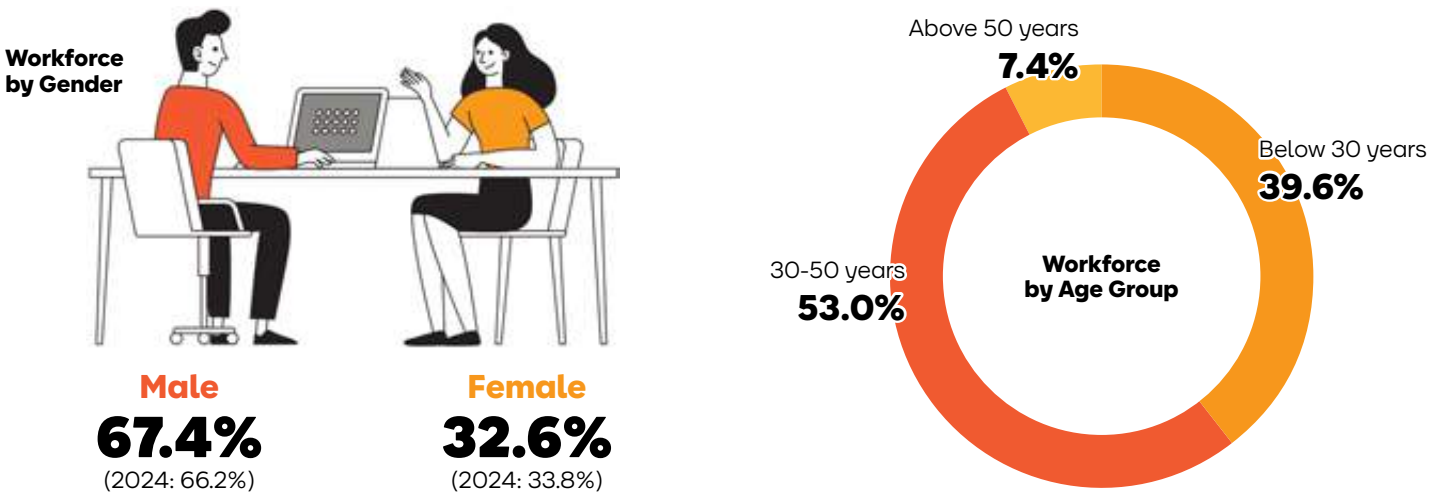


**28%**  
women in IT

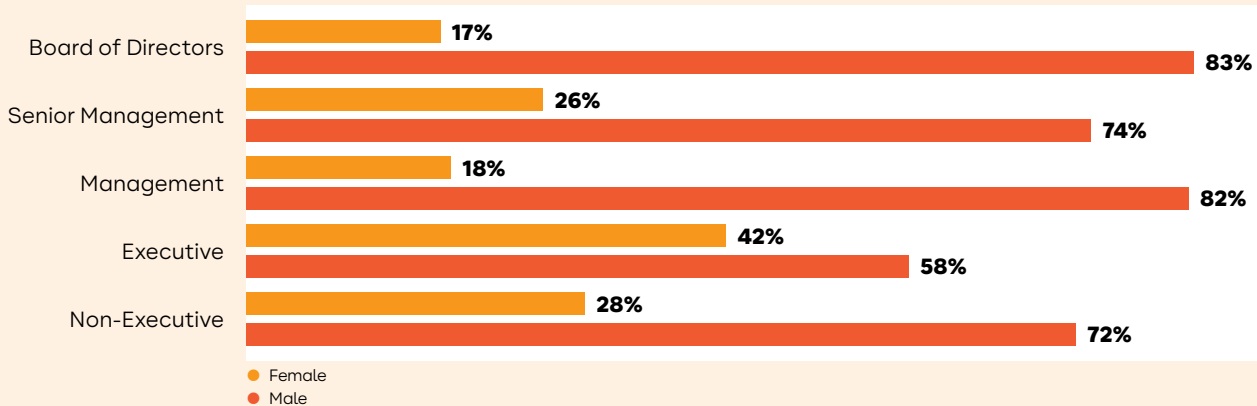
# OUR WORKFORCE

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

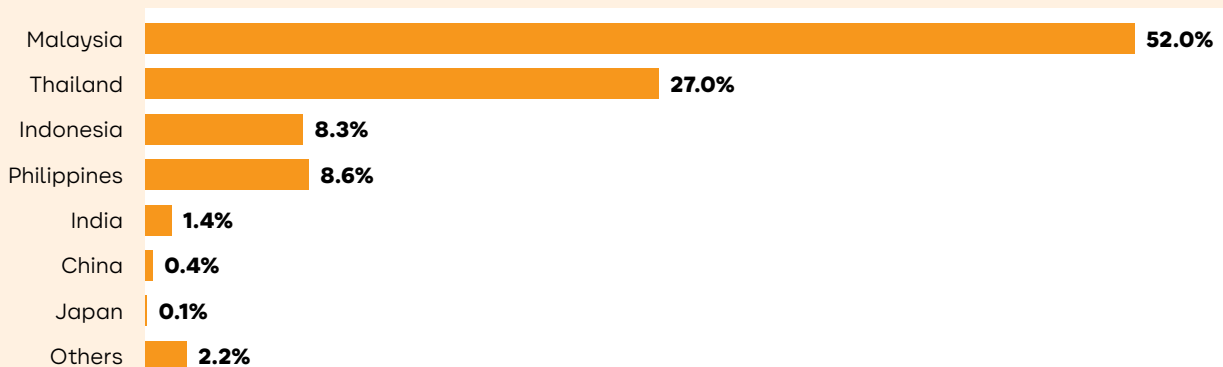
We prioritise cultivating an inclusive workplace that guarantees fair access to development for every individual, regardless of employment category. Although this distribution reflects the traditionally male-dominated nature of the aviation and engineering sectors, we remain committed to providing equal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



## Workforce by Employment Category



## Allstars by Nationality



SOCIAL

# Empowering Allstars

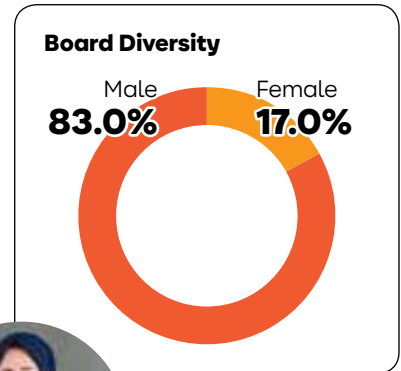
## WOMEN IN LEADERSHIP

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

### Board Diversity

At present, women constitute 17% of our Board, and we remain committed to increasing this figure as we continue striving for a more balanced and equitable leadership structure. In line with our Board Diversity Policy, we firmly believe that a diverse and inclusive Board opens the door to exceptional talent, fresh perspectives, and unique skills, providing us with a competitive advantage.

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



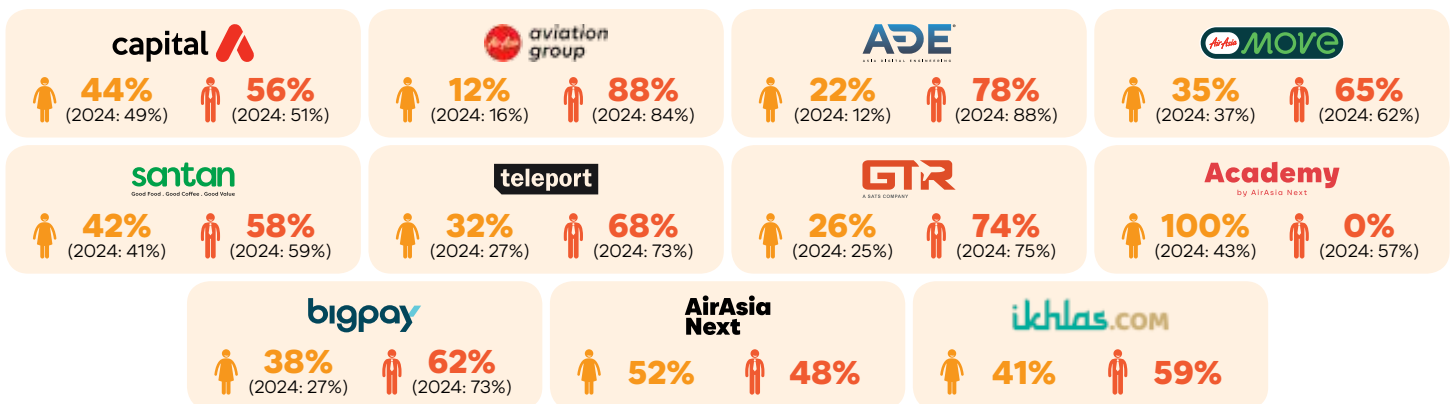
**Brigadier General Fadzillah Abdullah**

*For more information on our Board Diversity Policy, visit our website: [https://www.capitala.com/misc/180921\\_Board\\_Diversity\\_Policy.pdf](https://www.capitala.com/misc/180921_Board_Diversity_Policy.pdf)*

### Women in Decision-Making Roles

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

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



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

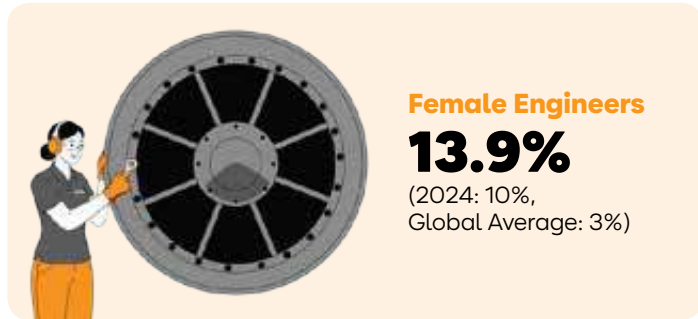
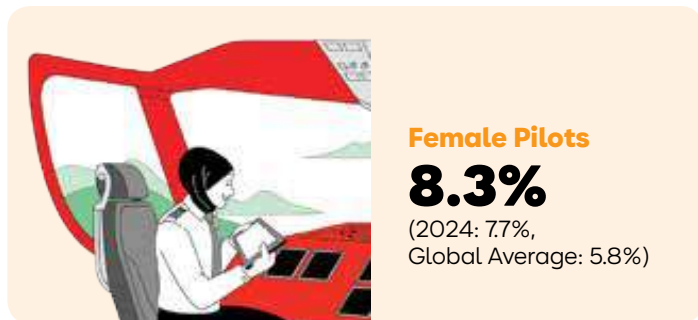
#### Key Highlights from 2025:

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

## Women in STEM

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

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



Notes:

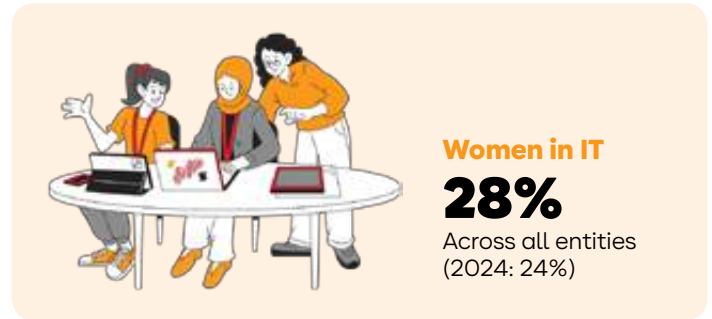
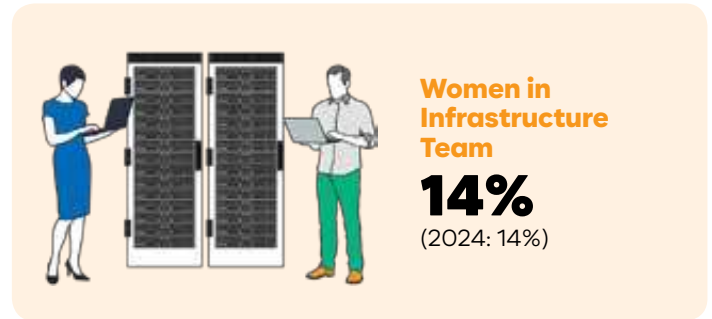
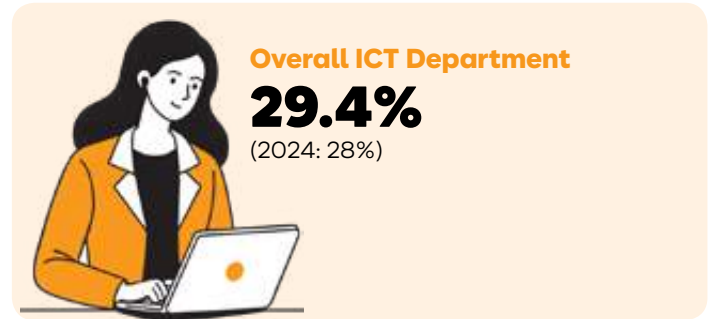
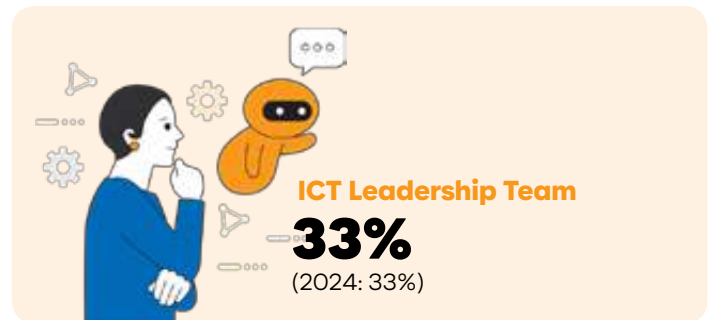
- A report by the International Society of Women Airline Pilots indicates that 5.8% of the world's pilots were women in 2021.
- According to the International Civil Aviation Organization Global Aviation Gender Survey 2021, 3% of aircraft maintenance engineers and technicians in service were women globally.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

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

## Group ICT's Women in Tech Initiative

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

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



SOCIAL

# Empowering Allstars

## Gender Pay Gap

GRI 405-2

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

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

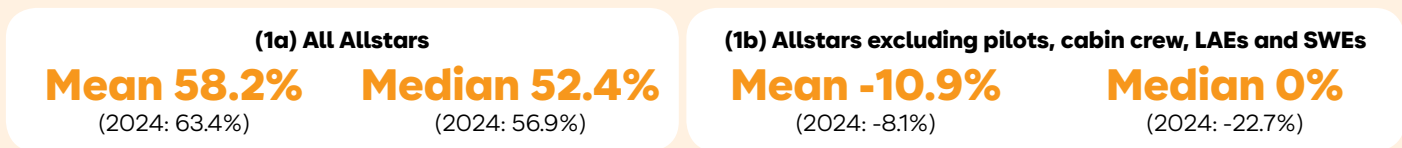
- 1 Inclusive of all Allstars
- 2 Allstars excluding pilots, cabin crew, licensed aircraft engineers (LAE) and software engineers (SWE)

This is based on the fact that gender representation in these technical occupations remains heavily skewed. By segregating our data, we are able to filter out extraneous distortions to see if biases can be found in the remaining areas.

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

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

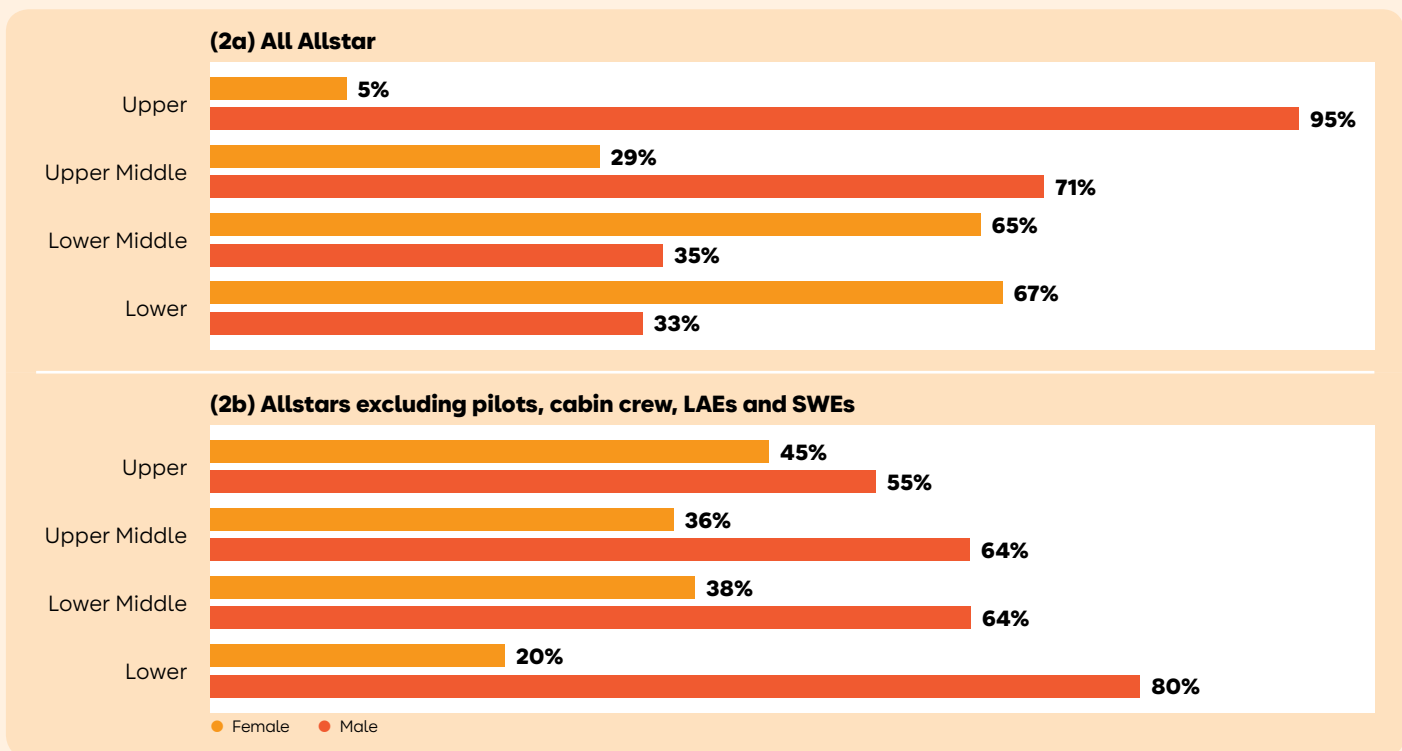
Figure 1: Hourly Pay Gap Analysis



Notes:

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

Figure 2: Proportion of Employees in Quartiles by Gender



## What does the data show?

### All Allstars

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

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

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

### Addressing the Gender Pay Gap

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

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

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

## Women's Empowerment Principles (WEPs)

### What's the Women Empowerment Principles?



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

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

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

### WEPs Corporate Action Lab (WEPs CAL)

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

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



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

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**Empowering Allstars**



**Pilot Initiatives Developed Under WEPs CAL**

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

**Field-to-Desk Programme**


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

**Childcare and Elderly Care Support**

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

**Allstars Care Leave**

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

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

**CASE STUDY**

**Inclusive Cabin Crew Uniform Policy**

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

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

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



**Celebrating Women on International Women's Day**

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

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



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

**SOCIAL**  
**Empowering Allstars**

# Talent Attraction & Retention

GRI 3-3

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

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



**Our Management Approach**

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

**Supporting the UN SDGs**



## Performance Overview

# 2025



**1,900**  
new hires



**78 hours**  
average training per pilot & cabin crew



Achieved  
**2 hours**  
for self-driven learning per Allstar



**27**  
score in employee NPS

# Empowering Allstars

## Becoming Malaysia's Leading Employer



### Triple wins at the HR Asia 2025



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

### Quadruple wins at Top Employer 2025 Award by Jobstore.com



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

### HR Excellence Awards Malaysia 2025



- Excellence in Graduate Recruitment and Development - Silver

### Great Place to Work 2026



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

### HRoot Awards 2025



Greater China Best Employer Award - AirAsia

### Top 50 Employers in the Philippines for 2025 by Kalibrr



# HIRING WITH PURPOSE

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

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

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

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

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



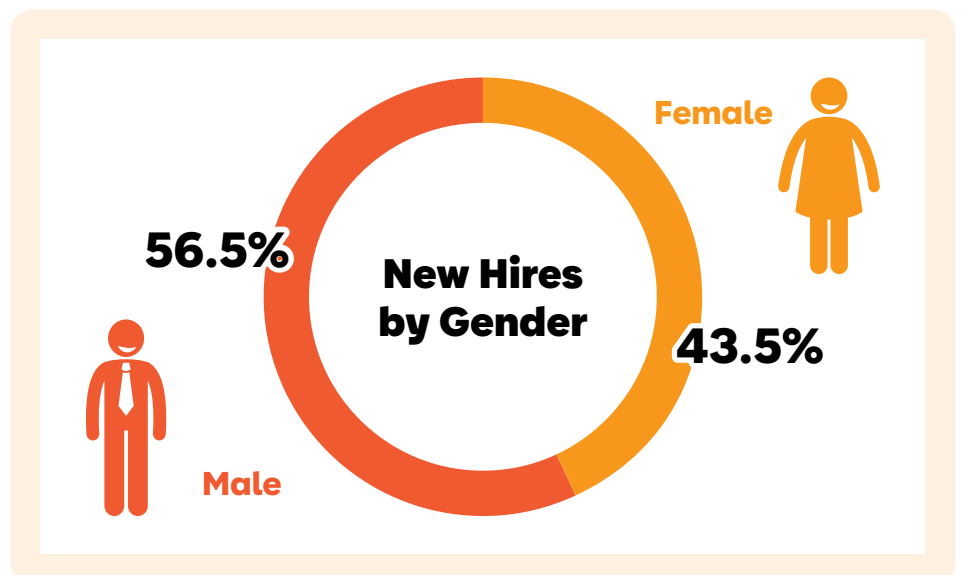
## New Hires & Turnover

GRI 401-1

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

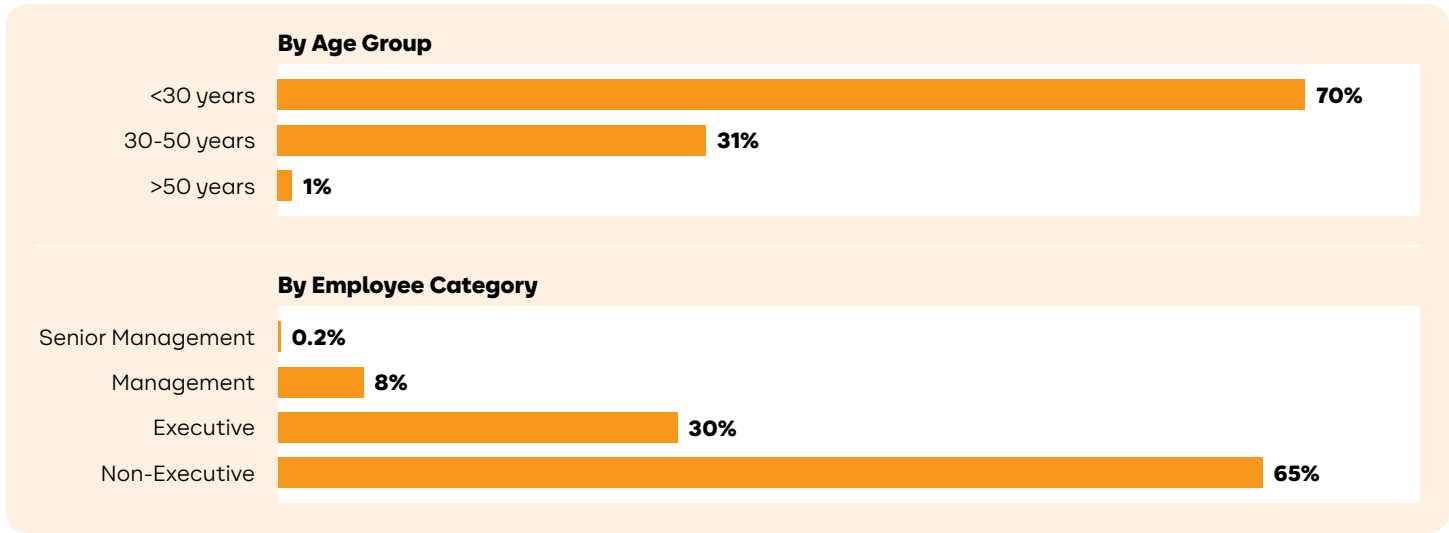
Our workforce maintains a healthy generational mix, with 70% aged below 30, 31% between 30 and 50, and 1% above 50. This balanced representation strengthens our ability to understand evolving customer and workforce expectations across generations.

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



**SOCIAL**

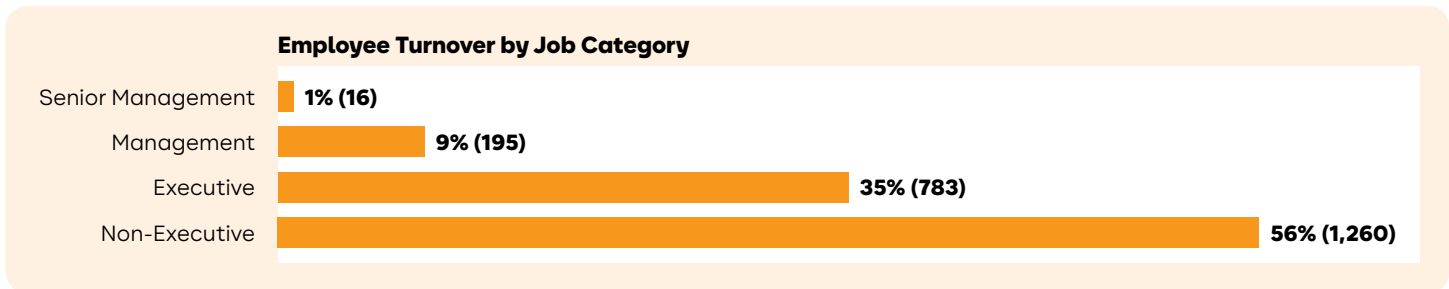
# Empowering Allstars



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

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

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



# STRENGTHENING OUR TALENT PIPELINE

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



## Building STEM Excellence

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

### 1 Cadet Pilot Programme

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

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

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



### 2 Aircraft Engineering Programme

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

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

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



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

## SOCIAL Empowering Allstars

### 3 Scholarships

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

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

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



2025 CAUC AirAsia Scholarship Awarding Ceremony.

### Shaping Future Ready Leaders

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

### 1 Allstars+ Leadership Programme

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

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

The programme is built on three core pillars:

#### Job Rotation

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

#### Accelerated Development

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

#### Mentorship

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

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



## 2 Allstars Mentorship Programme

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

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

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



## 3 Allstar Internships

For shorter-term placements, our internship programme provides students and fresh graduates with first-hand experience across our corporate and airline operations. Interns gain real-world industry exposure, build practical skills, and explore career pathways in areas such as engineering, digital innovation, and sustainable development.

In the past year, we hosted over 800 interns across Malaysia, Thailand, Indonesia, China, and the Philippines. By investing in young talent, we are nurturing the next generation of professionals ready to shape the future of travel and technology.



## 4 Executive Leaders Programme

AirAsia launched the Executive Leaders Programme, building on previous leadership offerings with a more holistic approach that includes business simulations and real-world case studies to strengthen strategic thinking and leadership capability.

The programme ran across four cohorts in Thailand, Indonesia, Malaysia, and the Philippines, engaging 67 participants. Through immersive and scenario-based learning, participants were challenged to apply judgement, agility, and decision-making in complex organisational contexts.

A core feature is the "Shark Tank" project, where participants developed innovative solutions and presented them to senior management, fostering critical thinking, problem-solving, and persuasive communication skills.



## SOCIAL Empowering Allstars

### 5 Emerging Leaders Programme

The Emerging Leaders Programme, introduced to replace the previous leadership offering, is designed to develop high-potential Allstars by providing exposure to the fundamentals of leadership and accelerating their growth within the organisation. It offers a structured entry point for aspiring leaders to build core capabilities early in their careers.

Through a mix of foundational learning and practical application, participants develop essential skills including self-awareness, communication, collaboration, and decision-making. The programme serves as an early-stage feeder into the broader leadership and talent pipeline, equipping Allstars with the mindset and confidence to take on expanded responsibilities, engaging 96 participants in 2025.



### 6 Rise to Lead Programme

For our non-aviation businesses, we launched the Rise to Lead (RTL) program, a high-impact leadership development initiative designed to strengthen the capabilities of our leaders within AirAsia MOVE.

The programme, which will run for one year from the third quarter of 2025 to the second quarter of 2026, was designed for a cohort of 12 Allstars identified as emerging leaders. The RTL program provided a comprehensive and blended learning journey, equipping participants with the essential mindset, skills, and behaviors to lead with purpose and drive business impact.

The curriculum was structured around four key sprints:



**1**

**Foundation & Self-Leadership**

Participants developed self-awareness, emotional intelligence, and critical thinking skills.

**2**

**Entrepreneurship & Intrapreneurship**

This sprint focused on strategic thinking, business acumen, and cultivating a customer-centric leadership mindset.

**3**

**Open flight bookings for guests**

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

**4**

**Manage Booking**

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

Through a hybrid programme combining e-learning, interactive workshops and group coaching, participants applied new skills to real-world business challenges. A key component involved two cross-functional projects focused on departmental improvements and innovative solutions. This hands-on approach reinforced learning while enabling Allstars to build confidence and apply strategic leadership in their day-to-day roles.

### 7 Specialist Pathway Programme

The Specialist Pathway Programme (Expert Track) is AirAsia MOVE's structured career framework designed for technical talent who aspire to deepen their domain expertise and drive high-impact contributions, without pursuing people management roles. Equally valued as the People Management Track, the programme offers a clear progression path from Junior Engineer (entry level) through to Principal Architect (highest level in expert track equivalent to CTO), with defined competency expectations, career milestones, and an Human Resource Business Partner (HRBP)-supported assessment process to ensure the right talent is placed on the right path. In 2025, AirAsia MOVE proudly promoted 21 staff under this programme, a landmark achievement marking the very first cohort of Expert Track promotions in MOVE's history, setting a new standard for how we recognise and grow our deep technical talent.



## Inspiring the Next Generation

We engage students at different stages of their education journey to nurture early awareness, inspire career aspirations, and strengthen interest in aviation and STEM.

### 1 Secondary Schools – Career Exposure & STEM Inspiration

Through our AirAsia School Takeover programme, we piloted outreach sessions across three high schools in the Klang Valley, Malaysia - SMK Taman Tasik, SMK Putrajaya Presint 16(1), and SMK Desa Perdana KL - reaching over 600 students from Form 1 to Form 4.

The programme featured sharing sessions by pilots, flight dispatchers, and other Allstars, alongside interactive aviation-related activities. These engagements provided students with real-world insights into aviation careers and helped demystify technical roles within the industry.



### 2 Primary Schools – Early Exposure Through Edutainment

At the primary level, we focus on building curiosity and positive brand connections through storytelling and interactive learning. Students are introduced to AirAsia and the AirAsia Buds characters, based on Asean's native animals, while learning travel do's and don'ts, regional destinations, and Southeast Asian geography.

Each session concludes with mascot appearances and an "Adventures Passport" stamping activity, creating memorable and meaningful experiences.

To date, the programme has reached over 19,000 primary school students (primarily Standard 4–6) across 50 schools in major states in Malaysia - Kuala Lumpur, Putrajaya, and Selangor. A further 20 schools are scheduled for visits in Q1 2026.

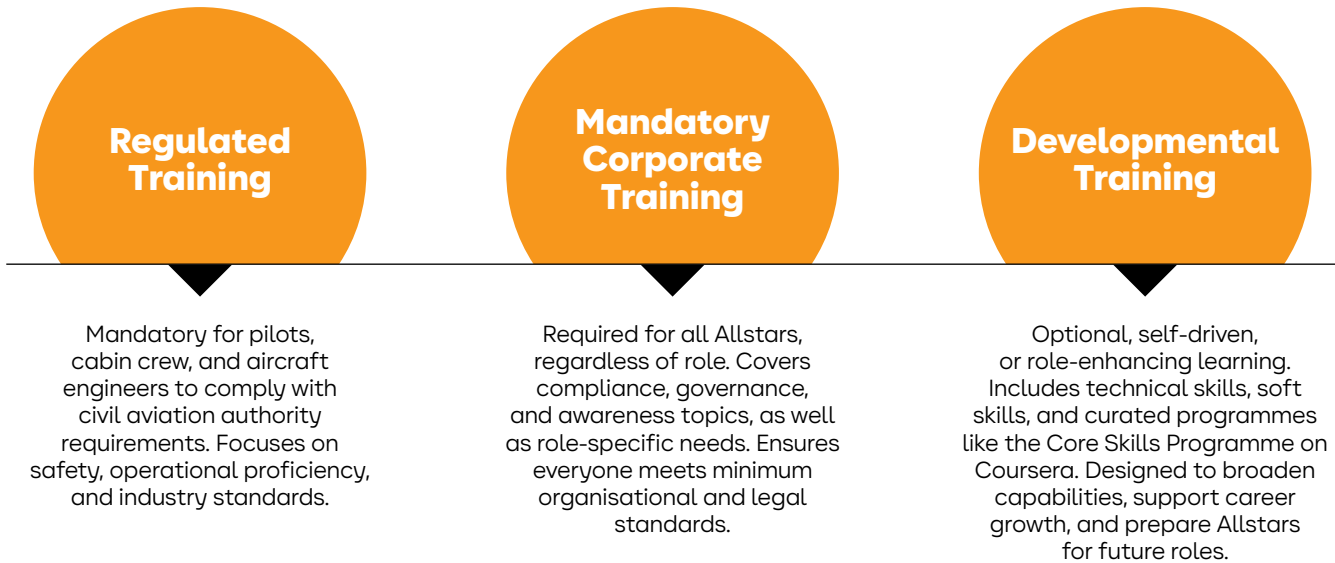


**SOCIAL**

# Empowering Allstars

## INVESTING IN OUR ALLSTARS

To support the career growth and personal development of our Allstars, we offer comprehensive learning and development programmes covering technical, functional, and soft skills. These initiatives help build dynamic, competitive, and future-ready Allstars, and can be categorised into three types:



### 1 Regulated Training for Pilots, Cabin Crew & Aircraft Engineers

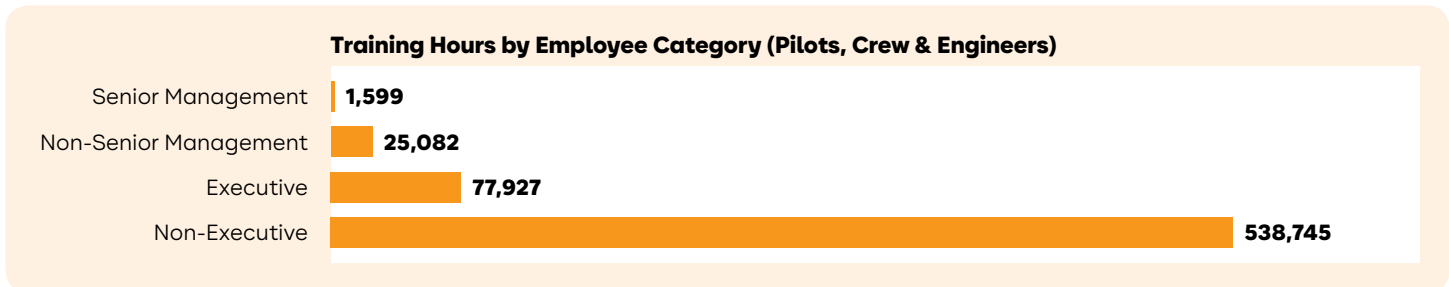
Continuous development of pilots and cabin crew is essential to maintaining operational excellence and safety standards. We invest significantly in theoretical, simulation-based, and on-the-job training, in line with civil aviation authority requirements, to ensure long-term proficiency, performance, and retention.

In 2025, we invested millions in our flight crew across our five AOCs, delivering over 500,000 training hours, an average of 75 hours per pilot and 80 hours per cabin crew. At ADE, aircraft engineers received over 10,000 hours of training, averaging seven hours per engineer, to maintain technical expertise and operational safety.



**Pilots & Crew**  
**>500,000 hours**  
of training

**Aircraft Engineers**  
**>10,000 hours**  
of training



Note: The chart above only reflects regulated training hours by employee category for pilots, cabin crew, and aircraft engineers.

## 2 Mandatory Corporate Training

All Allstars are required to complete mandatory training designed to uphold compliance, governance, and organisational standards. Key modules include:

### #KnowTheSigns – Anti-Human Trafficking

Equips Allstars to identify indicators of trafficking, understand regional trends, and follow safe reporting protocols.

✓ **4,255** Allstars

✓ **2,200+** hours



For more details, refer to the Human Rights chapter of this report.

### Anti-Bribery and Anti-Corruption (ABAC)

Ensures understanding of ABAC policies and compliance requirements.

✓ **93%** of Allstars completed the e-learning module



For more information, refer to the Corporate Governance chapter of this report.

### Information Security Training

Annual 40-minute module covering data privacy, password hygiene, device security, and threat identification. The minimum passing score is 80%.

✓ **78.5%** completion rate



For more details, refer to the Information Security & Data Privacy chapter of this report.



### BigPay Mandatory Training

Allstars working in BigPay complete additional role-based modules tailored to the needs of fintech operations. These modules equip employees with practical, job-specific skills that support business operations and compliance, while enhancing technical and professional capabilities.

#### ISTQB Foundation Level (CTFL)

The International Software Testing Qualifications Board (ISTQB) CTFL is a globally recognised entry-level certification in software testing. It provides a foundational understanding of testing principles, processes, and best practices, suitable for testers, test analysts, test engineers, test consultants, test managers, user acceptance testers, software developers, or anyone seeking a basic knowledge of software testing.

✓ **3** Allstars

✓ **66** hours of learning

#### Certificate in Anti-Money Laundering & Counter Financing of Terrorism (CAM)

Offers a comprehensive introduction to ML/TF risk awareness, methods employed, and the application of organisational policies and legal regulations to combat ML/TF activities.

✓ **9** Allstars were certified

✓ **63** hours of training

#### Advanced Microsoft Excel Programme

Designed for experienced users, covering complex formulas, advanced data analysis, Power Pivot, Macros, and data visualisation, enabling confident problem-solving in real-world scenarios.

✓ **34** Allstars

✓ **56** hours of learning

#### Sales Tax, Service Tax & E-Invoicing Webinar

Equips participants with practical knowledge and essential updates to enhance compliance and business operations.

✓ **2** Allstars

✓ **14** hours of learning

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# Empowering Allstars



## GTR Training for Ground Handling

GTR Allstars in ground handling roles undergo mandatory, role-based training to perform their duties safely and in compliance with airport regulations, SOPs, and civil aviation authority requirements. These trainings ensure operational safety, service quality, and regulatory compliance. To keep knowledge current, refresher training is conducted annually in addition to the initial training.

Key training modules include:

### Dangerous Goods (DG) Training

Ensures safe handling of dangerous goods shipments, including acceptance, storage, build-up, loading, and Notification to Captain (NOTOC) procedures, in accordance with ICAO and IATA regulations.

<p>✓ Initial Training: <b>437</b> Allstars <b>440</b> training hours</p>	<p>✓ Refresher: <b>1,437</b> Allstars <b>304</b> training hours</p>
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### Operations Training for Guest Service, Ramp and Cargo Teams

Strengthens operational competency and service delivery across frontline ground handling functions.

<p>✓ Initial Training: <b>436</b> Allstars <b>2,668</b> training hours</p>	<p>✓ Refresher: <b>1,402</b> Allstars <b>512</b> training hours</p>
--	---

### Emergency Response Plan Training

Prepares staff to respond effectively to aircraft, passenger, or crew incidents and provide necessary assistance during emergencies.

<p>✓ Initial Training: <b>646</b> Allstars <b>272</b> training hours</p>	<p>✓ Refresher: <b>1,073</b> Allstars <b>200</b> training hours</p>
--	---

### Airside Safety Training

Equips staff with knowledge of safety risks and safe working practices in airside and ramp environments.

<p>✓ Initial Training: <b>646</b> Allstars <b>272</b> training hours</p>	<p>✓ Refresher: <b>1,073</b> Allstars <b>200</b> training hours</p>
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For more details on safety training, please refer to the Health & Safety chapter of this report.



Good Food . Good Coffee . Good Value

## Santan Food Safety Training

For Santan, food safety training is a legal requirement under the Malaysian Food Act 1983 and Food Hygiene Regulations 2009, covering hygiene, temperature control, contamination prevention, and safe food handling. Similar requirements apply in other countries where Santan operates, ensuring consistent standards across all locations.

In compliance with these laws, 39 Santan Allstars completed the training, equipping them with the knowledge and practical skills to maintain food safety, prevent contamination, and ensure high-quality service for customers.

For more details on Food Safety, please refer to the Health & Safety chapter of this report.



## Teleport Cargo Training

Allstars at Teleport complete role-based mandatory training designed for air freighter operations, ensuring safety, operational proficiency, and regulatory compliance across all cargo functions. Training covers critical areas such as Bomba Threat Awareness, First Aid, Safety Induction, Human Factors, Safety Management Systems, Emergency Response Procedures, Basic Cargo Operations, Smart Kargo, One Teleport system training, and Dangerous Goods Awareness and Functions 3 & 4.

These modules equip participants with the knowledge and skills needed to manage air cargo safely, handle hazardous materials, respond to emergencies, and operate Teleport's systems efficiently, reflecting the specific requirements of air freighter roles.

<p>✓ <b>622</b> Allstars</p>	<p>✓ <b>3,098</b> hours of training completed</p>
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### 3 Developmental Training

Beyond mandatory training, Allstars are encouraged to pursue technical and soft skills development to broaden capabilities and support career growth.

To further expand learning opportunities, we partnered with Coursera, a global platform offering internationally recognised courses and certifications. This complements our Academy by AirAsia Next platform, giving Allstars access to global content and specialised expertise while continuing to benefit from our internal learning ecosystem. Key focus areas include AI for data analysis, workflow optimisation, digital marketing, online safety, and emerging skills.

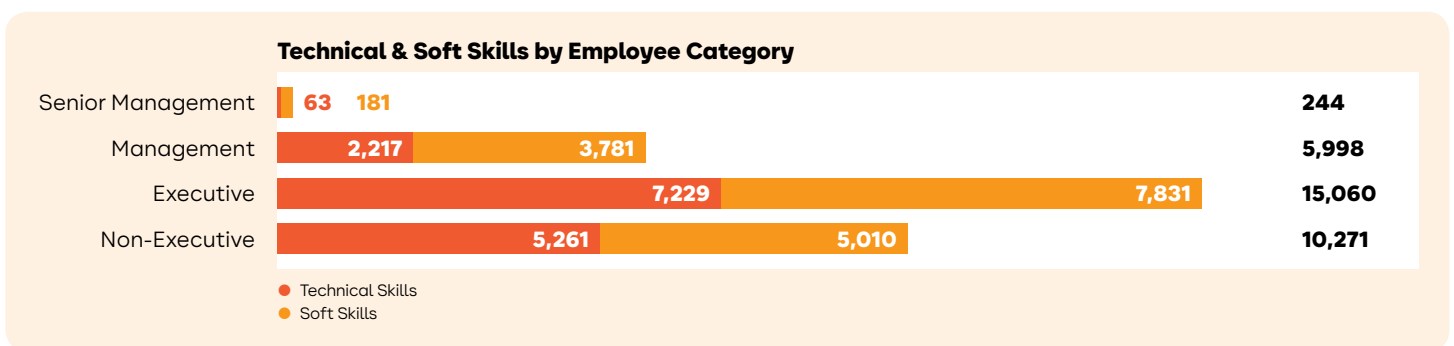
Our 2025 performance is as below:

#### Key Performance

<b>Technical Skills:</b> <span style="font-size: 2em; font-weight: bold;">✓</span> <b>&gt;19,000</b> hours of training <span style="font-size: 2em; font-weight: bold;">✓</span> <b>12,300</b> learners	<b>Soft Skills:</b> <span style="font-size: 2em; font-weight: bold;">✓</span> <b>&gt;21,700</b> hours of training <span style="font-size: 2em; font-weight: bold;">✓</span> <b>10,300</b> learners
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Note: This only reflects courses completed on Coursera and Academy by AirAsia Next.

These initiatives complement operational training and ensure Allstars are equipped to innovate, adapt, and thrive in their roles.



Note: The chart above reflects only the technical and soft skills training hours completed by Allstars through the Coursera and Academy by AirAsia Next platforms. Training is categorised into technical and soft skills, with total hours summed per employee category.

On top of learning from Coursera and Academy by AirAsia Next, Allstars from GTR, Teleport, and BigPay engage in self-driven learning tailored to their professional and personal development. In total, over 48,500 hours were completed across 29,800 participants, averaging about two hours per Allstar.

#### Key Performance

**Total Self-Driven Learning**

✓ **48,500** hours of training

✓ **29,800** Allstars

Note: This reflects courses completed on Coursera, Academy by AirAsia Next as well as other trainings done externally.

#### Core Skills Programmes

We have also curated four Core Skills Programmes on Coursera, structured to address evolving organisational needs and focus on four essential capability areas:

#### Generative AI & Big Data

Leveraging emerging technologies and data-driven tools to enhance decision-making, productivity, and innovation.

#### Systems Thinking

Understanding how different elements connect and interact to see the bigger picture and solve complex problems.

#### Service Orientation

Strengthening our commitment to delivering excellent service and creating positive experiences for others.

#### Resilience & Agility

Developing the mindset and capabilities to remain adaptable and effective in times of change.

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# Empowering Allstars

## Performance Review

We use the Objectives and Key Results (OKR) framework to measure the performance of Allstars. OKR is a simple goal-setting approach to create better alignment, engagement and clarity towards achieving the Group's overall business plan.



Our Aviation team adopts high performance culture by emphasising clarity, accountability and continuous feedback. We utilise the Objectives and Key Results (OKR) framework to align individual goals with the Group's business priorities and ensure clear performance expectations across teams.

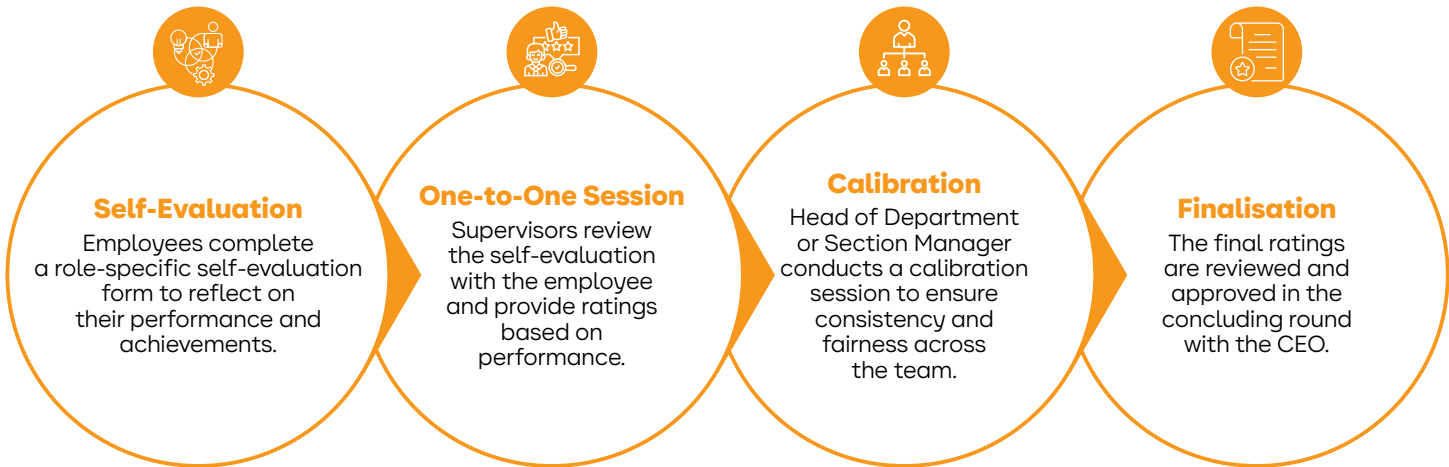
In 2025, we simplified our performance management approach by introducing a three-point rating scale (A/B/C) to enable clearer performance differentiation and more meaningful performance conversations. It's a culture of ongoing feedback, development and alignment with organisational goals. In 2025, 100% of our Aviation Allstars completed their performance reviews.

**Key Performance**

<b>100%</b> Allstars in the aviation arm received appraisals	<b>90%</b> Allstars in ADE received appraisals
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ADE has implemented a structured appraisal process tailored to each employee's role and department. The process includes:



This approach ensures transparency, fairness, and alignment with ADE's performance and development objectives. In 2025, 90% of employees have received their appraisals with the remaining still under progress upon writing this report.

## ESG KPIs

We ensure that our top management's performance incorporates ESG KPIs, including carbon intensity and ESG rating targets. By embedding these metrics into regular performance management, sustainability is placed at the forefront of decision-making, promoting accountability across all business functions and reinforcing the organisation's commitment to ESG priorities.

# ALLSTARS ENGAGEMENT

## Allstars Feedback

Creating a conducive work environment and culture where our Allstars can thrive is important to us and we conduct an annual employee engagement survey to gauge how satisfied they are at work in terms of job clarity, growth and development, well-being and recognition.

We conducted the eNPS survey, or Organisational Climate Survey, in August 2025 with a response rate of 86% and a score of 27, seven points lower than 2024. A closer look at the eNPS score shows that Allstars have clarity on their roles and responsibilities, understand the company's strategy, value the learning opportunities, and take pride in being part of the organisation. Scores on compensation slightly improved from the previous year, with ongoing initiatives in place to address it. Career growth and feedback also scored moderately, highlighting opportunities to further strengthen the employee experience and engagement across the organisation.

✓ **86%** response rate  
(2024: 86%)

✓ **27** eNPS score  
(2024: 34)



GTR conducted its own employee engagement survey in 2025, achieving a strong 88% engagement score, up from 73% in 2024. This reflects significant progress in strengthening the employee experience while highlighting areas for further improvement.

In response to employee feedback on internal equity and following the Malaysian Human Resources Ministry's minimum wage adjustment in February 2025, GTR implemented two salary adjustment cycles to address pay compression and market alignment. A July 2025 adjustment was applied to non-executive employees who were not covered under the minimum wage order, while a November 2025 adjustment was implemented for executive-level employees whose salaries were assessed to be below prevailing market benchmarks.

✓ **88%** Employee Satisfaction  
(Target: 92%; 2024: 73%)

In addition, GTR strengthened frontline engagement by rolling out new uniforms for the Ramp Department and is currently finalising upgraded uniforms for the Guest Services Department, reinforcing professionalism and employee pride.



## bigpay

BigPay maintained a strong employee engagement score of 90% in 2025. Engagement is measured through multiple channels, including participation in company events, such as Townhalls, Knowledge Sharing Lunches, festive celebrations, team-building activities, and annual Culture Surveys, which include the eNPS. These insights help BigPay foster a connected, motivated, and high-performing workforce while continuously improving the employee experience.

✓ **90%** Employee Engagement  
(2024: 86%)

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# Empowering Allstars

## Rewards & Benefits

We believe that when our Allstars are happy and healthy, they thrive - and so does our workplace. Part of it comes from our employee value proposition and the benefits that we provide. We strive to be the preferred employer with a competitive and attractive salary and benefit package. To uphold this standard, we continuously review market data to ensure we are above the minimum wage requirements and make necessary adjustments in a timely manner.

By prioritising fairness and well-being, we aim to create a workplace where our Allstars feel valued and supported.



Benefit	Description
Allstars Care Leave <span style="background-color: #f4a460; padding: 2px;">Upgraded</span>	An enhanced, repurposed leave policy designed to support employees during significant life events and personal commitments such as marriages, examinations, parental duties, and family celebrations.
Free Munch	Provide a daily food allowance for Allstars.
Self-Driven Learning <span style="background-color: #f4a460; padding: 2px;">Upgraded</span>	Providing access to Academy and Coursera, tapping into world-class learning content from renowned global universities and top Silicon Valley companies.
Financial Health	Organise financial education sessions with several external organisations.
Physical Health	Encourage a healthy and active lifestyle while at the office, by providing an in-house gym and access to physiotherapy.
Well-being <span style="background-color: #f4a460; padding: 2px;">New</span>	Provide access to our in-house counselors, Allstars Peer Support buddies, and external counselling services to express any concerns in their personal and professional life.
Wellness Wallet	A flexible wellness wallet that supports a variety of well-being needs including optical, dental, fitness, health screening, fitness activities, wellness services, childcare and elderly care services, and even veterinary among others.
Travel Benefits	Offer discounted flights for Allstars via employee e-coupons and ID90 for them and their dependents travel needs.
Medical Benefits	Provide medical coverage for Allstars and their dependents along with an in-house clinic, physiotherapy, and life as well as personal accident insurance coverage.
Family Well-being	Offer paternity leave support, marriage leave, a creche, nursing room, and provide medical and bereavement support through the Red Heart Fund.



## Caring For Allstars and their Families

AirAsia is committed to supporting the working mothers and fathers across the company. We provide a range of benefits, including maternity and paternity leave, marriage leave, on-site childcare at RedQ, and nursing rooms at RedQ in Malaysia and RedHouse in Indonesia. In 2025, we had 71 female and 127 male Allstars who took parental leave to care for their families respectively.

### Allstars Care Leave

To further support work-life balance, AirAsia enhanced its leave policies in 2025 with the introduction and expansion of Allstars Care Leave:

#### New Leave Options

- **Parental Leave** – for Allstars to attend to child-related matters.
- **Family Celebration Leave** – for important milestones, such as a child's marriage or the birth of a grandchild.

#### Upgraded Leave Options

- **Examination Leave** – to attend academics examinations and graduation
- **Marriage Leave** – for Allstars wedding celebration
- **Representation Leave** – represent state or country for official events

We also introduced Special Maternity Leave for mothers whose newborns require extended medical attention or follow-ups. Eligible Allstars can take up to 30 additional days of leave following their standard Maternity Leave, with flexibility to use the leave within 12 months of the child's birth.

These enhancements reflect AirAsia's ongoing commitment to supporting Allstars' well-being, family life, and career growth.



## Good Health & Wellbeing

### 1 Wellbeing

We adopt a holistic approach to health where we support the physical, emotional and mental well-being of our Allstars. We have three channels in which Allstars can seek help:

#### Allstars Peer Support

Our Allstars Peer Support programme is an internal initiative by Allstars for Allstars designed to provide support and assistance to colleagues in need. It involves trained peer supporters who offer a confidential and empathetic ear to their fellow employees facing challenges, whether personal or work-related. In 2025, our team of peer supporters was 103-strong across all AOCs.



### Employee Assistance Program

This year, we partnered with a new employee assistance programme provider, The Pillars, that offers Allstars five complimentary sessions with them throughout the year to seek external professional assistance from licensed therapists.

### In-House Counselling

To better support our Allstars' mental well-being, we introduced an in-house counselling service at our RedQ office. This service provides convenient access to professional counsellors for those seeking help with personal or professional challenges.



For more information on supporting mental well-being, please refer to the Health & Safety chapter of this report.

### 2 Sports Competitions

#### AirAsia RedRun

The AirAsia RedRun is a community-focused running event with 5km, 10km, and 21km categories, designed to engage runners and fitness enthusiasts of all levels. It reflects AirAsia's ongoing commitment to bringing communities together while promoting healthy lifestyles across some of the region's most vibrant cities.

In 2025, RedRun events were held in Penang and Bali, attracting over thousands of participants. Building on this success, the 2026 edition will expand to Da Nang, Kota Kinabalu, and other exciting destinations, continuing to foster connections through both travel and meaningful lifestyle experiences.



**SOCIAL**

# Empowering Allstars

## Allstars 70KM Langkawi Santai Ride

AirAsia successfully hosted the 70km Langkawi Ride, starting at Pantai Cenang and making scenic stops at Telaga Harbour Marina and Tanjung Rhu Beach. The event brought together our Allstars and local cycling enthusiasts from Lembaga Pembangunan Langkawi, promoting health, wellbeing, and active lifestyles.

Through initiatives like the Langkawi Ride, AirAsia continues to strengthen community engagement, foster teamwork, and encourage sustainable, healthy living across the region, while showcasing the natural beauty of our destinations.



## Allstars ASEAN Futsal Tournament 2025 – Team Spirit in Action

The Allstars ASEAN Futsal Tournament 2025 brought together nearly 600 participants across 50 men’s teams and 10 mixed teams, representing Malaysia, Indonesia, Thailand, the Philippines, and China.

Allstars from across our businesses, including AirAsia, AirAsia X, ADE, Santan, GTR, Teleport, BigPay, MOVE, Ikhlas.com, and Capital A, showcased their talent, teamwork, and competitive spirit. Events like these strengthen cross-country collaboration, foster camaraderie, and celebrate the diverse and dynamic culture that defines AirAsia.



### 3 Physical Wellness

## Allstars Yoga Retreat 2025

The 2025 Allstars Yoga Retreat brought together 65 participants from Japan, Philippines, Malaysia, Indonesia, and Thailand for a memorable 3-day, 2-night experience in the serene mountains of Chiang Mai.

The retreat combined wellness, creativity, and cultural exploration, with activities including:

- Sound Therapy with Himalayan Singing Bowls led by Chick Sirilak Thanaphanich from Cabin Crew
- Yoga classes led by Immy Teacher Kanchana Jasaan from the Culture Team
- Creative Ceramic Painting Workshop at Maha Charmlearn Cafe & Creative Community

This retreat was more than a wellness event. It fostered cross-cultural connections, strengthened relationships among Allstars, and energised our community for the year ahead.



## Long Service Award

This year, we continued to thank our Allstars from the class of 2020 to 2023 who have surpassed a decade of service with us. We are especially grateful to those who stood by us through the challenges of the pandemic as well as the restructuring of the aviation and non-aviation businesses. As a heartfelt gesture of our appreciation, we presented them with a well-deserved token of recognition for their long-standing dedication.



**SOCIAL**

**Empowering Allstars**

# Human Rights

GRI 3-3, 408-1, 409-1

The Group is committed to upholding fundamental human rights across all operations, aligning with the Universal Declaration of Human Rights and the core conventions of the International Labour Organization (ILO). This commitment is operationalised through our Code of Conduct and Ethics, Anti-Harassment Policy, Supplier Code of Conduct and Sustainability Policy, which mandate the prevention of human trafficking and prohibit forced labour, child labour, and discrimination.



**Our Management Approach**

- Human Rights Policy
- Code of Conduct and Ethics
- Anti-Harassment Policy
- Supplier Code of Conduct
- Sustainability Policy
- Employee Handbook

**Supporting the UN SDGs**



## Performance Overview

# 2025



**4,255**

Allstars completed anti-human trafficking e-learning module



**>2,200**

training hours on anti-human trafficking



**6,739**

Allstars completed anti-harassment training



**50%**

decrease in harassment reports

**SOCIAL**

# Empowering Allstars

## HUMAN RIGHTS POLICY

In 2024, Thai AirAsia became the first AirAsia airline to introduce a Human Rights Policy. This prompted a groupwide initiative in 2025 to develop and formalise a Group Human Rights Policy that can be localised and adapted by all entities within the Capital A Group. With expertise from an independent external advisor, we conducted an internal gap analysis and benchmarking exercises. This process evaluated baseline awareness and existing governance mechanisms through groupwide surveys, cross-functional focus group discussions, and targeted consultations during the year. These activities yielded important findings in the following areas:

- **Governance Foundation:** The assessment identified a solid foundational framework, supported by robust, function-specific policies already in place.
- **Strategic Consolidation:** There is a clear opportunity to transition from a decentralised compliance model to a unified, Group-wide human rights integration strategy, establishing industry leadership in ESG alignment.
- **Operational Nuance:** To ensure effective implementation, the upcoming policy must account for cultural diversity across our regional operating environments, ensuring authentic compliance and localised relevance.

Building on our existing governance foundation, we began a process to draft a Group Human Rights Policy which is currently at final review stages. The formal adoption and rollout will be undertaken in 2026, supported by targeted management training and awareness programs.



**Thai AirAsia's Human Rights Policy**

For more information on Thai AirAsia's Human Rights Policy, visit <https://www.aavplc.com/storage/document/cg/taa-human-rights-policy-en.pdf>

**CASE STUDY**

Thailand 

# Human Rights Risk Assessment

As the leader in developing our human rights framework, TAA conducted its first Human Rights Risk Assessment (HRRRA) in 2025 to identify, evaluate, and manage salient human rights risks across its value chain. The methodology integrated value chain mapping, global risk benchmarking, peer reviews, and historical grievance data, supported by direct engagement with core stakeholder groups, including employees, suppliers, customers, and local communities.

### Assessment Findings & Salient Risks

The assessment concluded that TAA possesses no critical risk exposures within its direct operations. However, acknowledging the inherent complexities of the regional aviation and travel sector, the HRRRA identified specific salient risks that require proactive management. These are primarily concentrated in the impact of climate change and global warming, community concerns on waste and pollution generated from tourism, supply chain labour practices (forced labour) and customer touchpoints (human trafficking and discrimination).

### Mitigation & Strategic Roadmap

While TAA currently deploys mitigation controls—including established grievance mechanisms, engagement programs, and baseline policies—the 2025 HRRRA identified strategic opportunities to mature our human rights risk management framework. Moving forward, TAA will focus on:

- **Governance & Oversight:** Formalising regular reporting structures to ensure active Management and Board-level oversight of human rights performance.
- **Operational Enforcement:** Strengthening the practical implementation of policies across all business units.
- **Capacity Building:** Expanding employee awareness and targeted training to identify and escalate potential human rights indicators.
- **Continuous Assurance:** Institutionalising regular risk assessment cycles to monitor the evolving threat landscape.

# ANTI-HUMAN TRAFFICKING

Operating an extensive regional network, the Group recognises that the aviation sector can be inadvertently exploited by transnational criminal networks. We actively monitor the intersection of our operations with critical human rights risks, specifically human trafficking, modern slavery, child exploitation, and the illicit transport of individuals coerced into regional cyber-scam syndicates.

To mitigate these risks, we mandate targeted human trafficking awareness training for all frontline personnel, including cabin crew and aviation security. The curriculum equips Allstars to:

- Identify behavioural and situational indicators of trafficking.
- Understand evolving regional threat trends.
- Execute standardised reporting and escalation protocols safely and discreetly.



✓ **4,255** Allstars completed the module

✓ **>2,200** training hours on anti-human trafficking

As a result of ongoing training, frontline personnel have demonstrated increased vigilance in identifying and reporting potential cases. Between 2023 and 2025, a total of nine suspected incidents were recorded, with most detected and reported by our Cabin Crew team. Of the nine cases, six were resolved, while the remaining cases were escalated to the authorities for further investigation.

## Strategic Outlook

To maintain operational readiness against shifting criminal methodologies, our mitigation framework will undergo the following enhancements in 2026:

- **Curriculum Updates:** We target a triennial review of our e-learning modules to ensure continued relevance. This training is embedded within the Capital A onboarding program and frontline employees are required to complete the module once every two years.
- **Multi-Agency Intelligence Sharing:** We are initiating targeted Focus Group Discussions (FGDs) uniting AirAsia frontline personnel, specialised rescue NGOs, and regional government agencies. These sessions are designed to capture real-time intelligence on evolving trafficking typologies, ensuring our internal controls and reporting mechanisms remain highly adaptive.
- **AOC Standardisation:** Following the curriculum update, we will execute a standardised rollout across all AOCs to ensure consistent threat detection capabilities Group-wide.
- **Victim-Centric Digital Access to Regional Support:** In parallel, we are strengthening our victim-centric approach by developing a multilingual web-based platform that enables individuals to access assistance regionally.

# ANTI-HARASSMENT

The Group enforces a zero-tolerance policy regarding all forms of workplace harassment, discrimination, and bullying. To establish clear behavioral boundaries both inside and outside the workplace, our comprehensive anti-harassment e-learning module is a mandatory compliance requirement for all new onboarding recruits and necessitates periodic recertification by existing Allstars.

We actively cultivate a safe and respectful operational environment through continuous education. Instructional materials are prominently deployed across physical offices and digital workspaces, explicitly defining the various manifestations of harassment and outlining the secure escalation pathways available to Allstars. Allstars are empowered to report human rights concerns, discrimination, or harassment without fear of retaliation through multiple established grievance mechanisms.

In 2025, the Group recorded 14 formal harassment reports through our grievance channels. As of year-end 2025, all logged cases have undergone confidential investigations. Substantiated violations were met with decisive consequence management, with disciplinary actions ranging from formal written warnings (50%) to the employment termination of the perpetrators (50%), reaffirming the integrity of our zero-tolerance framework.

✓ **6,739** Allstars completed the anti-harassment e-learning module (2024: 1,014)

✓ **14** harassment reports (2024: 28 reports)

**PREVENT HARASSMENT**

Unwanted or inappropriate behavior causing distress, discomfort, or harm. It can be physical, verbal, or emotional, often repetitive, and may occur in workplaces, schools, or online.

**How to deal with it?**

- Keep distance**  
Avoid to stay close to harasser. If hard, ask your colleagues to stay with you.
- Speak up**  
If you feel uncomfortable, inform harasser about what you feel.
- Inform Direct Manager**  
About what happened with all details to seek an advice.

**Types of Harassment**

- Verbal:** threat of using words or language to insult, threaten, belittle, intimidate, or threaten someone.
- Visual:** the use of images, symbols, gestures, or other visual content to intimidate, offend or harass someone.
- Physical:** an unwanted physical contact or behavior that makes someone feel uncomfortable, threatened, or afraid.

**Report channels** [https://www.capitala.com/whistleblowing\\_channel.html](https://www.capitala.com/whistleblowing_channel.html)

For more information, please refer to the Grievance Mechanisms section of the Corporate Governance chapter.


**SOCIAL**

# Empowering Allstars

## LABOUR RIGHTS

Expanding upon our core prohibitions against forced labour, child labour, and discrimination, the Group enforces comprehensive labour rights protections across both our direct operations and our value chain. These operational standards are formally codified within the Employee Handbook and the Supplier Code of Conduct.

<p><b>Living Wage &amp; Competitive Compensation</b></p> 	<p>We conduct regular remuneration reviews to ensure our baseline salaries consistently exceed statutory minimum wage requirements across all operating jurisdictions.</p> <p>Furthermore, we actively benchmark our compensation structures against regional market data to provide competitive salary and benefits packages that support a sustainable standard of living for our workforce.</p> <p><i>For more information, please refer to the Rewards &amp; Benefits Section</i></p>
<p><b>Working Hours &amp; Overtime Management</b></p> 	<p>The Group strictly adheres to statutory maximum working hour regulations in every region of operation.</p> <p>For eligible employees, we deploy monitoring mechanisms to track scheduled hours, prevent excessive overtime, mitigate occupational fatigue, and ensure accurate and prompt disbursement of overtime compensation.</p>
<p><b>Gender Pay Equity</b></p> 	<p>As an equal opportunity employer, we mandate equal remuneration for men and women performing equivalent roles.</p> <p>We conduct gender pay gap assessments to identify, monitor, and rectify any unwarranted compensation disparities across the organisation.</p> <p><i>For more information, please refer to the Gender Pay Gap section of the Diversity &amp; Inclusion chapter.</i></p>
<p><b>Statutory Leave &amp; Work-Life Balance</b></p> 	<p>Allstars are provided with paid annual leave entitlements in full compliance with localised labour laws. To support employee well-being and maintain a healthy work-life balance, the management actively encourages Allstars to utilise their leave balances within the respective calendar year.</p> <p>Additionally, unpaid leave provisions are structurally available to support employees navigating exceptional personal circumstances.</p>

 For more information on our Code of Conduct please refer to [https://www.capitala.com/corporate\\_governance.html](https://www.capitala.com/corporate_governance.html)

**SOCIAL**  
**Uplifting Communities in Asean**

# Uplifting Communities in Asean

GRI 3-3, 413-1

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



**Our Management Approach**

• Sustainability Policy

**Supporting the UN SDGs**



**Performance Overview**

# 2025



**RM196,760**

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



**RM123,107**

disbursed to existing grantees



**RM1,009,590**

in contributions for uplifting and empowering communities in Asean



**912**  
**Allstar**  
 volunteering hours

**SOCIAL**

# Uplifting Communities in Asean

## GROWING ASEAN SOCIAL ENTERPRISES

As we expand connectivity across the region, we remain committed to supporting the communities linked to our network. Through strategic partnerships with social enterprises and by leveraging the reach of the AirAsia ecosystem, we support social ventures in scaling solutions that generate positive social and environmental outcomes. Social enterprises continue to play an important role in driving inclusive economic growth, addressing local challenges, and strengthening community resilience.

### What is a social enterprise?

Purpose-driven businesses that do more than earn revenue. They address social and/or environmental challenges and has a financially viable business model.



AirAsia Foundation remains central to these efforts, providing grant funding and advisory support to social enterprises across the region. The Foundation supports enterprises working across a range of impact areas, including women's empowerment, indigenous and local livelihoods, heritage preservation, youth engagement, arts and culture, environmental conservation, and poverty alleviation, enabling them to expand their reach and deepen their impact.

In 2025, AirAsia Foundation continued to align its grant-making activities with Capital A's business objectives, focusing on priority areas that support the Group's sustainability agenda. Grant support was directed towards enterprises that:

- Promote sustainable travel**
- Strengthen climate resilience**
- Support biodiversity conservation**
- Advance human rights**

## Our 2025 Performance

AirAsia Foundation directly impacted 190 beneficiaries through the support of three new grantees, bringing our collective network to 38 grantees since 2012. A total of RM196,760 in grants was awarded to these organisations to support their growth and community impact. Profiles of the new grantees are highlighted in the sections below.



**3 new grantees**

Total since 2012: 38

**RM196,760 awarded to new grantees**

Total in 2024: RM176,150

**RM123,107 disbursed**

to existing grantees

**190 direct beneficiaries**

Total since 2012: 3,825

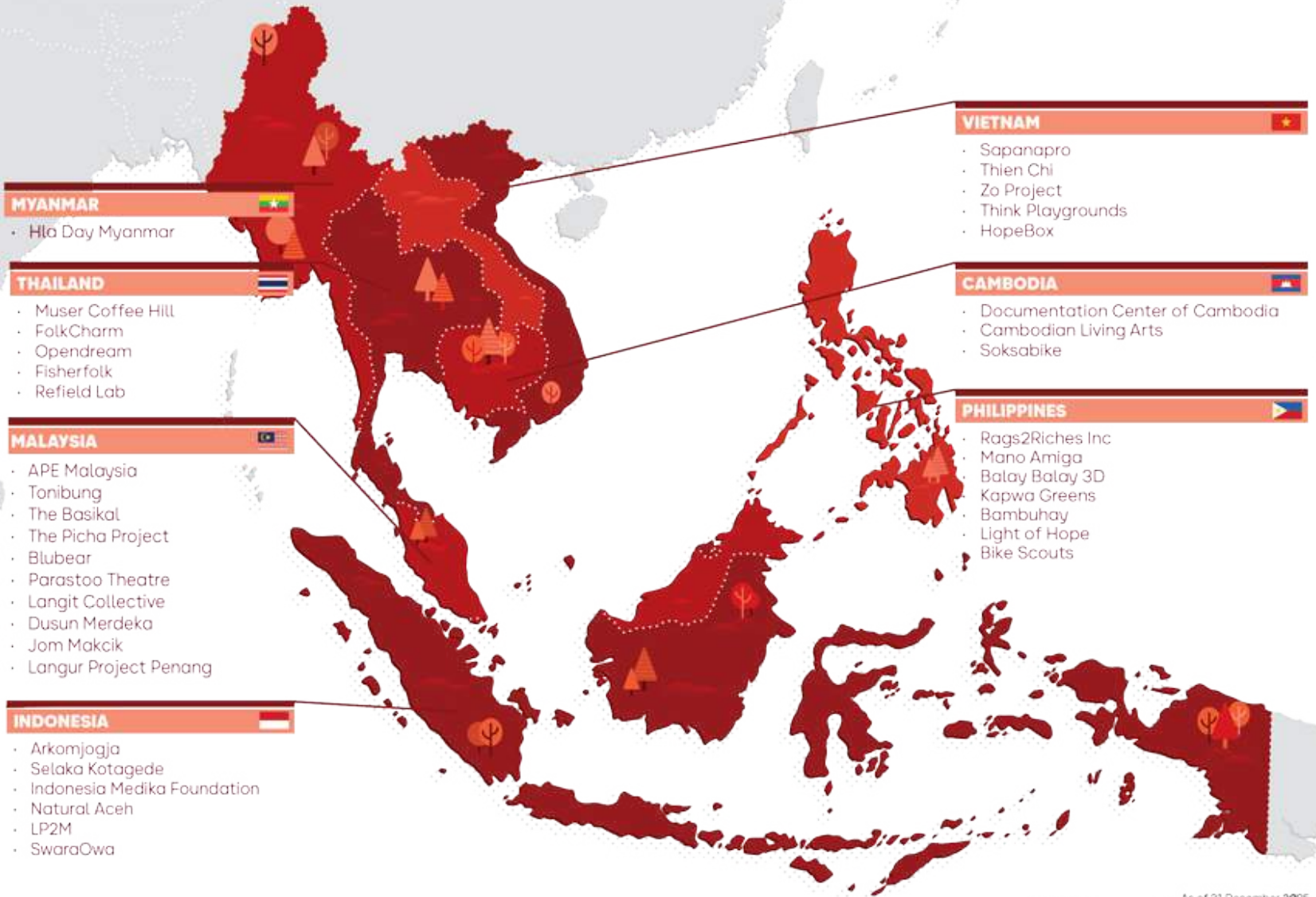
**RM713 invested per beneficiary**

Total since 2012: RM2.7 million

**280 families and communities impacted**

Total since 2012: 12,946

# Social Enterprises We Support in Asean



As of 31 December 2025

# SOCIAL Uplifting Communities in Asean

## Sustainable Travel

As a leading aviation group, AirAsia recognises its responsibility to promote travel that delivers positive outcomes for local communities while minimising social, economic, and environmental impacts. We support initiatives that strengthen community participation in travel value chains and encourage more responsible travel practices across destinations within our network.

In 2025, we continued to monitor the progress of our 2024 grant recipient to pilot a Sustainable Travel Model in Krabi and the implementation of Journey D.

### Krabi Sustainable Travel Project Pilot



Refield Lab was awarded a grant in 2024 to pilot a sustainable travel model in Krabi, Thailand.

Refield Lab is a social enterprise specialising in community-based landscape architecture which works with nature and people to develop nature-based solutions for communities and their environments.



Tourism in Thailand is often concentrated around popular attractions, leaving cultural heritage sites, local communities, and fragile ecosystems overlooked. Overcrowding can lead to waste, pollution, and the depletion of natural resources.

#### Objective



With this funding, the team will:

- Coordinate with local stakeholders to review, collect, and analyse data from selected locations
- Develop a sustainable destination management plan for key areas in Krabi
- Create a sustainable travel guide to support responsible tourism practices


In 2025, Refield Lab, in collaboration with local partners ChangeFusion and ENLIVE Foundation, developed a Sustainable Travel Guide to raise awareness of environmentally and socially responsible travel practices in Krabi. The guide highlights community-led activities, local natural assets and practical guidance on responsible travel behaviours. Four key areas in Krabi were featured: Phi Phi Island, Sriboya Island, Khlong Prasong (Koh Klang), and Railway.

#### Progress in 2025

The guide was completed and is ready to provide travellers with meaningful, alternative experiences that reduce pressure on popular sites. An activation campaign to launch the guide with tourism partners is planned for 2026.

<p><b>Grant Amount</b> <b>RM89,151</b></p>	<p><b>Amount Disbursed</b> <b>RM33,506</b> in 2025 (100% disbursed) 2024: RM55,179</p>	<p><b>Areas of Impact</b></p> <ul style="list-style-type: none"> <li>• Responsible travel</li> <li>• Sustainable communities</li> </ul>  
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Note: Grant was awarded in local Thai currency and converted to Malaysian ringgit for the purpose of this report.

 [Read more about Refield Lab's work at airasiafoundation.com](https://airasiafoundation.com)

# Journey D: The City of Lampang



Journey D is Thai AirAsia's social investment initiative that supports community-based tourism. Since 2017, the programme has aimed to promote low-carbon tourism while strengthening community livelihoods and encouraging sustainability awareness at the local level.

Following the launch of the Don Mueang–Lampang route in late 2024, Journey D partnered with the Culture 21 initiative by the Department of Cultural Promotion and the Village to the World project by the Tourism Authority of Thailand (TAT) to develop Lampang as a "Sustainable Cultural City." In 2025, the programme expanded to include the Pong Sanuk Nuea and Ban Tha Ma-O communities, bringing them into the Journey D initiative and extending the reach of its sustainability and cultural development efforts.

## Objective

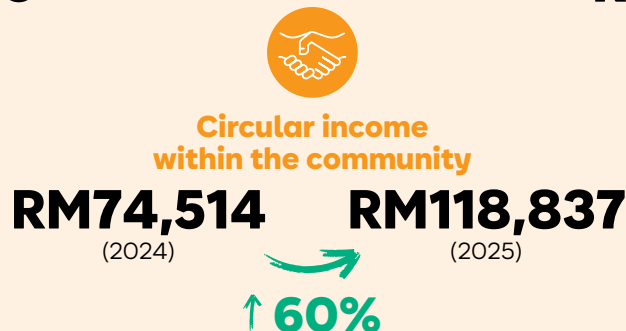
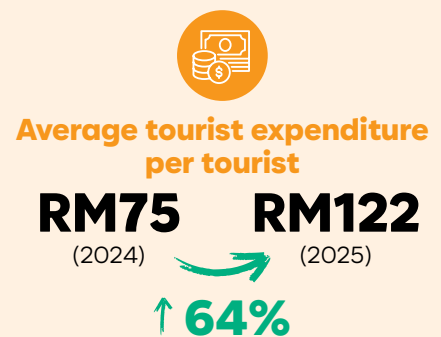
- The project aims to support community-based tourism by:
- generating circular income at the grassroots level through cultural festivals
  - strengthening local entrepreneurs' capacity
  - fostering environmental stewardship, for example through Wang River restoration, by integrating local faith and traditions into community activities.
  - shifting the community from resource users to resource stewards, contributing to improved river cleanliness and waste reduction.

Cultural heritage was revitalised through the traditional Fon Phi Pu Ya ritual dance and the creation of "The Sound of Lampang" as an intergenerational cultural learning space. These efforts contributed to Lampang receiving national recognition at the Thailand Culture for SDGs Awards 2025, highlighting the city as a model for leveraging culture to advance the Sustainable Development Goals.



## Progress in 2025

The programme in Lampang was completed in 2025, reaching both existing and new communities. Key results from pre-implementation (2024) to post-implementation (2025) include:



# SOCIAL Uplifting Communities in Asean

## Climate Resilience

Climate change presents increasing risks to the communities we serve, particularly those in disaster-prone and climate-vulnerable regions. In recent years, the frequency and severity of climate-related disasters such as floods, storms, droughts and wildfires have continued to rise globally, affecting millions of people and placing greater strain on vulnerable communities.

Strengthening community resilience therefore remains a core focus of the Foundation. This includes supporting efforts that enhance preparedness, adaptive capacity, and recovery in the face of growing climate risks. In 2025, the Foundation supported several initiatives aimed at strengthening climate resilience:

### **Yayasan Arkom Indonesia: Documenting Post-Disaster Community-led Relocation Model**

Indonesia 



AirAsia Foundation provided a grant to Yayasan Arkom Indonesia to support the knowledge management and documentation of the community-led post-disaster recovery practices.

Yayasan Arkom Indonesia is a network of community architects founded in 2007, which works across Indonesia to advance ecological and inclusive housing and settlement solutions for urban and disaster-affected communities, with a focus on participatory planning, post-disaster reconstruction, community empowerment, knowledge management, and resilience-building.

#### Objective

The grant supports Yayasan Arkom Indonesia in documenting lessons learned, challenges, and best practices from the post-disaster recovery phase following the 2018 earthquake and tsunami in Palu and Lombok.

Through a book and video documentary titled *Pilih, Pilih, Pulih*, the 2025 grant aims to capture the community-led self-relocation housing model as a knowledge resource for policymakers, community groups, and non-governmental organisations to design and implement effective post-disaster recovery programmes and replicate the model in other communities.



#### Progress in 2025

The documentation project progressed to completion, and *Pilih, Pilih, Pulih* was launched in March 2026 in conjunction with Indonesia AirAsia's inaugural flight to Palu. The publication showcases how the programme delivered 95 earthquake-resilient homes, supported four communities in developing disaster risk-informed spatial planning documents endorsed by local authorities, and established communal facilities to strengthen social recovery. The community-led self-relocation model, which promotes active resident participation, environmentally friendly construction materials, and local economic recovery, has been recognised and replicated by Indonesia's Ministry of Public Works and Housing.



**Grant Amount**  
**RM22,869**

**Amount Disbursed in 2025**  
**RM22,869**  
(100%)

#### Areas of Impact

- Climate resilience
- Community livelihood



Note: Grant was awarded in local Indonesian Rupiah currency and converted to Malaysian ringgit for the purpose of this report.

# Light of Hope: Providing Access to Electricity through Clean Energy

Philippines 



Light of Hope is a climate-tech social enterprise based in Cebu, dedicated to providing off-grid island communities in the Philippines with access to electricity through sustainable clean energy.

### Objective

In 2024, Light of Hope was awarded a grant to pilot a lease-to-own model for solar-powered battery units in the Philippines, aiming to replace kerosene lamps and build on their existing subscription-based approach. The initiative aims to provide families with reliable, clean energy to improve accessibility and long-term adoption.

### Progress in 2025

By 2025, Light of Hope deployed 50 solar-powered battery units to families on Pangan-an and Banacon islands. The units have improved living conditions, allowing students to safely study at night without the fire risks associated with kerosene lamps.

They also strengthened community energy resilience during disasters, as beneficiary households serve as reliable power sources, enabling neighbors to charge phones, access information, and stay connected during blackouts. The Light of Hope team continues to monitor the feasibility of the lease-to-own model for broader adoption throughout the project period.



Light of Hope team demonstrating the use of the solar-powered battery units.



Solar-powered battery unit charging phones.



Founder of Light of Hope, Jovie Gil Montajes.

<p><b>Grant Amount</b> <b>RM43,447</b></p>	<p><b>Amount Disbursed in 2025</b> <b>RM19,343</b> (100%)</p>	<p><b>Areas of Impact</b></p> <ul style="list-style-type: none"> <li>• Clean energy</li> <li>• Climate change mitigation</li> <li>• Product innovation</li> </ul> <div style="display: flex; justify-content: space-around;"> <div data-bbox="1406 2046 1475 2112">  </div> <div data-bbox="1484 2046 1553 2112">  </div> </div>
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# SOCIAL Uplifting Communities in Asean

## Biodiversity Conservation

We recognise that biodiversity loss is driven by multiple interconnected factors, including climate change, resource depletion, pollution and unsustainable human activities. Protecting biodiversity is essential not only for environmental integrity but also for the livelihoods and wellbeing of communities that depend on healthy ecosystems.

In 2025, our largest contributions were in biodiversity conservation as we awarded two new grants for conservation through community livelihoods and environmental education. The Foundation also continued monitoring existing grantees working in marine biodiversity.

**New Grantee**

Malaysia 

### **Langur Project Penang: Advancing Primate Conservation Through Education**



Langur Project Penang (LPP) is a primate conservation social enterprise focused on addressing the ecological and behavioural challenges of urban primates, particularly dusky langurs.

As rapid urbanisation fragments forest habitats, wildlife is increasingly confined to smaller areas, leading to greater human-wildlife interactions and risks to both communities and biodiversity. LPP develops practical and humane solutions that enable coexistence between humans and non-human primates.

**Objective**

The grant supports LPP in strengthening operational sustainability and scaling its impact, with the goal of achieving financial self-sufficiency by 2027. It enables the organisation to:

- Improve community awareness of primates and coexistence practices
- Sustain ongoing research and conservation activities
- Expand its Rainforest Programme for hands-on conservation education



LPP's approach involves three key areas:

**Citizen science**

Involving local communities in data collection and monitoring of human-primate interactions

**Conservation measures**

Implementing initiatives such as wildlife crossings to reconnect fragmented habitats and support safe movement for arboreal species

**Environmental education**

Working with residents, authorities, and other stakeholders to deliver conservation awareness and education

LPP was awarded the grant in the second half of 2025, with fund disbursement beginning in 2026.

**Plans for 2026**

In 2026, LPP will:

- Expand community engagement to strengthen human-primate coexistence practices
- Continue and scale research and conservation activities
- Grow the Rainforest Programme, delivering workshops, school activities, and awareness campaigns

**Grant Amount**  
**RM58,000**

**Amount Disbursed in 2025**  
**Tranche 1 to be disbursed in January 2026**

- Areas of Impact**
- Biodiversity conservation
  - Education



New Grantee

Indonesia



## SwaraOwa: Conserving Javan Gibbons Through Shade-Grown Coffee



SwaraOwa is a social enterprise based in Central Java, that focuses on the conservation of endangered primate species, particularly the Javan gibbon, and the protection of its forest habitat. SwaraOwa adopts an agroforestry approach that links biodiversity conservation with sustainable livelihoods for ex-hunters and local farming communities.

Objective

SwaraOwa aims to protect Javan gibbons while supporting local communities through its coffee brand, Owa Coffee, which promotes shade-grown cultivation to preserve forest cover and raise awareness of gibbon conservation. The grant supports expanding the model by increasing the number of farmers trained and the production of the shade-grown coffee.



Plans in 2026

In 2026, SwaraOwa will:

- Train 25 farmers in shade-grown coffee practices that support forest conservation
- Increase the production of wildlife-friendly coffee linked to habitat protection
- Expand community and consumer awareness initiatives on Javan gibbon conservation
- Strengthen marketing efforts to highlight the link between sustainable coffee and biodiversity protection community livelihoods and long-term forest stewardship.

By linking sustainable livelihoods with forest-friendly practices, the initiative encourages communities to actively participate in biodiversity conservation while enabling community-based economic opportunities that incentivise forest protection.



Grant Amount  
**RM70,543**

Amount Disbursed in 2025  
**Tranche 1 to be disbursed  
in January 2026**

Areas of Impact

- Biodiversity conservation
- Community livelihood
- Sustainable farming



Note: Grant was awarded in local Indonesian Rupiah currency and converted to Malaysian ringgit for the purpose of this report.

**SOCIAL**  
**Uplifting Communities in Asean**

**Fisherfolk: Supporting Sustainable Fisheries, Marine Biodiversity and Women’s Livelihoods**

Thailand 



Fisherfolk is a women-led social enterprise based in southern Thailand that produces pre-cooked frozen Southern Thai specialties while supporting sustainable fishing practices, marine biodiversity conservation, and improved livelihoods for local fisherfolk.

**Objective**

The grant supported Fisherfolk in:

- upgrading its production capacity through the renovation of its kitchen facilities
- purchasing essential equipment, including a quick freezer
- expand marketing initiatives to attract more customers and raise awareness about sustainable fishery practices

Following the upgrades, the facility met required food safety standards and obtained halal certification. The improved kitchen layout increased operational efficiency and strengthened confidence among visiting customers, while the quick freezer enhanced the quality and consistency of frozen meal products.

**Progress in 2025**

As a result of the facility upgrades, regular customers and improved recipes, Fisherfolk recorded a 50% increase in revenue from both frozen pre-cooked and freshly prepared meals. The enhanced facilities also enabled the enterprise to host larger visiting groups from neighbouring communities and academic institutions to learn about sustainable fisheries and marine conservation practices.

This growth contributed to increased income for local women employed by the enterprise and created additional part-time employment opportunities during group visits.



**Grant Amount**  
**RM87,361**

**Amount Disbursed in 2025**  
**RM39,184**  
 (100%)

**Areas of Impact**

- Marine biodiversity
- Sustainable fishing practices
- Women empowerment
- Product innovation





## Human Rights

Respect for human rights is fundamental to inclusive and sustainable community development. In 2025, AirAsia Foundation awarded a grant to support the rights of gender-based violence survivors to access safety and economic independence.

By expanding access to economic opportunities and inclusive community participation, these initiatives also contribute to prevention efforts. Limited access to income and employment increases vulnerability to exploitation, scams, and trafficking. Supporting inclusive livelihoods and community resilience helps reduce these risks and strengthens long-term social stability across the region.

### New Grantee

Vietnam



## HopeBox: Supporting rights of survivors to safety and economic independence



Hopebox is a social enterprise that supports women who have experienced gender-based violence (GBV). They respond to the lack of comprehensive psychology and economic recovery services for GBV survivors in Vietnam by providing safe employment and training for the survivors.

### Plans for 2026

In 2026, HopeBox will:

- Operationalise the pastry production and training studio
- Expand training programmes to support more women survivors
- Increase production capacity to meet growing demand through existing and new partnerships
- Strengthen market access and brand presence to support long-term sustainability



Women of HopeBox provided training in baking skills.

**Grant Amount**  
**RM68,217**

**Amount Disbursed**  
**RM30,952**  
(45%)

### Areas of Impact

- Women empowerment
- Poverty alleviation



Note: Grant was awarded in local Vietnamese Dong currency and converted to Malaysian ringgit for the purpose of this report.



## AirAsia Foundation Grant Application

AirAsia Foundation conducts an annual application cycle. Organisations whose projects align with the Foundation's focus areas and meet the eligibility criteria are encouraged to monitor [airasiafoundation.com](http://airasiafoundation.com) for upcoming application opportunities.

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**AIRASIA FOUNDATION OUTREACH**

**Grant Application Bootcamps**

In conjunction with the launch of a new grant cycle, AirAsia Foundation conducted two outreach roadshows through Grant Application Bootcamps in 2025, aimed at strengthening access to funding and improving grant readiness among social enterprises.

The bootcamps provided participants with a clear overview of the Foundation's:

- grant criteria and application process
- practical guidance on the types of proposals and social enterprises supported by the Foundation
- tips on grant writing

The sessions were designed to build capacity among early- and growth-stage social enterprises seeking to expand their operations.

The Thailand bootcamp, delivered in collaboration with ChangeFusion and SE Thailand, was attended by 38 organisations. In Malaysia, the Foundation partnered with Asia School of Business to deliver a second bootcamp, which reached 40 organisations and supported broader regional outreach to social entrepreneurs.



**Women-Led Social Enterprises**

At AirAsia Foundation, many of the social enterprises in our network are women-led, reflecting the important role women play in driving community-based solutions and social innovation. The Foundation supports these entrepreneurs by providing opportunities to build visibility, expand their markets, and connect with new audiences.

As part of this effort, the Foundation featured four women-led social enterprises - Athena Empowers, Gerai OA, Eats, Shoots & Roots, and Bungkus - by providing them with a platform to showcase their businesses at AirAsia's headquarters in RedQ in conjunction with International Women's Day. The initiative enabled these enterprises to connect directly with Allstars and promote their impact-driven products and services.

Through their work, these enterprises address key social and environmental issues, including recycling, waste management, women's livelihoods, and education.

**Knowledge Sharing Sessions**

As a regional foundation supporting social enterprises across ASEAN, AirAsia Foundation leverages its network to share insights and foster collaboration. Drawing on its presence across the region, the Foundation provides practical perspectives on scaling impact and building sustainable partnerships.

In 2025, the Foundation participated in key knowledge-sharing and stakeholder dialogue platforms, including sessions and panels with:

- Sustaining and Maximising the Role of Civil Society Organizations (CSOs) convened by the ASEAN Secretariat, sharing insights on corporate philanthropy and engaging with CSOs
- Climate Finance Innovation Lab on funding pathways organised
- Satu Creative on partnership building
- Women Entrepreneurs Nagano on Women's Power and Regional Innovation from a Global Perspective at their conference in June 2025

These engagements helped raise awareness of funding and collaboration opportunities for social enterprises across the region.

# DESTINATION GOOD



## What is Destination GOOD?



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

The Foundation continued to operate the Destination GOOD social enterprise retail platform to support income generation for the 49 enterprises featured. Among the top performing products was the Soggy No-More collection, which upcycles expired life jackets into lifestyle items. Through social media and events, Destination GOOD recorded the following sales performance:

✓ **RM19,092**

earned from sale of products (2024:RM52,320)

✓ **16**

Social enterprises Supported through Destination GOOD (2024: 29 social enterprises)



Shop for a difference at <https://destinationgood.com/>

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**HUMANITARIAN & POST-DISASTER ASSISTANCE**



The Group's humanitarian efforts focused on supporting communities affected by climate-related disasters. Multiple severe weather events occurred across the region during the year, including typhoons or extreme flooding impacting countries such as Vietnam, Indonesia, Thailand, Philippines and Malaysia.

As climate change continues to increase the frequency and severity of these events, flood-related impacts have become more pronounced across communities within our operating footprint. In response, the Group prioritised humanitarian initiatives that support disaster preparedness, response and recovery, recognising the importance of timely assistance and long-term resilience in climate-vulnerable regions.

**Regional Snapshot**

✓ **RM994,590** Raised from seats sold

✓ **RM15,000** Provided for relief support

✓ **691** beneficiaries received food packs, hygiene kits, and essential supplies

✓ **170** flight tickets for humanitarian organisations and volunteers

Note: Funds were raised in local Philippine peso PHP 15,000,000 and converted to Malaysian ringgit for the purpose of this report.

Here's a breakdown of our humanitarian assistance initiatives:

1

Indonesia

**Typhoon Senyar, Indonesia**

In late 2025, flooding and landslides in Sumatra and Aceh prompted urgent relief efforts. AirAsia and AirAsia Foundation provided targeted support to relief and recovery efforts in affected communities. Assistance was delivered between December 2025 and January 2026 through a combination of sponsored flight tickets, special fare arrangements, and direct funding, working closely with local partners to ensure needs-based interventions.



Delivery of food supplies to the community kitchen.

**Funding and Essential Aid Distribution**

A total of RM15,000 was provided to Natural Aceh and Lembaga Pengkajian dan Pemberdayaan Masyarakat (LP2M) to support flood-affected communities in Aceh and Padang. LP2M distributed 187 hygiene kits to women to support household cleaning and personal hygiene. Natural Aceh utilised the funds to address urgent needs, including the provision of food packages, clothing, sleeping materials, hygiene kits, generators, solar-powered lamps, and trauma support activities for children, benefiting an estimated 504 individuals.

**Logistics and Humanitarian Access**

In addition, eight flight tickets were sponsored for humanitarian organisations, facilitating the delivery of food, water, and hygiene kits to more than 1,500 households. We also supported Yayasan Arkom Indonesia in conducting rapid needs assessments, providing eight sponsored flight tickets to enable the team to evaluate affected areas and inform early recovery planning and community-led interventions.

### Healthcare Support

Healthcare support was a critical component of the response. AirAsia supported a humanitarian medical mission by Beacon Hospital through special fare arrangements, enabling a team of 19 doctors and healthcare professionals from Malaysia to provide on-site medical care to nearly 600 flood and landslide victims in Aceh Tamiang and surrounding areas, ensuring urgent health needs were met quickly and effectively.



Psychosocial support and aid packages for children.

### Water, Sanitation and Shelter

Following the needs assessment, Yayasan Arkom Indonesia facilitated the cleaning of 13 water wells for residents. They were trained and equipped to maintain them independently, ensuring sustainable access to clean water. Shelter support included the construction of six communal units and the distribution of 13 shelter kits, providing urgent relief while supporting longer-term recovery.



Preparation of aid packages.

2

Philippines 

### Cebu Earthquake & Typhoon Kalmaegi, Philippines

In late October 2025, the Cebu earthquake struck the Philippines, followed shortly by Typhoon Kalmaegi in early November 2025, causing widespread damage to homes, infrastructure, and livelihoods across affected regions, particularly in Cebu and nearby provinces.

In response, AirAsia launched the "To the Philippines with Love" campaign from 15 November 2025 to 14 January 2026 to support recovery efforts. Under this initiative, PHP15 from every seat sold during this period was committed to funding disaster relief and recovery initiatives. A total of PHP15,000,000 was raised from the seats sold.

Funds raised will be administered by AirAsia Foundation. To ensure effective deployment of funds, AirAsia Foundation has launched a Philippines Disaster Relief Grant to support grassroots organisations working on recovery efforts in communities affected by the earthquake and typhoon. The grant call invites eligible organisations to submit proposals focused on rebuilding community infrastructure, restoring livelihoods, and strengthening disaster preparedness.

All applications will undergo an evaluation process, with shortlisted proposals presented to the Foundation's Council of Trustees for review and approval. This governance ensures that funding is directed towards areas of greatest need with an emphasis on community-led initiatives that support vulnerable groups and contribute to long term resilience.



**TO THE PHILIPPINES WITH LOVE**



Let's rebuild hope together.

A total of  
**PHP 15,000,000**  
 was raised from the seats sold

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3

Thailand 




**Hat Yai Floods**

Following severe flooding in Hat Yai and the southern region of Thailand, Thai AirAsia has supported the transport of donated supplies from various organisations through its flight network, connecting Don Mueang, Chiang Mai, and other regional provinces to Hat Yai and Narathiwat. Between 24 November and 3 December 2025, the total volume of relief goods transported exceeded 98,000 kg. In addition to transporting essential supplies, the Company has partnered with the Mirror Foundation to provide 150 complimentary return tickets for volunteers deployed to restore homes between 29 November and 13 December 2025.

Allstars were also invited to donate essential items to support affected colleagues and their families. A total of 100 Allstars volunteers participated in packing donated supplies, contributing 200 volunteer hours. In total, 13,200 kg tonnes of relief items were transported via AirAsia flights to southern Thailand to support affected Allstars and their families.



**Allstar Contributions**

-  **100** Allstar volunteers
-  **200** volunteer hours
-  **13,200kg** of relief items from Allstars

4

Malaysia 

**Malaysia Floods**

In Malaysia, AirAsia supported 4 flight tickets to transport relief aid officers from the humanitarian aid organisation, Iltizam Relief Society, to provide immediate relief such as food baskets and water to 734 families for the flood in Penampang, Sabah.



# EMPLOYEE VOLUNTEERISM - #ALLSTARSDOGOOD

AirAsia continues to encourage employee volunteerism and community engagement through the Allstars Do Good initiatives.

**✓ 912** Volunteer hours to meaningful cause  
(2024: 839 hours)

**✓ RM8,208** Paid Volunteering Time Off  
(2024: RM7,551)

1

## Allstars Care Box and Red Heart Fund

After the earthquake and typhoon in Cebu, Allstars mobilised to support affected colleagues through the "Allstars Care Box" initiative. Care packages containing essential supplies were distributed directly to impacted Allstars under the "by Allstars for Allstars" effort.

In addition, financial and material support was provided through the Red Heart Fund, which raised RM 17,364. The fund combined contributions from Allstars and the Red Heart Fund to assist colleagues in rebuilding and recovering from the disaster. The Allstars Red Heart Fund was established in 2011 to help and support Allstars who experience a sudden hardship or emergency situation that is caused by an unforeseen or unavoidable event.

Furthermore, following the floods in Malaysia, a dedicated page was launched in internal Workvivo for affected Allstars to submit requests for assistance and RM 7,204 was contributed by Allstars to support colleagues affected by the disaster in Sumatra, Indonesia.



Care Box

2

## Airport Operations Volunteering

The airport volunteering programme provides Allstars with exposure to airline ground operations and guest engagement. The initiative aims to strengthen understanding of operational roles while reinforcing the Allstar value of "Have Empathy and Respect" when serving guests. Volunteers receive basic training and are assigned tasks where they can provide assistance during peak and festive travel periods, supporting ground staff at the airport to help ensure smoother travel experience for guests.

In 2025, a total of 89 Allstars participated in the programme, contributing 712 volunteer hours.

**✓ 89**  
Allstars assisted

**✓ 712**  
volunteer hours



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### Blood Donation Drive

The Blood Donation Drive encourages Allstars participation in blood donation to support healthcare needs.

In Malaysia, the programme was conducted in collaboration with the National Blood Centre, with a total of 481 Allstars donating blood in 2025. In Indonesia, the initiative was organised with Palang Merah Indonesia, receiving 106 donors in 2025. Both programmes are planned to continue in 2026.



**587 Allstars**

contributed to the national blood bank



4

### Do Good This Christmas

This Christmas initiative encouraged Allstars to support community organisations through volunteering and donations.

A total of 36 Allstars volunteered at Joy Garden, supporting activities such as cookie decorating and event facilitation. In addition, 107 Christmas gifts were donated through a donation-in-kind drive held at RedQ, RedStation, and Wisma Capital A. The estimated value of donated items is more than RM10,000.

