

CORSIA
A321neo
Diversity
Net Zero
Technology
eBoarding Pass
Gender Pay Gap
Carbon Intensity
Carbon Offsetting
Operational Safety
Women in Aviation
Operational Efficiency
Anti-Human Trafficking
Sustainable Aviation Fuel
Anti-Bribery & Anti-Corruption

**Sustainability
Report**

2023

capital 

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ABOUT THIS REPORT

(GRI 2-1, 2-2, 2-3)

Capital A Berhad (Capital A or the Group)'s Sustainability Report 2023 marks the first standalone publication of our sustainability journey, demonstrating our long-term commitment to transparent and accountable reporting. In this report, we provide updates on the sustainability initiatives executed to propel our business.

This report provides an overview of our economic, environmental and social (EES) approach, performance and achievements to create long-term sustainable value for our stakeholders. We demonstrate our ability to carefully manage pertinent sustainability risks and opportunities that impact both our business operations and stakeholders.

The focus this year is on championing the spirit of doing more with less to resonate with our practice of delivering positive sustainable action with the resources we have. In addition, we describe new initiatives introduced as well as the progress and achievements of existing initiatives throughout the year.

This report should be read along with our 2023 Annual Report for more comprehensive disclosure on our operating and financial performance.

REPORTING FRAMEWORK, GUIDELINES & INDICES

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

Other frameworks and guidelines taken into consideration include:

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

REPORTING SCOPE AND BOUNDARIES

This report covers the sustainability performance of Capital A and its subsidiary companies for the reporting period from 1 January 2023 to 31 December 2023, unless stated otherwise. Throughout the report, the terms "we" or "the Group" refer to Capital A while each subsidiary is referred to by its own name, and the airlines collectively are referred to as AirAsia. Where relevant and available, this report provides comparative historical data.

Disclosures for the airlines include AirAsia Malaysia (MAA), AirAsia Thailand (TAA), AirAsia Indonesia (IAA), AirAsia Philippines (PAA) and AirAsia Cambodia. In 2021 and 2022, we reported only on MAA, IAA and PAA, with TAA statistics reported separately in Asia Aviation Public Company Limited's sustainability statement. This year, TAA has been reincorporated into our reporting scope in line with the Group's

acquisition of full equity in the airline, while AirAsia Cambodia has only recently been set up in late 2023.

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

FORWARD-LOOKING STATEMENTS

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

ASSURANCE

To ensure the accuracy and integrity of our disclosures, this report has been reviewed by Capital A's Sustainability Working Group (SWG), audited by the Group's internal audit department in line with the International Professional Practices Framework, and endorsed by the Board of Directors. The Board has, further, validated the report's relevance to the Group's business and performance. Moving forward, we aim for a more comprehensive internal audit to further strengthen the credibility of our sustainability reports.

CONTACT US

In order to continuously improve our reporting and sustainability efforts, we welcome ideas and comments from our stakeholders. Please direct your enquiries, feedback or comments on Capital A's 2023 Sustainability Report to:



sustainability@airasia.com



Website: <https://www.capitala.com/sustainability.html>

Message from the Chief Sustainability Officer

(GRI 2-22)

Welcome to our first standalone sustainability report, published in a year that holds special significance for all of us at Capital A. This is the first year since 2019 that all AirAsia airlines have been able to fly uninterrupted by lockdowns at our hubs and stations. It is also the year that our entities charted a return to profitability. In sustainability, we finally reaped the fruits of a strategic realignment that we started over two years ago to prioritise the management of our ESG risks and to communicate better. This earned us improvements in ESG scores across all our tracked indices and won us our first Gold Environmental Sustainability Rating from the Centre for Aviation (CAPA).



Of the progress made this year, there are three areas that I wish to highlight. The first relates to the phenomenal effort that our aviation arm has put into rebuilding our network. Getting aircraft that have been mothballed for two years back to tip-top shape remains challenging, given a continued global shortage of skilled manpower, parts and maintenance slots. However, in measuring our guest experience, we found that our airline group had maintained an overall on-time performance of 77% in tandem with a strong recovery of our Net Promoter Score to 52 from a low of 36 in 2022. This was while retaining our 7* safety rating by AirlineRatings.com. Our carbon intensity measures have also fallen below 2019 levels, indicating a full recovery in operational efficiency performance.

Alongside reactivation of our fleet, we also had to recruit rapidly while keeping sight of our diversity target to employ at least 30% women in all job categories. Some significant wins were in raising the number of women in leadership positions in our aviation arm to 15.2% from 10.5% the previous year and increasing female pilot representation to 7% from 6.6%. We also successfully raised the representation of women in IT to 23.9% from 17.7% in 2022.

Third, we launched a fresh approach to communicating our sustainability and net zero commitments, sharing our perspectives on aviation sustainability at numerous national and international fora. In all our AOC countries, we have been able to establish new relationships with stakeholders in the environmental sector, from government officials to carbon market players. AirAsia representatives were also appointed as experts to ICAO's Committee for Environmental Protection.

As we move into the new year, we will be continuing the core initiatives that have been set in motion and raising the bar on others. Ongoing initiatives would include securing regulatory approvals for our plan to manage our CORSIA offset and reduction exposure, and taking our aviation sustainability awareness campaign regional. At ADE, we are finalising plans to introduce renewable energy at our maintenance facilities while GTR aims to expand its fleet of e-vehicles. With our digital business streamlined to drive growth, we are also investing in enhancing our information security infrastructure. We can also expect to see renewed activity at AirAsia Foundation to develop partnerships on sustainable travel.

These initiatives will enable us to continue raising the bar on sustainability performance across the Group and keep air travel safe, secure and accessible.

With regards,
Yap Mun Ching
Chief Sustainability Officer
Capital A Berhad



1st GOLD

Environmental
Sustainability Rating
from the Centre for
Aviation (CAPA)

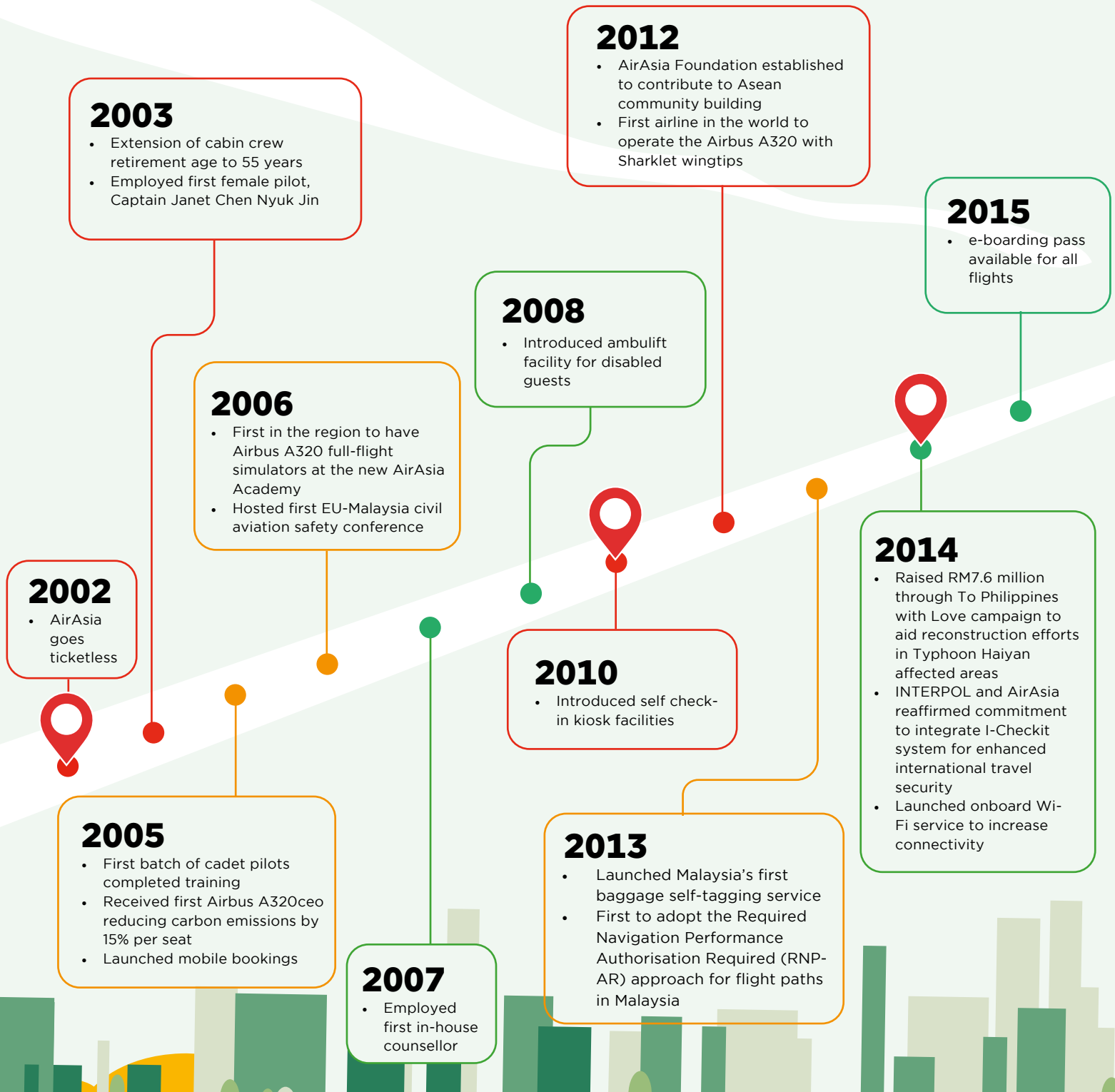
Female pilot
representation:

7%
(2022: 6.6%)

Women in
leadership positions:

32%

Our Sustainability Journey



Onwards #NeverStop



2017

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

2019

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

2020

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

2018

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

2022

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

2023

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

2016

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

2021

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

Awards & Recognition

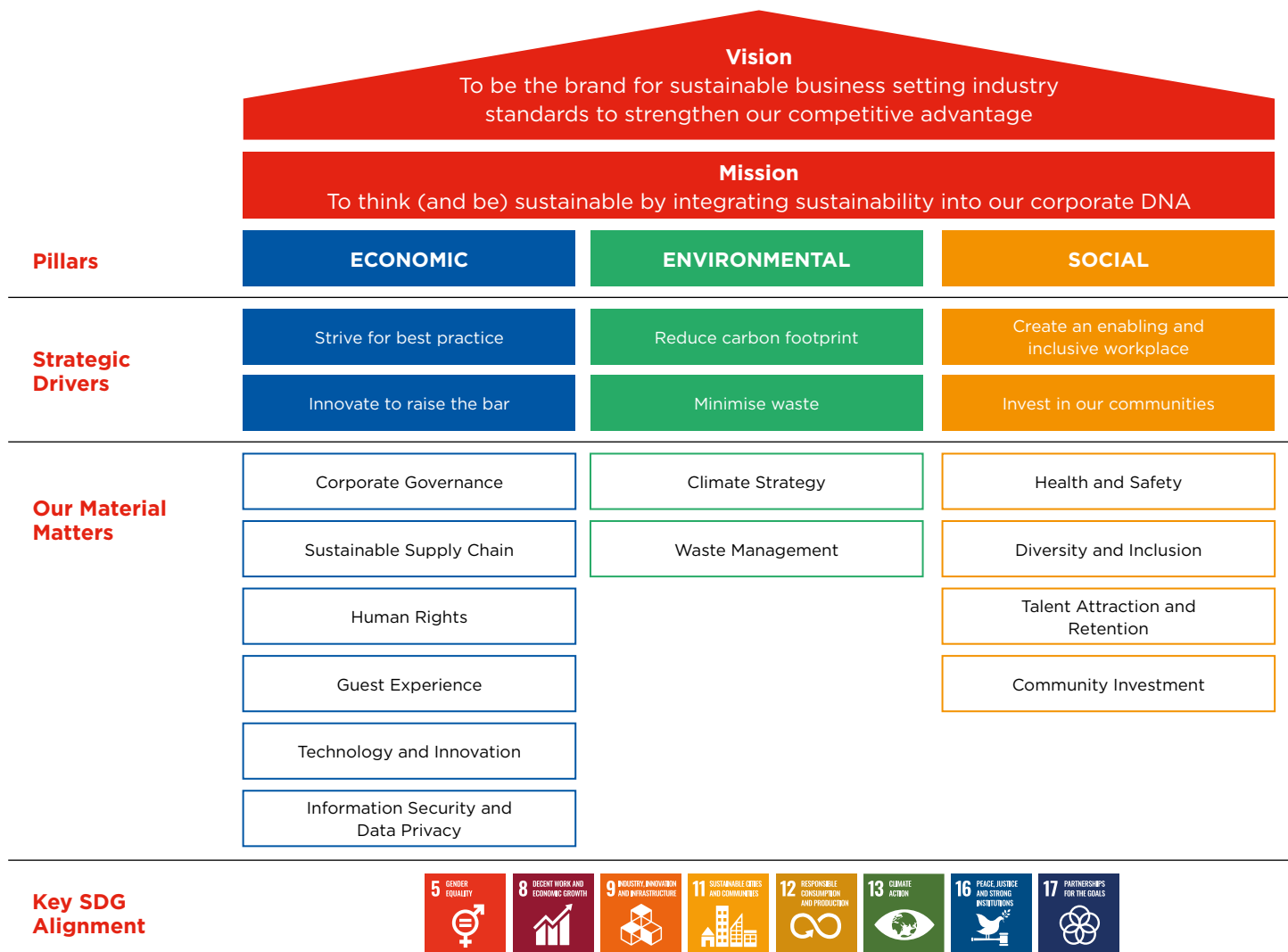
Recognition received for efforts carried out in 2022 that were assessed in 2023:

1	CAPA Centre for Aviation 	Gold rating In the CAPA-Envest Global Airline Sustainability Benchmarking & Rating Report 2023	
2	FTSE4Good Bursa Malaysia Index	3.2/5 A three percentage point improvement from 2021	
3	London Stock Exchange Group (LSEG)	71% Ranked 15th out of 124 passenger transportation service companies assessed	
4	S&P Global Corporate Sustainability Assessment	40% Maintained score from previous year	
5	The Stock Exchange of Thailand	81% A 14 percentage point increase from the reporting year 2021	
6	Maybank Investment Banking & Advisory	59% Above the average ESG score	
7	Bloomberg Gender Equality Index (GEI)	65% in 2022 - results for 2023 to be released in Q2 2024	

Sustainability Redbook & Framework

GRI 2-23, 2-24

Throughout the years, we have progressively strengthened the foundation laid to embed sustainability in our business. In 2022, we developed a Sustainability Redbook, which sets out our EES roadmap up to the year 2035. This roadmap will guide us towards the Group’s vision of delivering positive impact for the business, environment and communities, anchored on the framework below.



Our Sustainability Redbook was designed to complement the Group’s five-year business strategy, outlining a net zero roadmap as we progress towards our sustainability objectives. Under the economic, environmental and social pillars, we identified six strategic drivers to deliver outcomes categorised under 12 material topics. We have set internal time-bound targets for the short, medium and long term to track our progress towards our goals.

As the sustainability landscape is dynamic, we will keep reviewing our goals and targets to improve the Sustainability Redbook and align our business objectives with the global sustainability agenda.



Under the environmental and social pillars, we have centred our targets for 2026 on four focus areas for better impact:

OUR AMBITIONS FOR 2026

SUSTAINABILITY POLICY

Our Sustainability Policy highlights our commitment to minimising our environmental footprint, securing the integrity of our systems, investing in our talent, and serving our communities. The policy was approved by the Risk Management and Sustainability Committee and AirAsia Aviation Group Limited Sustainability Committee in the first quarter of 2023, further strengthening our commitment towards advancing our sustainability agenda. It will be reviewed periodically to ensure that it remains up to date with our progress.

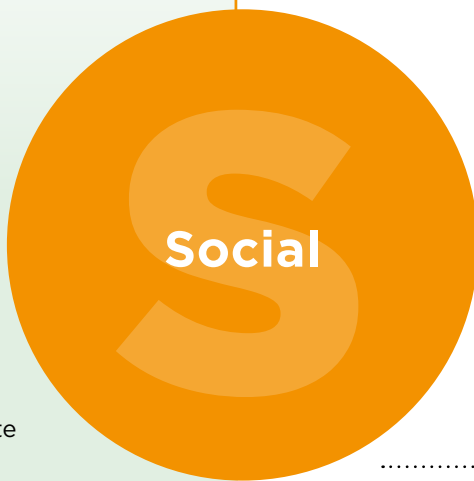
Our overall ambition is to do more with the resources we have and be the brand for sustainable business. Moving forward, we will continue to internalise and work towards targets set in the Sustainability Redbook while increasing sustainability awareness across our operations to Win As One.

▶ Net Zero Emissions

- Cap emissions at 85% of 2019 levels
- Invest in Sustainable Aviation Fuel for utilisation in the near future
- Utilise bio-fuels to operate ground vehicles
- Explore and purchase suitable carbon offsets for residual carbon emissions
- 15% of power consumption mix to be renewable energy
- All new buildings to be Green certified and utilise at least 30% renewable energy
- Achieve full paperless operations
- Convert all on-site servers to cloud-based servers

▶ Circular Economy

- Reduce waste to landfill by 10% per annum
- Zero single-use plastics
- Cap food waste at 15%
- 30% of total procurement to be from ESG-compliant suppliers
- 10% of materials to be biodegradable or recycled



▶ People and Talent

- Achieve a minimum of 30% women representation across all employee levels including the Board
- Support women in STEM by achieving a minimum of 10% women pilots and engineers, and 30% women in tech
- Invest 2% of total manpower budget into training & development
- Achieve 1.5 human capital return on investment ratio

▶ Communities

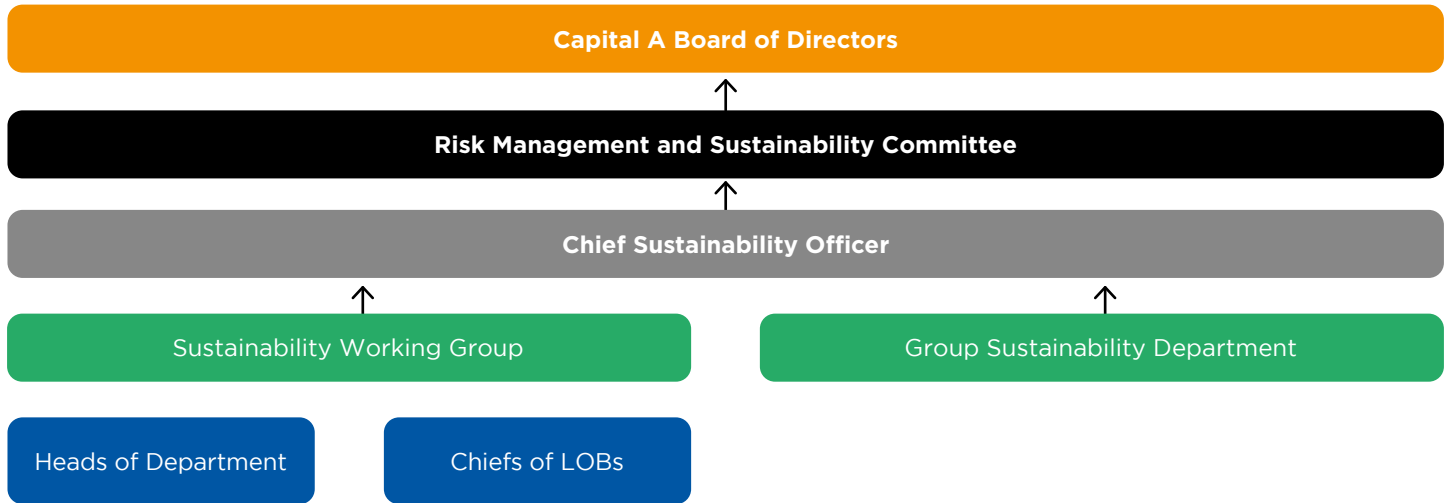
- Positively impact 100 million people
- Generate RM12 million revenue per annum from social and micro, small & medium enterprises (MSMEs)



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

SUSTAINABILITY GOVERNANCE

GRI 2-14



Capital A’s Board of Directors has overall responsibility for the Group’s sustainability strategy and approach to climate change with the assistance of the Risk Management and Sustainability Committee (RMSC). The RMSC, which meets every quarter, is responsible for providing Board-level oversight and assessing the Group’s strategic direction, policies, principles and practices on sustainability and risk management matters.

INTRODUCTION OF TWO ESTEEMED SUSTAINABILITY BOARD ADVISERS

Our Aviation arm, AirAsia Aviation Group Limited (AAAGL), has a standalone Board Sustainability Committee (BSC) to ensure board oversight and guidance specific to aviation sustainability. In the second quarter of 2023, we appointed two distinguished advisers



Tan Sri Dr Jemilah Mahmood
Professor of Planetary Health and member of advisory councils for Foreign Policy Malaysia, Health White Paper and Malaysian Red Crescent



Dr Veerathai Santiprabhob
Former Governor of the Bank of Thailand

Their unwavering commitment to sustainability, coupled with their extensive expertise serving in public institutions position them as invaluable assets to our committee.

The RMSC is supported by the Chief Sustainability Officer (CSO) who leads the Sustainability Department and spearheads Capital A’s sustainability efforts through the Group’s sustainability strategies and initiatives. The Sustainability Department’s tasks include reporting, identifying key sustainability risks and opportunities, stakeholder engagement and the implementation of sustainability initiatives. The CSO also provides regular updates on sustainability progress to the RMSC and Board of Directors, and supports the RMSC in making informed decisions that incorporate sustainability perspectives into business decisions.

In addition, the CSO chairs the Sustainability Working Group (SWG), a cross-functional committee comprising heads of department and sustainability representatives from all LOBs. At quarterly SWG meetings, matters such as new reporting requirements, best practices and ongoing sustainability initiatives are discussed.

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



ESG assessment outcomes



Sustainability strategy, targets and initiatives



Sustainability performance and updates







For more information on our governance, please refer to our Annual Report 2023.

STAKEHOLDER ENGAGEMENT

GRI 2-29

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

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

Stakeholder Group	Engagement Channels	Areas of Interest	How We Respond
 Investors	<ul style="list-style-type: none"> Investor meetings & conference calls Annual General Meetings & Extraordinary General Meetings Investor Relations website Investor briefings by Senior Management Annual Reports 	<ul style="list-style-type: none"> Financial performance CG practices Long-term business strategy Brand management Operational performance Occupational health & safety Customer relationship management Innovative initiatives Environmental management 	<ul style="list-style-type: none"> Actively communicate with investors Provide timely updates on business performance & strategies Focus on enhancing our branding and expanding lines of business Ensure safe & healthy working environment Sustainability practices
 Market Analysts	<ul style="list-style-type: none"> Analyst briefings, meetings & conference calls Media interviews & releases Investor Relations website Annual Reports 	<ul style="list-style-type: none"> Financial performance CG practices Long-term business strategy Brand management Operational performance Guest experience Environmental management Data privacy & security 	<ul style="list-style-type: none"> Continued engagement with analysts Timely updates on business performance & strategies Focus on enhancing our branding and expanding lines of business Sustainability practices
 Regulators / Governmental Bodies	<ul style="list-style-type: none"> Regular dialogue through face-to-face meetings & official correspondence Parliamentary sessions Formal meetings with government officials initiated by Capital A Tours and familiarisation visits to Capital A premises 	<ul style="list-style-type: none"> CG practices Policy & regulatory compliance Risk & crisis management Data privacy & security Environmental management 	<ul style="list-style-type: none"> Engage closely with regulators and governmental bodies Announce or report relevant information in a timely manner Maintain standards and certifications
 Social Enterprises	<ul style="list-style-type: none"> Corporate community programmes Funding of social enterprises through AirAsia Foundation Regular dialogue Events 	<ul style="list-style-type: none"> Ethics & integrity Innovation Job creation Economic development 	<ul style="list-style-type: none"> Create support system for social enterprises Actively communicate with social entrepreneurs Increase employability through job creation
 Suppliers	<ul style="list-style-type: none"> Regular dialogue and reviews One-to-one meetings 	<ul style="list-style-type: none"> Agreeable terms & contracts Service efficiency, value, delivery & cost Health & safety 	<ul style="list-style-type: none"> Ensure consistent communication with suppliers on contracts and Supplier Code of Conduct Compliance with required policies Provide safe and healthy workplace
 Local Communities	<ul style="list-style-type: none"> Community development programmes Corporate social responsibility initiatives Partnerships and employee volunteerism Websites and social media platforms 	<ul style="list-style-type: none"> Community engagement Rural development & empowerment Environmental impact 	<ul style="list-style-type: none"> Undertake empowerment programmes, volunteerism and donations Provide humanitarian assistance and post-disaster relief

MEMBERSHIP OF ASSOCIATIONS

GRI 2-28



MALAYSIA

- Member of the CEO Action Network (CAN) since 2020.
- Appointed as a council member of the ASEAN Business Advisory Council (ASEAN-BAC) for the 2023-2026 term.
- Advisor to the Ministry of Natural Resources, Environment and Climate Change (NRECC)'s national advisory panel on climate change.
- Chair of the national task force on CORSIA by the Civil Aviation Authority of Malaysia (CAAM).
- Technical expert to the International Civil Aviation Organisation's Committee on Environmental Protection.
- Member of the Aviation Suppliers Association (ASA), a global trade association of aviation-related suppliers.



THAILAND

- Regularly engaged with the Civil Aviation Authority of Thailand (CAAT).
- Member of the Airlines Association of Thailand.
- Appointed as a committee member and secretary of the Airlines Association of Thailand.



INDONESIA

- Engage closely with the Directorate General of Civil Aviation of Indonesia (DGCA) and Indonesia Air Carriers Association (INACA) on aviation related initiatives and activities.
- Appointed as an Expert to the INACA on creating a competitive business environment for the aviation industry.
- President of the ASEAN Tourism Association (ASEANTA) for 2023-2025 to revitalise the tourism and travel industries.



PHILIPPINES

- Engage closely with the Civil Aviation Authority of the Philippines regarding aviation-related matters.
- Active member of the Air Carriers Association of the Philippines (ACAP) and the Board of Airline Representatives (BAR) to promote tourism and trade.
- Member of the Cebu Chamber of Commerce and Industry and the Davao City Chamber of Commerce and Industry.
- Cooperate in tourism initiatives with the Philippine Tourism Promotions Board (TPB) alongside various hotel and restaurant associations and travel agency associations.

MATERIAL MATTERS

Materiality assessments are integral to our sustainability strategy as they enable us to identify EES issues that might affect our business and our stakeholders. To ensure that the ESS issues remain relevant and aligned with current sustainability trends and regulatory shifts, we conduct a materiality assessment every two years, and review the material matters annually.

MATERIALITY ASSESSMENT

In 2023, we undertook a comprehensive materiality exercise to identify EES issues that are relevant to our business and stakeholders' expectations. The assessment, involving a total of 1,101 key internal and external stakeholders, followed the following three steps:



Identify

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



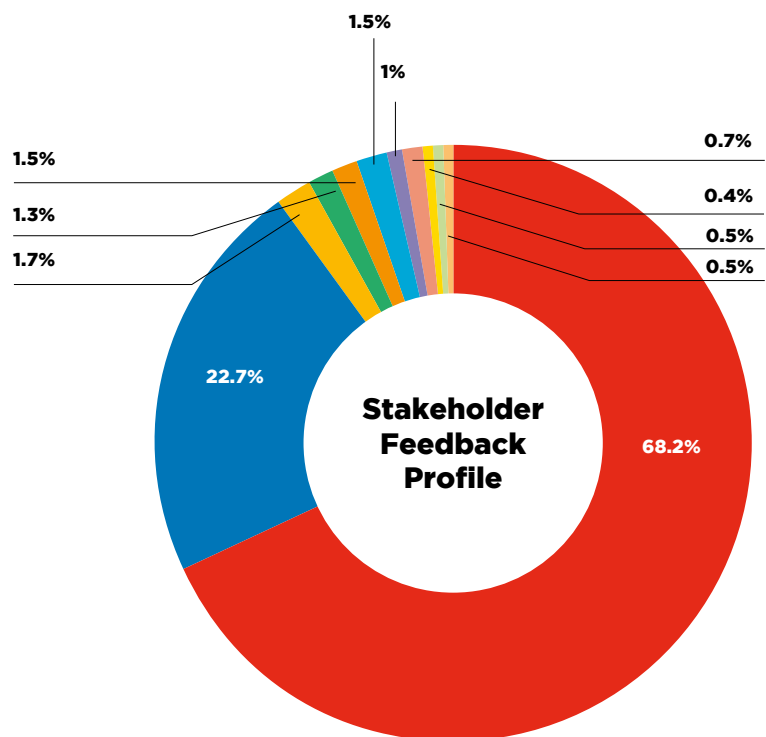
Prioritise

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



Validate

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



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

OUR SUSTAINABILITY APPROACH



2023 Materiality Assessment Updates

- **“Health & Safety”** has become the most important material matter from the perspective of stakeholders.
- **“Human Rights”** and **“Diversity & Inclusion”** have emerged as new material matters.
- **“Guest Experience”**, **“Information Security”** and **“Corporate Governance”** continue to remain among our Top 5 material matters.
- **“Supply Chain Management”** has been renamed **“Sustainable Supply Chain”**.
- **“Technology & Innovation”** has been added as a separate material matter.

Note:

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

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



Corporate Governance

Description	Why It Matters	Risks	Opportunities
Delivering integral and transparent operations by upholding the highest standards of corporate governance and ethical conduct to ensure the trust and best interest of our stakeholders.	Given that our business covers a broad range of portfolios (airlines, aircraft MRO, ride-hailing, delivery, fintech, e-commerce, logistics, edutech, etc.), it is important for us to practise the highest standard of integrity.	Any legal or regulatory breach in compliance, as well as corruption, resulting in reputational and/or financial loss.	Adherence to the highest standards and best practices.



Sustainable Supply Chain

Description	Why It Matters	Risks	Opportunities
Reinforcing a sustainable supply chain through our Supplier Code of Conduct where our suppliers are expected to meet our expectations of ESG best practices.	As a responsible organisation with a wide range of critical suppliers across our LOBs, our supply chain can impact the Group's sustainability progress.	Unsustainable procurement resulting in loss of competitive advantage.	By integrating sustainability practices into the supply chain, we are able to mitigate risks associated with environmental, social and regulatory factors.



Human Rights


Description	Why It Matters	Risks	Opportunities
Commitment to respecting the fundamental rights and freedoms of Allstars as well as to preventing human trafficking, forced labour, child labour and discrimination in our business and value chain.	Like all businesses, we face the risk of being exposed to human rights abuse in our own operations and supply chain, especially given that the aviation industry affects several industries with human rights impact.	Violations of human rights might lead to reputational damage, loss of stakeholders' trust and a breach of Employment Law.	Reputation as a fair employer attracts various benefits and high-quality talents.





Guest Experience


Description	Why It Matters	Risks	Opportunities
Building trust and loyalty with customers through the continuous improvement of our customer experience and service quality for greater satisfaction.	The happiness and satisfaction of our customers is key to cultivating a strong brand image, retaining valued clientele, and establishing our brand as their preferred choice for air travel.	Inability to meet customers' demands might damage our brand and reputation, leading to the loss of customers.	Regular interaction with customers and taking action on their feedback enables continuous improvement of our products and services to deliver exceptional customer service.

OUR SUSTAINABILITY APPROACH

Technology & Innovation 			
<p>Description</p> <p>Harnessing the capabilities of technology to innovate, build partnerships and unlock new opportunities for business growth in our transformation to become a digital lifestyle and travel brand.</p>	<p>Why It Matters</p> <p>Technology and Innovation are key to our success and sustainable growth. By providing seamless digital solutions, we ensure the company's competitive advantage against competitors.</p>	<p>Risks</p> <p>Loss of competitive advantage and relevance, and market share erosion.</p>	<p>Opportunities</p> <p>Creating a digital experience that is both seamless and distinctive for customers.</p>

Information Security & Data Privacy 			
<p>Description</p> <p>Safeguarding data privacy and information security of Allstars, customers and all third parties by upholding robust cybersecurity systems.</p>	<p>Why It Matters</p> <p>Given the extensive volume of data pertaining to Allstars and customers, it is essential for us to safeguard sensitive information and uphold regulatory compliance.</p>	<p>Risks</p> <p>Exposure to data breaches and leakage due to ineffective cybersecurity measures resulting in the loss of business and customer information and trust.</p>	<p>Opportunities</p> <p>Execution of strategic information security programme to achieve world-class standards.</p>

Climate Strategy 			
<p>Description</p> <p>Taking responsibility for our climate impact by putting in place a net zero strategy and managing our climate-related risks and opportunities. It encompasses the management of our greenhouse gas emissions, energy consumption and water usage.</p>	<p>Why It Matters</p> <p>With the increase in climate change events in recent years, it is important to mitigate and adapt to climate-related risks, and ensure proper resource management for business resilience.</p>	<p>Risks</p> <p>Deprioritised from getting business funding by financial institutions as well as reputational damage.</p>	<p>Opportunities</p> <p>Effective emissions management and strategic net zero roadmap will help raise our ESG valuation.</p>

Waste Management 			
<p>Description</p> <p>Monitoring and managing waste generated by practising the principles of reduce, reuse and recycle. It includes waste from our offices, operations and packaging.</p>	<p>Why It Matters</p> <p>Efficient waste management prevents unnecessary waste generation while contributing to operational efficiency and cost savings, enhancing brand reputation and supporting long-term sustainability.</p>	<p>Risks</p> <p>Failure to meet stakeholders' expectations in terms of managing waste may pose reputational risks.</p>	<p>Opportunities</p> <p>Effective waste management inculcating sustainable practices in Allstars and communities.</p>

Health & Safety 

Description	Why It Matters	Risks	Opportunities
<p>Prioritising and protecting the health and safety of Allstars and customers throughout our operations. We inculcate a culture of safety through robust operational and occupational management systems and awareness initiatives.</p>	<p>Ensuring the health and safety of our stakeholders is of utmost importance as it directly influences our licence to operate and the trust customers place in us.</p>	<p>Unsustainable Occupational Safety, Health and Environment (OSHE) performance resulting in business and operational impact.</p>	<p>Inculcation of a safety culture among Allstars leading to increased operational reliability.</p>

Diversity & Inclusion 

Description	Why It Matters	Risks	Opportunities
<p>Embracing a diverse and inclusive workforce where representation is reflected at all levels and Allstars are treated with respect and dignity, receiving equal opportunities.</p>	<p>Diversity across a company brings in different ideas and experiences, and widens access to the best talent, leading to an improved company culture.</p>	<p>Lack of diversity can limit the variety of perspectives and ideas, hindering innovation and creativity.</p>	<p>By leveraging diversity and inclusion, we can create a more equitable workplace and drive positive business outcomes.</p>

Talent Attraction & Retention 

Description	Why It Matters	Risks	Opportunities
<p>Attracting top talent and investing in the training and development of our talent pool while nurturing Allstars to achieve personal and professional growth.</p>	<p>The implementation of our business strategies relies heavily on our Allstars. As a responsible employer, we aim to provide a safe and decent working environment for our people.</p>	<p>Insufficient pool of competent persons to drive sustainable values across the LOBs.</p>	<p>Robust talent management plans to produce capable talent.</p>

Community Investment 

Description	Why It Matters	Risks	Opportunities
<p>Empowering and investing in our communities through initiatives that support gender equity, sustainable travel and Asean community building.</p>	<p>It is important to foster the sustainable development of communities to contribute to the long-term sustainability of the regions in which we operate.</p>	<p>Potential financial/ brand implications when there is imbalance in social, economic and environmental needs.</p>	<p>Partnerships with social enterprises and local communities strengthens our relationships, reputation and sustainability outcomes.</p>



For further information on our risk management please refer to the Statement on Risk Management & Internal Control section of the Annual Report 2023.

Economic

Corporate Governance

(GRI 3-3)

At Capital A, we are committed to maintaining robust corporate governance in every line of business. Our strong leadership, transparency and effective risk management are cornerstones upon which we operate to create stakeholder trust and confidence in our ability to create long-term value.

2023 Performance Overview



100%
new joiners completed live training on the Code



100%
new Allstars completed ABAC policy training



Digitalised
reporting of Gift Declaration process



ESG risk categories
incorporated into ERM



Climate-related risks
in Business Continuity Plan (BCP)

Our Management Approach

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

Supporting the UN SDGs



ETHICS AND INTEGRITY

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

As a company that has a diverse range of operations, we continuously review our business practices and work diligently to conduct our business ethically and with integrity. Guided by comprehensive internal controls and robust risk management, we ensure all our businesses adhere to the following codes and policies:

Code of Conduct and Ethics

Allstars are expected to uphold our reputation by maintaining integrity in their dealings with all stakeholders, guided by the Code, which addresses key ethical principles including bribery and corruption, confidentiality of information, conflicts of interest, money laundering, insider trading, whistleblowing and the preservation of safety, health and the environment.

2023 Performance

100% of new joiners completed live training on the Code as part of their onboarding. They were also required to acknowledge that they accept and will uphold its standards.

We are in the process of developing an e-learning module on the Code and Disciplinary Policy which will be incorporated into the onboarding programme.

GRIEVANCE MECHANISMS

GRI 2-16, 2-25, 2-26

We have in place several channels for internal and external stakeholders to raise any concerns they may have relating to misconduct or improprieties.

1. askPAC

Allstars are encouraged to report any incident that violates the principles of the Code through our AI chatbot in the askPAC system. These concerns are received and assessed by the employee relations team which then assigns personnel to investigate and resolve the issues. All concerns raised are treated with the utmost confidentiality. In 2023, we received a total of 281 reports related to harassment, fraud, misappropriation or abuse of company benefits and others. As part of the due diligence process, each case was thoroughly investigated with escalations undertaken where necessary. Cases are resolved with either a debriefing note, warning or dismissal. We constantly strive to improve our internal processes and emphasise our zero tolerance for impropriety.

Steps in the Grievance Mechanism Procedure

Case received

Case reported through the grievance channels.

Assessment of case severity

An inquiry will be conducted for both major and minor cases where an investigation will be conducted, issuance of Notice to Explain (NTE), followed by appropriate disciplinary action as a closure.

Investigation

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

Resolution

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

2. WHISTLEBLOWING

We promote secure channels for internal and external stakeholders to raise concerns about unethical, illegal or inappropriate business conduct. As per our Whistleblowing Policy, the identity of those making reports is kept confidential or strictly on a need-to-know basis to protect the whistleblower from any possible reprisal or negative reaction from persons implicated.



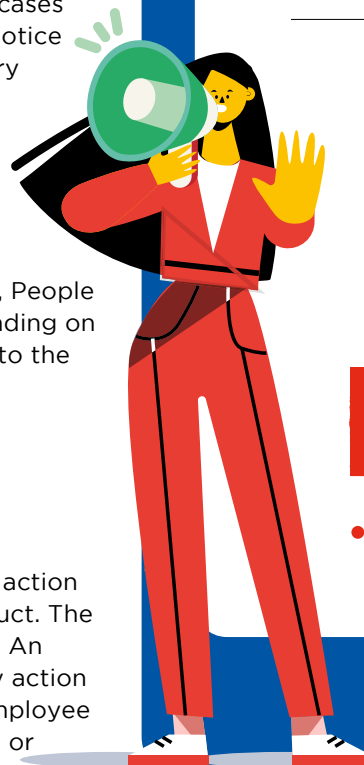
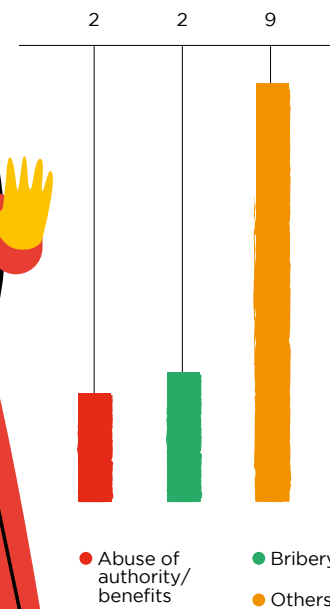
whistleblower@airasia.com



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

In 2023, we received a total of 13 reports through the whistleblowing channels, most of which related to abuse of authority, bribery, refund status, flight delays or cancellations. Every report was thoroughly investigated by the respective departments and resolved appropriately with follow-up actions. Notably, one employee faced dismissal for abusing their authority.

Nature of Whistleblowing Cases





ANTI-CORRUPTION

We adopt a zero-tolerance approach towards fraud, bribery and corruption. Our Anti-Bribery and Anti-Corruption (ABAC) Policy complies with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) that introduces corporate liability, and similar laws/regulations in the countries where we operate. To remain resilient against corruption, and in line with the Board's emphasis on integrity as well as ethical values across the Group, we assessed various departments within the Group for risks related to corruption. For more information on Capital A's ABAC policy, please refer to the Corporate Governance Overview Statement of the Annual Report 2023.

Anti-Bribery and Anti-Corruption Policy

All new Allstars are introduced to our ABAC Policy during their onboarding, with live sessions conducted by PAC and our Regional Fraud Investigation Team. New recruits are also required to complete their ABAC online training on the Group's task management platform, Workday. Additionally, new cabin crew receive a one-hour Do it Right training, which includes a section on ABAC. The policy is available on our website and intranet for easy reference at any time. We are in the process of developing an e-learning module on the ABAC Policy which is to be launched in January 2024.

2023 Performance

In line with our enhancement to the ABAC Policy in July 2023, we introduced a Gift Declaration Form. Previously, the Group's No Gift Policy which was adopted in 2020, states that no gifts, entertainment or corporate hospitality can be received or provided at all. However, this stance was revisited and revised after considering business etiquette and local cultural practices, subject to declarations being made. Allstars will need to raise requests for the receipt or provision of gifts. This request will be forwarded to Group Risk for approval/rejection.

Our revised policy includes recent examples of Allstars either receiving or giving gifts as guidance on how to avoid non-compliance with our ABAC enhancement.

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

✓ **757** new cabin crew completed the Do It Right anti-corruption training

✓ **2** cases of anti-bribery and corruption were identified and resolved



For more information on our Anti-Bribery and Anti-Corruption Policy, visit https://www.capitala.com/corporate_governance.html

RISK MANAGEMENT

In 2022, a digitised Enterprise Risk Management (ERM) Policy was established for the Group in line with our business growth and diversification, as well as for the incorporation of ESG elements. This year, the ERM Policy was further enhanced by emphasising the concept of a risk culture and incorporating ESG risk categories to manage material ESG risks within the Group. The enhanced ERM policy is aligned with the ISO 31000:2018 standards and the universally accepted risk management approach involves identification, analysis and response to risk as depicted in the diagram below:



The Risk Management and Sustainability Committee (RMSC) provides assurance to the Board that adequate policies and processes have been designed and implemented to manage risks in the Group. The RMSC meets every quarter to ensure our ERM is aligned with ESG risk management. The Chairman of RMSC is responsible for updating the Board on decisions and/or recommendations by the committee.

To ensure good risk management, three lines of defence have been put in place:



For more information on our risk management processes and initiatives in 2023, please refer to the Statement on Risk Management & Internal Control in our Annual Report 2023.

Managing Our ESG Risks

In 2023, we incorporated our ESG risks into our ERM Policy by introducing Environment, Social and Governance risk categories in the Risk Guidelines. This initiative will prompt regular reviews of the Group's ESG risks.

Moving into 2024, the Group Risk department plans to introduce ESG risk awareness at workshops on the new ERM Policy which will be rolled out to all entities within the Group.

Addressing Climate-Related Risks

As climate change issues continue to become more prominent, we have assessed the impact and probability of climate-related risks on our operations. Relevant departments identify and monitor the climate risks to which we are exposed. Operations teams such as the Network Management Centre (NMC) and Sustainability and Risk department contribute to the monitoring of regulatory, physical and global emerging risks. For physical risks, NMC along with Group Risk has a Business Continuity Plan (BCP) activation watchlist for natural events such as volcanic eruptions, floods and typhoons. The identified risks are described in the TCFD table on page 61.

Business Continuity Management

Business Continuity Management is an essential element in fortifying organisations against unforeseen disruptions, guaranteeing uninterrupted operations. Capital A uses the Business Impact Analysis (BIA), an instrumental tool within the BCP framework, to evaluate critical functions. The BIA outlines the functionality of people, processes and systems and evaluates the impact of any shortcomings in these functionalities. All key functional heads review the BCP on a half-yearly basis.

In 2023, we enhanced our BCP to address specific challenges, ie those posed by heatwaves, floods and wildfires. These strategic measures underscore our dedication to ensuring the robustness of our operations in the face of climate-related disasters.



Heatwave Preparedness

In response to the increasing threat of heatwaves, we have enhanced our BCPs to integrate measures that safeguard our infrastructure and the well-being of our employees. These include the provision of adequate cooling facilities and streamlined communication channels during extreme heat events, specifically for Operations.



Flood Resilience

Recognising the potential impact of floods on our operations, we have fortified the flood response strategies within our BCPs. These measures include improved drainage systems through active consultation with the Airport Authority, relocation of critical equipment to higher ground and the establishment of alternative operational hubs to ensure continuity in the event of flooding.



Wildfire Contingency Plans

Our comprehensive approach to wildfire contingency includes implementation of early detection systems, evacuation protocols for affected areas and active collaboration with local firefighting authorities. The aim is to minimise disruptions and maintain the safety of our operations in wildfire-prone regions.

As we navigate the complexities of climate-related risks, these measures not only safeguard our operations but also contribute to the broader goal of promoting sustainable and climate-resilient practices within the Group.

Moving Forward

We are committed to maintaining strong corporate governance practices and a rigorous risk management process to safeguard the integrity of our operations. In doing so, we will foster greater trust among our employees and other key stakeholders in our ability to create long-term sustainable value for all.

Sustainable Supply Chain

(GRI 3-3)

Given Capital A's diverse lines of business, we have a wide range of suppliers who are critical to our success and sustainability journey. We therefore seek to foster strong relationships with them and help them to grow as they help us build our businesses. Where feasible, we source from local suppliers in each country of operation in order to stimulate the local economy. While supporting our suppliers' growth, we also use our influence to shape a sustainable supply chain through responsible and ethical sourcing, as guided by our Supplier Code of Conduct (SCOC).



2023 Performance Overview



1,499
new suppliers



22,656
total suppliers



2,912
local suppliers



42%
expenditure on local suppliers



111
critical suppliers

Our Management Approach

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

Supporting the UN SDGs



While most of Capital A's procurement activities are overseen by our Group Procurement department, ADE, GTR and Santan maintain their own specialised procurement teams for the acquisition of specific goods and services tailored to their operations.

Group Procurement

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



- Aircraft and related parts and equipment



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



- All catering:
- Raw Materials
 - Food & Beverages
 - Amenities
 - Packaging

GOVERNING OUR SUPPLY CHAIN

As the central body for supply chain management at Capital A, Group Procurement acts as a shared service provider to all Group entities for the procurement of high-value common goods and services. It also standardises processes through the use of a cloud-based procurement management system to streamline purchasing and sourcing needs across all entities. Nevertheless, it is the individual entities' responsibility to procure strategic or tactical goods and services specific to their requirements. This year, we expanded our disclosure to include our ground services, GTR.



Capital A's engineering arm ADE has its own procurement team to handle the process from identifying the right suppliers of aircraft-related goods (parts/components) and services to managing the goods and services received.



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



Group procurement undertake procurement process for inflight based on the requirement set by Santan's Product team, which covers food, beverages, packaging, etc. Santan's Quality Assurance monitors the standard, consistency, safety and quality of suppliers & products procured.



SUPPLIER CODE OF CONDUCT

(GRI 408-1,409-1)

Capital A's Supplier Code of Conduct (SCOC) Policy sets a clear expectation of all our suppliers across all entities on conducting business responsibly and ethically with zero tolerance for bribery or corruption. The policy covers human rights, health and safety, sustainable procurement and other ESG practices. The SCOC is communicated to suppliers and vendors through Capital A's public corporate website, contracts, purchase orders and emails to ensure awareness of our expectations when conducting business with us.

Upon signing a contract with Capital A, suppliers and vendors engaged by Group Procurement are required to acknowledge the SCOC. ADE adopts a similar practice while inflight food provider Santan is working on this. GTR is establishing its own standalone SCOC which is expected to be implemented by the second quarter of 2024.

To achieve inclusivity as a Group, Capital A is working to have the SCOC translated into Thai language in 2024.

Embedding ESG Values into our Supply Chain

In our journey to embed ESG values among all our suppliers, we are serious about implementing our SCOC which covers business ethics, legal compliance, social responsibility, and environmental risks.. Besides SCOC, our suppliers are required to read and acknowledge our ABAC policy as part of their registration process. Annual evaluations are carried out on our critical suppliers to ensure quality service, compliance with relevant laws and regulations, safety and ESG values. In the event that suppliers do not meet our evaluation criteria, we will work closely with them to improve their scores and performance.

SUPPLIER SELECTION PROCESS

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

To mitigate risks in our supply chain, we take a stringent approach to the selection of suppliers, and require them to adhere to the SCOC. In 2023, we welcomed 1,499 new suppliers.

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

Step 1

Request for Quotation or Proposal

Potential suppliers are invited to participate in a Request for Quotation or Proposal. All potential suppliers and vendors must comply with the Group's SCOC.

Step 2

Assessment and Evaluation

Submissions are evaluated and assessed based on suppliers' ability to meet our specifications, target price, quantity, quality, delivery location and other operational/commercial requirements, as well as financial health as required. Suppliers also have to accept our SCOC and meet our ESG requirements.

Step 3

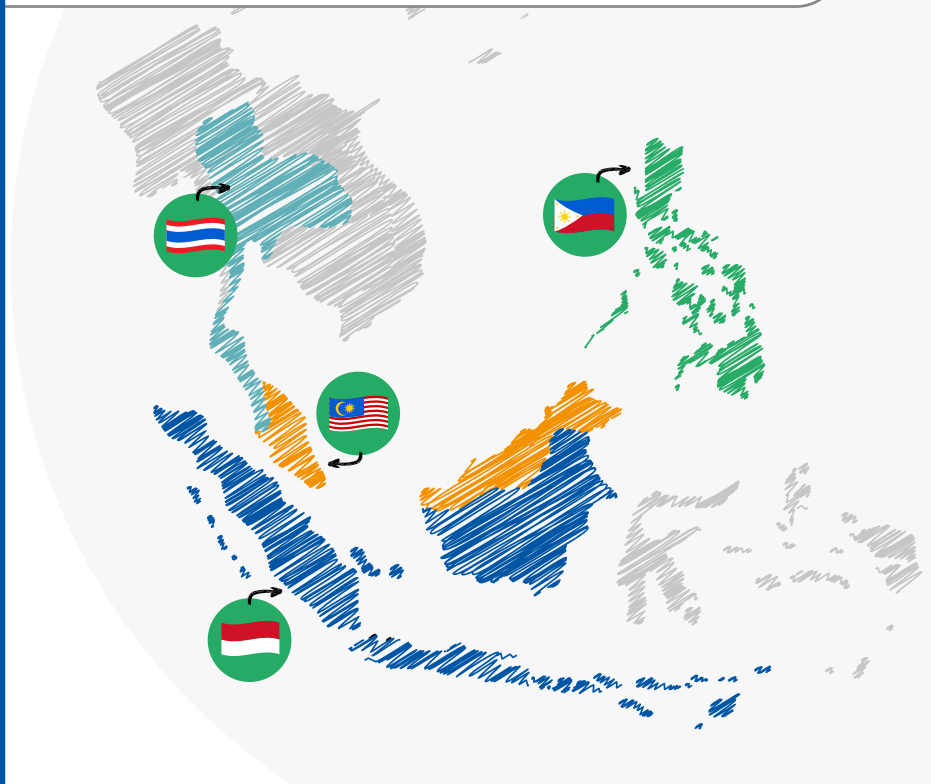
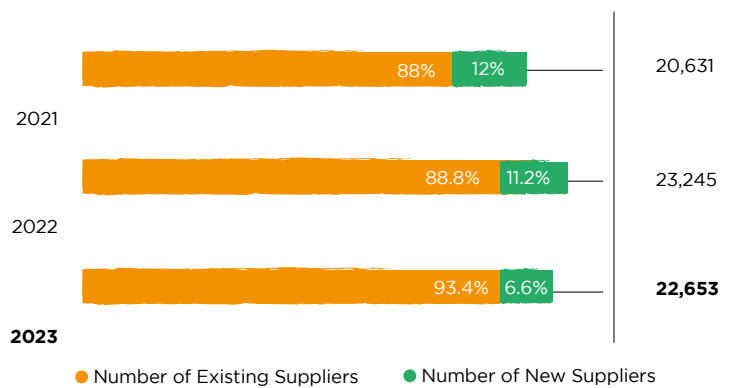
Selection and Approval

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

SUPPLIERS ACROSS THE COUNTRIES WE OPERATE IN

In 2023, we had a total of 22,656 suppliers. At Capital A, we champion the economic development of the countries we operate in by procuring goods and services from local suppliers where possible.

Total Number of Suppliers



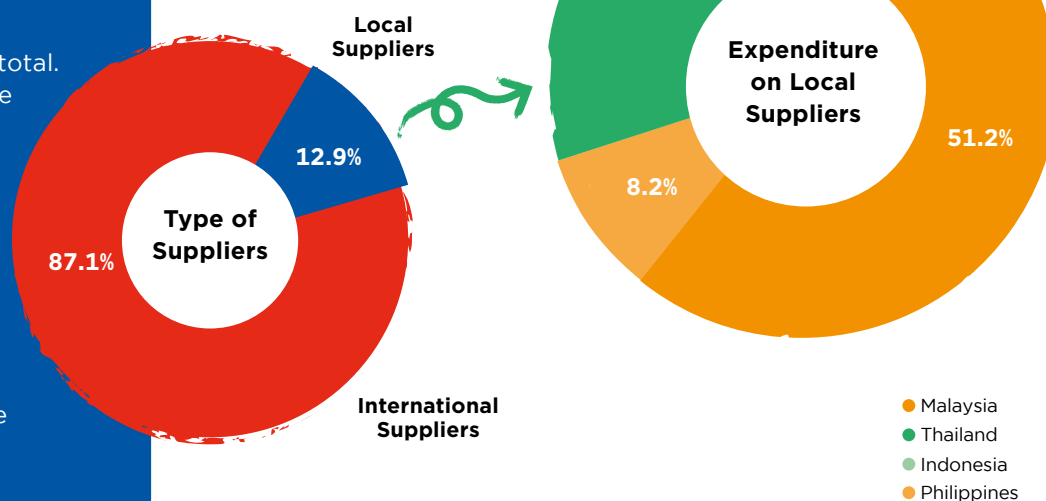
Supporting Asean Suppliers

As an Asean brand that seeks to promote the regional economy, we support suppliers in Asean, especially in the countries in which we operate: **Malaysia, Thailand, Indonesia** and **Philippines**.

SUPPORTING LOCAL SUPPLIERS

(GRI204-1)

This year, Group Procurement invested in 2,912 local suppliers across the four AOCs, with the value of procurement accounting for 42% of the total. This marks a six percentage point decrease YoY due to ongoing projects driving efficiency improvements across the Group. Malaysia accounted for 51.2% of the Group's total expenditure in local suppliers, followed by 29.7%, 10.8% and 8.2% in Thailand, Indonesia and the Philippines respectively.



5% (In 2022: 4%)
Expenditure on local suppliers

The nature of ADE's business is such that it relies heavily on high-value aircraft components from international original equipment manufacturers (OEMs). However, this year ADE significantly increased its number of local suppliers by 73%, engaging with a total of 69 local suppliers and 94 international suppliers. In terms of value, local suppliers accounted for 5% of its expenditure on the procurement of aircraft components. At Capital A, we ensure that we support the local economy while still delivering high standards of aircraft quality and safety.



3% (In 2022: 1%)
Expenditure on local suppliers

GTR's business also relies heavily on goods and services obtained from the international market. Although most of its suppliers are local - the number increasing from 531 in 2022 to 633 in 2023 - most of its GSE items are procured from foreign suppliers.



98% & 100% (In 2022: 100% inflight)
Expenditure on local suppliers for inflight and catering respectively

Santan depends primarily on local suppliers to maintain the freshness and quality of food delivered to inflight and catering customers. In 2023, Santan engaged a total of 159 local and four international suppliers.

OUR CRITICAL SUPPLIERS

Critical suppliers are those who deliver services and products that are crucial to our business operations. Since each business function possesses distinct requirements for its operations, Group Procurement, ADE and Santan establish unique criteria for identifying their crucial suppliers. This year, we identified 111 critical suppliers for the three entities as shown below:

Group Procurement **10** (In 2022: 11) critical suppliers

Group Procurement identifies its critical suppliers as vendors who are above a minimum spend value. We decreased the number of critical suppliers by one due to improved business continuity achieved with one of the suppliers.



82 (In 2022: 91) critical suppliers

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

The number of critical suppliers decreased after the suppliers' evaluation.



12 (In 2022: 6) critical suppliers for Inflight **7** critical suppliers for catering business

The Supplier Quality Programme categorises suppliers based on their food safety risk and the volume of contributions they provide.

The increase in the number of suppliers was driven by menu diversification, contingency measures, and cost considerations.

CRITICAL SUPPLIER EVALUATION



Group Procurement

Group Procurement carries out an annual performance assessment of our critical suppliers to ensure standards are met. The assessment covers criteria such as price, quality, delivery, financial health, business integrity, compliance with relevant laws, safety and ESG practices with weighted scores ranging from poor to excellent. In 2023, a total of 10 critical suppliers received performance evaluations.

ADE

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

Santan

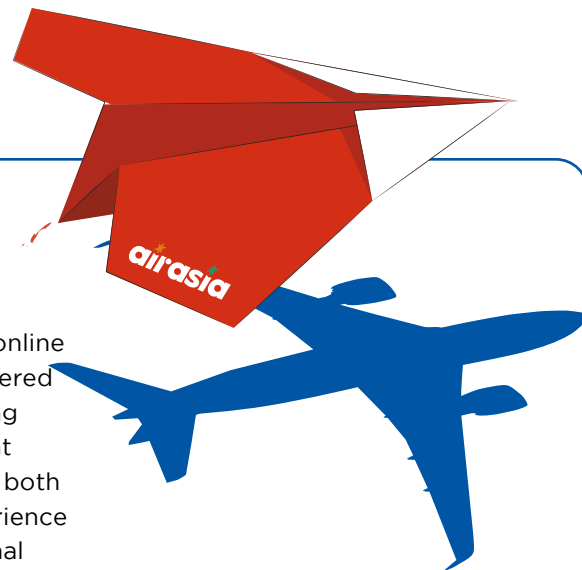
Santan evaluates its suppliers at the end of every year to assess key criteria such as quality, pricing and on-time delivery. Suppliers who underperform will be imposed a penalty. As of July 2023, Santan has improved its evaluation process, with Quality Assurance personnel conducting spot checks on suppliers that have repetitive food complaints within three months. A total of 12 and seven critical suppliers from inflight and RedCanteen received performance evaluations in 2023. Corrective action requests (CARs) are raised for suppliers that do not meet the evaluation criteria and are kept open for three months until no repeat complaint is recorded. Suppliers found with recurrent food safety issues will be issued a warning letter. If these issues persist beyond the specified timeline, penalties will be incurred.



Pioneering Innovations in Aircraft Parts Procurement

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

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



>130 Suppliers and buyers onboarded

>USD240 million
Worth of inventory for Airbus and Boeing aircraft

>1,500 Unique part numbers transacted

Plans for future expansion of the platform include further enhancements to streamline and automate procurement, logistics, and inventory management-related activities.

Moving Forward

We are committed to strengthening our sustainable supply chain by embedding ESG values to create long-term relationships with our suppliers and vendors. We are still in a relatively nascent stage of development in terms of our strategies and developing more holistic and integrated approaches for all our lines of business. Capital A constantly enhances the sustainability of our supply chain by equipping employees with knowledge on sustainable procurement and designing a more thorough and targeted questionnaire during the supplier selection process.

As for GTR, the team has been focused on supporting recovery demand from operations post pandemic. In 2024, it will shift its focus towards sustainable and ethical sourcing, strengthening collaborations with key suppliers through technology, joint planning, and information sharing to improve its supply chain performance. It will also increase the use of data analytics and predictive modelling to enhance demand forecasting accuracy and optimise inventory end at inventory.

Human Rights

(GRI 3-3)



We believe unequivocally in the rights inherent to all human beings irrespective of race, sex, nationality, religion or any other status. We condemn any human rights violations and expect our partners and suppliers to do the same. Capital A's commitment to human rights is incorporated in our Sustainability Policy.

2023 Performance Overview



2,965
Allstars completed anti-harassment training



7,835
Allstars completed anti-trafficking e-learning module

Our Management Approach

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

Supporting the UN SDGs



(GRI 408-1, 409-1)

Our approach to human rights is aligned with international labour laws and is highlighted in our Code of Conduct and Ethics. We embed human rights commitments into our corporate practice by including human rights criteria in our employee handbook and Supplier Code of Conduct. This includes not condoning any form of forced labour or child labour. All our regional operations adhere to local laws with regard to the minimum working age and basic minimum wage on top of providing a stable work environment with equal opportunity for learning and personal growth. We also have strict policies on harassment, and play an active role to prevent human trafficking.

ANTI-HARASSMENT

(GRI 2-26, 406-1)

To provide greater clarity on acceptable and unacceptable behaviours in and outside the workplace, we developed an online learning module specifically on Anti-Harassment in 2022, which all new recruits are required to complete. In 2023, 2,965 Allstars completed the course to add to the 4,437 Allstars who completed the training last year. We have also taken active steps to prevent any possibility of sexual harassment at the workplace. Posters are displayed throughout our RedQ office which highlight the different types of harassment and the reporting channels available for Allstars to file their complaints. Allstars can put forward concerns related to human rights, including harassment and discrimination, through communication channels such as askPAC and our Whistleblowing channel. In 2023, we received 20 reports on harassment, 10 of which were sexual harassment. All the complaints were resolved accordingly.