

CIRCULARITY AND MATERIAL STEWARDSHIP

AirAsia Foundation continues to grow its life jacket recycling project with Nazanin, a social enterprise run by Afghan refugees. In 2023, 1,715 life jackets were upcycled into best-selling Soggy No-More accessories, a 23% increase compared to 2022. The upcycled life jackets were sold on AirAsia Foundation's online social enterprise shop DestinationGOOD and on board AirAsia flights as inflight merchandise.

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

4,314
life jackets upcycled

862.8kg
non-biodegradable
plastics diverted

RM385,685
revenue generated

ADE HANDLING AERONAUTICAL WASTE

From engine parts to aircraft seats, tyres and carts, we maintain a meticulous system to handle waste from aircraft and ADE operations responsibly. Where possible, we take a circular approach of repairing, repurposing and recycling items rather than sending them to landfills. At ADE's RedChain Engineering Warehouse, the 3Rs principle is adopted to reduce, reuse and recycle key aircraft components. Below are some of the ways in which the lifespan of parts is extended:



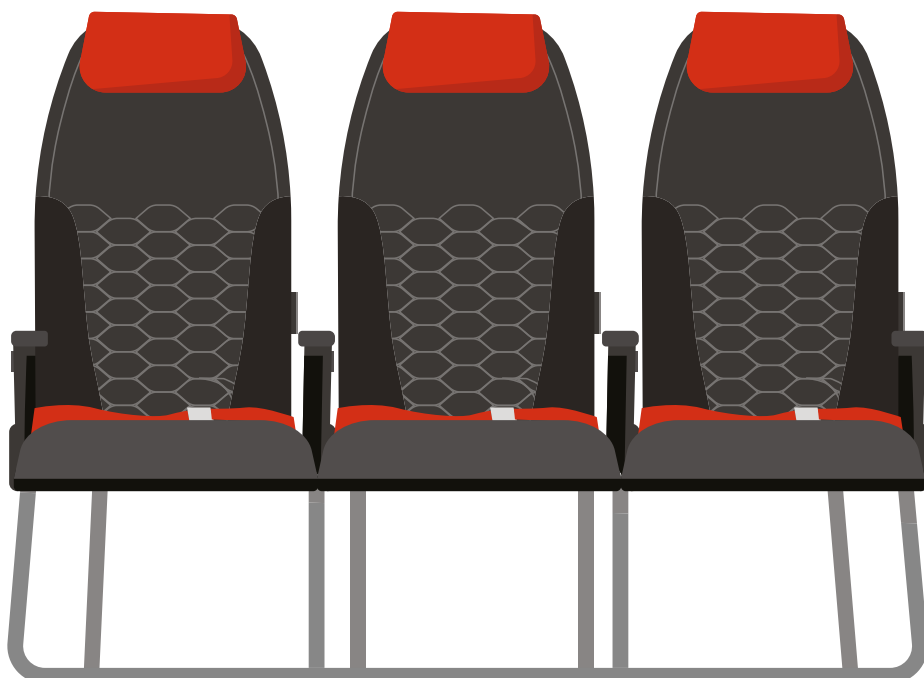
AIRCRAFT PANELS, FLOORBOARDS AND FRAMES

The structural repair workshop is responsible for maintaining various aircraft elements, including aircraft skin, frames, panels, cargo, cabin floorboard and engine cowlings. Any structural component that exceeds the repairable limits is scrapped and replaced as necessary. Scrapped items are collected by licensed recycling contractors.



AIRCRAFT SEATS

Our aircraft seats are made from carbon fibre, aluminium and genuine leather upholstery for durability. The lightweight seats also help to reduce fuel consumption and lower CO₂ emissions by 200 tonnes per aircraft per year. When our aircraft seats reach their end of life, we remove usable parts for repair of other seats. Damaged parts are collected by contractors to be recycled. Where feasible, older seats are also sold to other operators to lengthen their lifespan.





AIRCRAFT TYRES

The inhouse wheel workshop specialises in the maintenance of aircraft wheel hubs and tyres including activities such as dismantling and installation, inspection and testing of tyres and wheel hubs. Worn out tyres are sent back to the manufacturer for retreading and testing as required. Once a tyre fails the test or reaches its maximum life, it will be shredded so that materials can be transformed into other uses or other products.



AIRCRAFT BATTERIES

ADE's inhouse battery shop prioritises the maintenance of aircraft batteries including recharging, cleaning, testing and servicing to extend the battery life. Batteries that have reached their end of life are collected by licensed recycling contractors.



Diversity & inclusion

GRI 3-3, 405-1, 405-2

Our focus on people starts with our Allstars. Given our foothold in a region rich in culture, diversity and talent, Capital A reflects the unity of Asean’s shared heritage, values and authenticities. We nurture an inclusive culture where everyone, irrespective of gender, age, race, religion, sexual orientation, nationality or disability, is valued and treated with respect. As a result, we have been able to benefit from the enriched perspectives this brings to the Group.



For diversity to flourish, there can be no discrimination in any form; hence, we will not tolerate discriminatory behaviour at any level, as stated in our Code of Conduct and Ethics. We practise a culture of equal opportunity to foster a more diverse and inclusive workplace for all.



For more information on our Code of Conduct and Ethics, visit our website: <https://www.capitala.com/corporate-governance.html>

In 2023, our workforce grew by 30.5% from the previous year, to total 21,063 Allstars of whom 33.6% were women. While male Allstars continue to predominate in each employment category, we remain committed to providing equal opportunities for shared growth among everyone. One of our key achievements in the year was getting all our retrenched Allstars back into operations. As we continue to rebuild and recover pre-pandemic levels of activity, we will recruit more diverse new talents to help grow our businesses.

2023 Performance Overview



33.6% women representation



17% women at Board level



32% women in leadership positions



7% female pilots



Established **DEI Committee** (IAA)

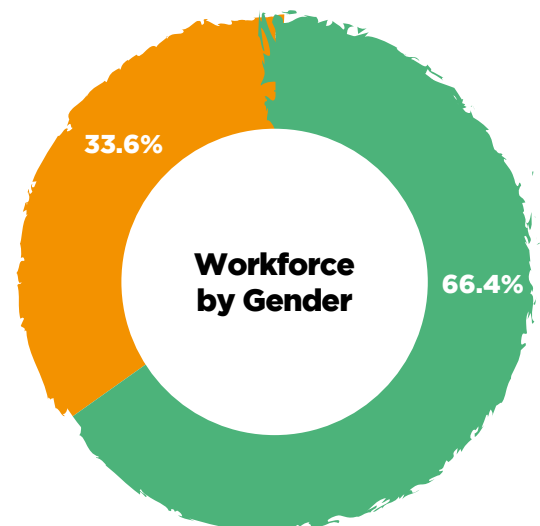
Our Management Approach

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

Supporting the UN SDGs



OUR WORKFORCE IN 2023



Male

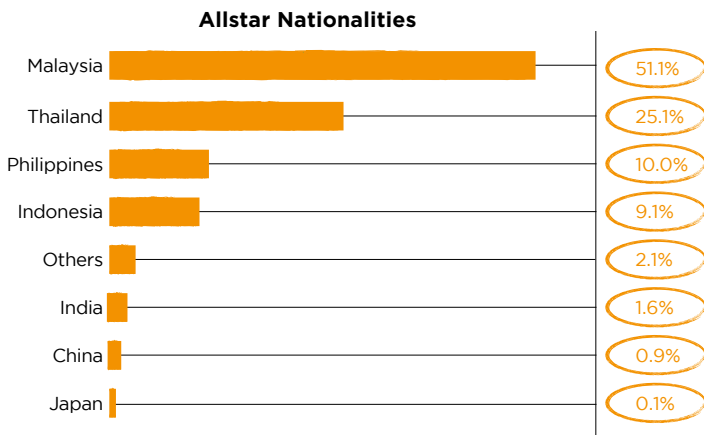


Female

CELEBRATING ASEAN DIVERSITY IN OUR WORKFORCE

Our vision to unite Asean and beyond is deep-rooted within Capital A. While our headquarters are situated in Malaysia, we take pride in recruiting skilled professionals from across the Asia Pacific. Malaysians constitute the majority of our workforce at 51.1%, followed by 25.1% Thais, 10% Filipinos, and 9.1% Indonesians, with the remaining Allstars hailing from other Asia Pacific countries, as illustrated in the chart.

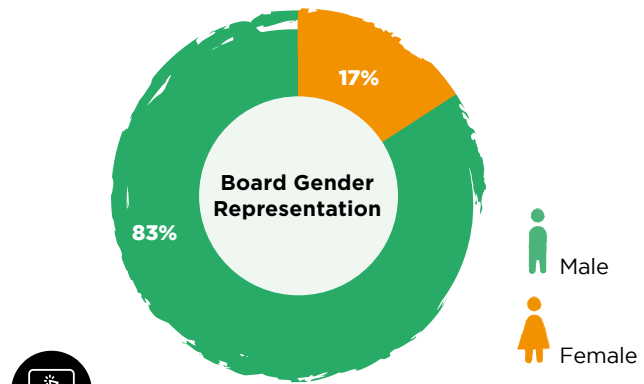
The rich tapestry of cultures and perspectives within Asean provides us with a distinct competitive edge, enhancing our ability to understand and cater to the diverse needs of our customers. By valuing and leveraging the unique strengths each individual brings, we not only foster a vibrant organisational culture but also position ourselves strategically to excel in the diverse and dynamic business landscape within Asean.



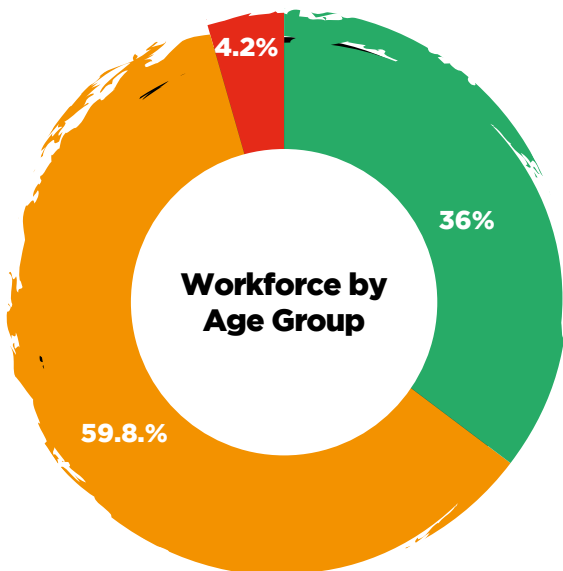
WOMEN IN LEADERSHIP

With roots in the traditionally male-dominated airline sector, we have always defied the norms and challenged the status quo to create a more gender balanced environment. Among others, we actively support female Allstars to achieve leadership positions, especially in decision-making roles.

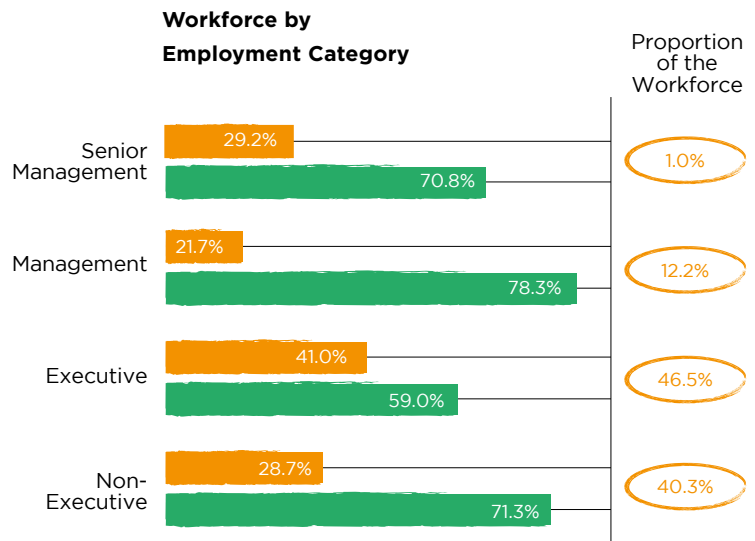
To increase women's current representation (17%) on the Board, the Nomination and Remuneration Committee (NRC) is actively seeking qualified women candidates to be considered for inclusion to our governing body. As noted in our Board Diversity Policy, a diverse and inclusive Board will give us access to a greater range of talent and their valuable experience, perspectives and skills lending us a greater competitive edge.



For more information on our Board Diversity Policy, visit our website: <https://www.capitala.com/corporate-governance.html>



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






























● Male ● Female

SOCIAL

EMPOWERING ALLSTARS

Across our entities, women hold 32% of decision-making roles, from managerial positions and above. We have a strong presence of women in leadership in most of our lines of business as highlighted below:

	 15.2% (2022: 10.5%)	 84.8% (2022: 89.5%)
	 10% (2022: 9.8%)	 90% (2022: 90.2%)
	 39.3% (2022: 37.9%)	 60.7% (2022: 62.1%)
	 51.4% (2022: 26.4%)	 48.6% (2022: 73.6%)
	 37.8%	 62.2%
	 42.1%	 57.9%
	 35.7%	 64.3%
	 26.1%	 73.9%
	 39% (2022: 41.7%)	 61% (2022: 58.3%)

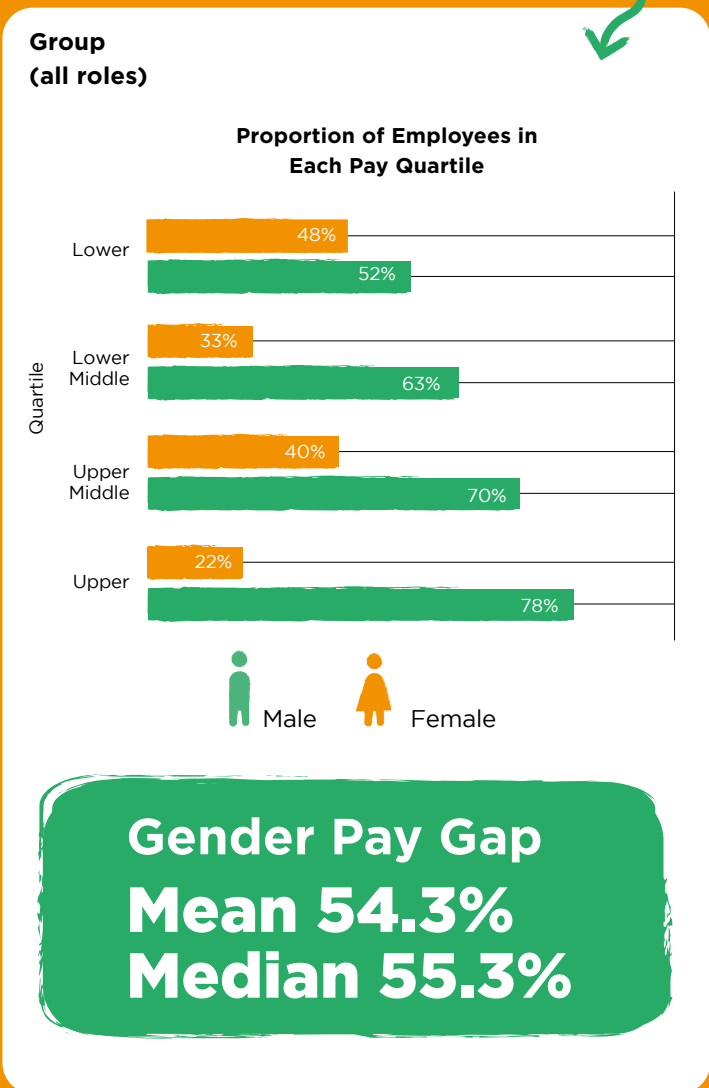
Notes:
 1. 'Others' include entities with less than 20 Allstars.
 2. This chart only includes Allstars who hold managerial positions.

GENDER PAY GAP REPORT

We are committed to addressing systemic gender bias by closely monitoring and assessing our gender pay gap. We conduct a detailed analysis of our pay scales across eight job grades adopting the UK gender pay gap reporting statutory guidance.

As Capital A comprises multiple lines of business in different sectors, we report our performance using two sets of data: one that is inclusive of all Allstars; and another that excludes our pilots, cabin crew, licensed aircraft engineers (LAE) and software engineers (SWE). This is based on the fact that gender representation in these occupations remains heavily skewed. By segregating our data, we are able to filter out extraneous distortions to see if biases can be found in the remaining areas.

Our performance on the hourly pay difference between male and female employees in 2023 is as shown:

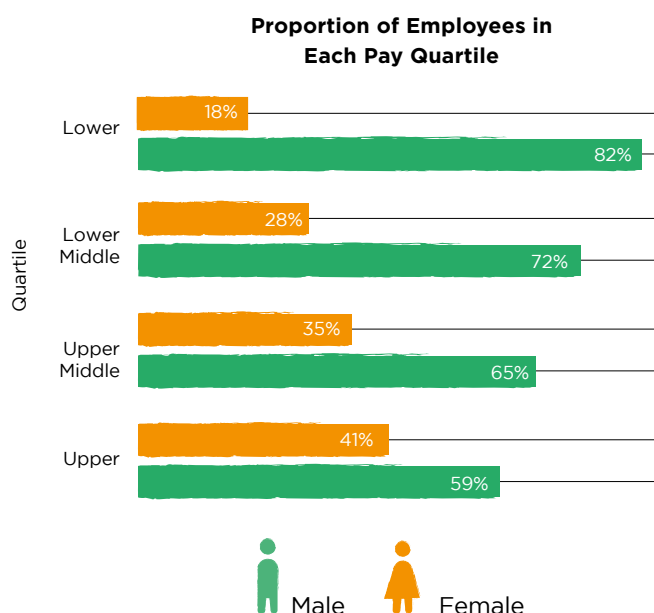


Group
(excluding pilots, cabin crew, LAEs and SWEs)

Gender Pay Gap
Mean -15.8%
Median -22.5%

Notes:

- Entities with less than five employees have been excluded.
- The mean gender pay gap represents variance in the average hourly wages of female employees compared to their male counterparts.
- The median pay gap signifies the difference in hourly compensation between the woman positioned in the middle of a line-up of all female employees according to how much they are paid and the man similarly situated in the line-up of all male employees.
- A positive percentage indicates female employees are paid less than male employees, while a negative percentage indicates the opposite.



What does the data tell us?

Our analysis reveals that, when considering the entire Group, the mean and median hourly pay of male Allstars are 54.3% and 55.3% higher than that of their female counterparts, respectively. This outcome is to be expected given gender imbalances within the industry, especially in male-dominated roles like engineering and piloting. These technical roles not only pay more, they are also more in number than other positions. This trend is supported by the finding that male Allstars make up 78% of the uppermost pay quartile, which comprises a significant number of pilots. In contrast, females make up 48% of the lower pay quartile.

When we exclude the four technical roles and concentrate on non-airline specific positions, the data indicate that women earn 15.8% and 22.5% more than men in terms of mean and median hourly pay, respectively. This is substantiated by the fact that women make up 41% of the highest pay quartile, while men constitute 82% of the lowest pay quartile. There are more men in the lowest quartile because of the physical demands and shift-based nature associated with these non-executive roles, such as ramp work in GTR and the riders and drivers of AirAsia MOVE. Consequently, the pay gap in favour of women is due to the gender distribution across the respective pay quartiles rather than any inherent gender-based pay biases.

As we endeavour to further enhance our gender balance, it is crucial to emphasise that our pay structure is gender neutral. We have established robust pay scale frameworks and recruitment guidelines for various

roles, including pilots, engineers and cabin crew. The observed gender disparity stems primarily from women opting for non-technical roles, often influenced by the challenges of balancing work and family responsibilities.

Towards a more balanced workforce

Efforts to improve our gender balance across STEM roles are bearing fruit, as demonstrated below:

7%
Female pilots
(2022: 6.6%)

8.9%
Women engineers
(2022: 4.5%)

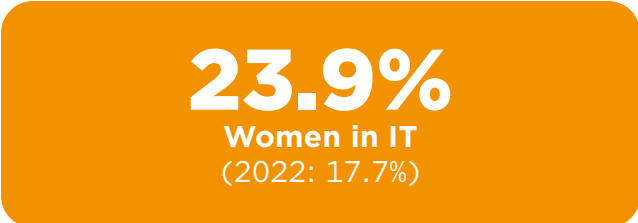
Over the last decade, we have consistently recruited and provided training for more female pilots than any other airline in Asean. In 2023, the representation of female pilots increased to 7%, surpassing the global average of 5.8% in 2021 as reported by the International Society of Women Airline Pilots. Additionally, the percentage of women aircraft engineers rose to 8.9%, exceeding the Asia Pacific average of 4.4% according to ICAO.

Our commitment to closing gender gaps involves implementing substantial changes and taking positive actions to attract and recruit more women in the STEM careers we provide. We are actively working to reduce the barriers to entry and enhance our outreach initiatives. This includes reintroducing our cadet pilot programme, organising more industrial visits, and participating in more conferences as well as recruitment events.

WOMEN IN TECH

As we progress in developing our digital portfolios, we strongly believe in championing women in tech roles to bring more diverse perspectives and approaches to problem-solving in our products and services. Despite significant advancements in recent years, gender diversity in tech roles continues to lag behind, with women being underrepresented in various sectors of the industry.

Within the Capital A group, a comprehensive group ICT initiative was launched, aimed at bringing about positive change and bridging the gender gap in tech. The ICT team changed its hiring policy to include gender diversity in its hiring process with the aim to improve women representation to 30%. The team also launched a “Meet Allstars: Women in Tech” series that featured our data analysts, programmers and project managers to demonstrate to potential female candidates the career opportunities available within our organisation. Through this hiring policy update, we saw women’s representation in IT roles increase 6.2 percentage points:



We also share our advocacy for women in tech with young women who aspire to make their mark in STEM. In November 2023, three of our female software engineers and data scientists were invited to participate in a panel at Universiti Kebangsaan Malaysia (UKM) with the aim of inspiring and empowering the next generation of STEM leaders. Our Allstars took the opportunity to share their personal experiences and journeys in navigating the male-dominated field, addressing gender stereotypes prevalent in their roles. A total of 106 students attended the panel discussion.

We collaborated with Women Techmakers KL, a women-led Google community, to conduct Google Cloud Platform (GCP) workshops for Allstars and the community in airasia academy aspiring to advance their Google Cloud technical skills and attain a professional data engineer certificate. The workshop served as an introduction to the knowledge needed for women who want to pivot into data engineering. A total of 81 participants attended.

SUPPORTING WOMEN AT WORK

This year, we also focused on building a community of women that empowers each other to celebrate their achievements in the workplace and beyond. The Culture team introduced the #IAmRemarkable initiative, a global movement that started at Google, with the goal to enhance the self promotion, motivation and skills of women and underrepresented groups, as well as to challenge social perceptions around self promotion. It functions as a secure space where women can openly share their experiences, fostering the development of a community that promotes a strong sense of belonging. We had women from various departments share their experiences and challenges at work in several workshops held throughout the year. In addition to physical meetups, the Culture team also set up a group on our internal communication channel so that women can seek support from one another at any time.





IAA's Diversity, Equity and Inclusion (DEI) Committee

Established in 2023, IAA's Diversity, Equity, and Inclusion (DEI) Committee is dedicated to fostering an inclusive workplace. At its core, the committee is focused on proposing new policies and refining existing ones, identifying significant issues, providing insights, and proposing initiatives. These efforts are aimed at cultivating a diverse, bias-free and inclusive company culture, with the overarching goal of making a meaningful positive impact on the lives of Allstars.

Chaired by the Chief Executive Officer, the committee consists of 15 members who are not in managerial roles, hailing from diverse backgrounds and departments to ensure a wide range of perspectives. Quarterly meetings are scheduled to facilitate the review and advancement of the committee's initiatives. Through collaboration and strategic planning, the DEI Committee is actively engaged in implementing initiatives that address key issues and contribute to the creation of an inclusive and equitable workplace environment.

At its first meeting in October, the committee focused on the following three areas:

- *Review and update maternity policy*
The committee has successfully updated its maternity policy to allow female pilots two options during their pregnancy. They can either apply for unpaid leave or opt to be transferred to desk-based jobs during their pregnancy rather than to cease work entirely.
- *Improve inclusivity*
The committee targets to improve the accessibility and ease of the recruitment process to encourage more people with disabilities (PWDs) to apply for roles within the Group. The committee is reviewing best practices that can be adopted at IAA for manager guidelines, hiring process, and policies in line with the United States Agency for International Development and Indonesian Ministry of Labour.
- *Support working mothers*
The committee has proposed a lactation room for the RedHouse office to provide a space for working mothers to continue their breastfeeding needs. This is to support the transition of mothers back to work after childbirth. The room has been designed and is expected to be ready by the first quarter of 2024.

Social

Safety As Our Priority

Safety takes centrestage as a fundamental priority in our operations. Beyond conventional understanding of safety, our approach extends to building a work environment that encourages good health and well-being. We establish appropriate structures and develop well-defined processes to ensure a robust framework that supports safe operations for our Allstars and guests.

2023 Performance Overview



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
- IATA Operational Safety Audits (IOSA)
- Flight Data Analysis (FDA) Manual
- Occupational Safety and Health Act 1994 (Act 514)
- Factories and Machinery Act 1967
- ISO 9001:2015 Quality Management System
- ISO 45001:2018 Occupational Health and Safety
- ICAO Annex 19 and Doc 9859
- ISO22000 Food Safety Management System

Supporting the UN SDGs



OPERATIONAL SAFETY

Our dedication to operational and technical excellence is anchored on the Safety Management System (SMS). It encompasses a robust and systematic approach to safety management through well-defined policies and processes as well as clear lines of accountability. We define our SMS framework in four aspects:

Safety Management System

Safety Policy

Establishes management's commitment to continually improving our safety record through:

- Shared responsibility and accountability
- Key safety personnel
- Emergency response planning

Safety Risk Management

Determines the need for, and adequacy of, risk controls through:

- Hazard identification
- Risk assessment and mitigation

Safety Assurance

Evaluates the continued effectiveness of risk control strategies through:

- Safety performance monitoring and measurement
- Management of change
- Continuous improvement and audits

Safety Promotion

Inspires a positive safety culture across all levels of the workforce through:

- Training and education
- Safety communication



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

The SMS is overseen by the Safety Review Board (SRB) comprising the Chairman, Chief Executive Officer (CEO), Board members, our Chief Safety Officer, and the CEOs and senior management of our lines of business (LOBs). The SRB meets every quarter to analyse the Group's safety performance and practices. The CEO sets the tone by reinforcing the SMS while the Chief Safety Officer has oversight of enforcing protocols and managing any risks that arise.

Strategies and action items deliberated at the SRB meetings will be communicated to the Safety Action Group (SAG) that meets every month to execute the assigned actions within an agreed timeframe. Upon completion of the action item, the Chief Safety Officer will report the results at the next SRB meeting.

▶ **Safety Review Board**

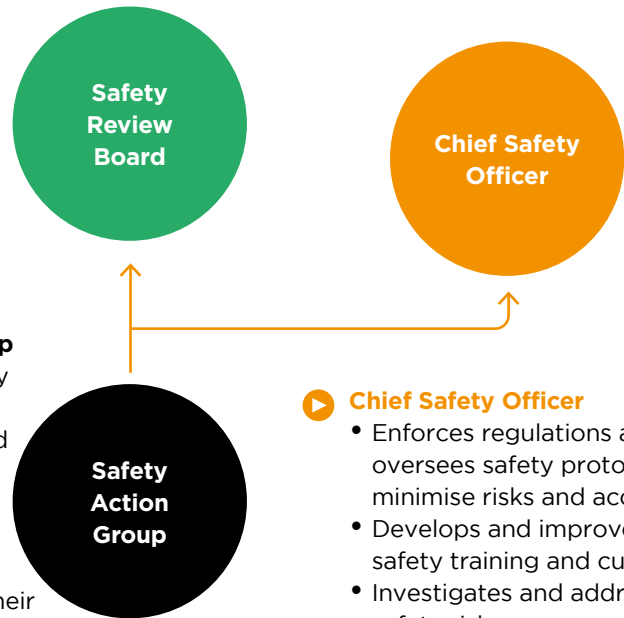
- Provides oversight of an effective and efficient implementation of the Group's Safety Policy and SMS.
- Reviews regulations, standards and industry best practices to ensure best-in-class safety standards across the Group.
- Develops high level safety policies and strategies to reduce operational risks.

▶ **Safety Action Group**

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

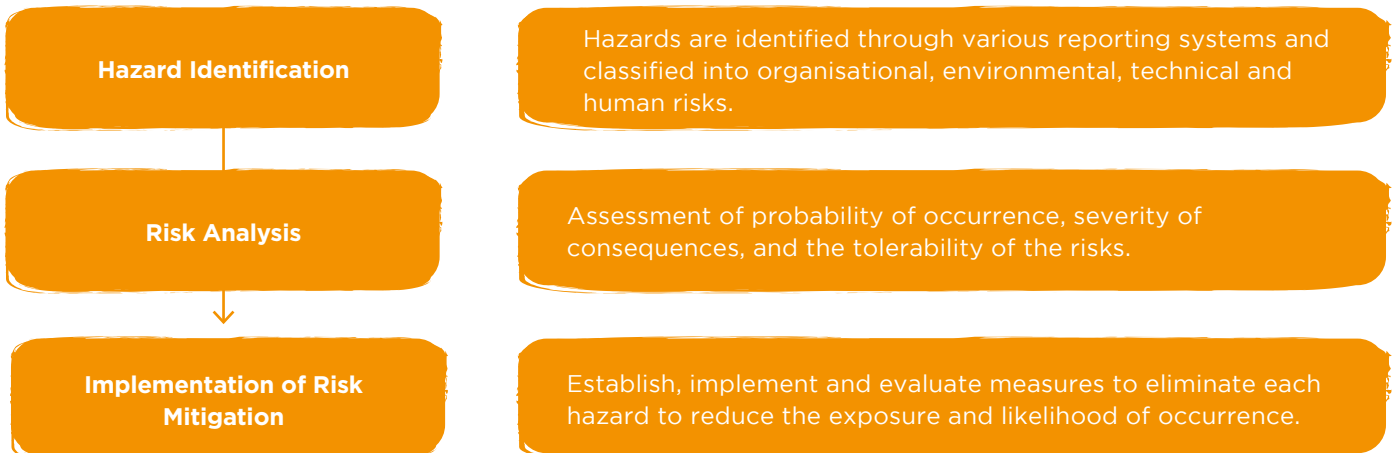
▶ **Chief Safety Officer**

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



SAFETY RISK MANAGEMENT

Keeping abreast of developing operational risks and hazards is essential. We do this through continuous efforts to identify hazards as well as to assess and mitigate risks. 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.



Safety Reporting

To secure a safety-first ecosystem, it is imperative that our Allstars actively engage in hazard identification and reporting to better understand safety issues and deficiencies at the operational level. We deploy digital tools where Allstars can raise safety issues via the Group’s internal online safety reporting system.

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. Once investigations are completed, safety actions are formulated to mitigate the issues. Throughout the process, updates are shared with the reporters. Over time, trends are analysed to understand seasonal issues, allowing for predictive measures to be taken to improve the overall safety and efficiency of the organisation.

23,250
safety reports recorded
in 2023
 (In 2022: 15,960)

In 2023, there was a 31.4% increase in the number of safety reports from 2022 in tandem with growth in flight capacity throughout the year and the full return of Allstars to the office. Of the hazard reports, 83% were recorded cases whilst 17% were incident reports, all of which were addressed and closed with the appropriate action taken where necessary. This showcases a strong reporting culture amongst our Allstars. We analysed the safety reports for trends and conducted a systematic review at the SRB.

Prioritising Well-being As A Foundation for Safety

Beyond physical safety, the mental well-being of our Allstars, especially pilots and cabin crew, is crucial to minimising fatigue, stress and substance-use across our operations. Controls and processes have been integrated into the SMS to identify and manage health and well-being risks.

Fatigue Risk Management

Given the critical role played by pilots, fatigue management is widely discussed in initial and recurrent Crew Resource Management training. AirAsia also strictly adheres to established maximum Flight Duty Periods (FDP) and Minimum Rest Periods (MRP) to ensure pilots receive sufficient time off to rest and recuperate. These guidelines are available in our operations manual which complies with the civil aviation authorities of the countries where we operate.

Systemic Substance Management Mechanism

The abuse of intoxicating substances, including drugs and alcohol, creates performance risks and jeopardises the safety of our guests. We take responsibility for the maintenance of a safe workplace through a systematic drug and alcohol management programme which has been approved by the Civil Aviation Authority of Malaysia (CAAM). This programme consists of three components: reporting and testing; medical intervention, rehabilitation and peer support; as well as continuous education. AirAsia continues to take all the necessary measures to ensure our flight crew adhere to our policies and are aware of the consequences of non-compliance.



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.

1. Performance Monitoring

All of AirAsia's AOCs are subject to mandatory safety audits by independent third-party verifiers to ensure the reliability and credibility of processes. AirAsia adheres to the IATA Operational Safety Audits (IOSA) Standards and Recommended Practices, widely recognised as the gold standard for airline operational safety and efficiency, as well as ICAO Annex 19 and Doc 9859. It is vital to demonstrate safe and effective practices to complete the independent audits successfully.

Airline (AOC)	Latest IOSA Certification Date	Progress in 2023
MAA (AK)	8 Dec 2022-8 Dec 2024	<ul style="list-style-type: none"> GOQA Internal Operations Audit (IOA) was performed by GOQA Auditors in April 2023 to ensure IOSA Standards are maintained internally Next IOSA Renewal Audit is due in 2024
TAA (FD)	19 Feb 2020	<ul style="list-style-type: none"> IOSA Certification lapsed during the pandemic IOA was performed by GOQA Auditors in September 2023 based on IOSA Standards to ensure these are maintained and for the AOC to be prepared for the IOSA Initial Certification Audit in 2025
IAA (QZ)	21 June 2019	<ul style="list-style-type: none"> IOSA Certification lapsed during the pandemic Engaged in the IOSA Initial Audit by External IATA Approved Audit Organisation in August 2023 IOSA Certification is ongoing and expected to be completed by the first half of 2024
PAA (Z2)	31 May 2019	<ul style="list-style-type: none"> IOSA Certification lapsed during the pandemic Engaged in the IOSA Initial Audit with the aim of obtaining IOSA Certification in the second half of 2024 IOA was performed by GOQA Auditors in November 2023, based on IOSA Standards, to ensure these are maintained

Counselling

We recognise counselling as an essential support function facilitating recovery from stressful or traumatic events. For the well-being of our crew, we have partnered with Arena Oasis for urgent counselling and 24-hour online support if our crew experience any untoward incidents during their flight. As with all Allstars, our pilots also have access to wellness support through the Naluri health app and the Allstars Peer Support programme.

Other internal audits carried out by the Group Operational Quality Assurance department include the joint station compliance audit (JSCA) as well as internal operations audit (IOA) as per regulatory requirements, IOSA standards and industry best practices. In 2023, we completed 77 JSCAs and five IOAs.

GOQA is an ISO 9001: 2015 certified department, conforming to a globally recognised standard for quality management. Holding ISO 9001 certification ensures that GOQA has established procedures, processes and qualified personnel to deliver effective quality management services and demonstrate commitment to quality management standards.

Non-conformities identified during audits are recorded in the audit reports which are shared with the AOCs. The AOCs will then conduct root cause analysis and implement the necessary corrective/preventive actions. These are assessed and, if found satisfactory, the non-conformity report (NCR) is closed. Analysis of NCRs, including trends and common findings, are shared with AOC Operational Quality Assurance stakeholders via periodic forums and also during Auditor Recurrent Training sessions.



For more information on how we support our Allstars' well-being please refer to the 'Good Health and Well-being' section of the 'Talent Attraction and Retention' chapter on pages 100 of this Sustainability Report 2023.

SOCIAL

SAFETY AS OUR PRIORITY

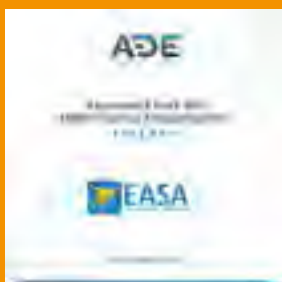
2. Management of Change

The management of change (MOC) process occurs when changes within or external to the organisation have the potential to affect the level of safety risks. The formal change management process is usually triggered by changes in new technology and equipment, operating environment, key personnel, regulatory requirements and staffing levels, among others. In 2023, a total of 266 MOC and risk assessments were carried out by all operational departments.

3. Continuous Improvement

To maintain or continuously improve the overall effectiveness of the SMS, safety assurance activities and internal audit processes are carried out. An effectiveness evaluation of the SMS is conducted at least once a year as part of efforts for continuous improvement.

ADE receives EASA Part 145 Maintenance Organisation approval



In November 2023, ADE received approval from the European Union Aviation Safety Agency (EASA) Part 145 Maintenance Organisation. This represents the gold standard in aviation maintenance, indicating the highest levels of safety and quality for industry-leading maintenance support in the region.

SAFETY PROMOTION

Beyond processes and procedures, nurturing a safety culture involves building a collective mindset where every Allstar prioritises safety as an integral part of daily activity. Through training programmes that enhance technical competence and effective communication channels to disseminate safety protocols and awareness, our Allstars are instilled with a sense of responsibility and accountability for safety at all levels.

Just Culture

Our practice of building a culture of safety revolves around the Just Culture approach. This involves striking a balance between holding individuals accountable for their actions and understanding that mistakes occur. When they do, however, it is essential to learn from them to improve safety. Through peer-to-peer information sharing, this builds an environment of trust and learning from previous incidents in an open and non-punitive atmosphere. It's about supporting each other to do better and creating an environment where safety is everyone's responsibility.

SAFETY TRAINING

We provide safety training to keep Allstars up to date with safety systems and procedures. As an employer, our responsibility is to provide our employees with the knowledge and skills necessary to do their jobs safely. We acknowledge the need for different training for different job scopes and operations, hence all our operating entities are responsible for setting their own comprehensive safety training regimes for their frontliners.

In 2023, we invested in approximately 300 training programmes related to safety:

More than **860**
Allstars
received over
200,586
hours of safety training
(17,158 hours in 2022)

Functional Training for Airlines and Airline Services

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

- Safety Management System
- Competency Based Training Assessment for Dangerous Goods
- Emergency Response Plan (ERP)
- First Aider Training
- Human Factor Training
- Department of Environment (DOE) Scheduled Wastes Regulations 2005, Regulation 15 Training
- Aviation Security Training & Bomb Threat Training
- Crew Resource Management
- Ground Safety Training
- Wildlife Trafficking Awareness

Training for Our Support Services

It is important that the external support services we engage with also adhere to our high standards of safety. We provide the following training to non-employees:

- Safety induction
- Chemical safety awareness
- Buggy inspection and defensive driving techniques
- Ergonomics awareness
- Hearing conservation

In 2023, we provided over 26 hours of safety training to more than 80 non-employees.

“Safer Together, Stronger Together” Allstars Safety Campaign

We celebrated our month-long safety campaign with the motto “Safer together, Stronger together”, which signifies the importance of teamwork and prioritising safety above all. More than 12,495 Allstars across all AOCs, GTR and ADE took part in the Safety Day activities designed to create safety awareness. We awarded 26 Allstars the Safety Hero Award to recognise their contributions to workplace safety excellence as well as held various competitions for Allstars to share their creativity and safety knowledge.



SAFETY ON TOUR

As part of the safety team’s initiative to promote safety awareness, AirAsia Thailand conducted a safety tour at the Phra Haruthai Don Mueang school. The purpose was to educate students about best safety practices as well as share experiences and incidents of ways we ensure safety in the airline industry. The tour for 135 students was led by Captain Kullavat Loykulnan along with 34 Allstars. The Group safety team aims to expand the initiatives for other schools in the countries in which we operate to take safety knowledge beyond the organisation.

OCCUPATIONAL SAFETY AND HEALTH

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

The table below summarises our safety performance:

Indicators	2021*	2022*	2023
Total man-hours worked	16,906,680	29,792,304	38,881,088
No. of fatalities	0	0	0
Recordable work-related injuries	65	69	68
Lost time injury	145	958	1,306
Lost time incident rate (LTIR)	1.7	6.4	7.0
Incident rate	3.3	4.3	3.8
Severity rate	8.6	32.2	33.6

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

*Figures restated for 2021 and 2022 to include TAA in the scope following the adjustment of reporting scope of the financial statement.

Calculations:

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

Total man-hours worked increased by 30.5% due to the growth in number of employees as well as the full return of Allstars to work. We achieved a lower incident and severity rate of 3.8 and 33.6 respectively in 2023 as compared to 2022, however with a lost time incident rate of 7.0, a 0.6-point increase from 2022. This indicates that while the frequency and severity of injuries decreased, Allstars are taking prolonged medical leaves to recover due to the nature of their injuries. It is imperative to us that our Allstars take the time they need to recuperate fully before safely returning to work.

SOCIAL

SAFETY AS OUR PRIORITY

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



7/7 Stars Safety Rating - Airline Ratings

AirAsia Group was named as among the top 20 safest low-cost airlines by AirlineRatings.com, an international airline safety ranking organisation. AirAsia Malaysia, AirAsia Thailand and AirAsia Philippines received 7-star ratings while AirAsia Indonesia received a 5-star rating, underscoring our collective efforts towards safety.



Gold Class 2 award - 41st Occupational Safety and Health (OSH) Awards

ADE received the Gold Class 2 award by the Malaysian Society for Occupational Safety and Health, which underscores the team's commitment to ensuring occupational safety and health excellence.

Occupational Safety and Health Audits

We conducted over 150 safety audits and assessments throughout the Group, including OSHA Noise Exposure Regulation 2019, ergonomic risk assessment, CAAM flight operation dangerous goods division and the MSOSH award audit.

The following assessments and audits were conducted for our entities:



- Systematic Occupational Health Enhancement Level Programmes (SOHELP)
- Malaysian Society for Occupational Safety and Health awards audit
- OSH Use and Standard of Exposure to Chemicals Hazardous to Health (USECHH) Regulation 2000, CHRA
- OSHA Noise Exposure Regulation 2019-Audiometric Baseline Test



- IATA Safety Audit for Ground Operations (ISAGO)
- Ground Handling Technical Approval Certificate
- Noise risk assessment



- Ergonomic risk assessment
- ISO45001:2018 Occupational Health and Safety Management System audit
- Hearing conservation test
- Baseline indoor air quality assessment

FOOD SAFETY

Prioritising health and safety in food handling, preparation and storage is key for Santan to deliver the highest quality of food, establish trust and ensure customer satisfaction. Santan strictly follows all relevant health and safety regulations in the food and beverage industry, including the following standards and processes:

HOW WE ENSURE FOOD SAFETY

- ISO 22000: 2018 Food Safety Management System
- Inflight Catering Food Safety & Quality Policy
- Food safety audit by Santan's internal quality assurance team
- Routine scheduled microbial, physical and chemical verification of water, food products & environmental
- Compliance with the requirements of Hazard Analysis and Critical Control Points (HACCP)
- Malaysia Halal Certification by JAKIM
- FSSC 22000 Food Safety Systems Awareness Training
- Food Safety Information System of Malaysia (FOSIM)

Santan conducts audits on supplier facilities and environment. In 2023, Santan's Quality Assurance Team conducted nine regular quality checks and compliance audits of suppliers and 17 compliance and performance audits at restaurants to monitor adherence to standards. There were zero incidents of non-compliance to food safety resulting in fines, penalties or warnings. In 2024, we aim to monitor suppliers' performance on food safety monthly.

Nutrition Charter

Alongside delivering delicious meals, Santan prioritises the nutritional content of the food we offer our guests.

Santan's strategy for better nutrition comprises:

- **No preservatives**
- **Ensure allergen declaration, nutrition facts and product description on packaging**

We encourage our guests to make informed decisions on their food choices by marketing and labelling our products responsibly. Santan complies with applicable laws and regulations, such as the Malaysian Food Act 1983 and Food Regulation 1985, to ensure accurate and relevant nutritional information in our menus.

All pre-packed inflight meals are labelled with nutrition facts, whereas for Santan restaurants, the aim is to provide nutritional information on our website and wall posters within the outlets. In our commitment to producing nutritionally valuable food, we require all our meal suppliers to disclose additional nutrition facts, including total sodium and sugar content in their meals. This allows us to monitor the health aspects of meals we provide more closely while being transparent about our food contents.

Moving Forward

We continue to identify ways to foster a workplace that is safe, healthy and conducive for both our Allstars and guests. Utilising technology and innovation, we consistently enhance our internal safety and quality systems along with a safety reporting platform to prioritise operational and occupational safety for everyone. In addition to physical safety, we prioritise the mental well-being of our Allstars as we cultivate a productive, healthy and high-performing workforce.



Introducing plant-based meals

It is important to us that our passengers are offered healthy meals. In July 2023, Santan teamed up with Green Rebel to provide meatless alternatives for our signature meals so that more can enjoy dining in-flight. Santan introduced two meatless meals, including our plant-based Pak Nasser's Nasi Lemak and Schroom Wrap. Green Rebel conducts independent life cycle assessments of its plant-based proteins and found that the plant-based chicken and beef have a lower global warming potential compared to their traditional counterparts. Santan will continue to explore more nutritious and sustainable food options for its meals.

