

2024

AIR ASIA SUSTAINABILITY
COMPANY LIMITED REPORT



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About This Report

AIR ASIA Company Limited (hereinafter referred to as "AIR ASIA", "the Company", or "we") publishes the 2024 Sustainability Report in pursuit of sustainable corporate management and to enhance information transparency. This publication is the second Sustainability Report of AIR ASIA. Through this Report, we communicate to stakeholders the measures and performance in building integrity governance, implementing environmental and occupational safety measures, strengthening corporate competitiveness, and improving employee remuneration under the goal of sustainable operation. AIR ASIA hopes stakeholders will continue to pay attention to us and provide valuable suggestions, allowing the Company to make significant strides on the path of implementing corporate social responsibility and sustainable management.

Highlights and Performance Results



2024

- The electricity intensity was reduced **4.99%** in 2024.
- GHG emission intensity decreased by **37.25%** in 2024.
- There were **no violations** of environmental regulations or significant spill incidents in 2024.
- All wastewater discharged in 2024 **met the standards**, and no related penalties were recorded.



2024

- A total of **NT\$5,226,692** was invested in employee training in 2024 with **60,085 total training hours**.
- A total of **NT\$166,300** was invested in occupational safety and health training in 2024.
- There were **no incidents of human rights violations or other issues** in 2024.
- 4** Family Day events were planned to be held across different regions in 2024.



2024

- The Company's ranking in the 2024 corporate governance of listed companies was **6%~20%**.
- There were **no** incidents of customer data loss or privacy breaches in 2024.
- There were **no** incidents of violations related to integrity management, anti-competitive behavior, anti-trust, and monopoly practices in 2024.
- The performance review of the Board of Directors was **good** in 2024.

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Message from the Chairman

"Harmony, Unity, Profit Creation, Energy Innovation, and Sustainable Operations" are the operational goals of AIR ASIA, while "Respecting Humanity, Integrity and Pragmatism, and Team Spirit" are the proud traditions and core values of AIR ASIA.

The aviation industry has been gradually recovering from the pandemic, with global aircraft fleet demand rapidly rebounding. The MRO sector is an indispensable part of the aviation industry, responsible for ensuring aircraft safety, reliability, and operational efficiency. This sector provides comprehensive services ranging from routine inspections to major overhauls, serving as a critical foundation for smooth aviation operations. However, the Russo-Ukrainian War and the Middle Eastern conflicts poses threats to the supply chain, along with the impacts and challenges global climate change brings to corporate operations. In the face of an unstable operating environment, the AIR ASIA Sustainability Implementation Committee implements sustainable operations through concrete management and promotion plans.

AIR ASIA actively puts sustainable development into practices, aligning with the international trend of balancing environmental, social, and corporate governance development:

- **Environmentally:**

AIR ASIA is committed to conducting greenhouse gas inventory to accurately grasp the emission status of greenhouse gases and carries out the elimination of high-energy-consuming electrical equipment. With "Energy Saving and Carbon Reduction as Action Orientation, Quantifying Economic Benefits as the Goal" as the sustainability main axis, AIR ASIA implements measures to mitigate the negative impacts of greenhouse gas emissions on the global environment. AIR ASIA supports the development and transition of global renewable energy to cooperate with customers' Sustainable Aviation Fuel programs.

- **Socially:**

AIR ASIA values employee rights and labor harmony, strives to create a friendly and safe workplace, implements comprehensive occupational safety and health management measures, provides a good safety and health workplace, and actively promotes workplace health enhancement. Not only does it create a high-quality working environment, but it also takes care of both physical and mental health of employees from all groups. AIR ASIA's enthusiasm for social care is unwavering, regularly organizing blood donation activities to prevent a shortage of medical blood, saving many lives in peril, and encouraging and materially rewarding employees to participate in social welfare, to meet the urgent needs of patients and benefit the community. To improve the quality of life in communities and society, AIR ASIA assists the Tainan City Government in handling social welfare, subscribes to the Spring Festival additional meal funds of the Huashan Social Welfare Foundation, responds to the "Love for the Elderly, Love for Family Reunion", "Donate New Year's Meals, Help the Lonely Elderly" charity for New Year meals; orders Mid-Autumn Festival gift boxes from sheltered workshops, donating to disadvantaged groups and occupational accident victims, also allowing sheltered workshop employees to have stable employment.

- **Corporate Governance:**

AIR ASIA conducts its business in accordance with government regulations and complies with all laws related to operations, eliminating illegal business behaviors, implementing anti-corruption policies with integrity and honesty as the basis, and fulfilling corporate social responsibility. Through diverse channels, AIR ASIA continuously interacts with key stakeholders, allowing key stakeholders to timely understand the Company's operating status, while the Company can also grasp the demands and expectations of key stakeholders and respond promptly.

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- AIR ASIA's ranking in the 2024 corporate governance evaluation of listed companies: 6%~20%.

To ensure the stable supply of materials used for aircraft maintenance, besides having "Supplier Management Methods" and "Evaluation Methods for Aviation Material Suppliers, Cooperative Maintenance Manufacturers, and Subcontractors", AIR ASIA regularly conducts supplier evaluations and periodically holds environmental and occupational safety and health training, assisting suppliers in complying with regulations and company standards, enhancing public safety and health performance.

AIR ASIA will keep up with the times, upholding our commitments across governance, environment, and social aspects. AIR ASIA continues to build sustainable resilience and inclusiveness, and looks forward to working hand in hand with all stakeholders to create a better, more sustainable future, thriving and prospering together with the environment and society.



Chairman

李偉賢

About This Report

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◆ Scope of This Report

The Company publishes this Report annually. The disclosure period of the information is 2024 (from January 1, 2024 to December 31, 2024), and the scope of disclosed data and publishing frequency are consistent with the financial statements. The content covers concrete practices and performance data across governance, economic, environment, and social aspects. In order to ensure the completeness of project and activity performance, some information includes before January 1, 2024, as well as after December 31, 2024. If some content spans operational activities of different years, it will be explained separately within the text of this Report. The scope of information disclosure in this Report primarily focuses on AIR ASIA's operations in Taiwan. The consolidated financial statements are disclosed in New Taiwan Dollars, and the related statistical figures are based on internationally recognized standard indicators.

Scope of This Report:

Items	Details of the Company
Disclosure Scope of This Report	▪ Sung Shan Plant, Taichung Plant, Tainan Plant (including Guiren Station), Pingtung Plant. ▪ NASC Outstations: Kaohsiung Station, Hualien Station, Taitung Station. ▪ Line Maintenance: Taoyuan Airport, Taichung Airport, Tainan Airport, Kaohsiung Airport.
Excluded from the Scope of This Report	The subsidiary, Air Asia Company Ltd. (USA), is engaged in logistics services and is excluded from the scope of this Report.

◆ Writing Basis

The structure of this Report is based on the Universal Standards 2021 published by the GRI in 2021, serving as the basis for information disclosure of this Report. It is prepared in alignment with the "Sustainable Development Best Practice Principles for TWSE Listed Companies", the Task Force on Climate-related Financial Disclosures

(TCFD), and the Sustainability Accounting Standards Board (SASB). It also complies with the requirements of the "Operation Procedures for Listed Companies to Prepare and Report Sustainability Reports". Additionally, the appendix of this Report provides a GRI Standards content index for stakeholders' reference. The information and data disclosed in this Report were provided by various departments and plants of the Company. Members of the Sustainability Implementation Committee were responsible for compiling and editing the content. The draft was reviewed and revised by each team leader within the committee, followed by administrative procedures and final approval by the Chairman. The finalized report was then submitted to the Sustainable Development Committee and the Board of Directors for reporting.

The Company's 2024 Sustainability Report has not undergone assurance verification by an external verification entity. However, the accuracy of the content of this Report is ensured through the Company's rigorous internal review mechanisms. The source of data related to the financial statements are based on the financial statements and annual report audited by KPMG Taiwan, and are disclosed in New Taiwan Dollars. Additionally, the performance related to quality, environmental management, and safety and health are presented using international universal indicators. Some data is sourced from publicly available data on government websites and described using commonly accepted quantitative description methods. In cases where estimations are made, they will be noted in the relevant CHAPs.

The operational sites of AIR ASIA in Taiwan have passed the verification of the following systems:

Items	Certification Standards	Third-Party Certification Organization
Financial Information	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and Generally Accepted Auditing Standards	KPMG Taiwan

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Items	Certification Standards	Third-Party Certification Organization
Quality/Customer Relationship Management	ISO 9001: 2015 Quality Management System	AFNOR
	AS9110C: 2018 Aerospace Maintenance Organization Management System	AFNOR
Quality/Customer Relationship Management	AS9100D: 2016 Aerospace Quality Management System	AFNOR
	NADCAP (Chemical Processing) Aerospace NADCAP Special Process Certification (Chemical Processing)	PRI
Information Security	ISO 27001: 2022 Information Security Management System	AFNOR
 Note: For the relevant licenses and certificates, please refer to the Company's official website: "Company Website → About AIR ASIA → License & Certificate".		

◆ Report Restatement Information

To enhance the accuracy and consistency of the information collection process, AIR ASIA continues to improve data quality annually. Some historical data in this Report differ from those in the previous version, which are summarized and explained as follows:

Restatement Information	Differences
Adjustment to the Emission Factor for Air Conditioner Refrigerants	The emission factor for air conditioner refrigerants in 2023 was originally 0.003 and has been adjusted to 0.03 to align with the 2024 data, ensuring data accuracy and comparability.

Restatement Information	Differences
Adjustment to Material Topics	After the internal assessment, the material topics for 2024 have been adjusted. "Market Position" and "Waste" have been removed, while "Information Security Protection" has been added.
Scope of Waste	Added aircraft line and Songshan Plant.

Due to the above adjustments, the Scope 1 GHG emissions for 2023 will increase. Additionally, the material topics for 2024 have been updated, including Business Performance, Information Security Protection, Customer Relations, Energy Management, Carbon Emission Management, Training and Education, Labor Relations, Occupational Safety and Health. In addition to adhering to the GRI materiality disclosure principles, the Company also prepares this Report following more rigorous standards, continuously improving the data collection process and scope to ensure the completeness of this Report content and enhancement of data quality.

◆ Publication Date

This publication is the second Sustainability Report prepared by AIR ASIA Company Limited, and the Company will publish a "Sustainability Report" annually.

Previous Version Published: Published in June 2024.
Current Version Published: Published in August 2025.

◆ Contact Window

If you have any questions, advices, or suggestions regarding this Report, please feel free to contact us.

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Company Website: <https://www.airasia.com.tw/index.php?option=module&lang=cht&task=showlist&id=455&index=1>



AIR ASIA
Company
Limited Official
Website

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1.1 Stakeholder Engagement

For stakeholders, the Company adopts five principles of the AA1000 Stakeholder Engagement Standards (AA1000 SES)—Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. To ensure the completeness of stakeholder identification, the Company also refers to the spirit of the GRI Standards. Potential stakeholders include shareholders and other investors, financial institutions, government, employees and other workers, customers, consumers, business partners, suppliers, local communities, non-governmental organizations, social welfare organizations, public associations, etc. In addition, the Company refers peers in the same industry and the stakeholders specified in our 2023 Sustainability Report, and then assesses the actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts the Company has on stakeholders through the external experts. Following the AA1000 SES identification results and discussions with executives, stakeholders with a total score greater than 10 are defined as the Company's major stakeholders for 2024.

Through discussions between the Company and external experts and referencing AA1000 SES identification results, 7 categories of stakeholders are identified, including Employees and Other Workers, Customers, Investors/Legal Shareholders/Financial Institutions, Government Agencies, Neighbors (Community)/Non-governmental Organizations, Media, and Suppliers/Contractors.



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◆ Stakeholder Communication Channels

Government Agencies				
Grievance and Feedback Channels	Channels	Vice President	Quality Assurance Division	Chairman's Office
	Name	Chao, Chin-Hsien	Li, Jui-Lung	Su, Yu-Hui
	Title	Vice President	Director	Chief of Chairman's Office
	Tel. No	+886-6-268-1911 Ext. 2901	+886-6-268-1911 Ext. 2400	+886-6-268-1911 Ext. 2005
	E-mail	IR@airasia.com.tw	jlli@airasia.com.tw	vickiesu@airasia.com.tw
Meaning to AIR ASIA	Government agencies are responsible for supervising and checking the Company's compliance with the regulations. AIR ASIA maintains good communication with the government, ensuring to grasp the latest regulatory trends. All operating activities are conducted within the scope approved by the Civil Aviation Administration and are subject to supervision and check by the Civil Aviation Administration.			
Focus on Topics		Communication Channels	Communication Frequency	
- Corporate Governance - Compliance with laws and regulations - Risk Management		- Cooperate with the competent authority to supervise and check - Publicity meetings and forums of competent authorities - Public hearings/Regulatory announcements - E-mails and official letters - Phones and visits	- Irregularly - Irregularly - Irregularly - Irregularly - Immediately	
2024 Communication Results	- In 2024, regularly visited the Ministry of Transportation and Communications and Civil Aeronautics Administration and accepted 23 regular audits by domestic and foreign civil aviation authorities, and participated in 1 seminar on Civil Aeronautics Administration, Ministry of Transportation and Communications. - A total of 8 people participated in various publicity meetings and forums organized by the Stock Exchange and the Securities & Futures Institute. - Internal operating procedures were promptly revised in accordance with regulatory amendments.			

Investors/Legal Shareholders/Financial Institutions				
Grievance and Feedback Channels	Channels	Spokesperson	Deputy Spokesperson	Stock Affairs
	Name	Chao, Chin-Hsien	Kuo, Ssu-Tsen	Hsiao, Yun-Jou
	Title	Vice President	Vice President	Director Accounting & Financial Planning
	Tel. No	+886-6-268-1911 Ext. 2901	+886-6-268-1911 Ext. 2901	+886-6-268-1911 Ext. 2920
	E-mail	IR@airasia.com.tw	IR@airasia.com.tw	rohsiao@airasia.com.tw
Meaning to AIR ASIA	Shareholders, as investors in the Company, are ensured of their rights and treated fairly. They are guaranteed full knowledge, participation, and decision-making rights in significant company matters.			
Focus on Topics		Communication Channels	Communication Frequency	
▪ Dividend Policy ▪ Operating Performance ▪ Corporate Governance		▪ Shareholders' meeting ▪ Investor Conference ▪ Announce important company information on the Market Observation Post System ▪ Provide important business development and operational performance information and news through the media for shareholders and investors to know ▪ Board meetings	▪ Once a year ▪ Once a year ▪ Immediately ▪ Irregularly ▪ Six times a year	
2024 Communication Results	▪ Shareholders' meeting has been held on June 26, 2024. ▪ Investor Conference has been held on September 27, 2024. ▪ 33 items of material information issued; the news exposed more than 15 issues. ▪ In 2024, a total of 9 Board meetings have been held. ▪ In 2024, the attendance rate of all directors has reached 91.92%. ▪ In 2024, all directors have completed the standard training hours.			

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Suppliers/Contractors				
Grievance and Feedback Channels	Channels	Procurement Division	Administration of General Affairs	Administration of Safety & Security
	Name	Maryam Khan (Elizabeth J. Y. Wang)	Weng, Chen-Huan	Liu, Wen-Chuan
	Title	Director	Manager	Manager
	Tel. No	+886-6-268-1911 Ext. 2700	+886-6-268-1911 Ext. 2670	+886-6-268-1911 Ext. 2660
	E-mail	JYWANG@airasia.com.tw	chweng@airasia.com.tw	WCLIU@airasia.com.tw
Meaning to AIR ASIA	The Company maintains long-term good partnerships with supply partners to ensure a stable supply of raw materials and components, thereby improving product and service quality. At the same time, leveraging the influence in the industry to jointly prevent environmental pollution and labor rights violations. A stable and high-quality supply chain service is also key to AIR ASIA's efforts to enhance customer satisfaction.			
Focus on Topics		Communication Channels	Communication Frequency	
▪ Procurement Practices ▪ Risk Management ▪ Compliance with laws and regulations ▪ Product Safety and Quality		▪ E-mail ▪ Phones ▪ Coordination meetings ▪ Business visits ▪ Supplier annual meetings	▪ Immediately ▪ Immediately ▪ Irregularly ▪ Annually ▪ Irregularly	
2024 Communication Results	▪ In 2024, the proportion of written or on-site audits of major suppliers has reached 97%; the number of approved suppliers will reach 244. ▪ There was 4 piece of company bidding information in the announcement area of the Company's website. ▪ Every year, AIR ASIA Occupational Safety and Health Family education training is held, and in 2024, it won the Excellent Award for Safety and Health Family Performance Evaluation by Bureau of Labor Affairs, Tainan City Government.			

Customers			
Grievance and Feedback Channels	Channels	Military Aircraft Business Unit Military Aircraft Marketing Division	Commercial Aircraft Business Unit Commercial Aircraft Planning Division
	Name	Sun, Shih-Ting	Debbie M. Y. Hsu
	Title	Director	Director
	Tel. No	+886-6-268-1911 Ext. 2290	+886-6-268-1911 Ext. 2980
	E-mail	stsun@airasia.com.tw	debbiehsu@airasia.com.tw
	Channels	Helicopter Business Unit Marketing of Helicopter Marketing Division	Commercial Aircraft Business Unit Aircraft Maintenance Division
	Name	Fu, Chung-Yuan	Li, Chung-Chung
	Title	Director	Director
	Tel. No	+886-6-268-1911 Ext. 2345	+886-6-268-1911 Ext. 2100
	E-mail	E-mail : jyfu@airasia.com.tw	chunglee@airasia.com.tw
Meaning to AIR ASIA	Customers are the core of the Company's revenue. The Company considers the excellent services as its highest commitment to customers, providing stable, high-quality products and profession. Through continuous service optimization and immediately response to needs, we strengthen customer trust, enhance satisfaction, thereby establishing long-term partnerships to ensure the Company's competitive advantage and growth in the market.		
Focus on Topics		Communication Channels	Communication Frequency
▪ Product Safety and Quality ▪ Rights and Interests of Customers and Service Quality		▪ Performance supervision and audit ▪ Quality communication meetings ▪ Customer satisfaction surveys	▪ Regularly ▪ Irregularly ▪ Regularly
2024 Communication Results	▪ In 2024, the Company accepted customer performance supervision and audit more than 100 times. ▪ In 2024, more than 100 times of quality communication meetings with customers. ▪ In 2024, customer satisfaction was 85.8%~99.0%. ▪ In 2024, after customers raised warranty complaints, they were identified by the Company's quality control department. To ensure flight safety, the warranty response rate was 100%.		

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Employees and Other Workers				
Grievance and Feedback Channels	Channels	Administration Division	Audit Office	Administration of Personnel
	Name	Wang, Wen-Yao	Chen, Han-Ching	Wu, Han-Wei
	Title	Director	Chief Audit Office	Manager
	Tel. No	+886-6-268-1911 Ext. 2600	+886-6-268-1911 Ext. 2060	+886-6-268-1911 Ext. 2610
	E-mail	wywang@airasia.com.tw	hjchen@airasia.com.tw	henrywu@airasia.com.tw
Meaning to AIR ASIA	Employees are an indispensable foundation for the Company's operations. The Company commits to providing a workplace environment conducive to health, safety and diverse development, ensuring that employees can work with peace of mind, fully realize their potential, and receive support and protection throughout their career growth.			

Focus on Topics	Communication Channels	Communication Frequency
▪ Operating Performance ▪ Labor Relations ▪ Work Safety and Health Management ▪ Occupational Safety and Health	▪ The Company's internal website	▪ Irregularly
	▪ Regularly hold occupational safety and health committees	▪ Quarterly
	▪ Seminars and dinner parties with employees	▪ Irregularly
	▪ Cooperate with the performance of the contract to carry out legal education and publicity courses for employees	▪ Irregularly
	▪ Employee health promotion courses	▪ Irregularly
	▪ Plans for education and trainings	▪ Irregularly

2024 Communication Results	▪ In 2024, more than 50 pieces of information related to employee benefits, training, and health care have been announced. ▪ In 2024, occupational safety and health committee and labor-management meeting have been held every quarter. ▪ In 2024, the Chairman has held symposiums and dinner parties with employees a total of 18 times. ▪ In 2024, legal education and publicity courses were conducted through e-Learning and entity courses, 1,133 participants, 1,133 hours in total. ▪ In 2024, a total of 47 courses on employee work-life balance selection, health care and travel have been held, with 828 participants. ▪ The Company won the 2024 Healthy Workplace Certification Health Promotion Label issued by the Ministry of Health and Welfare. ▪ In 2024, courses related to employee function improvement have been conducted, with a total of 14 sessions and 53 participants.
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Neighbors (Community)/Non-governmental Organizations				
Grievance and Feedback Channels	Channels	Administration Division	Employee Welfare Committee of AIR ASIA	Union of Air Asia Co., Ltd.
	Name	Wang, Wen-Yao	Chao, Chin-Hsien	Sun, Hsing-Kuang
	Title	Director	Chairperson	President
	Tel. No	+886-6-268-1911 Ext. 2600	+886-6-268-1911 Ext. 2901	+886-6-268-1911 Ext. 3000
	E-mail	wywang@airasia.com.tw	IR@airasia.com.tw	XGSUN@airasia.com.tw
Meaning to AIR ASIA	While actively promoting business, the Company upholds its responsibilities as a corporate citizen by engaging in various social participation and charitable initiatives. The Company is committed to improving community and societal living standards, continuously promoting environmental protection, educational support, care for the disadvantaged, and other plans. Through concrete actions, the Company fulfills its corporate social responsibility and creates a better future.			

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Neighbors (Community)/Non-governmental Organizations		
Focus on Topics	Communication Channels	Communication Frequency
- Local Communities - Indirect Economic Impacts - Public Policy	- Support sheltered workers in stabilizing their employment - Charitable activities - Local religious culture, community activities, and cultural education - Hazardous substances prevention meetings	- Irregularly - Irregularly - Irregularly - Irregularly
2024 Communi- cation Results	- Donated 50 Spring Festival care gifts to the Huashan Social Welfare Foundation worth NT\$53,750. - Ordered 70 copies of GiMoa Sheltered Workshop's printed activity manuals costs NT\$10,500. - Ordered Aniping KangChia FuTien Sheltered Workshop lunch box 188 boxes for NT\$18,800. - Ordered 1,000 copies of ZhanYi Bakery Sheltered Workshop's Mid-Autumn Festival gift box for NT\$500,000, and cooperated with the Tainan City Government Labor Bureau to deliver sheltered gift boxes to disadvantaged labor families. - Ordered 65 copies of Chongyi Sheltered Workshop's printed education and training activity manual for NT\$4,355. - In 2024, 5 blood donation events were held, 543 bags of blood were collected. - In 2024, donated NT\$515,000 to Wude Temple for the community harmony and blessing event, NT\$100,000 to Chejia Evergreen Association, and NT\$15,000 to National Cheng Kung University Cultural and Educational Foundation. - On October 25, 2024, the Company held the "2024 Tainan City Toxic Chemical Substances Joint Defense Organization Administrative Group Annual Meeting" in accordance with the Toxic and Concerned Chemicals Management Measures.	

Media			
Grievance and Feedback Channels	Channels	Spokesperson	Deputy Spokesperson
	Name	Chao, Chin-Hsien	Kuo, Ssu-Tsen
	Title	Vice President	Vice President
	Tel. No	+886-6-268-1911 Ext. 2901	+886-6-268-1911 Ext. 2901
	E-mail	IR@airasia.com.tw	IR@airasia.com.tw
Meaning to AIR ASIA	Media representatives convey public critiques and suggestions, motivating the Company to continue making progress.		
Focus on Topics		Communication Channels	Communication Frequency
Regulation Compliance and Integrity Management		- News exposure - Media interviews	- Irregularly - Irregularly
2024 Communi- cation Results	- The news exposed more than 15 issues. 2 media interviews.		

1.2 Material Topic Identification

To ensure that the information disclosed in the Sustainability Report meets the needs of stakeholders, the selection of AIR ASIA's material topics was based on the GRI Topic Standards and the Sustainability Accounting Standards Board (SASB). The identification process involved company representatives, department heads, and external experts, who assessed each topic based on the Company's actual or potential negative impacts and positive impacts to the economy, environment, and society (people and human rights).

The evaluation process can be divided into four stages:

1	Understand the Organization's Context	Based on the GRI Topic Standards and the Sustainability Accounting Standards Board (SASB), a total of 38 sustainability issues were identified.
2	Identify Actual and Potential Impacts	Company representatives, department heads, and external experts assessed each sustainability topic based on the Company's actual or potential negative impacts and positive impacts to the economy, environment, and society (people and human rights). The scores for actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts in each topic were then summed and ranked. A total of 9 topics scored above 30 points.
3	Assess the Significance of the Impacts	In 2024, the Company's material topic identification was based on the results of the material topic assessment completed in 2023. The process involved engagement between company representatives, department heads, and stakeholders, with the joint participation of external experts. Each topic was reviewed and verified to determine its continued materiality. Through the past operational experience, the significance and likelihood of each issue's impacts were assessed. As a result of the analysis, 8 material topics were ultimately identified.
4	Prioritize Reporting Based on the Most Significant Impacts	Company representatives and department heads conducted a comprehensive assessment with external experts based on the nature of topics, and subsequently assigned the management approaches to each chapter of this Report for disclosure.

◆ Material Topic Identification Results

This Report hopes to identify sustainability topics of stakeholder concern/interest through a systematic analytical approach, serving as the basis for information disclosure in this Report. It facilitates effective communication with stakeholders and supports continuous improvement of operational sustainability performance. The list of material topics is shown in the table below.

The 2024 Report includes 8 material topics. Compared to the 2023 Report, the topics of "Waste" and "Market Position" were removed, while "Information Protection (Customer Privacy)" was added. AIR ASIA will describe the management approach and relevant disclosure items for each material topic in this Report. Finally, to ensure the completeness of this Report's content, AIR ASIA also discloses the outcomes of participation in charitable activities.

Environmental	Social	Economic/Corporate
▪ Energy ▪ Emissions	▪ Labor Relations ▪ Training and Education ▪ Occupational Safety and Health	▪ Economic Performance ▪ Information Protection (Customer Privacy) ▪ Customer Relations

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◆ List of material topics

Name of Material Topics	Correspondence to Sustainability Standards (Issues)	Description of the Organization's Policies or Commitments Related to Material Topics (Explanation of the Importance)	Description of the Impact (Economy, Environment, and People (Including Human Rights))	Actual/Potential Positive/Negative (Potential Simultaneous Existence of the Above Scenarios)	Main Affected Objects (Groups Impacted by the Organization's Operating Activities)	Management Approach Disclosure Chapters
Business Performance	GRI 201 Economic Performance	The advantages and disadvantages of business performance not only determines a company's ability to sustain its business but also potentially influences its future development direction and the livelihoods of all employees, making it critically important. Good business performance ensures stable operations, enhances corporate competitiveness, creates job security and growth opportunities for employees, and drives shareholder value and investor confidence, achieving long-term sustainable operation goals.	▪ Economic: Good corporate business performance and profitability not only secure employees' livelihoods and generate capital gains for investors, but also enable the Company to invest in social responsibility and enhance its corporate image. ▪ People/Human Rights: Business performance directly affects employees' job stability and rights and interests. If the performance declines, it may affect employees' livelihoods and benefits, and increase employee turnover.	▪ Positive: Business performance directly affects the Company's costs and profitability, as well as the level of trust that investors and competent authorities place in the Company. AIR ASIA's continued profitability creates greater economic value and benefits for shareholders and employees. ▪ Negative: Low operational efficiency or poor management may lead to increased costs, reduced revenue, and a decline in market competitiveness, thereby affecting the Company's overall performance.	▪ The Company (Cause) ▪ Government Agencies (Facilitation) ▪ Employees and Other Workers (Direct Relation) ▪ Customers (Facilitation) ▪ Investors/Legal Shareholders/ Financial Institutions (Direct Relation) ▪ Media (Facilitation) ▪ Suppliers/Contractors (Facilitation)	Chapter 2 About AIR ASIA
Customer Relations	Custom Topic	Customer relations are key to a company's success and sustainable operation, impacting revenue, profitability, and market competitiveness. Good customer relations enhance reputation and strengthen brand loyalty, and also optimize products and services through customer feedback, achieving greater cost efficiency and competitive advantage, thereby ensuring a company's stable development.	▪ Economic: Establishing stable relationships with customers can increase revenue, enhance loyalty, and strengthen market competitiveness. If customer needs are neglected or service quality declines, it may lead to customer churn and reduced revenue. ▪ People/Human Rights: Companies need to provide safe and transparent products and services to protect the rights and interests of consumers, prevent disputes, and ensure customers receive a fair and reliable consumption experience.	▪ Positive: Good customer relations can promote long-term business cooperation, build industry reputation, expand the customer base, and maintain lasting and stable revenue, which has a significant impact on the Company's sustainable operations and securing employees' livelihoods. ▪ Negative: Poor customer relation management may lead to customer churn, reputation damage, and decreased market competitiveness, thereby affecting the Company's long-term revenue, causing operational difficulties, and jeopardizing employees' livelihoods.	▪ The Company (Cause) ▪ Customers (Direct Relation) ▪ Employees and Other Workers (Direct Relation) ▪ Investors/Legal Shareholders/Financial Institutions (Facilitation)	Chapter 3 Sustainable Quality

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Training and Education	GRI 404 Training and Education	Through comprehensive education and professional training, enabling them to grasp the latest trends, maintenance standards, and regulations. Upholding flight safety as the top priority and maintaining quality excellence is a crucial mission for a professional aircraft maintenance company. It requires a workforce with sufficient experience and training to ensure both safety and quality. Only through continuous learning and technical advancement can the aviation industry maintain excellence, ensure flight safety, and earn customer trust.	▪ Economic: Continuous training enhances employee efficiency and professional skills, reduces work errors and safety incidents, and lowers costs and risks. At the same time, nurturing talent makes a company more competitive, enhancing brand image and customer trust. ▪ People/Human Rights: Comprehensive education and training enhance employees' professional skills and occupational safety, reduce the risk of occupational accidents, and ensure that every employee has fair opportunities for learning and development, which supports career growth, rights and interests protection, and talent retention, creating a more friendly workplace environment.	▪ Positive: Education and training have a positive impact on quality improvement and organizational efficiency, helping employees obtain professional certifications, enhance workforce quality and career development, thereby leading to higher compensation, fostering organizational commitment and reducing human resource churn. ▪ Negative: Failure to implement education and training may lead to a higher error rate, increase flight safety risks, reduce operational efficiency, and even endanger the lives of passengers and crew members.	▪ The Company (Cause) ▪ Government Agencies (Facilitation) ▪ Employees and Other Workers (Direct Relation) ▪ Customers (Facilitation)	Chapter 5 Talent Development and Social Care
Labor Relations	GRI 401 Labor Relations	Employees are fundamental to the organizational structure; the Company values the partnership with its employees. Through a harmonious and stable foundation between labor and management, a friendly labor relationship is cultivated to reduce labor risks and implement sustainable operations.	▪ Economic: Enhance employee satisfaction and productivity, reduce turnover and recruitment costs, and prevent labor disputes to minimize related legal expenses. ▪ People/Human Rights: Safeguarding employees' fundamental human rights by ensuring fair treatment, reasonable compensation, and a safe working environment, while promoting freedom of assembly and association, reducing unfair labor treatment, and enhancing the corporate image.	▪ Positive: Comprehensive labor policies can strengthen employees' trust and loyalty toward a company, while enhancing job satisfaction and efficiency. Good communication and coordination help prevent labor disputes and create a good work environment. ▪ Negative: Unequal labor relations may lead to decreased employee satisfaction, increased turnover, and reduced the Company's stability, and may result in disputes, strikes, or legal litigations that affect the Company's operations	▪ The Company (Cause) ▪ Government Agencies (Facilitation) ▪ Employees and Other Workers (Direct Relation) ▪ Customers (Facilitation)	Chapter 5 Talent Development and Social Care

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Occupational Safety and Health	GRI 403 Occupational Health and Safety	Implement autonomous occupational safety and health management, strengthen preventive measures, and establish safe operating procedures, along with safety equipment and necessary measures prepared in advance to prevent disasters, thereby effectively reducing the incidence of occupational accidents. Implementing occupational safety and health not only concerns employees' life safety and health but also directly impacts a company's operational stability and sustainable development.	▪ Economic: Implementing occupational safety and health can help avoid additional financial expenses such as compensation for industrial accidents and government fines. Furthermore, improper handling of occupational accidents may damage corporate image, affecting talent recruitment and customer trust. ▪ People/Human Rights: Employees' health and safety conditions affect their ability to maintain normal services at AIR ASIA. Through the relevant systems and implementation, reduce impacts on the safety and health of employees and contractors, protect labor rights, and ensure a safe and healthy work environment.	▪ Positive: Good occupational safety management can prevent occupational accidents, reduce injury and accident risks, ensure employees work in a safe environment, thereby creating a good work environment that boosts productivity. ▪ Negative: If occupational safety and health are not properly managed, industrial injuries may occur frequently, not only impacting employee safety but also causing labor shortages, operational disruptions, and even legal liabilities and fines risks.	▪ The Company (Cause) ▪ Investors/Legal Shareholders/ Financial Institutions (Facilitation) ▪ Employees and Other Workers (Direct Relation) ▪ Suppliers/Contractors (Facilitation) ▪ Government Agencies (Facilitation) ▪ Media (Facilitation)	Chapter 5 Talent Development and Social Care
Energy	GRI 302 Energy	Good energy management helps maintain smooth operations of the Company, reduce operating costs, and contribute to sustainable development. Through actions such as reducing carbon emissions, improving energy efficiency, and promoting the transition to green energy, it is possible to effectively reduce environmental impact.	▪ Economic: By actively replacing energy-saving equipment and conducting daily maintenance, energy efficiency can be improved, plant safety enhanced, and operating costs reduced. ▪ Environmental: Reducing carbon emissions and improving energy efficiency help minimize environmental impact and enhance carbon footprint verification performance. Failure to implement these measures may hinder contributions to environmental protection and affect sustainable development goals. ▪ People/Human Rights: By reducing energy consumption, not only can national energy supply pressures be alleviated, but environmental impact and carbon emissions can also be lowered, thereby protecting public health rights.	▪ Positive: By optimizing energy use and promoting renewable energy, a company can not only reduce carbon emissions and lower operating costs but also enhance brand image and market competitiveness, thereby strengthening trust of customers and investors. ▪ Negative: Investing in renewable energy and energy-saving equipment may bring cost pressures, while traditional energy may face resource shortages and price volatility.	▪ The Company (Cause) ▪ Investors/Legal Shareholders/ Financial Institutions (Facilitation) ▪ Employees and Other Workers (Facilitation) ▪ Government (Direct Relation) ▪ Suppliers/Contractors (Facilitation) ▪ Customers (Facilitation) ▪ Government Agencies (Facilitation)	Chapter 4 Sustainable Environment

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Emissions	GRI 305 Emissions	Failure to manage greenhouse gases and emissions may result in potential regulatory penalties in the future. Responsible emissions management can reduce the Company's cost risks and enhance product competitiveness on sustainability issues.	- Economic: A company need to bear higher emission costs and undergo carbon reduction transformation, resulting in increased operating costs. Failure to meet standards may result in risks such as supply chain losses. - Environmental: Greenhouse gas emissions exacerbate global warming and impact biodiversity. At the same time, pollutants generated from burning petroleum and other fuels cause air pollution, which harms human health.	- Positive: By collecting greenhouse gas emission information to strengthen the Company's climate change governance and systematically assess financial implications, it helps reduce operating costs, enhance long-term competitiveness, and improve brand image. - Negative: Emissions of various greenhouse gases cause the global average temperature to rise year by year, further triggering extreme weather events that negatively impact the environment. Regulations on renewable energy installations and carbon fees increase operating costs for a company.	- The Company (Cause) - Investors/Legal Shareholders/ Financial Institutions (Facilitation) - Employees and Other Workers (Facilitation) - Government (Direct Relation) - Suppliers/Contractors (Facilitation) - Customers (Facilitation) - Government Agencies (Facilitation)	Chapter 4 Sustainable Environment
Information Protection (Customer Privacy)	GRI 418 Customer Privacy	Continuously improve information security management systems and strengthen protection capabilities to comply with domestic and foreign regulations as well as customer requirements. Implement these measures in daily operations to mitigate information security risks and maintain customer trust, the Company's reputation, and market competitiveness.	- Economic: Information leaks may lead to the loss of the Company's confidential information, resulting in economic losses and competitive disadvantages. If customer information is leaked, it not only impacts trust and brand reputation but may also result in legal litigation. - People/Human Rights: If a company fails to properly protect customer and employee information, it may lead to information leaks, resulting in risks such as identity theft and fraud, seriously infringing on individual rights.	- Positive: Can strengthen stakeholders, etc. Confidence in the Company's risk management and sustainable operations. - Negative: A breach of information security can have negative impacts on corporate operations, including confidential information leaks and system service interruptions, leading to reputation damage, business and customer churn, and legal litigation for the Company.	- The Company (Cause) - Employees and Other Workers (Direct Relation) - Customers (Direct Relation) - Government Agencies (Facilitation)	Chapter 2 About AIR ASIA
Explanation of main affected objects: 1. Cause: The organization's own activities that lead to impacts. 2. Facilitation: The organization's activities that result in, promote, or induce another entity to cause impacts. 3. Direct Relation: The organization does not cause or facilitate negative impacts, but its operations, products, or services are linked to negative impacts through its business relationships.						

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2.1 Management of Material Topics

Management Approach	Business Performance		
Correspondence to Sustainability Standards (Issues)	GRI 201 Economic Performance	Affected Stakeholders	Government Agencies, Employees and Other Workers, Customers, Investors/Legal Shareholders/Financial Institutions, Media, and Suppliers/Contractors
Major Reasons	The advantages and disadvantages of business performance not only determines a company's ability to sustain its business but also potentially influences its future development direction and the livelihoods of all employees, making it critically important. Good business performance ensures stable operations, enhances corporate competitiveness, creates job security and growth opportunities for employees, and drives shareholder value and investor confidence, achieving long-term sustainable operation goals.		
Influences and Impacts	Good business performance not only ensures the Company's profitability and safeguards employees' livelihoods and welfare but also provides returns to investors and enhances corporate image. A decline may affect employees' job stability and rights, impacting a company's long-term development. ● : Operational stability ● : Employee retention rate ■ : Reduced performance and competitiveness ● : Positive influence ■ : Negative impact		
Policies	1. Prepare budget management in accordance with the regulations of the "Preparation of Financial Forecasts" as a reference for preparing financial forecasts. Simultaneously consider domestic and foreign economic conditions, economic trends, government fiscal and economic policies, and reference the Company's historical operation information. Aggregate and organize this information to analyze corporate business environment, industry development, market supply and demand status and outlook, and conduct in-depth analysis of specific industry circumstances to understand and grasp future opportunities and threats facing a company. 2. Continuously advance the development of drones and new businesses, collaborate with academia and industry for technology transfer, and further enhance AIR ASIA's competitiveness and reputation in military and civil aviation within the Asia-Pacific region.		
Strategies	1. Regarding business conditions, flexibly allocate manpower support during peak seasons; arrange professional training and certificate schedules for employees during off-peak seasons. 2. Coordinate with customers on maintenance scheduling and parts preparation to improve overall repair efficiency. 3. Continuously expand the Company's maintenance capacity.		
Goals and Targets	▪ Short-term goals: 1. In the aircraft maintenance business, besides consolidating existing businesses, the Company will actively accelerate the development of foreign commercial aircraft maintenance services (foreign commercial customer fleets) as well as government agencies (helicopter maintenance projects). 2. In line with the government's continued execution of strategic military aircraft commercial maintenance services, the Company aims to secure extensions of existing military aircraft contracts and compete for new contracts. 3. Obtain EU EASA and Australian CASA certificates, striving to secure comprehensive civil aircraft orders.	▪ Mid-term and long-term goals: 1. Collaborate with academia and government agencies: Secure technology transfer for drone airframe manufacturing and system integration. 2. Seize opportunities in the military-grade commercial drone market. 3. Improve production and maintenance process quality, transform sporadic maintenance services into long-term fleet services, and develop into a maintenance hub for narrow-body aircraft and helicopters in the Asia-Pacific region. 4. Compete for various performance enhancement projects in government businesses. 5. Create greater economic value to reward shareholders and other stakeholders.	

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Management Approach	Business Performance
Management Assessment Mechanism	1. Cooperate with the competent authority to supervise and check, comply with regular audits by domestic and foreign civil aviation authorities, and participate in a seminar on Civil Aeronautics Administration, Ministry of Transportation and Communications. 2. Participate in publicity meetings and forums of competent authorities from time to time. 3. Hold a shareholders' meeting and Investor Conference every year, and publish an annual report. 4. Confirm project performance through various forms such as strategic discussions, project closure reports, and management meetings. 5. Establish the "Risk Management Policy and Procedures", conduct annual risk assessments, and formulate risk management policies for various risks. These policies cover mechanisms such as management objectives, organizational structure, attribution of authorities and responsibilities, and risk management processes, and are implemented to effectively identify, measure, and control the Company's various risks, keeping them within acceptable scope.
Performance and Adjustment	1. Successfully secured the OH-58 army scout helicopter commercial maintenance contract for 2024 to 2031, valued at approximately NT\$2.085 billion. 2. Obtained the BEECH fixed-wing fleet preventive maintenance and repair commercial maintenance service procurement contract from 2025 to 2029, valued at approximately NT\$126.5 million. 3. Obtained the production and assembly contract for the National Chung-Shan Institute of Science and Technology's Albatross II Drone, and completed delivery of the first unit. 4. In 2024, obtained EU EASA and Australian CASA certificates. 5. In 2024, revenue and net profit reached record highs since the Company's listing.

Management Approach	Information Protection (Customer Privacy)		
Correspondence to Sustainability Standards (Issues)	GRI 418 Customer Privacy	Affected Stakeholders	Employees and Other Workers, Customers, and Government Agencies
Major Reasons	Continuously improve information security management systems and strengthen protection capabilities to comply with domestic and foreign regulations as well as customer requirements. Implement these measures in daily operations to mitigate information security risks and maintain customer trust, the Company's reputation, and market competitiveness.		
Influences and Impacts	Information leaks may lead to the loss of the Company's confidential information, economic losses, damage to brand reputation, and legal litigation. Failure to protect employee and customer information may lead to identity theft and infringement of individual rights. ● : Improved trust of stakeholders ■ : Customer churn ■ : Confidential information leak ● : Positive influence ■ : Negative impact		

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Management Approach	Information Protection (Customer Privacy)	
Policies	1. Assess information and communication operational security needs and legal and regulatory requirements, and establish relevant information security policies. 2. Establish an information security organization and define division of authorities and responsibilities to facilitate the implementation of information security operations. 3.Promote information security education and awareness to enhance employee consciousness, and implement daily information security operations and reviews. 4. Establish an information security incident reporting and response mechanism to ensure proper response, control, and handling of information security incidents. 5. Conduct regular information security audits to ensure the implementation of information security management. 6. Establish privacy and personal data protection policies to uphold privacy and protect personal data, preventing the infringement of personal information of customers' employees, suppliers' employees, visitors, website users, investors, shareholders, and job applicants.	
Strategies	The proactive management measures the Company has taken in response to increasing information security risks include: Establish an information security management policy, establish an information security committee, obtain international standard ISO 27001 certification, and promote information security education to enhance employee awareness. ▪ Risk prevention management: Conduct annual information asset inventories, identify information security risks, formulate risk treatment plans, perform business continuity plan drills, carry out information backup and restoration tests, conduct host vulnerability scans, penetration tests, information security health checks, and account reviews, in order to prevent confidential information leak and reduce information security risks. ▪ Preventive and remedial measures: Adopt a multi-layered defense-in-depth architecture by deploying firewalls, antivirus solutions, endpoint protection, privileged account management reviews, and two-factor authentication. Continuously assess information security risks and strengthen the information security protection structure to reduce the likelihood of information security incidents. Establish information security incident response and handling mechanisms to mitigate the impact. The Company conducts annual risk assessments and internal compliance audits to ensure that the collection, processing, and use of personal information comply with the privacy and personal data protection policies, as well as all the applicable laws and regulations of privacy and personal data protection.	
Goals and Targets	▪ Short-term goals: 1. Phase out Chinese-made networking and communication equipment. 2. New employees complete the privacy and personal data protection training course.	▪ Mid-term and long-term goals: 1. Enhance and upgrade internal information systems. 2. Continuously enhance information security management and improve information security threats through risk assessments, ensuring uninterrupted operations with zero information security incidents. 3. In accordance with the regulations of U.S. Department of Defense, integrate into the U.S. supply chain by implementing the Cybersecurity Maturity Model Certification (CMMC) to ensure that suppliers and subcontractors meet the requirements of U.S. Department of Defense. 4. Regularly educate all employees on privacy and personal data protection regulations to strengthen compliance awareness.
Management Assessment Mechanism	1. Conduct internal audits twice annually to review the information security status of each department, ensuring compliance with relevant laws and regulations. 2. Undergo annual audits by international certification bodies to maintain the validity of the ISO 27001 certification. 3. Undergo annual audits by the Ministry of National Defense for military material certification and pass the supplier annual reinspection.	4. Hold regular annual management review meetings to discuss relevant information security issues and confirm that audit findings have been improved. 5. Update internal control systems to ensure compliance with information security requirements of customers and listed companies. 6. Conduct annual regular awareness sessions on privacy and personal data protection regulations for all employees.
Performance and Adjustment	▪ In October 2024, passed the ISO 27001 revised certification process and obtained the certificate. ▪ Completed the annual reinspection of the "NCSIST Supplier Information Security Audit" in July 2024, and the annual reinspection of the "Ministry of National Defense Regular Security Audit of Regulated Military Material Suppliers" in December 2024.	

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2.2 Corporate Overview

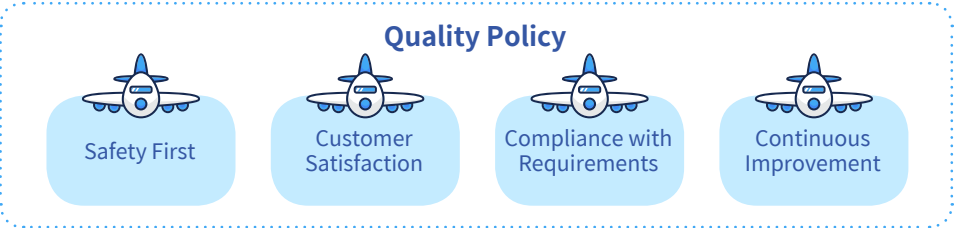
AIR ASIA Company Limited was established in 1955 by first funder General Claire Chennault, a former U.S. volunteer aviation commander who was well known by famous Fourteenth Air Force (Flying Tiger) during World War II. AIR ASIA has been the first private-owned aircraft maintenance company in Taiwan. General Claire Chennault's successful experience in management and leadership turned AIR ASIA into a world-class and professional aircraft Maintenance, Repair and Overhaul (MRO) service provider. In 1994, AIR ASIA officially become a subsidiary of Taiwan Aerospace Corporation as the only Taiwan-based professional MRO with rich experiences, FAA-certified standard facilities and equipment, and well-skilled workforces and competitive prices in servicing both commercial and military aircraft in the Asia-Pacific region.

Company Overview			
Company Name	AIR ASIA Company Limited	English Name	AIR ASIA Company Limited
Date of Establishment	January 19, 1955	Industry Type	Aircraft maintenance services
Market Type	Listed	Stock Code	2630
Date of Listing	February 22, 2018	Main Business Activities	Comprehensive services including civilian and military aircraft maintenance, engine & component maintenance, helicopter maintenance, and aeronautical parts asset management (procurement, receiving and storage).
Operational Sites	No. 1050, Jichang Rd., Rende Dist., Tainan City, Taiwan (R.O.C.)	Number of Employees	1,166
Capital Amount	NT\$2,094,382 thousand		
Shareholder Structure	Please refer to the Company's official website: "Company Website → About AIR ASIA → Business Profile"		



◆Quality Policy

AIR ASIA Company Limited is an aircraft maintenance plant. All aspects of design, construction, and maintenance quality comply with each country's civil aviation regulations and customer requirements. The Company's "Quality Policy" is as follows:



◆Overview of Technology, Research, and Development

In 2024, the Company's research and development expenditures was NT\$22,661 thousand, and the Company achieved the following significant research and development results:

1. Completed the preliminary design of a medium-sized fixed-wing unmanned aerial vehicle and obtained aerodynamic and performance analysis reports.
2. The Company submitted its own medium-sized fixed-wing unmanned aerial vehicle for special physical inspection. The review documents were formally submitted to the Civil Aviation Administration, and an initiation meeting was held. Additionally, the flight test site planning and flight test plan were completed.
3. The Company received a project grant from the Ministry of Economic Affairs for the thematic R&D program on the development of key technologies for maritime unmanned aerial vehicle shipboard landing systems together with its partner manufacturers.



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◆ Products and Service Items

AIR ASIA's main business activities include the repair, modification, leasing, and trading of aircraft and related equipment, including various types of aircraft scheduled inspections and maintenance, passenger aircraft modifications, airframe inspections and life extension, military aircraft maintenance and inspections, fleet management and maintenance, as well as complete aircraft commercial maintenance contracts. The primary purpose is to maintain and ensure the flight safety of aircraft. The business scope covers military aircrafts, helicopters, narrow-body aircrafts, and turboprop regional aircrafts. It also provides component repair and material procurement services. The primary service area is Taiwan, with the capability to dispatch professional technical teams to customer-designated locations for maintenance operations. Currently, customers include airlines from Japan, South Korea, Vietnam, the Philippines, Thailand, Cambodia, Indonesia, and Hawaii, etc. The Company's customers include domestic and foreign military, government agencies, and civil aviation operators. The Company works closely with aircraft manufacturers, maintenance providers, and material suppliers to ensure maintenance quality and operational efficiency. The related products and services are as follows. The Company is dedicated to enhancing maintenance technology and quality, and through professional management and international standard certifications, the Company ensures that customers' aircraft maintain optimal operational status. With safety, professionalism, and reliability at the core, the Company continuously promotes sustainable development.

Main Products/Services	Content
Commercial Aircraft Maintenance	B737 series, A320 CEO/NEO series, ATR 42/72, and Dash 8
Military Aircraft Maintenance	C-130H, P-3C, E-2K, T-34C, Fokker 50, BH-1900C
Helicopter Maintenance	TH-67, OH-58, AH-1W, CH-47SD, UH-60M, S-70C, 500MD
Engine & Component Maintenance	Rolls Royce M250 engine
	Over 700 certified military material maintenance items, including rescue hoists and cargo hooks, transmission systems, generators, etc.
Electroplating Center	Obtained NADCAP certification to ensure the electroplating plant's maintenance capabilities meet international standards.

Items	Production Volume	Production Value (NT\$ Thousand)
Aircraft Maintenance	106 flights	1,006,021
Fleet Maintenance and Repair Supply Installation Pricing	Due to the nature of the business being contracted maintenance for the entire fleet operation, the control metric is based on availability. Therefore, production capacity and production volume cannot be calculated.	506,329
Outsourced Repair and Aviation Material Trading	Due to the nature of the business involving aviation material trading and outsourced component repairs, the product items vary greatly with different units and pricing models. Therefore, production capacity and production volume cannot be calculated.	1,112,384
Component Maintenance (Self-performed)	Due to the nature of the business involving self-performed maintenance of aviation material and components, the product items vary greatly with different units and pricing models. Therefore, production capacity and production volume cannot be calculated.	2,112,964

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◆Upstream, Midstream, and Downstream Value Chain Diagram

Based on the nature of the aircraft maintenance services industry and considerations of flight safety, the upstream primarily consists of foreign aerospace-level manufacturers or certified maintenance providers authorized by the manufacturers; downstream consists of government units following government procurement standards or domestic and international aviation transport companies; Air Asia must obtain authorization from upstream manufacturers and pass on-site evaluations by downstream government entities or domestic and international aviation transport companies to be selected as a qualified aircraft repair center to perform maintenance services. The upstream, midstream, and downstream structure of the industry to which the Company belongs is illustrated in the diagram below:



◆Participation in Public Associations and Societies

AIR ASIA actively participates in industry-related public associations and societies. Through communications with industry partners, AIR ASIA grasps the latest technologies and trends to enhance quality and service. Through these platforms, AIR ASIA collaborates and discusses with government, academia, and industry partners to jointly promote the future development of the aviation industry. The public associations and societies that the Company has currently joined are listed in the table below:

Industry Public Associations, Other Member Associations, and National or International Advocacy Organizations	Membership
Taiwan Defense Industry Development Association	Executive Director
Aeronautical and Astronautical Society of the Republic of China (AASRC)	Member
Taiwan Aerospace Industry Association	Member
Civil Aviation Society of China	Member
Flying Safety Foundation-Taiwan	Member
Taiwan Excellence Drone International Business Opportunities Alliance	Alliance Co-Chair

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2.3 Operations of the Board of Directors

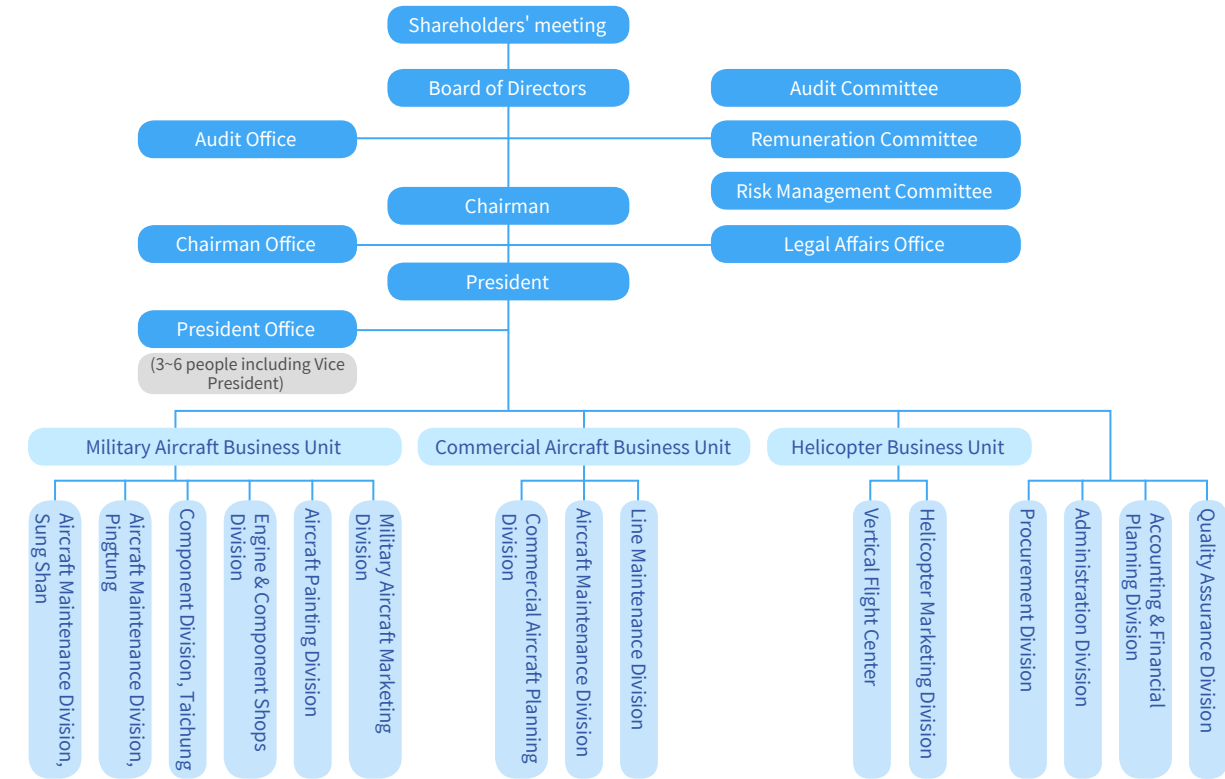
◆Organizational Structure

AIR ASIA's Board of Directors has established the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/ TPEX Listed Companies" as the foundation of corporate governance. The Company's highest governance body is the Board of Directors, which is responsible for appointing and supervising management to ensure smooth business operations. Under the Board of Directors, the Audit Committee, Remuneration Committee, and Risk Management Committee are established to jointly assist the Board of Directors in decision-making and the operation of supervision mechanisms. The Company is committed to protecting the rights and interests of shareholders, strengthening the competence of the Board of Directors, respecting the rights and interests of stakeholders, and enhancing information transparency, thereby establishing an important foundation for sustainable operations and steady growth.

◆Structure and Diversity of Directors

AIR ASIA's Board of Directors serves a three-year term. On September 4, 2024, the Company elected the members of its 10th Board of Directors (the term is from September 4, 2024 to September 3, 2027). The Board of Directors is composed of 11 directors with business or academic experience, including 4 independent directors, representing 36% of the total Board members. All independent directors have served have served consecutive terms of no more than 6 years to ensure the independence and transparency of the Board of Directors' operations.

| Company Organization Chart (Updated)



Election Procedure of
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The election of Board members abides by the "Procedures for Election of Directors", adopting the system of candidate nomination. Apart from the evaluation of candidate education, experience and qualification, consult stakeholders and comply with the "Procedures for Election of Directors" and the "Corporate Governance Best Practice Principles". In accordance with the laws, the Company shall, prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting, announce in a public notice, the period for accepting the nomination of director candidates, the quota of directors to be elected, the place designated for accepting the roster of director candidates nominated, and other necessary matters. The length of the period for accepting the nomination of director candidates shall not be shorter than ten days. After examining necessary qualification of candidate nominated by the Board of Directors, nominees are elected at the shareholders' meeting. The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. Each Board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the Board as a whole are as follows:

 1. Ability to make judgments about operations	 2. Accounting and financial analysis ability	 3. Business management ability
 4. Crisis management ability	 5. Knowledge of the industry	 6. An international market perspective
 7. Leadership and decision-making ability		 8. Legal practice

To ensure the diversity and independence of Board members, the Board of Directors is composed of individuals with different professional backgrounds and fields of work to effectively fulfill their duties, including establishing good governance system of the Board of Directors, supervising, appointing and guiding the Company's management, strengthening management functions, and overseeing the Company's overall economic, social, and environmental operating status. The Board of Directors is committed to maximizing the rights and interests of stakeholders. For more information on the diversity and independence of the Company's Board of Directors, please refer to pages 21-23 of the 2024 Annual Report. For the information on members of AIR ASIA's Board of Directors and their abilities, please refer to the Company's official website "[Company Website → Corporate Governance → Resume & authority of the Board and the Committee members](#)".

◆ Operation of the Board of Directors

To enhance the operational efficiency of the Board of Directors and ensure that the Company's operations comply with legal and ethical standards, AIR ASIA upholds the principles of fairness and transparency, striving to protect the rights and interests of shareholders and ensure that every shareholder is treated fairly and safeguarded. In 2024, the Board of Directors held a total of nine meetings. For details of directors' attendance, please refer to page 31 of the Company's Annual Report. The attendance of the 10th Board of Directors is shown in the table below.

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Title	Name	Actual Attendance (Times)	Attendance by Proxy (Times)	Actual Attendance Rate (%)	Note
Chairman	Lee, Woei-Shyan	5	0	100%	Newly appointed on September 4, 2024; should attend 5 times.
Director	Li, Han-Ming	4	1	80%	
Director	Chang, Pei-Jen	5	0	100%	
Director	Lu, I-Hsuan	5	0	100%	
Director	Kuang, Chien-Wei	4	1	80%	Re-elected; should attend 9 times.
Director	Wu, Chih-Wei	9	0	100%	
Director	Li, Yu-Ying	5	4	55.56%	
Independent Director	Lin, Chang-Ching	8	1	88.89%	Newly appointed on September 4, 2024; should attend 5 times.
Independent Director	Wang, Hui-Ching	5	0	100%	
Independent Director	Wang, Shih-Kun	5	0	100%	
Independent Director	Chang, Ke-Hao	5	0	100%	

◆ Recusal due to Conflict of Interest

Mr. Lee, Woei-Shyan serves as both the Company's Chairman and the President to enhance operational efficiency and execution of decisions. However, to strengthen the independence of the Board of Directors, the Company actively trains suitable candidates internally. Moreover, the Chairman regularly communicates closely with other directors about the Company's operational status and strategic plans to implement corporate governance. The Company has also increased the number of independent directors to enhance the Board of Directors' function and oversight capacity. Currently, the Company has implemented the following specific measures:

1. The 4 current independent directors specialize in financial accounting, law, and economic research, effectively fulfilling their oversight functions.
2. All directors annually participate in professional courses offered by organizations like the Securities and Futures Institute to enhance the operation of the Board of Directors.
3. Independent directors in various committees can fully discuss and provide recommendations to the Board of Directors for governance purposes.
4. More than half of the Board members are neither employees nor managers.

To avoid conflicts of interest, the Company has established the "Rules of Procedure for Board of Directors Meetings", "Ethical Corporate Management Best Practice Principles", and "Procedures for Ethical Management and Guidelines for Conduct". When a Board member or any attendee with a vested interest in the agenda items has a conflict of interest, they must disclose the significant content of their conflict during the Board meeting. If there is a potential for harm to the Company's interests, they must not participate in the discussion or voting and must recuse themselves during the discussion and voting. They cannot vote on behalf of other directors either. Directors are also expected to exercise self-discipline and must not improperly support each other. The meeting minutes should record the names of Directors with conflicts of interest and their recusal. For the information relating to the recusal due to conflict of interest of the Company's directors, please refer to pages 31-32 of the 2024 Annual Report.

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◆ Sustainability Implementation Committee

The Company has approved and implemented the "Sustainable Development Best Practice Principles" and the "Operational Procedures for the Preparation and Assurance of Sustainability Reports". Since 2018, the dedicated unit for promoting corporate social responsibility was the Chairman's Office. In 2021, it was renamed as the Sustainable Development Promotion Unit. On May 10, 2023, the Sustainability Implementation Committee was formally established to further strengthen the Company's governance and management in the field of sustainable development.

The Sustainability Implementation Committee is responsible for formulating and implementing sustainable development policies, management systems, or related promotion plans. The Company's Sustainability Implementation Committee has the Chairman as the Chairperson, the Chief of Chairman's Office as the Executive Secretary, and division heads as leaders of the economic, social, and environmental subgroups, responsible for proposing and implementing sustainable development policies, systems, or related management guidelines and specific promotion plans. The Company reports the implementation results and future goals of the Sustainability Report to the Board of Directors. The Board of Directors regularly listens to reports from the management team to understand the Company's management practices and provide suggestions in a timely manner. The Committee holds two regular meetings annually based on its work plan, and the meetings had been held in January 2024 and July 2024, respectively. Before the meeting, the Executive Secretary issues a meeting notice, requesting each subgroup leader to prepare relevant data and reports, including economic performance, customer relations, energy management, carbon emission management, labor relations, occupational safety and health, training and education, information security

protection, and social participation. These topics are discussed, and resolutions are made during the meeting, which are finally approved by the Chairman. After the completion of the Report, the Chairman will convene the Sustainability Implementation Committee to conduct a final review to ensure that the Report for that year covers all material ESG topics and implementation results. The Committee also reports to the Board of Directors on the achievement of goals and future plans to ensure that the sustainable development strategy continues to be optimized and effectively implemented. The Committee also reports regularly to the Board of Directors on the implementation results and future goals of the Sustainability Report. The Board of Directors provides feedback and suggestions in a timely manner to ensure that the direction of sustainable development aligns with the Company's long-term strategy.

◆ Operation of the Sustainability Implementation Committee

AIR ASIA regularly interacts with stakeholders through routine channels and reports to executives on internal and external quality audits during SRB Review Meeting and SRB Management Review Meeting. If a stakeholder or sustainability issue arises that might have significant negative impact on the Company, the responsible department conducts a multi-faceted due diligence review. The findings are reported to the Chairman, who assesses whether to report them to the Board of Directors. Additionally, the Board of Directors then makes resolutions and assign the relevant departments for implementation. The Company had no significant deficiencies or significant potential negative events reported in 2024.

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2024 ESG Discussion Items of AIR ASIA		
Nature	Number of Material Events	Overview of Communication Issues
Environmental	6	A "Greenhouse Gas Inventory and Verification Progress Report" is reported to the Board of Directors quarterly.
		A "Sustainable Development Implementation Status Report" is reported to the Board of Directors annually.
		On May 9, the "Proposal for the 2023 Sustainability Report" was approved by the 19th Board of Directors' meeting of the 9th session.
Economic	11	A "Operating Report" is reported to the Board of Directors quarterly.
		The "Manager Performance Evaluation Report" is reported to the Board of Directors semi-annually.
		The "Annual Achievement of Manager Performance and the Next Year's Performance Indicator Goals" is reported to the Board of Directors annually.
		On February 29, the "Proposal of 2023 Business Report and Financial Statements" was approved by the 17th Board of Directors' meeting of the 9th session.
		On February 29, the "2023 Surplus Distribution" was approved by the 17th Board of Directors' meeting of the 9th session.
Social	5	On February 29, the "Capital Reserve Transferred to Cash Distribution" was approved by the 17th Board of Directors' meeting of the 9th session.
		On December 17, the "Annual Budget of 2025" was approved by the 5th Board of Directors' meeting of the 10th session.
		On February 29, the "Discussion for an Increase in Remunerations for All Employees" was approved by the 17th Board of Directors' meeting of the 9th session. (Meal allowance increase)
		On February 29, the "Employee Remuneration Allotment of 2023" was approved by the 17th Board of Directors' meeting of the 9th session.
		On March 19, the "Discussion Proposal on Salary Increase for Managers and Amendment of 'Remuneration Management Measures for Directors and Managers'" was approved by the 18th Board of Directors' meeting of the 9th session. (Meal allowance increase)
Management	19	On August 6, the "Discussion Proposal on Salary Increase for All Employees" was approved by the 20th Board of Directors' meeting of the 9th session. (Seniority-based salary adjustment)
		On August 6, the "Discussion Proposal on Salary Increase for Managers" was approved by the 20th Board of Directors' meeting of the 9th session. (Seniority-based salary adjustment)
		An "Audit Report" is reported to the Board of Directors six times a year.
		A "Risk Assessment Report" is reported to the Board of Directors quarterly.
		An "Information Security Risk Management Report" is reported to the Board of Directors annually.
		A "Performance Evaluation Report of the Board of Directors and Functional Committee" is reported to the Board of Directors annually.
		A "Stakeholder Engagement Report" is reported to the Board of Directors annually.
		On August 6, the "Proposal of 2025 Work Plan of Remuneration Committee" was approved by the 20th Board of Directors' meeting of the 9th session.
		On August 6, the "Confirmation of Director Candidates Qualifications" was approved by the 20th Board of Directors' meeting of the 9th session.
		On August 6, the "Proposal of Cancellation of Non-compete Behavior Limitation of Director Candidates and Directors' Representatives" was approved by the 20th Board of Directors' meeting of the 9th session.
		On December 17, the "2024 Implementation Status Report on Integrity Management" was approved by the 5th Board of Directors' meeting of the 10th session.
		On December 17, the "2024 Implementation Status Report on Intellectual Property Management" was approved by the 5th Board of Directors' meeting of the 10th session.
		On December 17, the "2025 Annual Audit Plan" was approved by the 5th Board of Directors' meeting of the 10th session.

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◆Functional Organizations

To ensure that the Board of Directors fully performs its supervisory functions and enhances operational efficiency, AIR ASIA has established the related functional committees under the Board of Directors in accordance with the laws, including the "Audit Committee", "Remuneration Committee", and "Risk Management Committee". Please refer to pages 36–39, 53–55, and 57 of the Company's Annual Report for the details of operations.

The Company's Audit Committee is composed of 4 independent directors, with the Independent Director, Lin, Chang-Ching, serving as the convener. The Audit Committee is established to assist the Board of Directors in overseeing the Company's execution of accounting, auditing, financial reporting processes, and the quality and integrity of financial controls. The operation of the Company's Audit Committee is conducted in accordance with the "Audit Committee Charter", and the Audit Committee holds at least one meeting quarterly. The Audit Committee's authorities and responsibilities are as follows. In 2024, the Audit Committee held a total of 6 meetings, with an average overall attendance rate of 100%. Please refer to page 36 of the Company's Annual Report for the details of attendance.

1.	Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2.	Evaluate the effectiveness of the internal control system.
3.	Establish or amend procedures for major financial or business activities, such as for acquiring or disposing of assets, engaging in derivatives transactions, extending loans to others, and granting endorsements or guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
4.	Matters involving conflicts of interest of directors.
5.	Significant asset or derivative transactions.

6.	Significant fund lending, endorsements, or guarantees.
7.	Public offering, issuance, or private placement of equity-type marketable securities.
8.	Appointment, dismissal, remuneration, and assessment of independence and qualification of certified public accountants.
9.	Appointment and dismissal of financial, accounting, or internal audit supervisors.
10.	Financial statements signed or sealed by the Chairman, managers, and accounting supervisors.
11.	Other material matters as prescribed by the Company or competent authorities.

◆Risk Management Committee

The Company established the Risk Management Committee on November 1, 2022, composed of all independent directors and 1 director with extensive experience in the aviation industry. After the re-election in September 2024, the Risk Management Committee is composed of all independent directors, with the Independent Director, Lin, Chang-Ching, serving as the convener. According to the "Risk Management Committee Charter", the Risk Management Committee conducts risk reviews of the Company to ensure the effectiveness of risk management, and report to the Board of Directors for its decision-making reference. The Risk Management Committee's authorities and responsibilities are as follows. In 2024, the Risk Management Committee held a total of 3 meetings, with an average overall attendance rate of 100%. Please refer to page 57 of the Company's Annual Report for the details of attendance.

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1.	Review risk management policies, procedures and structures, and regularly review their applicability and performance.
2.	Assess risk appetite (risk tolerance) and guide resource allocation.
3.	Ensure that the risk management mechanism can adequately handle the risks faced by the Company and integrate it into the daily operation process.
4.	Approve risk control priorities and risk levels.
5.	Review the implementation of risk management, make necessary improvement suggestions, and regularly report to the Board of Directors at least once a year.
6.	Execute the risk management decisions of the Board of Directors.

◆ Remuneration Committee

The Company's Remuneration Committee is composed of all independent directors, with the Independent Director, Lin, Chang-Ching, serving as the convener. According to the "Regulations Governing the Exercise of Powers by Remuneration Committee Charter", the Remuneration Committee evaluates the compensation policies and systems of directors and managers of the Company in a professional and objective position, and makes recommendations to the Board of Directors for its decision-making reference. The Remuneration Committee, exercising the duty of care of a prudent manager, faithfully performs the following authorities and responsibilities and submits its recommendations to the Board of Directors for discussion.

The Company's Remuneration Committee operates in accordance with the "Regulations Governing the Exercise of Powers by Remuneration Committee Charter", and holds at least two meetings each year. The Remuneration Committee's authorities and responsibilities include regularly reviewing relevant regulations and proposing amendments, establishing and reviewing performance evaluation criteria, annual and long-term performance goals for directors and managers, as well as remuneration

policies, systems, standards, and structures. The content of the performance evaluation criteria is disclosed in the Annual Report. In addition, the Remuneration Committee regularly assesses the achievement of performance goals of directors and managers, and determines the content and amounts of remuneration based on the assessment results to ensure that the remuneration mechanism is fair, reasonable, and aligned with the Company's development goals. In 2024, the Remuneration Committee held a total of 6 meetings. Please refer to page 53 of the Company's Annual Report for the details of attendance.

◆ Remuneration Policies for Directors, Managers, and Employees

The Company's Remuneration Committee is currently composed of all independent directors. In accordance with the "Regulations Governing the Exercise of Powers by Remuneration Committee Charter", the Remuneration Committee professionally and objectively assesses the Company's remuneration policies and systems for directors and managers, and provides recommendations to the Board of Directors for decision-making reference.

◆ Salary Structure

The Company's "Articles of Incorporation" stipulate that, in the case of a profit, the Company shall set aside 1%~3% of the profit to be employees' compensation. If there are accumulated losses, the value to make up for the losses should be set aside first, reserved in advance to offset the deficits. The remuneration of the Company's directors and independent directors is distributed based on the regulations of the Company's "Articles of Incorporation" and the "Regulations Governing the Remuneration of Directors and Managers". Directors only receive a fixed transportation allowance of NT\$10,000 per month. Independent directors receive a fixed remuneration of NT\$30,000 per month, and no directors' compensation is distributed.

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◆Review Process

In accordance with the Company's "Regulations Governing the Remuneration of Directors and Managers", the Chairman's remuneration, in addition to a fixed salary, includes a year-end bonus based on performance results such as financial performance indicators, talent cultivation, quality, and risk management. For special contributions, bonuses may be distributed subject to review by the Remuneration Committee and approval by the Board of Directors.

◆Risk Link

The remuneration of the Company's managers is determined with reference to the general pay levels in the same industry, while also taking into account individual performance evaluation results, time commitment, responsibilities, achievement of personal goals, performance in other positions, recent remuneration for comparable positions within the Company, achievement of existing short-term and long-term business goals, the Company's financial condition, and the reasonableness of the linkage between individual performance, the Company's business performance, and future risks. The Remuneration Committee reviews such factors in accordance with the "Regulations Governing the Remuneration of Directors and Managers" and submits recommendations to the Board of Directors for resolution.

◆Corporate Governance Supervisor

On September 9, 2024 through the approval of the Board of Directors, appointed Director Liu, Shu-Chun of the Legal Affairs Office as Corporate Governance Supervisor, strengthen the functions of the Board of Directors and guarantee the interests of shareholders. The Supervisor Liu, Shu-Chun has more than 5 years of experience as the Legal Director of the Company, meeting the qualification of Corporate Governance Supervisor in Article 23 of the Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Exercise of Powers. The main duties of Corporate Governance Supervisor at the Company include carrying out affairs related to meetings of the Board of Directors and shareholders, producing minutes of Board of Directors and shareholders' meetings, assisting directors in taking office and continuing with further studies, providing directors with information required by business execution, assisting directors in complying with decrees, reviewing the eligibility of independent directors, and assisting with matters related to changes in directorships, etc. The Corporate Governance business execution status in the year as below:

- Assist independent directors and directors in executing duties, provide necessary information and arrange to continue with further studies:
 - Provide members of the Board of Directors with information upon taking office, specifically regulations related to corporate governance and essential rules regarding the area of company operation, and irregularly provide updated information regarding latest decree amendment, etc.
 - Provide directors with company information when required, maintaining the flow of communications between Board members and the department of managers.
 - Assist independent directors with arranging relevant individual meetings with internal Chief Audit Office or Certified Public Accountants so as to understand the business demand for company finance according to the Corporate Governance Best Practice Principles.
 - According to the industry feature of the Company and directors needs, assist directors with annual refresher courses and course arrangement.

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- Assist with the procedures of Board of Directors and shareholders' meetings along with resolutions in compliance:
 1. Report the operation situation of corporate governance at the Company in Board of Directors, ensure Company shareholders' meetings and Board of Directors meet relevant laws and the Corporate Governance Best Practice Principles.
 2. Assist directors with complying with duty exercise in Company Act, Securities and Exchange Act and other relevant regulations while executing business or coming to Board resolutions, precisely avoid his/her participation in Board of Directors motions related to his/her own interests.
 3. Take responsibilities of checking the release of material information regarding the essential resolutions of shareholders' meetings and Board of Directors, ensuring the legitimacy and correctness of the content of material information, in order to guarantee the information equivalence of investor trading.
- Notify directors of the scheduled Board of Directors 7 days before, convene meetings and provide meeting materials. Notify the director(s) before hand in case the motion requires interest avoidance, complete the minutes of Board of Directors within 20 days after the meeting.
- Carry out preregistration of the date of shareholders' meetings, create meeting notifications, meeting agendas and minute books and carry out the announcement within the statutory period, carry out change of company registration in case of by-laws amendment or director reassignment or reelection.

AIR ASIA 2024 Corporate Governance Supervisors' Training Overview				
Date	Organizer	Course	Training Hours	Total Training Hours in the Current Year
2024/12/13	Taiwan Corporate Governance Association	Corporate Governance Officer and the Proper Role of Corporate In-house Lawyers	3	18
2024/11/22	Securities & Futures Institute	2024 Legal Compliance Briefing Meeting on Insider Equity Trading	3	
2024/10/04	Securities & Futures Institute	2024 Seminar on Prevention of Insider Trading	3	
2024/09/12~2024/09/13	Taiwan Corporate Governance Association	Workshop on the Identification of Climate Risk and Seminar on the Net Zero Emissions-Tainan	9	

◆ Internal Audit Organization

The internal audit of the Company is an independent unit directly report to the Board of Directors. Aim at implement the spirit of corporate governance, in addition to reporting in regular meetings of the Board of Directors. If necessary, report to the Audit Committee or Chairman immediately. Major contents of general audit, is implemented to the audit plan which adopted by the Board of Directors, which is based on the risks of identification and the project audit should be performed if needed. The implementation of the previous audit provides the management internal control status to understand the existing or potential lack of control. After the audit performed, the interior audit last process required to submit audit and tracking reports, and regular delivery of the Audit Committee.

The communication policy and frequency between the Audit Committee and the internal audit supervisor of the Company are as follows:

01	Regular monthly use of email reports to audit execution progress, content and improvement.
02	Report the improvement progress of abnormal matters to the Audit Committee on a quarterly basis, reply to questions raised by independent directors or conduct project audits required by independent directors to ensure the effectiveness of the internal control system.
03	If any major violations are found, the independent directors shall be notified immediately from time to time.
Note: For the details of the communications between the independent directors and the audit supervisors, please refer to the Company's website: Homepage》Corporate Governance》Organization of internal audit and its implementation. https://www.airasia.com.tw/index.php?option=module&lang=cht&task=showlist&id=410&index=4	

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◆ Performance Evaluation of the Board of Directors

In order to implement corporate governance and enhance the functions of the Board of Directors, AIR ASIA has established performance goals to improve the operational efficiency of the Board of Directors. In accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and relevant regulations, the Company has formulated the Self-Evaluation or Peer Evaluation of the Board of Directors for compliance. According to the relevant regulations, the Company's Board of Directors and each functional committee shall implement an internal performance evaluation at least once a year, and an evaluation by an external independent professional institution or a team of external experts and scholars at least once every three years. The unit responsible for implementing the internal performance evaluations of the Board of Directors and functional committees is the Chairman's Office. The procedures for the performance evaluation of the Board of Directors are as follows:

1. Determine the evaluation period, scope, and implementation cycle for the year (e.g., the entire Board of Directors, individual Board members, and each functional committee).
2. Determine the evaluation methods (e.g., internal self-evaluation by the Board of Directors, self-evaluation by Board members, peer evaluation, evaluation by an external professional institution, and evaluation by experts).
3. Select an appropriate unit to implement the evaluation.
4. Each implementing unit shall collect information related to the activities of the Board of Directors and distribute the relevant self-evaluation questionnaires, including the "Board of Directors Performance Self-Evaluation Questionnaire", "Board Member Performance Self-Evaluation Questionnaire", "Audit Committee Performance Self-Evaluation Questionnaire", "Remuneration Committee Performance Self-Evaluation Questionnaire", and "Risk Management Committee Performance Self-Evaluation Questionnaire". Upon completion, the coordinating implementing unit shall collect all questionnaires, consolidate the data in accordance with the scoring criteria of the evaluation indicators, compile the performance evaluation results report, and submit it to the Board of Directors for review and improvement.

In 2024, the Company has completed the performance evaluations of the Board of Directors, Board members, and functional committees, and 100% of the

questionnaires have been returned at the end of December. The results of this evaluation show that the evaluation scores of each questionnaire range from 90.4 to 100 points, which are still good. The Company will continue to optimize the relevant mechanisms to enhance overall competitiveness. The performance evaluation report was submitted to the Board of Directors on February 26, 2025. For the measurement items of the Board of Directors' performance evaluation, please refer to the Company's website "[Rules of Procedure and Functional Committee of the Board of Directors → Performance Evaluation Report of the Board of Directors and Functional Committees](#)".

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Conducted once a year	January 1, 2024 to December 31, 2024	Entire Board of Directors, individual Board members, and functional committees	Including internal self-evaluation by the Board of Directors, self-evaluation by Board members, peer evaluation, engagement of external professional institutions, expert evaluation, or other appropriate methods	Measurement items of performance self-evaluation of the Board of Directors, Board members, and functional committees

◆ Continuing Education of Directors

To strengthen the governance effectiveness of the Board of Directors and enhance directors' professional knowledge on key issues such as corporate business, regulation compliance, and sustainable development, AIR ASIA actively encourages Board members to participate in various continuing education courses. In 2024, the total training hours completed by the Company's directors were 102 hours, meeting the annual training hour requirements for directors set forth in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed Companies". The training included a variety of courses on sustainability issues. For the details of directors' participation, please refer to the Market Observation Post System – "Corporate Governance" – "Attendance and Continuing Education of Directors and Supervisors, and Current Positions, Experience, and Concurrent Appointments of Independent Directors" – Stock Code "2630".



Continuing Education of Directors and Supervisors

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◆AIR ASIA's Human Rights Policy

AIR ASIA adheres to the spirit of various international human rights conventions, such as the "United Nations Global Compact", the "Universal Declaration of Human Rights", and the "International Labor Organization's Declaration on Fundamental Principles and Rights at Work", treating all employees fairly and with respect. AIR ASIA pays attention to human rights policies and implementation guidelines, and has established work rules and relevant personnel management regulations in accordance with labor laws and regulations as the basis for management. In line with the "Corporate Human Rights Policy", AIR ASIA is committed to providing human rights protection for employees. We take actions consistent with the "Code of Business Conduct", which all employees are expected to follow. The Company's specific measures for addressing human rights concerns are as follows:

Provide fair employment opportunities	The Company strictly complies with local labor laws, international standards, and the "Air Asia Corporate Human Rights Policy", implementing the Company's internal regulations. Unlawful discrimination is strictly prohibited to ensure equal job opportunities, and no individual is forced or coerced into performing labor against their will.
	Relevant compliance guidance is provided during new employee orientation, covering prohibition of forced labor, child labor, discrimination, harassment, working hours management, and ensuring humane treatment.
	The Company prohibits the employment of child labor and only accepts applicants aged 18 or above, with verification conducted for all hired employees.
	In 2024, 150 new employees were recruited. A training program for aircraft maintenance technicians was conducted with 10 participants. Among the new hires during the year, 65% were young and middle-aged and older adults, ensuring fair job opportunities.
Implement workplace human rights	According to the reporting mechanisms and employee grievance procedures, the Company maintains smooth channels for grievance, such as the Chairman's mailbox and dedicated grievance hotline, to handle related cases.
	The grievance procedures are conducted in accordance with the "Air Asia Code of Business Conduct", the "Corporate Governance Best Practice Principles", and the work rules on "Measurement for Prevention, Grievance and Discipline against Sexual Harassment in Working Place", applying principles of fairness and integrity to continuously prevent unlawful conduct.
	An online sexual harassment course is provided through the E-learning platform, covering concepts of sexual harassment, prevention, and handling procedures.
	In 2024, the Company conducted the courses, including "Promotion of Integrity Management in Corporate Governance", "Promotion of Material Information Handling and Insider Trading Prevention", "Promotion of Legal Education", "Promotion of Sexual Harassment Prevention", and "Promotion of Workplace Bullying", with a total of 1,133 participants.
	These initiatives help employees understand workplace bullying, learn how to prevent such behavior, and collectively foster a friendly work environment that encourages open communication and management.

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Provide a safe and healthy work environment	The Company promotes a zero-accident goal using the PDCA cycle management model, aiming for continuous improvement in occupational safety and health activities.
	Childcare measures are provided, along with breastfeeding rooms and nursing consultation services.
	Various safety training programs are offered to employees, including fire training, emergency response courses, first aid personnel training, general occupational safety and health education and training, and factory site safety training.
	On-site physicians conduct occupational disease assessments and provide health guidance.
	In 2024, 4 occupational safety and health committee meetings were convened.
	In 2024, the occupational safety and health training courses, health lectures, health activities, and health week promotions were conducted, with a total of 3,032 participants.
Respect employee freedom of association	In 2024, 20 vendors of the AIR ASIA Occupational Safety and Health Family were guided and trained, with a total of 55 participants.
	The Company provides diverse activities annually. In 2024, the Labor Union participated in 1 labor walking event and 1 labor-management sports competition, and organized 4 family day events.
	The Company first signed a collective bargaining agreement with the Labor Union on November 24, 2016, and has continuously optimized the content of the agreement.
	In 2024, 4 labor-management meetings were convened.

The Company is committed to preventing and improving negative impacts on economic, environmental, and social aspects. It has established the "Prevention Plan for Unlawful Infringement in the Performance of Duties" to foster a workplace culture that is safe, dignified, free from discrimination, respectful, and provides equal opportunities. In the event of a human rights violation, the complainant may complete the 'Workplace Unlawful Infringement Reporting/Grievance Form' to notify the Company, which will take appropriate protective measures. The "Investigation Committee" is responsible for investigating and handling the case. During the investigation, the respondent will be informed of the grievance content and is entitled to an independent and fair investigation. All investigation details shall be kept confidential. In principle, the investigation should be completed within one month of receipt. If necessary, the period may be extended up to three times, with each extension not exceeding one month, to prevent adverse impacts on the victim or other stakeholders. If the "Investigation Committee" determines that a workplace unlawful infringement has indeed occurred, appropriate measures will be taken in accordance with the Company's "Work Rules" to ensure fairness and reasonableness in the workplace.

The Company will continue to strengthen mechanisms for workplace fairness and human rights protection, ensuring that all employees can work in a safe, respectful, and inclusive environment. We will regularly review relevant systems and implementation effectiveness, conducting proactive improvements and remedial measures to reduce the risk of unlawful infringement in the workplace. Additionally, we will strengthen internal management and employee awareness training to promote corporate sustainable development and fulfill our social responsibilities.

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2.4 Economic Performance

◆ Financial Performance

AIR ASIA strives to meet customers' international quality requirements for its products. The maintenance techniques used are based on manufacturer-authorized manuals, supplemented by prescribed professional training courses and equipment. In addition to continuing education and enhancement of maintenance techniques, AIR ASIA acquires industry information and grasps the latest market information through aerospace-related associations. In recent years, it has actively expanded production capacity to maintain stable business growth and deliver excellent operating performance to shareholders. The Company's operating revenue for 2024 amounted to NT\$5,200,056 thousand, an increase of NT\$336,374 thousand compared to NT\$4,863,682 thousand in 2023. The net profit after tax for 2024 amounted to NT\$140,609 thousand, an increase of NT\$83,489 thousand compared to NT\$57,120 thousand in 2023. Earnings per share for 2024 amounted to NT\$0.67.

Overview of AIR ASIA's Operating Performance for the Past Two Years		
Item/Year	2023	2024
Operating Revenue (In Thousands)	4,863,682	5,200,056
Operating Costs (In Thousands)	4,526,256	4,737,697
Gross Profit (In Thousands)	337,426	462,359
Operating Income (In Thousands)	95,113	197,399
Non-Operating Income and Expenses (In Thousands)	(26,276)	(17,477)
Profit Before Tax (In Thousands)	68,837	179,922
Net Profit After Tax for the Year (In Thousands)	57,120	140,609
Total Comprehensive Income for the Year (In Thousands)	70,581	165,132
Earnings Per Share (In Dollars)	0.31	0.67
Employee Benefit Amount (In Thousands)	161,253	173,277
Dividends (In Thousands)	58,338	111,002
Employee Salaries (Including Employee Benefits) (In Thousands)	921,295	948,479
Retained Economic Value (In Thousands)	(654,748)	(637,688)
Payments to Investors (In Thousands)	58,338	111,002
Payments to Government (In Thousands)	11,726	39,436
Community Investment (In Thousands)	815	1,130

Note:

1. Payments to investors refer to dividends distributed to all shareholders, plus interest payments to lenders (including interest on any form of debt and loans), and any unpaid dividends payable to preferred shareholders.
2. Payments to government refer to all taxes (including business tax, income tax, and property tax) as well as fines.
3. In "employee salaries (including employee benefits)", employee benefits include labor and health insurance fees, pension costs, and monetary employee benefits (excluding education and training, protective equipment costs, or other costs directly related to employees' job responsibilities). The other item "employee benefit amount" refers to benefit expenses allocated by the Company to the welfare committee for employees, such as company trips, health check-ups, and festival gift boxes, representing the total benefit expenses provided to employees in non-monetary form.
4. Community investment refers to donations and contributions.
5. The currency is New Taiwan dollar.
6. Retained economic value: "Direct economic value generated" - "Economic value distributed".
※ Direct economic value generated: Revenue.
※ Economic value distributed: Operating costs, employee salaries and benefits, payments to lenders, payments to government by country, and community investment.

◆ Market and Production/Marketing Overview

The Company's main business is the maintenance and repair of aircraft and related equipment. The scope of business marketing depends on the actual maintenance operations. Currently, in addition to the domestic armed forces, airlines, and government agencies, the Company's foreign marketing has expanded to Europe, USA, Africa, Central and South America, as well as Asia-Pacific countries such as Thailand, Vietnam, Cambodia, the Philippines, Korea, Indonesia, Malaysia, and Singapore, etc. In the business jet sector, the Company provides services for private and corporate jets and is gradually expanding into management services, aircraft maintenance, and modification projects. Major customers include customers from domestic markets and other Asia-Pacific regions.

With years of experience in aircraft maintenance and aviation material trading, the Company strives for stable development in the field of aircraft and related services. It also actively seeks business opportunities in the areas of business jets and large commercial aircraft maintenance services, aiming to secure a certain market share in these sectors.

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Sales Regions of Main Products		
Year Sales Region	2023	2024
	Amount (In Thousand)	Amount (In Thousand)
Domestic Sales	4,265,043	4,449,240
Export Sales	598,639	750,816

◆ Future Research and Development Plans and Expenses

AIR ASIA plans to invest approximately NT\$43,159 thousand in research and development. The main research and development projects include fiber optic gyroscopes, key technologies for maritime unmanned vehicles, and the integration and flight testing of the Company's medium-sized fixed-wing unmanned aerial vehicle system, aiming to obtain special physical inspection certification from the Civil Aviation Administration.

◆ Tax Policy

The Finance and Accounting Department of AIR ASIA is the responsible unit for taxation, overseen by the Finance Supervisor. It ensures compliance with tax regulations, accurately calculates tax burden, and files and pays taxes within statutory deadlines, fulfilling its social responsibility as a taxpayer. It also monitors changes in tax policies and international tax standards, assesses their impacts, and proposes response strategies. The Company's tax-related policies are as follows:

- Comply with the spirit of local tax regulations and fulfill tax obligations.
- Establish a mutually respectful, trustworthy, and positive interaction with tax authorities based on mutual trust and information transparency.
- Participate in external education and training to cultivate talents and enhance professional tax competencies.
- Regularly disclose tax information to stakeholders.

Shareholders and other investors may access the following information through the link below:



Financial Statements
<https://www.airasia.com.tw/index.php?option=module&lang=cht&task=showlist&id=413&index=1>



Annual Report
<https://www.airasia.com.tw/index.php?option=module&lang=cht&task=showlist&id=390&index=1>

◆ Government Financial Subsidies

AIR ASIA actively applies for various government subsidies to enhance industrial competitiveness and promote corporate development. We have received multiple government grants covering areas such as employment support and talent cultivation, with a total amount of NT\$4,586,640. The Company's financial subsidies received from the following government agencies in 2024 are as follows:

Government Subsidies		
Item	Subsidizing Agency	Subsidy Amount (In Dollars)
Stable Employment Program	Office of Employment Services and Vocational Training, Taoyuan City Government	15,000
Human Resource Upgrade Program	Workforce Development Agency, Ministry of Labor	175,000
College Youth Advanced Offer Program		61,675
On-the-Job Middle-Aged and Elderly Employment Training Program		112,840
Youth's Employment Ultimate Program		2,245,400
Industry Innovation Plan	Industrial Development Administration, Ministry of Economic Affairs	1,951,170
Pregnancy Checkup Leave, Pregnancy Checkup Accompaniment and Paternity Leaves Government Subsidy	Bureau of Labor Insurance, Ministry of Labor	25,555
Total		4,586,640

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2.5 Compliance with laws and regulations

◆ Integrity Management

To foster a corporate culture of integrity management and ensure sound development, AIR ASIA has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and "Measures for the Report on Illegal, Unethical and Dishonest Conducts", which specifically regulate matters that the Board of Directors, management, and all employees should observe in conducting business operations. AIR ASIA upholds the principles of honesty, integrity, and high ethical standards, complies with the law, and implement various corporate business activities. The Chairman's Office has been designated as the responsible unit for conducting the amendment, implementation, interpretation, and consultation services of the "Procedures for Ethical Management and Guidelines for Conduct", as well as the registration and filing of reported contents. The Audit Office supervises the implementation of these measures. Reports shall be submitted to the Board of Directors regularly (at least once a year), and relevant information shall be disclosed on the Market Observation Post System and the Company's website: <http://www.airasia.com.tw>. In formulating preventive programs, reference shall be made to generally accepted domestic and foreign standards or guidelines, and the preventive measures shall at least cover the following acts:

1	Offering and acceptance of bribes.
2	Illegal political donations.
3	Improper charitable donations or sponsorship.
4	Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5	Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6	Engaging in unfair competitive practices.
7	Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

At the 1st Board of Directors' meeting of the 10th session, we promoted integrity management to all directors and completed the signing of the statement of ethical management. We organize regular annual promotion courses on "Integrity Management in Corporate Governance", "Material Information Handling and Insider Trading Prevention", "Legal Education", and "Forgery and False Entry in Business Records". New employees (including regular hires and interns) are required to sign the "AIR ASIA Statement of Ethical Management" on their first day of employment. In 2024, we also carried out courses for promoting corporate governance and ethical management with a total of 1,133 people participated. We have also included the ethical management principles in labor contracts and statement of ethical management so that all managerial personnels and all employees shall follow the ethical management principles.

The "Procedures for Ethical Management and Guidelines for Conduct" specifically establish preventive measures and handling procedures for business activities with higher risks of unethical behavior. In accordance with the "Ethical Corporate Management Best Practice Principles", effective accounting and internal control systems have been implemented. These systems are reviewed irregularly, supervised by the Audit Office, and reported regularly to the Board of Directors to ensure their continued effectiveness. Under the "Measures for the Report on Illegal, Unethical and Dishonest Conducts", the dedicated personnel are assigned for different types of issues, and relevant reporting channels are provided. Any conduct that violates the Company's ethical standards will be strictly disciplined in accordance with the Company's reward and penalty policies. In accordance with the "Code of Ethical Conduct", the information regarding violators, including title, name, date of violation, details of the violation, and the actions taken in response, will be disclosed on the Company's internal website. AIR ASIA strictly prohibits any form of corruption, bribery, or abuse of position for personal or others' gain to ensure a sound and sustainable culture of corporate integrity. In 2024, the Company had no incidents of corruption and legal actions for anti-competitive behavior, anti-trust, and monopoly practices.

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Important Internal Regulations of AIR ASIA			
01	Articles of Incorporation	07	Management of Transactions Between Group Enterprises, Specific Enterprises and Its Affiliated Enterprises
02	Corporate Governance Best Practice Principles	08	Measures for the Report on Illegal, Unethical and Dishonest Conducts
03	Code of Ethical Conduct	09	Information Security Management Framework and Activity
04	Ethical Corporate Management Best Practice Principles	10	Procedures for Ethical Management and Guidelines for Conduct
05	Code of Business Conduct	11	Operational Procedures for Handling Material Information and Preventing Insider Trading
06	Rules for Board of Directors Performance Assessments		
Note: The Company discloses the above related charters and regulations on its official website. Please refer to "Homepage → Corporate Governance → Other company-related rules and important information" via the following link: https://www.airasia.com.tw/index.php?option=module&lang=cht&task=showlist&id=411&index=5			

◆ Whistleblowing and Protection System

To promote integrity management and strengthen corporate governance, the Company has established a "Whistleblowing System", appointing dedicated personnel to handle different issues and providing various channels for reporting. Any conduct that violates the Company's ethical standards will be strictly disciplined in accordance with the Company's reward and penalty policies. No disciplinary actions for violations of integrity management regulations were taken for the year. For the details of communication channels for whistleblower reports from stakeholders, please refer to: "[Stakeholder Communication Channels](#)".

◆ Other Relevant Regulation Compliance

To ensure the Company operates in accordance with government regulations and complies with all laws related to operations, avoiding violations that could result in penalties from competent authorities, which could impact operations or profits. Furthermore, for integrity management, strict adherence to regulations is maintained to build a good reputation and enhance competitive advantage, fulfilling corporate social responsibility. Employees are held to high ethical standards, eliminating illegal business practices. A zero-tolerance approach is adopted towards any violations of professional or business ethics, ensuring the implementation of anti-corruption policies. With integrity and honesty at the core, the Company diligently fulfills its corporate social responsibilities.

Violation Statistics				
Type of Disciplinary Action	Category	Details of Disciplinary Action	Description of Violated Regulations	Corrective Measures
Fines Imposed	Occupational safety and health	Penalized NT\$100,000 in accordance with Article 43, Subparagraph 2 of the Occupational Safety and Health Act.	Article 6, Paragraph 1 of the Occupational Safety and Health Act	1. This case is announced to all employees to raise awareness and prevent similar incidents from occurring again. 2. Supervisors must instruct employees on proper carrying methods. During transport operations, employees' line of sight should not be obstructed. Carts and mechanical equipment should be used for transport to prevent employees from falling. 3. Establish the Material Handling Safety Standard for employees to follow during operations, and promote compliance among employees.

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Type of Disciplinary Action	Category	Details of Disciplinary Action	Description of Violated Regulations	Corrective Measures
Fines Imposed	Labor standards	Penalized NT\$20,000 in accordance with Article 79, Paragraph 1, Subparagraph 1 and Article 80-1, Paragraph 1 of the Labor Standards Act.	Article 35 of the Labor Standards Act	Employees have been required to continue working for four hours, and should be given at least a 30-minute rest period. However, for those working in shifts or whose work is continuous or urgent, the employer may adjust their rest periods during working hours and manage this in the shift schedule.
	Environment	Penalized NT\$3,000.	Article 25, Paragraph 2 of the Communicable Disease Control Act	For this case, the dormitory manager has been scheduled to conduct periodic inspections to eliminate containers with stagnant water.
Total	Number of incidents: 3; Total fines: NT\$123,000.			

Regulations Related to Corporate Governance	Regulations Related to Labor Rights	
- No violations of the Company Act - No violations of the Commercial Law - No violations of securities and financial regulations - No political donations - No corruption incidents	- No violations of the Act of Gender Equality in Employment - No forced labor - No use of child labor - No infringement of freedom of association and collective bargaining	- No incidents of violations of discrimination or human rights - No incidents of infringement of rights of indigenous peoples - Violation of the Occupational Safety and Health Act (1 case) - Violation of the Labor Standards Act (1 case)
Regulations Related to Products		Regulations Related to Environmental Protection
- No prohibited or controversial products - No incidents of violations of marketing-related regulations or voluntary codes - No incidents of large fines due to violations of laws and regulations arising from the provision and use of products and services	- No legal actions for anti-competitive behavior, anti-trust, and monopoly practices - No violations of customer privacy - No violations of marketing communication regulations	Environmental regulation incident (1 fine)
Note: 1. A single occupational safety and health incident resulting in cumulative fines of over NT\$1,000,000 is considered a major incident. 2. According to the Civil Aviation Act, a single incident with fines exceeding NT\$60,000 is considered a major incident.		

2.6 Information Security Protection

◆ Information Security Risk Management

In July 2021, the Company established "Information Security Committee". The Committee follows information security policies to regular establish/ review various guidelines and goals for information security management and to supervise implementation of information security policies. The aim is to build our capability in ensuring security of information and cultivate employees' information security competence. The Company reports to the Board of Directors annually. The implementation of information security risk management for 2024 was reported to the Board of Directors on February 26, 2025.

The Company was awarded the ISO 27001 certificate in November 2021, which will be valid until November 2024. In November 2024, the Company successfully passed the annual ISO 27001: 2022 certification, and the certificate was obtained in February 2025. Additionally, the Company completed the annual "Periodic Safety Review of Military Products Manufacturers Scheduled by the Ministry of National Defense" in June 2024 and December 2024. Information security protects information from various threats, minimizes business losses, ensures the continuity of the Company's operations, and enhances the Company's defensive value. In 2024, the Company had no incidents of violations of customer privacy or complaints of losses of customer data.

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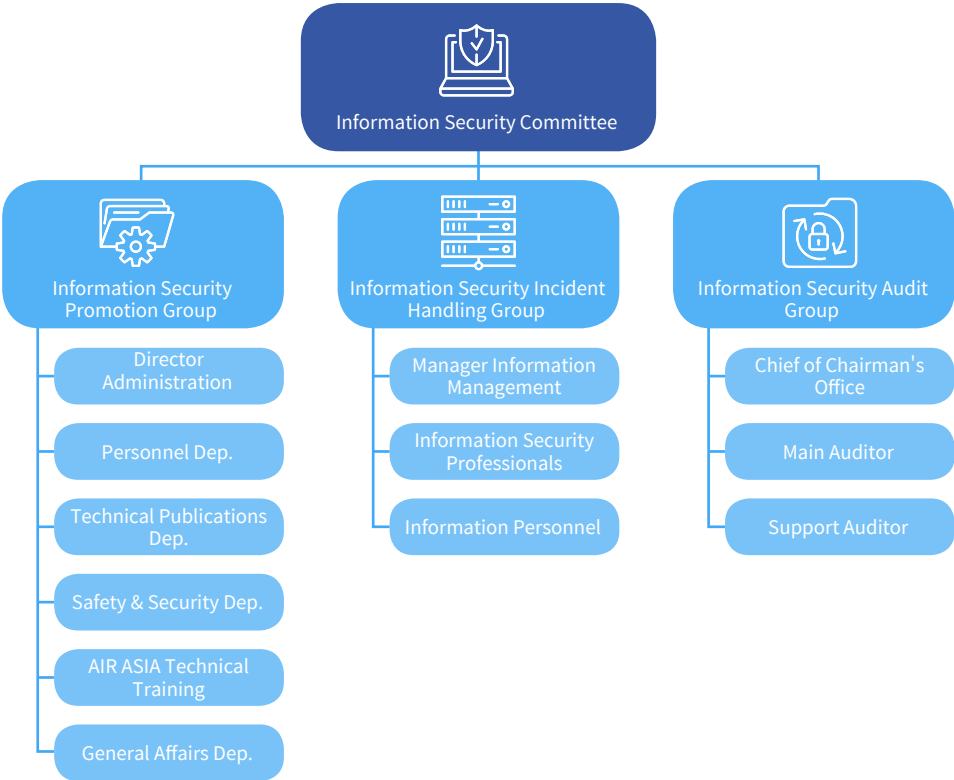
Information Security Risk Management Measures	
1	Establish backup mechanisms for information systems.
2	Execute daily backups of servers and databases, and conduct daily data center inspections with records.
3	Install firewalls to separate internal and external networks.
4	Implement internal information security audits twice a year.
5	Convene a management review meeting annually.
6	Execute at least one operation continuity drill annually.
7	Perform at least one system vulnerability scanning and penetration testing annually.
8	Arrange information security training courses for employees annually.
9	Conduct social engineering tests on employees irregularly.
10	Carry out information security promotions irregularly.

◆ Information Security Committee

The Vice President serves as the Director of the Information Security Committee, responsible for establishing, promoting, supervising, and managing information security. Members include Vice President of each business and administrative department, Directors, and Manager Information Management, with the Director Administration serving as the Executive Secretary. The Committee has three groups: the Information Security Promotion Group, led by the Director Administration, responsible for proposing information security protection plans, incident reporting and response, and education and training; the Information Security Incident Handling

Group, led by the Manager Information Management, responsible for technical tasks such as security testing, system health checks, and threat detection management; and the Information Security Audit Group, led by the Chief of Chairman's Office, including the Main Auditor for ISO 27001 and Quality Assurance Auditors, responsible for auditing the information security management system. For the details, please refer to the Company's website "[Information Security Policy and Management](#)".

| Organizational Structure of Information Security Committee



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◆ Privacy and Personal Data Protection Policy

The Company values the "customer privacy protection" and has established the following "Privacy and Personal Data Protection Policy" in compliance with the "Personal Data Protection Act":

To protect the personal data of the Company's customers' employees, suppliers' employees, visitors, website users, investors, shareholders, and job applicants, the Company has established the "Privacy and Personal Data Protection Policy" (hereinafter referred to as "the Policy") in accordance with Taiwan's "Personal Data Protection Act" and "Enforcement Rules of the Personal Data Protection Act", serving as the basis for the Company's compliance operations. The Company hereby declares and commits to managing the collection, processing, and use of personal data in accordance with the Policy, implementing privacy and personal data protection to prevent the infringement of personality rights and to promote the reasonable use of personal data.

1.Purpose of Collection, Processing, and Use of Personal Data

According to Article 2, Paragraph 1, Subparagraph 1 of the "Personal Data Protection Act", personal data refers to a natural person's name, date of birth, national identification number, passport number, physical characteristics, fingerprints, marital status, family information, education background, occupation, medical records, healthcare data, genetic data, sex life, records of physical examination, criminal records, contact information, financial conditions, social activities and any other information that may be used to directly or indirectly identify a natural person.

The Company may collect, process, and use personal data for the following specific purposes:

- ① Business operations and commercial marketing: Such as carrying out business execution, cooperation, communication, negotiation, or contract performance through email or other means of contact.
- ② Security management: Such as ensuring the security of data, personnel, and facilities through appropriate measures.
- ③ Website maintenance and communication: Such as improving and enhancing

the Company's website functions and services, providing the latest business and investment information, or responding to user inquiries.

- ④ Recruitment and interviews of job applicants.
- ⑤ Compliance with legal obligations: Such as implementing aviation security programs.
- ⑥ Assist government agencies in performing statutory duties as required by law: Such as investigating illegal activities, preventing crimes, or investigating criminal cases.
- ⑦ As necessary for asserting, exercising, or protecting the Company's legal rights.
- ⑧ As necessary for carrying out other business management measures of the Company.

2.Collection, Processing, and Use of Personal Data

- ① The scope of personal data that the Company may collect, process, and use under specific circumstances is as follows:
 - A. When business partners engage with the Company through meetings, events, or other business channels for communication, cooperation, or business transactions, the Company may collect, process, and use the following personal data of the business partners:
 - Personal data, including name, gender, organization, job title, and facial photographs, etc.
 - Personnel contact information, including phone number and email.
 - Other information that may be used to directly or indirectly identify the personnel.
 - B. When external personnel enter the Company's facilities for official duties or other business visits, the Company may collect, process, and use the following personal data of entrant in accordance with aviation security plan requirements, military base confidentiality regulations, and to ensure the safety of entrant and the Company's operational environment:
 - Entrant data, including name, gender, organization, job title, national identification number, passport or other identification numbers, and facial photographs, etc.

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- Entrant contact information, including mailing address, phone number, and email.
 - Other data necessary for promoting the public interest.
- C. When users visit the Company's website or interact with the Company through the website, such as submitting inquiries, seeking assistance, or using the website's reporting system, the Company may collect, process, and use the following personal data of website users:
- Website user data, including name, gender, organization, and job title.
 - Website user contact information, including mailing address, phone number, and email.
 - Other information that may be used to directly or indirectly identify the website user, such as the relationship between the website user and the Company.
 - Data collected by the Company's website.
- D. When any natural person inquires about investment information or becomes a shareholder of the Company via phone, email, or other channels, the Company may collect, process, and use the following personal data of the natural person:
- Personal data, including name, gender, organization, job title, national identification number, passport or other identification numbers, and bank account, etc.
 - Personal contact information, including mailing address, phone number, and email.
 - Other information that may be used to directly or indirectly identify a natural person.
- E. When job applicants apply for positions at the Company, the Company may collect, process, and use the following personal data of job applicants:
- Job applicant information, including name, gender, date of birth, national identification number, passport or other identification numbers, and facial photographs, etc.
 - Job applicant skills and experience, including education, work experience, language abilities, and other professional skills and certifications.
 - Job applicant contact information, including mailing address, phone number, and email.
 - Other information that may be used to directly or indirectly identify a job applicant.
- ② The Company does not actively collect, process, or use special personal data, including medical records, healthcare records, health checks, and criminal records. However, under the following circumstances, the Company may still collect, process, and use special personal data:
- A. Where it is expressly required by law.
 - B. Where it is necessary to fulfill the statutory obligation, provided that proper security and maintenance measures are adopted.
 - C. Where the personal data has been manifestly made public by the data subject or publicized legally.
 - D. Where it is necessary to assist government agencies in performing statutory duties, such as investigating illegal activities, preventing crimes, or investigating criminal cases.
 - E. Where the data subject has consented to the collection, processing and use of personal data.
- ③ Unless otherwise exempted by applicable laws and regulations, the Company shall inform the data subject of the following:
- A. Personal data being collected, processed, and used.
 - B. Specific purposes for collecting, processing, and using the personal data.
 - C. Data subject may choose, for each specific purpose, to consent to or refuse the Company's collection, processing, and use of the requested or recommended personal data, in part or in whole.
 - D. If the data subject refuses to provide personal data, or if the provided data is incorrect or insufficient, it may result in the Company being unable to provide the data subject with certain or complete information, feedback, or services.

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④ The collection, processing, and use of personal data shall not exceed the necessary scope for the specific purposes, and the Company shall ensure that the collection, processing, and use of personal data are reasonably related to the specific purposes. The data subject may request, for the same specific purpose, to partially or entirely stop the collection, processing, or use of personal data, or request deletion or destroy of the personal data collected, processed, and used by the Company, and the Company shall comply with such requests.

3. Disclosure to Third Party

- ①The Company may disclose personal data to third party under the following circumstances:
 - A. The third party is a government agency and the disclosure is:
 - Necessary to fulfill statutory obligation;
 - Necessary to assist government agencies (such as courts, prosecutorial, police, and investigative agencies, or central and local government authorities) in performing statutory duties as required by law, including investigating illegal activities, preventing crimes, or investigating criminal cases;
 - Necessary to assert, exercise, or protect the Company's legal rights; or
 - At the request of the data subject.
 - B. The third party is a private legal entity, private organization, or other external natural person, and the disclosure is:
 - Necessary to fulfill statutory obligation;
 - Necessary to assert, exercise, or protect the Company's legal rights;
 - Used within the necessary scope of the specific purpose; or
 - At the request of the data subject.
- ②The Company shall follow the following requirements when disclosing personal data to third party:
 - A. Verify the identity of the third party.
 - B. Inform the data subject and obtain consent, unless exempted by applicable laws and regulations, for example, when notification would interfere with the performance of statutory duties by government agencies.

C. Disclose the necessary and minimum personal data, and require the third party to use and protect the personal data in accordance with applicable laws and regulations.

4. Accuracy of Personal Data

The Company shall take reasonable and necessary measures to maintain the accuracy of personal data and shall supplement or correct it proactively or upon the request of the data subject.

5. Retention and Security Maintenance of Personal Data

- ①The Company shall retain personal data only for a reasonable period necessary to achieve the specific purposes, unless otherwise required by applicable laws and regulations, necessary for the performance of duties or business, or with the consent of the data subject. When the necessity for collecting, processing, or using personal data ceases, when it is no longer reasonably related to the specific purpose, or when the legal basis for retention is no longer applicable, the Company shall proactively or upon the request of the data subject stop collecting, processing, or using the data, and delete or destroy it.
- ②During the retention period, the Company shall take appropriate security maintenance measures to fully control the access, processing, transmission, retention, and read permission of personal data, as well as the data security of related transmission and storage devices, to prevent damage, loss, theft, leakage, or unauthorized reading, copying, use, or alteration of personal data, thereby ensuring its security.

6. Cross-border Transfer

Within the necessary scope of the original specific purposes for collecting, processing, and using personal data, when the Company transfers or uses personal data across borders, it shall comply with the Policy and the applicable privacy and personal data protection laws of the transfer region to manage cross-border transfer and use.

7. Website Cookies

To improve and enhance website services, the Company's website uses cookies to collect, process, and use personal data such as the IP addresses of website users. For information related to cookies, please refer to the Company's website statement.

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8. Legal Rights

Data subjects shall enjoy the following legal rights with respect to personal data collected, processed, and used by the Company:

- ①The Company shall maintain the accuracy of personal data and correct or supplement it upon the request of the data subject.
- ②Where the accuracy of personal data is disputed, the Company shall stop the processing or use of the personal data upon the request of the data subject. However, it does not apply if the data is necessary for the performance of duties or business, or if the data subject has consented in writing and the dispute is noted.
- ③When the specific purpose for collecting personal data ceases or the retention period expires, the Company shall delete or stop the processing or use of the personal data upon the request of the data subject. However, it does not apply if the data is necessary for the performance of duties or business, or if the data subject has consented in writing.
- ④In cases where personal data has been collected, processed, or used in violation of applicable laws, the Company shall delete or stop the collection, processing, or use of the personal data upon the request of the data subject.
- ⑤Other rights provided under the Personal Data Protection Act.

9. Other Matters

- ①Privacy and personal data protection is one of the Company's corporate governance focus. The Company conducts annual risk assessments and internal compliance audits to ensure that relevant operations comply with the Policy and applicable privacy and personal data protection laws.
- ②The Company requires new employees to complete privacy and personal data protection education promotion courses and regularly promotes the relevant privacy and personal data protection laws to all employees to strengthen compliance awareness.
- ③The Company adopts a zero-tolerance policy toward violations of privacy and personal data protection. If an investigation confirms involvement in violations of the Policy or applicable privacy and personal data protection laws, the Company will immediately review and improve management measures, and discipline the

personnel involved in accordance with the applicable work rules. If necessary, the Company may also seek compensation or pursue legal action in accordance with applicable laws.

- ④If any violation, suspected violation, or potential violation of privacy or personal data protection is discovered, the Company's employees, external companies, or natural persons may submit relevant information for grievance or reporting through the Company's website "[Stakeholder Contact & Communication Channels](#)", or via other channels recently announced by the Company.

◆ Policy Implementation Status

In 2024, a total of 38 employees (those handling personal data) completed personal data protection training course, accounting for 3.3% of all employees. The total training hours were 12 hours, and there were no violations of the Personal Data Protection Act for the year.

In 2025, the Company will continue to provide privacy and personal data protection education promotion courses for new employees and regularly promote the relevant privacy and personal data protection laws to all employees to strengthen compliance awareness. The Company will also implement its "Privacy and Personal Data Protection Policy" to ensure the protection of data security and privacy of customers' employees, suppliers' employees, visitors, website users, investors, shareholders, and job applicants, etc.

◆ Risk Management

The Company has established the "Risk Management Best Practice Principles" and "Risk Management Policies and Procedures", which were approved by the Board of Directors, serving as the highest guiding principle for the Company's risk management. The Company conducts regular annual risk assessments and formulates risk management policies for various risks, covering management objectives, organizational structure, responsibilities, and risk management procedures. These mechanisms are implemented to effectively identify, assess, and control the Company's various risks, keeping them within an acceptable range.

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The Company integrates and manages all potential risks that may impact its operations and profitability, including hazards, operational, financial, strategic, information security, regulation compliance, integrity, and other risks. It evaluates the frequency of risk events and the severity of their impact on the Company's operations, defines risk priorities and risk levels, and adopts corresponding risk management strategies based on the risk levels. In 2024, the Company reported its various risks and the risk control measures implemented to the Board of Directors on February 29, May 9, August 6, and November 5, respectively. Additionally, reports were submitted to the Risk Management Committee semi-annually on February 26 and August 5, 2024.

Scope of Risk Management		
Risk Category	Risk Description	Countermeasures
Operational Risk	Customer churn due to decline in market competitiveness	1. Expand a diversified customer base to spread business risk. 2. Review quality problems, delayed deliveries, insufficient price competitiveness, unsatisfactory customer service, and outdated technology or methods, and implement quality improvement plans, production scheduling and supply chain optimization, pricing adjustment strategies, customer service improvements, and technology or process upgrades. Each proposed solution will include an implementation plan, responsible personnel, timeline, and expected benefits, ensuring that the solutions are feasible and can be executed in the short term and long term. 3. Establish new maintenance capabilities to keep up with industry technology development trends, strengthen performance in contract fulfillment, and provide customers with diversified services.
	Supply chain shortages	1. Activate the supplier BCP (Business Continuity Planning) investigation mechanism to monitor material availability and, if necessary, conduct factory transfer verification or subcontracting. 2. Rapidly integrate supplier feedback and production information, adjust production and resource allocation (e.g., equipment relocation and repair), minimizing potential impacts and maintaining real-time control over materials, production, and labor deployment. 3. Develop local high-quality maintenance suppliers, reverse-engineer, produce, and assemble as needed. 4. Timely increase buffer inventory and prioritize stock, reducing the scrap rate of assembled components.
	High employee turnover	1. Implement a localization hiring policy by recruiting graduates from Tainan through industry-academia cooperation, reducing commuting and housing concerns to increase retention. Additionally, recruit experienced maintenance personnel from the Hualien-Taitung region for remote stations in Hualien and Taitung, providing dormitories at the Taitung station to enhance attractiveness. 2. Continuously conduct maintenance trainee training programs and industry-academia cooperation, recruit experienced personnel to fill vacancies, and reward employees who improve their skills according to existing plans. Offer equipment-specific training courses to strengthen maintenance quality. 3. Establish comprehensive compensation and benefits policies, provide a good working environment, maintain labor-management communication, and offer career development planning to ensure workforce stability.
	New product/new capability development risk	1. Convene regular meetings to review the progress and budget control of new product and new capability development. 2. Ensure personnel training for new production lines, including complete and thorough equipment operation training and proficiency. 3. Strengthen the creation of product production procedures or manuals, improve standardized processes, and enhance yield rates.
Information Security Risk	Occurrence of information security incidents	1. The Company conducts annual information security risk assessments and management reviews, implementing risk improvement plans for high-risk information security items. 2. Arrange operation continuity and system recovery drills and execute backup plans in accordance with regulations annually. 3. Perform information security health check, vulnerability scanning, and penetration testing annually to continuously strengthen information security defense capabilities. Regular information security promotion are conducted for employees, with annual education and training, complemented by social engineering drills to enhance employees' information security awareness. 4. Establish an information security incident reporting and management procedure to ensure the effectiveness of operations when information security incidents occur. 5. Network, computer hardware and software, and sensitive data are safeguarded to prevent cyberattacks.
Regulation Compliance Risk	Non-compliance in maintenance operations	1. Conduct regular internal audits and undergo annual external audits by the Civil Aviation Administration in each country to maintain continuous validity of certifications and enhance regulation compliance risk management. 2. Strengthen regulatory training courses for maintenance personnel to ensure all maintenance operations are performed in full compliance with applicable laws and regulations.
Integrity Risk	Integrity risk	1. To implement the Company's integrity management policy and actively prevent dishonest behavior, the Company has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Code of Ethical Conduct", with annual education and training conducted regularly. 2. The Company has established the "Measures for the Report on Illegal, Unethical and Dishonest Conducts" and formulated multiple complaint channels. The reporting and complaint mailbox is listed on the Company's official website.

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3.1 Management of Material Topics

Management Approach	Customer Relations		
Correspondence to Sustainability Standards (Issues)	Custom Topic	Affected Stakeholders	Customers, Employees and Other Workers, and Investors/Legal Shareholders/Financial Institutions
Major Reasons	Customer relations are key to a company's success and sustainable operation, impacting revenue, profitability, and market competitiveness. Good customer relations enhance reputation and strengthen brand loyalty, and also optimize products and services through customer feedback, achieving greater cost efficiency and competitive advantage, thereby ensuring a company's stable development.		
Influences and Impacts	Establishing stable relationships with customers helps increase revenue and market competitiveness, while neglecting customer needs may lead to reduced revenue. Companies should ensure the safety and transparency of products and services to protect the rights and interests of consumers, provide a fair and reliable consumption experience, and prevent disputes. ● : Long-term business cooperation ● : Expansion of the customer base ■ : Decreased market competitiveness ■ : Insecurity of employees' livelihoods ● : Positive influence ■ : Negative impact		
Policies	1. AIR ASIA is committed to providing the highest standard of aircraft maintenance services, in alignment with the Company's policy goals of "Safety First, Customer Satisfaction, Compliance with Requirements, and Continuous Improvement". 2. Think more from the customer's perspective, do more for the customer, and create differentiated services. 3. Build a win-win service partnership with customers.		
Strategies	1. The Company actively builds good partnerships with customers, valuing every complaint and issue reported. The Company respond promptly, communicate appropriately, and improve actively, earning customer recognition through good quality service and enhancing customer loyalty, making AIR ASIA the first choice for the customers. 2. Through regular and irregular meetings, audits, and proactive visits, the Company engages with customers to understand their concerns, addresses and improves immediately, and provides feedback to the customer for their acknowledgment. 3. In the event of a customer complaint, dedicated personnel are immediately assigned to investigate and communicate. For maintenance-related issues, a warranty investigation procedure is initiated without delay. Responsibility is determined, and warranty repair is either undertaken directly or supported, ensuring compliance with customer requirements.		
Goals and Targets	▪ Short-term goals: Enhance customer satisfaction, achieving a customer satisfaction score of 82. ▪ Mid-term and long-term goals: 1. Expand the customer base, increase market share, and establish long-term partnerships. 2. Create a leading brand in the industry by providing customers with comprehensive aircraft maintenance solutions.		
Management Assessment Mechanism	1. The overall average satisfaction survey across all business units of the Company reached 82%. 2. Whether each business unit (division) achieves its self-determined quality goals. 3. A reduction in the number of customer complaints, grievances, or warranty cases received annually.		
Performance and Adjustment	1. In 2024, the overall customer satisfaction survey for the Company ranged from 81.21% to 97.83%. 2. Dedicated personnel are assigned to handle, improve, and respond to customer dissatisfaction and warranty issues, with reports submitted at the semi-annual management review meetings. 3. Conduct irregularly customer visits annually to proactively address customer needs.		

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3.2 Product Quality and Customer Service

AIR ASIA's main business scope includes the maintenance, leasing, and trading of aircraft and related equipment; the manufacturing and assembly of aviation components and equipment; the repair of precision industrial machinery; as well as agency and consulting services related to the aforementioned businesses. In addition, the Company also provides comprehensive fleet logistics support and outsourced business management. All products and services strictly comply with international and local regulations. As of 2024, the Company has not violated any health or safety regulations related to its products and services. We have obtained international quality management certifications such as ISO 9001 and AS 9100, and have been certified by the Civil Aviation Administration in each country as well as other third-party safety standards, ensuring outstanding quality and safety standards. We will continue to uphold a professional and responsible attitude, providing safe, reliable, and internationally compliant products and services. Furthermore, we actively enhance management efficiency and drive technological innovation, continuously strengthen the sustainable operation strategies, elevate industry value, and contribute to the growth of the aviation industry. For the aircraft maintenance capabilities approved by the Civil Aviation Administration in each country, along with the corresponding certificates and detailed information, please refer to the Company's website "[License & Certificate](#)".



Aircraft Maintenance
Organization Certificate

◆ Customer Satisfaction

The Company has established a "Marketing Manual", which sets forth guidelines for customer service, market and satisfaction surveys, warranty operations, and other matters. As the Company's business involves national defense confidentiality, all businesses comply with security requirements. In addition to meeting customers' needs for quality, delivery, and service, the Company also conducts regular customer satisfaction surveys in accordance with the ISO Quality Manual, expecting to maintain a good relationship.

AIR ASIA's customer satisfaction is implemented by the marketing division of each business unit. The Company also provides multiple grievance channels to ensure that customer feedback can be promptly responded and addressed. Customers can contact the Company through the customer service hotline (via phone or messaging apps such as LINE), email, and the marketing team, or provide feedback on service issues through the annual customer satisfaction survey. In 2024, the average result of the customer satisfaction survey exceeded 94%, surpassing the annual goal. After customers raised warranty complaints, they were identified by the Company's quality control department. To ensure flight safety, the warranty response rate was 100%. In the future, AIR ASIA will continue to optimize its products and services, enhance customer satisfaction and corporate image, and move toward sustainable operations. The Company also provides multiple communication channels for all stakeholders (including customer supervision, audit and quality communication meetings more than 100 times).



Customer communication website
<https://www.airasia.com.tw/index.php?option=module&lang=cht&task=showlist&id=456&index=6>

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3.3 Supply Chain Management

◆ Supplier Overview

The Company's main business includes maintenance of military and commercial fixed-wing aircraft and helicopters, overhaul of military engines, repair of various hydraulic, transmission, avionics, and other components, as well as the sale of various aviation materials and spare parts. The Company carries out all maintenance work in accordance with the regulations of the Federal Aviation Administration (FAA), the civil aviation regulations of various countries, and the requirements of OEMs. Aviation material procurement and supply must comply with airworthiness and safety inspection standards, and materials are sourced from qualified manufacturers, including aircraft and engine OEMs. The sourcing and supply of major maintenance materials are relatively stable. In line with the characteristics of the industry, AIR ASIA categorizes procurement into "raw materials" and "non-production materials." In 2024, local procurement in Taiwan accounted for approximately 26%, with raw materials representing the majority of total procurement. Since raw materials are mainly sourced from overseas, which accounted for 74%, the proportion of local procurement remains relatively low.

Procurement Statistics for the Past Two Years			
Contract Type	Procurement Region	2023	2024
		Percentage of Total Procurement Amount (%)	Percentage of Total Procurement Amount (%)
Raw Materials	Domestic	31	25
	Overseas	67	74
Non-productive	Domestic	2	1
Total		100	100

◆ Supplier Evaluation Management

AIR ASIA has not yet implemented a supplier ESG audit system but plans to introduce it in 2025. Currently, external supplier audits are conducted in accordance with the Operation Procedures Manual (OPM). To effectively ensure supplier quality, stabilize the supplier base, and establish long-term mutually beneficial supply-demand relationships, the Company has established supplier management regulations to guarantee that suppliers can consistently and reliably provide various materials that meet the Company's requirements (including quality, delivery, price, and service, etc.), so as to prevent product quality issues or production delays caused by substandard quality or insufficient sources, and to ensure material quality stability.

According to the AIR ASIA Supplier Management Regulations, suppliers are mainly categorized into two groups: productive raw material suppliers (including aviation and non-aviation materials) and non-productive material suppliers. For aviation materials, aircraft maintenance, and other production-related items, the requirements stipulated in the RSQCM Manual shall take priority, whereas other suppliers follow the general standards.

◆ Supplier Qualification Review

For aviation material suppliers, the Quality Assurance Division is responsible for the initial evaluation process. Component suppliers are assessed using the "Supplier Audit Checklist", while repair items are reviewed with the "Contracted Repair Station Checklist". Suppliers that pass the evaluation are recognized as qualified suppliers. For domestic non-aviation material suppliers, any of the following criteria may qualify them as approved suppliers: possessing design and manufacturing capabilities, holding official authorization as an agent or distributor along with a valid business registration certificate, offering products with a certified mark of conformity or test certificate, or having passed reviews by international or national quality certification bodies and obtained the relevant certificates. In addition, suppliers of patented products or those holding exclusive distribution rights in Taiwan must provide supporting documentation when applying for supplier registration.

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◆ Evaluation Responsible Unit

The Quality Assurance Division is responsible for four evaluation categories, including service life, quality, certification, and warranty, and also consolidates data on defective cases. Delivery performance and coordination are managed by the Procurement Division. The Quality Assurance Division continuously monitors supplier evaluation results. In the event of abnormalities or the need to suspend/terminate transactions, the Procurement Division will be notified for appropriate handling. An "Annual Supplier Evaluation Report" is generated through the system, with the evaluation results and required improvements notified to suppliers.

◆ Incentives and Penalties

Suppliers rated as Grade I will be recognized as outstanding suppliers of the year and granted priority in business transactions as well as preferential payment terms. Grade II suppliers will maintain the current transaction status. As for penalties, suppliers rated as Grade III will face reduced order volumes, or may be subject to on-site audits recommended by the Quality Assurance Division. Suppliers rated Grade IV or below, and who fail to implement improvements within the stipulated timeframe, may have their transactions suspended or terminated. Such suppliers are required to submit an improvement plan, and trading will only resume once on-site verification confirms that corrective actions have been completed. However, in cases where suppliers are bound by special contractual regulations, such as domestic supplier priority clauses, the above penalties shall not apply. Instead, the Procurement Division will notify the supplier to implement the necessary improvements.

◆ Supplier Evaluation Results

Supplier evaluations are conducted once a year based on suppliers who delivered goods from January to December of the preceding year. The total score is 100 points, with a points-deduction system applied. In 2024, in accordance with the "Supplier Evaluation Regulations", external audits were carried out on a total of 244 suppliers, all of whom were rated as Grade I, with no suppliers found to be unqualified. Regarding delivery and quality management, if a supplier experiences delays in delivery or quality issues, the Company may cancel the contract or require corrective actions within a specified timeframe depending on the terms of the contract. Additionally, the Company may negotiate compensation for delays with the supplier or shift procurement to other suppliers in order to ensure supply chain stability and strict quality management.



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4.1 Management of Material Topics

Management Approach	Energy		
Correspondence to Sustainability Standards (Issues)	GRI 302 Energy	Affected Stakeholders	Investors/Legal Shareholders/Financial Institutions, Employees and Other Workers, Suppliers/Contractors, Customers, and Government Agencies
Major Reasons	Good energy management helps maintain smooth operations of the Company, reduce operating costs, and contribute to sustainable development. Through actions such as reducing carbon emissions, improving energy efficiency, and promoting the transition to green energy, it is possible to effectively reduce environmental impact.		
Influences and Impacts	By actively replacing energy-consuming equipment and improving energy efficiency, the Company can not only reduce operating costs and carbon emissions, but also promote environmental protection, sustainable development, safeguard public health, and enhance energy stability. ● : Reduced carbon emissions ● : Reduced operating costs ■ : Resource shortages ● : Positive influence ■ : Negative impact		
Policies	The Company will develop plans to adopt low-pollution energy sources to minimize environmental impact, including: 1. Commitment to environmental protection and pollution prevention measures. 2. Commitment to compliance with applicable regulatory requirements. 3. Ongoing replacement and prioritization of energy-efficient products.		
Strategies	1. To maintain smooth operations, the Company ensures that power and water supply facilities in the plant remain in good condition. 2. Potential negative impacts, such as interruptions in electricity or water supply, could disrupt normal operations. To mitigate these risks, the Company conducts regular inspections, maintenance, and replacement of equipment and pipelines, and installs backup systems where necessary to reduce the likelihood of supply interruptions due to equipment failure. 3. In the event of a power outage, large generators will be rented to provide temporary supply for critical areas. In the event of a water supply disruption, and once the on-site water storage is depleted, the Company will procure water tank trucks from government or private vendors to ensure a temporary water source.		
Goals and Targets	▪ Short-term goals: 1. Electricity intensity decreased by 0.5% compared to 2023. 2. Water intensity decreased by 0.5% compared to 2023. 3. Waste intensity decreased by 0.5% compared to 2023. 4. Greenhouse gas emissions intensity (including Scope 1 to Scope 3) decreased by 0.5% compared to 2023.		▪ Mid-term and long-term goals: 1. Formulate environmental management programs and continuously implement environmental monitoring and measurement to enhance environmental performance. 2. Achieve maximum energy efficiency and continuously promote various environmental protection initiatives.
Management Assessment Mechanism	The Company continues to promote energy-saving and carbon-reduction strategies to effectively reduce energy consumption. The summarized measures are as follows: 1. Ongoing promotion of energy conservation through a three-pronged approach of resource expansion, cost reduction, and management enhancement. 2. Gradual replacement of energy-consuming appliances and equipment within the facilities, such as lighting, power systems, electric heating, air conditioning, refrigeration, and other energy-consuming devices, with energy-saving products, thereby improving energy efficiency from the source. 3. Regular maintenance and timely replacement of filter components for equipment requiring upkeep, ensuring proper functionality, avoiding abnormal loading, and maintaining operational efficiency. 4. Upgrade the main electrical substation's high- and low-voltage equipment to meet the requirements of Clause 401, thereby enhancing power supply efficiency and stability.		
Performance and Adjustment	1. In 2024, the Company's electricity intensity was 1,339.4493 kWh/million in revenue, representing a 4.99% reduction compared to the previous year. 2. In 2024, the Company's water intensity was 9.3179 metric tons/million in revenue, representing a 2.54% reduction compared to the previous year. 3. In 2024, the Company's waste intensity was 0.0683 metric tons/million in revenue, remaining unchanged from the previous year.		

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Management Approach	Emissions		
Correspondence to Sustainability Standards (Issues)	GRI 305 Emissions	Affected Stakeholders	Investors/Legal Shareholders/Financial Institutions, Employees and Other Workers, Suppliers/Contractors, Customers, and Government Agencies
Major Reasons	Manage greenhouse gases and emissions to ensure regulatory compliance. Responsible emissions management can reduce the Company's cost risks and enhance product competitiveness on sustainability issues.		
Influences and Impacts	If carbon reduction is not actively pursued, a company will face higher emission costs and operational risks, while exacerbating global warming, air pollution, and biodiversity loss, thereby creating negative impacts on the environment and health. ● : Reduced operating costs ● : Brand image improvement ■ : Environmental damage ● : Positive influence ■ : Negative impact		
Policies	To comply with environmental management requirements and recognize environmental stewardship as an indispensable factor for sustainable operations, the Company is committed to enhancing education and training, improving employees' knowledge and awareness of environmental management, establishing an environmental management system, and providing a clear, comfortable, and safe working environment. The Company pledges to: 1. Monitor the environmental impact of sales and maintenance services, and establish environmental goals and programs to continuously improve environmental performance. 2. Comply with environmental regulations, and, where technically and economically feasible, establish voluntary standards. 3. Implement waste classification, recycling, and disposal to enhance resource reutilization. 4. Publicly promote our environmental management system, measures, and performance to earn the trust of employees, customers, owners, social organizations, government agencies, and stakeholders.		
Strategies	▪ Environmental impact management: Actively comply with environmental policies, seek alternative products, and promote green procurement standards to minimize the environmental impact of aircraft maintenance while controlling hazardous substance content. ▪ Energy saving and carbon reduction measures: Fully upgrade high-energy-consuming equipment to energy-saving facilities to achieve greenhouse gas emission reduction goals. ▪ Environmental risk and opportunity management: Identify and manage environmental risks, ensure compliance with government regulations, improve environmental performance indicators, and pursue continuous improvement.		
Goals and Targets	▪ Short-term goals: 1. Greenhouse gas emissions intensity reduced by 0.5%.	▪ Mid-term and long-term goals: 1. GHG emissions intensity reduced by 2%. 2. Long-term goal is to achieve net-zero GHG emissions at all operational sites by 2050.	
Management Assessment Mechanism	According to the GHG and Energy Management Procedures, the effectiveness of emission management is evaluated annually using the PDCA cycle.		
Performance and Adjustment	In 2024, purchased electricity was the main contributor to GHG emissions. The Company's electricity intensity in 2023 was 1,409.7627 kWh/million in revenue, while in 2024 it was 1,339.4493 kWh/million in revenue. This represents a decrease of 70.3134 kWh/million in revenue (-4.99%) compared to 2023.		

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4.2 Climate Change Management

Climate change is a major global concern. In promoting sustainable development, the aircraft maintenance industry must integrate climate considerations into operational decisions and risk assessments. As part of the global aviation ecosystem, we deeply understand the challenges and impacts that extreme weather events may pose to energy costs, facility and personnel safety, and regulatory compliance. Therefore, in accordance with the four core frameworks of the Task Force on Climate-related Financial Disclosures (TCFD), we comprehensively identify operational risks and opportunities and implement corresponding measures, such as improving energy efficiency, installing flood protection facilities, and strengthening supply chain

resilience, to ensure robust operations and sustainable development.

◆ Governance Body

AIR ASIA has established the "Sustainability Implementation Committee", chaired by the Chairman. The Committee covers the following aspects in line with practical operations, including economic performance, customer relations, energy management, carbon emissions management, labor relations, occupational safety and health, training and education, information security protection, and social engagement. The "Sustainability Implementation Committee" reports its implementation outcomes to the Board of Directors annually.

◆ Strategy

The Company has established the "Risk Management Best Practice Principles" and "Risk Management Policies and Procedures", which were approved by the Board of Directors, serving as the highest guiding principle for the Company's risk management. The Company conducts regular annual risk assessments and formulates risk management policies for various risks, covering management objectives, organizational structure, responsibilities, and risk management procedures. These mechanisms are implemented to effectively identify, assess, and control the Company's various risks, keeping them within an acceptable range.

	Short-term	Medium-term	Long-term
Risk Category	[Physical risk] Strengthening of emissions reporting [Transition risk] Transition to low-emission technologies (low-carbon services)	[Physical risk] Extreme weather events [Transition risk] Increased energy costs	[Transition risk] Shifts in customer demand
Opportunity Category	[Market opportunity] Development of low-carbon services	[Market opportunity] Adoption of low-carbon renewable energy	[Market opportunity] Use of sustainable aviation fuels or eco-friendly materials
Risk Response Measures	- Establish a carbon pricing mechanism, with carbon fee payments leading to increased costs. - Improve equipment energy efficiency and introduce energy-saving equipment. Investments in purchasing or repairing factory equipment will lead to increased capital expenditures.	- Plan various flood prevention measures, such as installing floodgates and procuring water pumps, to mitigate asset losses caused by flooding. - Transition to more efficient energy-saving products and replace high-energy-consuming equipment to enhance energy efficiency and reduce carbon emissions.	Continuously monitor market trends and customer demands to adjust products and services, use low-carbon energy, and optimize maintenance processes to strengthen competitiveness. Through transparency of ESG information and collaboration with the supply chain, enhance corporate sustainable brand image and attract environmentally conscious customers.
Opportunity Response Measures	Strengthen green procurement of raw materials to meet customer needs and enhance the Company's competitiveness.	Participate in renewable energy projects and adopt energy-saving measures to reduce reliance on high-carbon energy and enhance corporate image.	Evaluate the adoption of low-carbon energy and recyclable or renewable materials, while optimizing supply chain management to ensure stable supply, reduce operational risks, and lower costs.

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Financial Impacts				
Category	Climate-related Risks/Opportunity Issues	Revenue	Costs/Expenses	Cash Flow
Risk	Strengthening of emissions reporting	-	▲	▽
Risk	Transition to low-emission technologies (low-carbon services)	-	▲	▽
Risk	Extreme weather events	-	▲	▽
Risk	Increased energy costs	-	▲	▽
Risk	Shifts in customer demand	-	▲	▽
Opportunity	Adoption of low-carbon renewable energy	▲	▲	▲
Opportunity	Renewable energy projects	▲	▲	▲
Opportunity	Use of sustainable aviation fuels or eco-friendly materials	▲	▲	▲

▲ : Increase ▽ : Decrease

◆ Risk and Opportunity Management

After the Environmental Group of the Sustainability Implementation Committee identifies the Company's risks, it discusses with various business units to develop appropriate response measures. Based on the analysis, the Sustainability Implementation Committee establishes a risk management strategy plan as the core for climate change actions, which serves to estimate management costs and assess financial impacts. Through the aforementioned data collection, the Company strengthens governance of climate change and systematically evaluates financial connections, thereby mitigating risks and capturing opportunities.

To ensure environmental performance are achieved, comply with applicable regulations and the Company's environmental policies, and pursue continuous improvement, the Company has established the "Environmental Management Manual" based on the ISO 14001 Environmental Management Systems. This manual governs the environmental impacts of operations throughout the aircraft lifecycle, from sales, maintenance, to service, ensuring effective management of any negative environmental impacts or non-compliance.

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◆ Indicators and Goals

Goal Setting		
Item	Short-term Goals	Mid-term and Long-term Goals
Energy Management and GHG Management	- Carbon emissions decreased by 0.5% in 2025. - Electricity intensity decreased by 0.5% compared to 2024. - Complete the parent company's GHG inventory by 2026, and complete the subsidiaries' GHG inventory under consolidated reports by 2027. - Verify and assure the parent company's GHG inventory by 2028, and verify and assure the subsidiaries' GHG inventory under consolidated reports by 2029.	- In the long term, achieve maximum energy efficiency in line with government policies and continue to implement reduction plans. Using 2024 as the base year, the goals are set as follows: 1. Reduce carbon emissions by 10% by 2040. 2. Achieve net-zero carbon emissions by 2050. 3. The Company will continuously revise its carbon reduction strategies in a rolling manner according to domestic and foreign trends and regulations to enhance resilience.
	Specific measures and performance:	
	- Energy efficiency: - Replaced T8 lamps with T5 energy-saving lamps in the facilities. - Replaced office lighting with LED lamps: An investment of NT\$390,600 was made to replace the lighting in Hangar 2 maintenance area with LED lamps, resulting in electricity savings of 18,432 kWh in 2024 compared to the old lamps. - Reduced the use of boiler natural gas: Since November 2023, an investment of NT\$1,327,740 was made to replace the old boiler with the high-efficiency and energy-saving BB-1000APG boiler system (with standard inverter). The new boiler reduces average gas consumption by 38% compared to the old boiler, saving 55% of natural gas per hour of consumption. In 2024, the new boiler saved 32.61% of natural gas use compared to the old boiler. - The chiller units are adjusted seasonally. - Gradually replace old air conditioners with energy-efficient models: In 2024, an investment of NT\$2,273,660 was made to retire 31 high-energy-consuming fixed-frequency air conditioners, replace 24 units with new energy-efficient models, and add 9 new units. A total of 33 units were either replaced or newly installed, all selected to meet the Ministry of Economic Affairs' Grade 1 energy efficiency standard. In 2024, the energy-saving air conditioners saved a total of 11,802 kWh of electricity. - Replaced industrial water pumps with higher-efficiency models, achieving 67.7% electricity savings under the same operating conditions. - Replaced fire water pumps with higher-efficiency models, achieving 6.4% electricity savings under the same operating conditions. - Replaced emergency fire generator with a lower-capacity generator, saving 57.4% diesel under the same operating hours.	- Products/Services: Source low-carbon raw materials and conduct ESG evaluations of raw material suppliers starting from 2025. - Energy sources: Installed solar green energy generation equipment. In 2024, total electricity generation reached 1,889.93 MWh, reducing carbon emissions by 895,978.07 kg. - The GHG emissions (tCO₂e) for 2024 are as follows: - Scope 1: 708.029 tCO₂e. - Scope 2: 3,440.730 tCO₂e. - Scope 3: 2,245.631 tCO₂e. - Total emissions = Scope 1 + Scope 2 + Scope 3 = 6,394.390 tCO₂e.

◆ GHG Inventory Plan and Carbon Pricing Basis

Since 2023, AIR ASIA has conducted voluntary GHG inventories in accordance with the ISO 14064-1 GHG inventory standard. Although the inventories have not yet been verified by a third-party organization, in line with the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission, the Company plans to complete third-party verification for the parent company in 2027 and disclose the verification results in the annual report. Regarding consolidated subsidiaries, the Company plans to complete the GHG inventory for subsidiaries in 2027 and complete third-party verification for these subsidiaries in 2029. As for carbon pricing, the Company currently does not have an internal carbon pricing mechanism. Apart from awaiting further clarification on GHG-related regulations or guidance from government authorities, the Company plans to continue self-inventory and implement reduction measures.

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4.3 Energy and GHG Emissions

AIR ASIA's primary source of energy consumption is electricity, supplemented by diesel, natural gas, gasoline, and aviation fuel. To achieve GHG reduction goals and lower long-term operating costs, the Company monitors equipment utilization through factory equipment inspections, conducts energy analysis, and implements actions such as replacing equipment with high-efficiency models, adopting digitalized operations, and undertaking other carbon-reduction measures to improve energy efficiency. In addition, the Company actively maintains close collaboration with supply chain partners, sharing energy-saving experiences to jointly promote equipment optimization and energy management, thereby reducing overall energy consumption. The following presents the Company's energy consumption statistics across all plants:

Energy Consumption Statistics for the Past Two Years				
Region	Quantitative Indicator	Unit	2023	2024
AIR ASIA Company Limited	Electricity Usage	kWh/year	6,856,638	6,965,212
		GJ	24,683.90	25,074.76
	Gasoline Usage	L/year	23,051.90	27,754.80
		GJ	7,343.73	8,841.95
	Diesel Usage	L/year	39,895.13	39,156.82
		GJ	1,443.50	1,416.78
	Natural Gas (LNG) Usage	m³	7,558	5,249
		GJ	253.15	175.81
	Aviation Fuel Usage	L/year	15,300	14,000
		GJ	512.46	468.92
	Total Energy Usage	GJ	34,236.74	35,978.23
Organization-specific Metric		Million in revenue	4,863.682	5,200.056
Energy Intensity		GJ/million in revenue	7.0393	6.9188
Note: 1. The energy usage results for 2023 and 2024 were calculated in accordance with the ISO 14064-1: 2018 GHG inventory standard and have not been verified by a third-party. 2. The heating value conversion for electricity is 1 kWh = 0.0036 GJ; 1 kcal = 4.1868 KJ. 3. The heating value coefficients are calculated based on the "Heat Content of Energy products" announced by the Energy Administration, Ministry of Economic Affairs: Gasoline 7,609 kcal/L; Diesel 8,642 kcal/L; Natural gas 8,000 kcal/m³; Aviation fuel 8,000 kcal/L; 1 kcal = 4.1868 KJ.				

◆Energy Saving Results

To effectively manage energy, the Company has established an energy management system. Through annual energy diagnostics and analysis, the Company identifies major energy-consuming equipment and formulate energy-saving measures, including replacing old boilers with energy-saving models, upgrading factory lighting to LED lamps, and carrying out regular maintenance and cleaning of air conditioners throughout the plants. In addition, through energy monitoring and data analysis, the Company continuously tracks energy consumption to ensure optimal energy use. Additionally, the Company also phases out outdated, high-energy-consuming equipment and replace it with newer, more efficient models that require less energy, thereby reducing energy dependency and operating costs. In 2024, the Company continued to implement energy-saving initiatives, including retiring 31 high-energy-consuming fixed-frequency air conditioners and replacing or adding 33 Grade-1 energy-saving air conditioners. Furthermore, all new or replacement lighting across all plants adopts energy-saving LED lamps. The Company also regularly commissions qualified contractors to carry out maintenance and repair of high- and low-voltage electrical equipment, replacing any equipment with low efficiency or safety concerns. At the same time, all plants engage insurance company technical services to conduct infrared inspections of distribution panels, ensuring power efficiency and operational safety.

Through the above measures, in 2024, the Company's electricity intensity decreased by 4.99% compared to 2023, dropping from 1,409.7627 kWh/million in revenue to 1,339.4493 kWh/million in revenue, with electricity savings as the primary goal of energy management. In addition, energy intensity in 2024 also decreased by 1.71% compared to 2023, falling from 7.0393 GJ/million in revenue to 6.9188 GJ/million in revenue, a reduction of 0.1205 GJ/million in revenue, demonstrating significant energy-saving results.

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◆GHG Management and Pollution Prevention

In response to global climate action and to effectively manage GHG emissions across all facilities, AIR ASIA has conducted a preliminary organizational GHG inventory and adopted the ISO 14064-1: 2018 GHG inventory standard. The inventory covers both direct and indirect GHG emissions at the operational sites in Taiwan. In 2024, the total GHG emissions were 6,394.390 tCO₂e, of which Scope 1 emissions were 708.029 tCO₂e, Scope 2 were 3,440.730 tCO₂e, and Scope 3 were 2,245.631 tCO₂e. The Company's direct GHG emissions originate from sources including natural gas, diesel, gasoline, aviation fuel, refrigerants, acetylene, and septic tanks. After the Environmental Group of the Sustainability Implementation Committee identifies the Company's risks, it discusses with various business units to develop appropriate response measures. Based on the analysis, the Sustainability Implementation Committee establishes a risk management strategy plan as the core for climate change actions, which serves to estimate management costs and assess financial impacts. Through the aforementioned data collection, the Company strengthens governance of climate change and systematically evaluates financial connections, thereby mitigating risks and capturing opportunities.

Unit: tCO ₂ e			
Region	Item	2023	2024
AIR ASIA Company Limited	Scope 1: Direct GHG emissions	737.335	708.029
	Scope 2: Indirect GHG emissions	3,403.619	3,440.730
	Scope 3: Other indirect GHG emissions	5,390.246	2,245.631
	Total emissions = Scope 1 + Scope 2 + Scope 3	9,531.200	6,394.390
	Organization-specific metric (million in revenue)	4,863.682	5,200.056
	GHG emissions intensity (tCO ₂ e/million in revenue)	1.9597	1.2297
Total Carbon Dioxide Emissions of the Company (Scope 1 + Scope 2 + Scope 3)		9,531.200	6,394.390
Note: 1. Scope 1 refers to direct emissions from sources owned or controlled by the Company, including stationary combustion, process emissions, mobile combustion from transportation, and fugitive emissions. Emission factor is calculated based on the latest announcement data (version 6.0.4) (the IPCC Sixth Assessment Report) by the Ministry of Environment. 2. Scope 2 refers to indirect emissions from energy consumption, such as purchased electricity. The emission factor for purchased electricity is based on the electricity carbon emission factor announced by the Energy Administration, Ministry of Economic Affairs, which was 0.494 kg CO ₂ e/kWh for both 2023 and 2024. 3. Scope 3 refers to other indirect emissions, such as upstream and downstream transportation and freight, employee commuting, and business travel. 4. The types of GHG emissions include carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), and hydrofluorocarbons (HFCs). 5. The emissions for 2023 to 2024 were calculated following the ISO 14064-1: 2018 GHG inventory standard and have not been verified by a third party.			

◆Air Pollution Prevention

Air pollution can have negative impacts on the climate, environmental ecosystems, air quality, and biodiversity, and long-term exposure to polluted air may also pose health risks. During the reporting period, while conducting the GHG inventory, AIR ASIA identified that some equipment contains refrigerants, including air conditioners, refrigerators, and water dispensers, as well as associated nitrogen oxides, sulfur oxides, and other significant gases. Some of the equipment still uses refrigerants such as R22, which are regulated under the "Montreal Protocol". The Company plans to gradually replace these with eco-friendly refrigerants once the equipment reaches the end of its service life. Currently, all equipment complies with the "Montreal Protocol" and does not use any controlled chemical substances. In addition, the Company regularly monitors and verifies that no refrigerant leakage occurs to prevent ozone layer depletion, and strictly controls exhaust gas emissions. In 2024, the Company did not experience any incidents of refrigerant leakage affecting the ozone layer. In the future, AIR ASIA will continue to comply with environmental regulations, regularly inspect and monitor refrigerant-containing equipment, and continuously optimize exhaust gas management to minimize environmental impact and protect the ecosystems of Earth.

Ozone-Depleting Substances Statistics	
Name of Ozone-Depleting Substances	2024
R-134a(HFC-134a)	222,147.44
R-22(HCFC-22)	209.91
R-32(HFC-32)	821.52
R-410A	31,056.77
CO ₂	5,508
Note: No emissions of ozone-depleting substances (ODS) were recorded in 2023.	

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Unit: kg

Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Gas Emissions		
	2023	2024
Nitrogen Oxides	7,558	5,249
Volatile Organic Compounds (VOCs)	26,846	9,809.23
Particulate Matters (TSP)	11.87	88.23
Nitrogen Oxides (NOx)	7,558	8,409
Hazardous Air Pollutants	17.92	0
Note: 1. The boundary includes only the Tainan Plant, Taichung Plant, and Pingtung Plant. 2. The Company's air pollution control equipment does not handle quantities of pollutants that reach the monitoring threshold set by the Ministry of Environment; therefore, no monitoring data are available. Annual emissions are estimated by multiplying the amount of raw materials used by the corresponding emission factors.		

4.4 Water Resource Management

AIR ASIA uses the "Water Risk Atlas" of the World Resources Institute to evaluate the overall water resources of its headquarters and plants, identifying them as low-to-medium risk (Low-Medium, 1-2). This indicates that the Company's water usage does not have a significant impact on local water resources. The service reservoirs used by each plant are listed in the table below. Except for the Aircraft Maintenance Division, Pingtung, which uses groundwater, all other sites do not use groundwater. The Company places great importance on water resource usage and environmental issues, and has formulated related water-saving plans, including reviewing monthly water usage for anomalies, replacing old pipelines, and regularly inspecting water valves and pipelines to prevent leaks. Water usage at the plants is primarily for employee daily needs and electroplating processes, with higher water consumption only required when filling electroplating tanks. At other times, water usage is not significant. To further improve water efficiency, the plants have implemented the following measures: installing low-flow faucets, water-saving toilets, and water-saving showerheads to reduce daily water consumption; regularly training employees to raise awareness of water conservation, teaching water-saving techniques, and encouraging employees to adopt water-saving habits in daily life. Through the abovementioned actions, AIR ASIA continues to commit to sustainable water resource management, reducing environmental impact and demonstrating corporate social responsibility.

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Operational Sites	Reservoir Name
Headquarters and Guiren Station	Zengwen Reservoir, Wushantou Reservoir, Nanhua Reservoir, Jingmian Reservoir, and Baihe Reservoir
Aircraft Maintenance Division, Pingtung	Groundwater
Component Division, Taichung	Shigang Dam Reservoir
Aircraft Maintenance Division, Sung Shan	Feitsui Reservoir

In 2024, the total water intake was 47.794 million liters, and water intensity increased by 0.000065 compared to the previous year. This was due to the Taichung Plant handling additional maintenance and third-party operational work, which required purified water and cooling water for cleaning, as well as the addition of 100 tons of water for the chillers and cooling towers. At the Pingtung Plant, water usage increased because customers, in response to readiness requirements, borrowed hangars for aircraft cleaning and added new project operations, leading to higher third-party operational and additional work volumes. The Company's water usage statistics for the past two years are summarized in the table below:

AIR ASIA Water Resource Usage Statistics for the Past Two Years		
	2023	2024
Water Intake (million liters)	44.385	47.794
Water Discharge (million liters)	12.388	13.124
Water Consumption (million liters)	31.997	34.670
Million in revenue	4,863.682	5,200.056
Water Intensity	0.009126	0.009191
Note: 1. The boundary includes the Tainan Plant, Taichung Plant, and Pingtung Plant. 2. Only data for 2023 to 2024 are disclosed. 3. Water consumption = Water intake – Water discharge. 4. Water reuse rate = On-site recycled water / (Water intake + On-site recycled water) × 100%. 5. Water intensity is calculated as: Water intake (million liters) / Organization-specific metric (million in revenue).		

◆ Wastewater Discharge Status

To ensure that the operations do not negatively impact the environment, AIR ASIA strictly manages the wastewater discharges. AIR ASIA not only complies with relevant regulations but also implements real-time monitoring and regular testing to ensure that discharged water meets quality standards. For wastewater from the electroplating process, a high-efficiency treatment system is employed to properly separate hazardous substances and prevent water pollution. At the same time, AIR ASIA promotes water reuse by recycling a portion of production wastewater to reduce water usage, and regularly trains employees to raise environmental awareness. To enhance the efficiency of wastewater pollution control equipment, an investment of NT\$118,000 was made to replace the activated carbon filter media in the wastewater treatment plant, improving filtration efficiency and effectively reducing pollutant discharge. In 2025, suspended solids decreased by 4.0 mg/L compared to 2024. In 2024, the total wastewater discharged from the Company's plants was approximately 13.124 million liters. In the future, we will continue to optimize wastewater treatment processes to promote sustainable development of water resource. Relevant discharge monitoring results are shown in the table below:

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Unit: ppm

AIR ASIA Wastewater Discharge Standards and Monitoring Values for the Past Two Years								
Discharge Outlet	Tainan Plant (Other Industries)		Tainan Maintenance Base (Electroplating Industry)		Taichung Plant (Electroplating Industry)		Pingtung Plant (Electroplating Industry)	
Year	2023	2024	2023	2024	2023	2024	2023	2024
Annual Average Monitoring Value								
COD	35.20	48.80	5.60	32.00	7.1	9.45	27.9	29.575
Suspended Solids (SS)	14.3	4.7	1	1	3.55	4.6	1.375	3.825
Grease	-	-	-	-	1.25	0.85	0.925	0.725
Villiumite	-	-	0.16	0.32	0.105	0.475	0.1525	0.12
Cyanide	-	-	0.012	0.025	-	-	0.00355	0.0036
Ammonia Nitrogen	-	-	0.1	9.07	0.375	-	0.28385	1.3625
Nitrate Nitrogen	-	-	0.43	0.054	16.1	18.05	12.0225	9.22
Zinc	-	-	0.05	0.023	-	-	0.02	0.01975
Cadmium	-	-	0.0011	0.008	0.014	0.0185	0.0043	0.0012
Lead	-	-	0.0032	0.0033	-	-	0.003075	0.0033
Copper	-	-	0.008	0.004	-	0.13	0.0027675	0.0024025
Total Chromium	-	-	0.064	0.003	0.07	0.09	0.0165	0.02165
Nickel	-	-	0.049	0.006	0.08	-	0.003775	0.00243
Mercury	-	-	-	-	-	-	0.0004975	0.00063
Arsenic	-	-	0.142	0.015	-	-	0.003625	0.0032
pH	7.6	7.8	8	7.8	6.3	7.3	7.5	7.575
Water Temperature	26.4	28	25.6	28	27.35	27	28.425	28.6
Biochemical Oxygen Demand	9.5	12	-	-	-	-	6.75	7.75
Chemical Oxygen Demand	35.2	48.8	5.6	32	7.1	9.45	27.9	29.575

Note:
1. The boundary includes the Tainan Plant, Tainan Maintenance Base, Taichung Plant, and Pingtung Plant. In addition, the Sung Shan Plant does not require wastewater treatment equipment, and therefore has no monitoring records.
2. Due to differences in industry type, the Tainan Plant and Tainan Maintenance Base have different regulated wastewater parameters. Additionally, because the Tainan City has imposed stricter standards for "copper", these differ from the standards of Ministry of Environment. Furthermore, at the Tainan Maintenance Base, "mercury" has not been monitored for approximately ten years, as an exemption was granted by the Environmental Protection Bureau of Tainan City.
3. The Pingtung Plant operates in accordance with the Effluent Standards by industry category as announced by the Ministry of Environment.
4. Only data for 2023 to 2024 are disclosed.
5. Regulated Water Quality Standards: COD ≤ 100 ppm; SS ≤ 30 ppm.

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4.5 Waste management

AIR ASIA is committed to the waste disposal and management, with all plants entrusting legally authorized public or private organizations to disposal and treat of it. General industrial waste is primarily sent to waste incineration plants for disposal or recycled and reused in accordance with the "Waste Disposal Act". Hazardous industrial waste is disposed and ultimately treated by qualified organizations equipped with GPS tracking systems, ensuring that the waste treatment process is safe and transparent. We continue to promote source reduction and reuse technologies, improve resource recycling rates, and regularly review management effectiveness to achieve environmental sustainability goals. In 2024, all waste generated by the Company was treated by qualified third-party disposal organizations, and no serious waste leakage incidents occurred.

The types of waste generated at each plant vary depending on the production processes. At the headquarters (including the Guiren Station and NASC Outstations), the majority of waste consists of R-1701 waste lubricating oil from aircraft refueling operations, accounting for approximately 20% of total waste (excluding domestic garbage). At the Aircraft Maintenance Division, Pingtung, the primary waste consists of industrial waste generated from aircraft paint stripping. The Component Division, Taichung, primarily conducts maintenance on Air Force aircraft components. Its waste mainly consists of waste liquids and electroplating sludge from electroplating operations, accounting for 80~90% of total waste, with a small part of waste paint, dust collection, and mixtures of waste lubricating oil and waste oil generated during maintenance. At the Line Maintenance Division, approximately 85~90% of waste is human-made waste, and 10~15% consists of maintenance consumables. The Sung Shan Plant mainly generates general domestic waste, accounting for 70~80%, while waste from packaging and assembly processes accounts for 20~30%. The Company continues to implement waste classification and management and promote resource recycling, striving to minimize environmental impact.

To further enhance the effectiveness of waste reduction, an investment of NT\$350,000 was made to replace the existing equipment with a plate-and-frame filter press featuring higher dewatering efficiency, thereby reducing the amount of sludge generated at the wastewater treatment plant. In 2024, the amount of sludge generated at the wastewater treatment plant decreased by 600 kilograms compared to 2023.

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AIR ASIA 2024 Waste Statistics Table			
Waste Composition	Hazardous / Non-hazardous	Off-site	
Item		Waste Generated (tons)	Treatment Method
Waste paint and paint residue	Non-hazardous	2.91	Landfilling
Inorganic sludge		0.16	
Waste lubricating oil		15.4	Recycling
Domestic waste		291.04	Incineration (excluding energy recovery)
Waste activated carbon		0.70	
Waste oil mixtures		8.24	
Waste lubricating oil		4.37	
Waste paint and paint residue		5.42	
Organic sludge		1.37	
Other unclassified general industrial waste		1.37	
Waste liquid	Hazardous	13.9872	Landfilling
Electroplating sludge		0.61	
Silver and its compounds (total silver) (Limited to waste developing solution from photographic processing and photoengraving)		0.0316	Incineration (excluding energy recovery)
Silver and its compounds (total silver) (Limited to waste liquid excluding photographic developing solution from photographic processing and photoengraving)		0.0194	
Cadmium and its compounds (total cadmium)		0.14	
Chromium and its compounds (total chromium)		1.62	
Waste liquid with pH ≤ 2.0		7.61	
Note: 1. The boundary includes the Tainan Plant, Guiren Station, NASC Outstations, Pingtung Plant, Taichung Plant, and Sung Shan Plant. 2. All waste quantities are measured in metric tons. 3. The recycling operation method: Recycling. 4. Disposal methods include incineration (excluding energy recovery) and landfilling. 5. "Off-site" refers to locations outside the physical boundary or administrative control of the reporting organization. 6. For domestic waste, plants without declaration records calculate quantities based on per capita daily generation. Additionally, the Pingtung Plant does not have a control code, and its waste is reported by the Air Force.			

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5.1 Management of Material Topics

Management Approach	Training and Education		
Correspondence to Sustainability Standards (Issues)	GRI 404 Training and Education	Affected Stakeholders	Government Agencies, Employees and Other Workers, and Customers
Major Reasons	Through comprehensive education and professional training, enabling them to grasp the latest trends, maintenance standards, and regulations. Upholding flight safety as the top priority and maintaining quality excellence is a crucial mission for a professional aircraft maintenance company. It requires a workforce with sufficient experience and training to ensure both safety and quality. Only through continuous learning and technical advancement can the aviation industry maintain excellence and ensure flight safety.		
Influences and Impacts	Comprehensive education and training enhance employees' professional skills and safety awareness, reduce costs and risks, promote talent retention, and strengthen corporate competitiveness and brand trust. ● : Reduced human resource churn ● : Increased salary levels ■ : Increased work errors ● : Positive influence ■ : Negative impact		
Policies	The Company's education and training policy is committed to the "development of diverse and comprehensive training system". By planning various professional courses, it equips employees with the necessary competencies for their work and actively fosters a positive and growth-oriented learning environment. This approach promotes knowledge sharing and skill enhancement, improves workforce quality, and strengthens corporate competitiveness.		
Strategies	▪ Risk and quality assessment: Training risks and the achievement of quality goals are assessed semi-annually, with improvement measures proposed as needed. ▪ Meeting review: Management review meetings are held to comprehensively review training effectiveness. ▪ Follow-up actions: Course implementation and job performance are reviewed to continuously optimize training quality.		
Goals and Targets	▪ Short-term goals: 1. Complete courses outlined in the annual training plan. 2. Complete regular promotion courses and regulatory courses.	▪ Mid-term and long-term goals: 1. Strengthen training related to the Company's core business development to fully transfer essential key technologies. 2. Enhance support for employees in obtaining professional certifications and improve the associated certification allowance system.	
Management Assessment Mechanism	▪ Training certificates and evaluation reports: Upon course completion, participating employees are provided with training certificates to acknowledge their learning achievements and improvement in professional competencies. Detailed training evaluation reports are also prepared, analyzing course effectiveness, participation, and feedback from trainees. These reports serve as an important basis for optimizing future courses and adjusting training strategies. ▪ Annual review meetings and course completion rate assessment: Annual review meetings are held to comprehensively review the implementation of courses for the year. The course completion rate is assessed and improvement recommendations are proposed to ensure the effectiveness and achievement of the training plan.		
Performance and Adjustment	1. In 2024, the average employee training hours were 40 hours. 2. The course completion rate for the 2024 annual training plan was 90%. 3. The completion rate for regular promotion and regulatory courses in 2024 was 100%.		

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Management Approach	Labor Relations		
Correspondence to Sustainability Standards (Issues)	GRI 401 Labor Relations	Affected Stakeholders	Government Agencies, Employees and Other Workers, and Customers
Major Reasons	Employees are fundamental to the organizational structure; the Company values the partnership with its employees. Through a harmonious and stable foundation between labor and management, a friendly labor relationship is cultivated to reduce labor risks and implement sustainable operations.		
Influences and Impacts	By safeguarding the rights and interests of employees and providing a good working environment, the Company enhances satisfaction and productivity, reduces turnover and labor-related risks, and simultaneously strengthens corporate image and competitiveness. ● : Job satisfaction ■ : Labor disputes ● : Positive influence ■ : Negative impact		
Policies	The Company has established a comprehensive compensation and benefits system, planned structured certification courses, and implemented salary and reward adjustments for enhancing foundational professional skills. These measures activate human resources and experience transfer, increase employee retention and talent attraction, create a positive workplace, and promote harmonious labor relations.		
Strategies	▪ Promotion of labor–management harmony: Regular labor–management meetings are held, with five representatives from each side participating to discuss and resolve labor–management issues, fostering harmonious cooperation. ▪ Enhancement of employee benefits: Through measures such as salary adjustments, group insurance, and marriage/funeral subsidies, employee satisfaction and loyalty are improved. ▪ Health and team cohesion initiatives: Regular health promotion activities and work–life balance courses are conducted to support employees' physical and mental well-being and strengthen team cohesion.		
Goals and Targets	▪ Short-term goals: 1. Labor–management meetings and Employee Welfare Committee meetings are held once per quarter to promote labor–management communication and enhance employee benefits. 2. Complaint management goal: Maintain zero complaints received through the stakeholder feedback email on the official website, ensuring an effective corporate communication mechanism.		▪ Mid-term and long-term goals: 1. 4 labor–management meetings and 4 Employee Welfare Committee meetings are held annually to strengthen labor–management communication and employee benefits. 2. Ensure that no significant labor–management issues occur each year, maintaining harmonious labor–management relations. 3. The Labor Union organizes an annual family day, and the welfare committee regularly arranges employee trips to enhance team cohesion.
Management Assessment Mechanism	1. Labor–management meetings and Employee Welfare Committee meetings are held regularly to review labor–management relations and employee welfare, ensuring that the needs of both parties are effectively communicated and addressed. 2. Since signing a collective bargaining agreement with the Labor Union in 2016, the Company has renewed the agreement in 2020 and 2023, maintaining stable labor–management relations and establishing a solid foundation for cooperation between the Company and employees. 3. Through regular assessment and adjustments, the Company continuously monitors and improves labor–management relations, working together to create a harmonious and fulfilling work environment that lays a strong foundation for the Company's long-term development.		
Performance and Adjustment	1. In 2024, the Labor Union and the Employee Welfare Committee jointly organized 4 family day events. 2. Through multiple labor–management meetings, the Employee Stock Ownership Trust Regulations were discussed and approved, and officially launched in January 2024. The employee participation rate in 2024 reached 24%.		

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Management Approach	Occupational Safety and Health		
Correspondence to Sustainability Standards (Issues)	GRI 403 Occupational Health and Safety	Affected Stakeholders	Customers, Employees and Other Workers, and Investors/Legal Shareholders/Financial Institutions
Major Reasons	Implement autonomous occupational safety and health management, strengthen preventive measures, and establish safe operating procedures, along with safety equipment and necessary measures prepared in advance to prevent disasters, thereby effectively reducing the incidence of occupational accidents. Implementing occupational safety and health not only concerns employees' life safety and health but also directly impacts a company's operational stability and sustainable development.		
Influences and Impacts	By implementing occupational safety and health, the Company reduces financial risks, safeguards employees' health and safety, and enhances corporate image and human rights protection. These efforts ensure stable operations and employee trust. ● : Reduced injury and accident risks ● : Productivity boost ■ : Labor shortages and operational disruptions ■ : Legal risks ● : Positive influence ■ : Negative impact		
Policies	To ensure safety, prevent occupational hazards, protect employee safety and health, and reduce losses caused by accidents and human errors, thereby improving the Company's productivity, we will strive to protect employees and property from disaster losses. The Company will provide and maintain a safety and health management system and working environment that complies with aviation industry practices and legal requirements, and will make every effort to minimize any foreseeable dangers that may lead to fire, safety losses, property losses, personal injury, or illness. The Company's safety and health policy is: "Respect for Life Value, Fulfill Social Responsibility, Continuous Environmental Improvement, Pursuit of Zero Accidents".		
Strategies	▪ Occupational safety management strategy: In compliance with relevant regulations, the Company has established the "Occupational Safety and Health Work Rules", prioritizing employee safety and aiming for a zero-accident workplace. Regular occupational safety and health inspections are conducted, such as fire protection equipment checks and plant inspections. Any deficiencies identified are immediately rectified, with details recorded in the "Safety and Health Inspection Form" and followed up with re-inspections to ensure a safe working environment. Through these measures, the Company mitigates occupational accident risks and safeguards employees' physical and mental well-being. ▪ Remedial measures for negative impacts: The Occupational Safety and Health Committee conducts regular reviews of all processes to prevent accidents. By applying the PDCA cycle (Plan-Do-Check-Act), the Company continuously improves the working environment to achieve the goal of zero occupational injuries and illnesses.		
Goals and Targets	▪ Short-term goals: 1. The Company strictly complies with all relevant occupational safety and health regulations and strives to achieve "zero" major accidents, while establishing a healthy and safe workplace. 2. No major fines were incurred (exceeding NT\$1 million). 3. Disabling injury frequency rate (FR) < 1.50.		▪ Mid-term and long-term goals: 1. The Company continuously complies with all relevant occupational safety and health regulations, maintaining zero major accidents, zero fatalities, and zero occupational disease cases. 2. Disabling injury frequency rate (FR) < 1.32.
Management Assessment Mechanism	1. The Occupational Safety and Health Committee convenes quarterly meetings to track progress, and communicates with employees or representatives of safety and health, with a total of 4 meetings held (review conducted in March, June, September, and December annually). 2. The safety and health audits are conducted, and the completion of improvements is followed up.		
Performance and Adjustment	The 2024 disabling injury frequency rate (FR) did not meet the target. In the future, the Company will utilize the PDCA management cycle to reduce occupational injuries and establish correct safety and health awareness and knowledge among employees, thereby lowering operational risks.		

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5.2 Talent Recruitment and Training

◆ Employee-related Information

AIR ASIA continuously implements relevant laws, including the Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment. Employees are hired based on professional qualifications and through an interview process. Even those without prior work experience are provided with training opportunities. All employees are employed in accordance with the law, either on a indefinite-term or fixed-term basis. No dispatched personnel are used, ensuring the protection of labor rights. At the same time, the Company is committed to promoting gender equality and providing fair employment opportunities. The number of female employees has been increasing year by year, and the proportion of females in senior executives exceeds their proportion among the overall employees. This ensures the protection of work rights and the practical implementation of gender equality, in line with the constitutional spirit of eliminating gender discrimination and promoting substantive equality between genders.

In 2024, the Company had a total of 1,166 employees, comprising 986 men (84.56%) and 180 women (15.43%). Regarding employment contracts, they cover both full-time and temporary employees. In addition, non-employee workers include 34 persons, comprising technical consultants, cleaners, and security guards. The situation of employees and non-employee workers for this year is as follows:

2024 Employee Composition					
Category			Number of Employees	Number of Full-time Employees	Number of Temporary Employee
Item/Gender		Age	Headcount	Headcount	Headcount
Taiwan	Female	Under 30 years old	39	35	4
		30–50 years old	79	79	0
		Over 50 years old	62	62	0
	Male	Under 30 years old	95	90	5
		30–50 years old	410	407	3
		Over 50 years old	481	474	7
Total			1,166	1,147	19
Note: 1. The scope of the total number of employees includes the entire company. 2. The figures in this table were calculated as of December 31, 2024. 3. The Company has no employees of other genders, employees who do not disclose their gender, and employees without guaranteed working hours. 4. Employee: An individual who has a labor relation with the organization in accordance with national laws or other applicable requirements. 5. Full-time employees: Individuals under an indefinite-term contract. 6. Temporary employees: Individuals under a fixed-term contract. (Including part-time workers and interns) 7. Full-time: Individuals whose working hours are defined according to the Labor Standards Act. In Taiwan, this means no more than 8 hours per day and no more than 40 hours per week. 8. Part-time: Employees who are not classified as full-time. 9. The figures in this table are calculated using the headcount/full-time equivalent method.					

Non-employee Worker Information			
Region	Type of Worker	Contractual Relationship with the Company	Total Number of Workers
Taiwan	Technical consultant	Service contract	12
	Cleaner	Contractor	13
	Security guard		9

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◆Number and Proportion of Local Residents Employed as Senior Executives

When recruiting talent, AIR ASIA upholds its social responsibility, striving to maintain harmonious relationships with local communities and enhance employee job stability by prioritizing the hiring of local residents in Taiwan as the main workforce. The distribution of managerial and non-managerial personnel in 2024 is as follows. Senior executives are defined as directors or chiefs and above, totaling 24 persons, including 19 men and 5 women, with female executives representing approximately 20.83%. All senior executives (100%) are local residents in Taiwan. The distribution of employee positions over the past three years is as follows:

Employee Composition for the Past Two Years				
Year			2023	2024
Item/Gender		Age	Headcount	Headcount
Senior Executive	Male	Under 30 years old	0	0
		30–50 years old	1	0
		Over 50 years old	20	19
	Female	Under 30 years old	0	0
		30–50 years old	4	3
		Over 50 years old	1	2
Total Senior Executives			26	24
Non-Senior Executive Personnel	Male	Under 30 years old	84	90
		30–50 years old	393	407
		Over 50 years old	470	455
	Female	Under 30 years old	33	35
		30–50 years old	73	76
		Over 50 years old	54	60
Total Non-Senior Executive Personnel			1,107	1,123
Total Full-time Employees			1,133	1,147 ^(Note*)
Note:				
1. Directors or chiefs and above are defined as senior executives.				
2. Temporary employees are mostly part-time workers and interns. Therefore, they are not considered regular employees of the Company.				

◆Employee Turnover Overview

In 2024, AIR ASIA recruited a total of 128 new employees, comprising 105 men and 23 women. The new hire rate reached 11.16%, a decrease of 12% compared to 2023, mainly due to gradual salary adjustments and strengthened training and retention programs. The employee turnover rate decreased from 11.47% in 2023 to 9.94% in 2024.

◆New Hire Rate

New Hire Rate Statistics for the Past Two Years								
Year	2023				2024			
Gender	Male		Female		Male		Female	
Age/Item	Head-count	New Hire Rate (%)	Head-count	New Hire Rate (%)	Head-count	New Hire Rate (%)	Head-count	New Hire Rate (%)
Under 30 years old	38	3.35	6	0.53	36	3.14	13	1.13
30–50 years old	65	5.74	11	0.97	64	5.58	10	0.87
Over 50 years old	15	1.32	1	0.09	5	0.44	0	-
Total Number of New Hires	136				128			
Total Number of Employees	1,133				1,147 _(Note*)			
Total New Hire Rate (%)	12.00				11.16			
Note: 1. The number of new hires does not exclude employees who leave halfway. 2. New hire rate for male (female) employees in an age group = Number of new male (female) employees in that age group during the year / Total number of employees at operational sites at year-end. 3. Total new hire rate = Number of new hires during the year / Total number of employees at operational sites at year-end. 4. Temporary employees are mostly part-time workers and interns. Therefore, they are not considered regular employees of the Company.								

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◆ Turnover Rate

In recent years, the high-tech industry has recruited talent with higher salary levels, resulting in a relatively high turnover rate among AIR ASIA's maintenance personnel due to the nature of the industry. The Company implements a localization hiring policy by recruiting graduates from Tainan through industry-academia cooperation, reducing commuting and housing concerns to increase retention. Additionally, the Company continuously conducts maintenance trainee training programs and industry-academia cooperation, recruits experienced personnel to fill vacancies, and rewards employees who improve their skills according to existing plans. Offer equipment-specific training courses to strengthen maintenance quality.

Employee Turnover Rate Statistics for the Past Two Years								
Year	2023				2024			
Gender	Male		Female		Male		Female	
Age/Item	Head-count	Turnover Rate (%)	Head-count	Turnover Rate (%)	Head-count	Turnover Rate (%)	Head-count	Turnover Rate (%)
Under 30 years old	20	1.77	5	0.44	20	1.74	5	0.44
30-50 years old	49	4.32	7	5.56	33	2.88	6	0.52
Over 50 years old	43	3.80	6	0.53	49	4.27	1	0.09
Total Number of Resignations	130				114			
Total Number of Employees	1,133				1,147 ^(Note*)			
Total Turnover Rate (%)	11.47				9.94			

Note:
1. The categories of employees considered as having left the Company: Voluntary resignation, retirement, and dismissal.
2. Turnover rate for male (female) employees in an age group = Number of male (female) employees in that age group who left during the year / Total number of employees at operational sites at year-end.
3. Total employee turnover rate = Number of employees who left during the year / Total number of employees at operational sites at year-end.
4. Temporary employees are mostly part-time workers and interns. Therefore, they are not considered regular employees of the Company.

◆ Employment of Diverse Employee Groups

To ensure equal employment opportunities for disadvantaged and related groups, AIR ASIA actively implements the regulations of the "People with Disabilities Rights Protection Act" and is committed to providing a friendly and barrier-free work environment. In 2024, the Company employed 13 persons with disabilities, actively providing job redesign, work coaching, and workplace adaptation support to ensure that employees with disabilities can successfully integrate into the workplace and fully utilize their professional abilities. The Company has met the required employment quota, complying with legal requirements and fulfilling its corporate social responsibility.

In addition, we implement a diverse employment policy to enhance employment opportunities for local workers by using open recruitment channels and providing equal employment opportunities to attract and retain talents. We also promote diverse employment measures by assisting specific social groups, such as providing re-employment opportunities for the unemployed. Current employed groups include persons with disabilities, retired military personnel, unemployed individuals, indigenous people, and interns.

Diversity Statistics of Employees for the Past Two Years				
Year		2023	2024	
Item/Gender	Age	Headcount	Headcount	
Minority or Disadvantaged Groups (Persons with Disabilities)	Male	Under 30 years old	0	1
		30-50 years old	3	2
		Over 51 years old	8	8
	Female	Under 30 years old	0	0
		30-50 years old	1	1
		Over 51 years old	1	1

Note:
Minority or disadvantaged groups: Groups with certain specific conditions or characteristics (such as economic, physical, political, or social), whose exposure to negative impacts from organizational activities may be more severe than that experienced by the general groups.

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◆ Education and Training

AIR ASIA focuses on creating a diverse workplace, establishing a training system, and developing competency models to cultivate and develop talents. Since 2020, AIR ASIA has implemented the "Talent Quality-management System (TTQS)" promoted by the Ministry of Labor as a guideline for managing talent development. The most recent evaluation confirmed TTQS compliance, with the certificate valid until May 1, 2026. Therefore, AIR ASIA uses competency development as a key foundation for its training and education system, aligning talent cultivation with the Company's development. AIR ASIA continuously monitors industry and social trends and adjusts training strategies as needed, thereby enhancing the application of human resources in selection, utilization, development, and retention.

Education and training primarily focus on the competencies required to implement overall strategies and achieve the Company's operation goals. The key training includes regulatory promotion, occupational safety and health, auditing certification, production and manufacturing, aircraft maintenance, materials management, quality management, IT and software, flight safety, general affairs procurement management, as well as finance and accounting courses, ensuring that relevant executives and employees possess the necessary professional competencies. In 2024, a total of 2,332 training sessions were conducted, with 27,419 employee participants. The total training hours were 60,085 hours, resulting in an average of 53 training hours per employee per year.

Education and Training Classification Description					
Item/Category		Direct Personnel		Indirect Personnel	
Unit/Gender		Male	Female	Male	Female
Total Number of Employees	Person	700	20	271	156
Total Training Hours	Hours	42,413.602	1,389.900	9,759.700	6,521.400
Average Total Training Hours	Hours/Person	60.59	69.50	36.01	41.80
Training Expenses	NTD	5,226,692			
Note: Excluding the Company's part-time workers and interns.					

AIR ASIA Employee Education and Training



1. EWIS Refresher Training
2. Human Factor Refresher Training
3. FTS Refresher Training
4. Avionics System Introduction
5. New Employee Training – Airframe/Engine Practical Course
6. New Employee Training – Avionics Course
7. Unlawful Infringement and Gender Equality

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◆Programs for Upgrading Employee Skills and Transition Assistance Programs

The Company actively enhances employees' professional capabilities and motivates continuous growth through various training and certification programs, thereby strengthening the Company's competitiveness. As the Company's main business is aircraft maintenance, particular emphasis is placed on obtaining professional certifications. Corresponding salary adjustments or bonus incentives are provided to reward employees' achievements in their professional fields. Specific measures are as follows:

Programs for Upgrading Skills of AIR ASIA	
Program	Content
CAA-147 Certified Aviation Training Organization	The Company has established an aviation maintenance training center (Air Asia Technical Training, ATT) and obtained CAA-147 certification from the Civil Aviation Administration in accordance with the Civil Aviation Personnel Training Organization Management Rules. The center provides employees with basic and advanced theoretical and practical training in aircraft maintenance. This training is not only for existing maintenance personnel but also for new employees and participants in industry-academia collaboration programs, cultivating outstanding aviation maintenance talents.
Training Programs	To meet customer requirements for aircraft maintenance quality and delivery, the Company has conducted the "Aircraft Maintenance Technician Training Program" for 11 sessions from 2011 to 2024, with a total of 164 trained employees. These training courses are specifically designed for students from fields related to aeronautical engineering, electronics, and electrical engineering, aiming to enhance their aircraft maintenance skills. The course duration is 5 to 6 months.
Basic Professional Competency Advancement and Salary Adjustment	To encourage employees to continuously enhance their basic professional competencies and prevent the loss of talent with professional development potential, an examination system has been established. Employees who successfully improve their professional competencies after passing two CAA subject examinations and two Company-administered practical examinations receive salary adjustments as an incentive. In 2024, a total of 53 employees received salary adjustments.

Program	Content
Certification Allowances	Employees who obtain professional certifications are granted certification allowances to encourage their professional development in aircraft and component maintenance. The certification types include FAA, CAA, NDI certificates, and specific technician certifications. In 2024, a total of 13 employees received certification allowances.
Certification Compensation Allowances	To encourage employees to obtain or renew Civil Aviation Administration (CAA) Aircraft Maintenance Engineer Certificates or other related certificates, the Company provides certification compensation allowances. This measure aims to enhance employees' professional capabilities and promote long-term retention, thereby strengthening the Company's overall competitiveness. In 2024, a total of 13 employees received certification compensation allowances.

◆Fair Performance Management System

The Company has established a comprehensive training system, covering five stages: Plan, Design, Do, Review, and Outcome, and implements the PDDRO management cycle to enhance the efficiency of training, build human capital, and create maximum competitiveness. The employee training effectiveness is ultimately reflected in performance evaluations. The Company places great emphasis on performance evaluations, including probationary evaluations for new employees, monthly regular evaluations, irregular reward and disciplinary reports, and annual performance appraisals. Based on the performance appraisal ratings, employees are awarded different numbers of monthly bonuses, achieving an incentive effect. To encourage departments and employees to exceed their performance targets and enhance profitability, and to reward those who have made significant contributions to the Company, the "Incentive Bonus Issuance Regulations" have been established. In 2024, 28 incentive bonus cases were approved, with 1,726 recipients. Additionally, the Company's annual performance evaluation ratio was 100%, including the Chairman, managers, and employees with less than three months of service. Through performance evaluations, the Company not only strengthens employees' professional capabilities but also motivates all employees to achieve higher performance, collectively driving the Company's sustainable development.

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◆Protection of Employee Rights

The Company places great emphasis on labor-management relations. On November 24, 2016, the Company signed its first collective bargaining agreement with the Labor Union, laying a milestone for labor-management harmony and handling labor-management affairs. As of the end of 2024, all employees have signed the "collective bargaining agreement". We provide a variety of employee benefits, including group insurance, employees' remuneration, holiday bonuses, long-service awards, and other welfare subsidies, demonstrating our commitment to employee well-being. To promote labor-management relations, 4 labor-management consultation meetings are held annually to discuss issues and seek solutions collaboratively. Additionally, an internal sexual harassment mailbox and grievance hotline are established to ensure employees can provide feedback or suggestions at any time, creating a safe and friendly work environment.

◆Security Training

The Company's employed security guards and outsourced security personnel receive professional training annually to ensure they possess the necessary knowledge, skills, and attitudes for their work, achieving a 100% training completion rate. In accordance with the "National Civil Aviation Security Program" and the "Aviation Security Program", the Company conducts aviation security education and training courses for security guards. The training includes personnel, vehicle, and item access control, security concept training, security guard duty procedures, and surveillance system operation. Additionally, monthly aviation security audits are conducted by the Tainan Airport, and the Company achieved a 100% pass rate in 2024.

5.3 Employee Benefits and Protection

◆Compensation system

AIR ASIA provides starting salaries that comply with the minimum wage under the Labor Standards Act, regardless of gender. Salary levels also consider factors such as seniority and job performance, which may result in differences in pay between job grades. After employment, AIR ASIA adheres to the principle of equal pay for equal work, and has never considered race, beliefs, religion, political affiliation, gender, appearance, and physical/mental disabilities in determining pay. In addition, some executives are subject to a performance bonus system, resulting in lower monthly regular salaries but a total annual compensation at a certain level. The Company has planned to increase the monthly salary amounts for employees eligible for performance bonuses. The 2024 ratio of compensation to minimum wage is shown as follows.

Compensation Ratio by Job Grade	Headcount		Compensation Ratio		Minimum Wage Ratio	
	Female	Male	Female	Male	Female	Male
Managerial roles	19	244	1	0.89	1	0.76
Non-managerial roles	157	727	1	1.13	1	0.97
Direct Personnel	20	700	1	1.13	1	0.95
Indirect Personnel	156	271	1	1.26	1	1
Note: 1. Female-to-male compensation ratio (annual salary ratio): Calculated as average annual salary of females in the category / average annual salary of males in the category. 2. Female-to-male minimum wage ratio (base salary ratio): Calculated as average base salary of males in the category / average base salary of females in the category. 3. Excluding the Company's part-time workers and interns.						

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The Company determines wages based on an individual's educational background, experience, and job duties, without using gender as a factor in wage standards. However, salary levels also consider factors such as seniority and job performance. As a result, the standard salary for male entry-level employees is 1.1 times the local minimum wage, while the standard salary for female entry-level employees is 1.2 times the local minimum wage. The lower salary ratio in 2024 compared to 2023 is due to a difference in calculation methods. In 2023, the ratio was based on average regular salary / minimum basic wage, whereas in 2024, it was calculated using the lowest-paid employee at operational sites of the Company / minimum basic wage.

The ratio of highest compensation to median employee salary was 4.39. Total compensation increased by -1.08% compared to 2023, primarily because the Board of Directors was completely re-elected in 2024, and there were changes in the Chairman and President. Bonuses were calculated proportionally, resulting in a negative growth rate in total compensation. We will continue to review our compensation system to ensure alignment with market trends and the Company's sustainable development goals, while striving to create a fair and inclusive workplace that promotes gender equality and provides all employees with equitable opportunities for growth. Through these efforts, we aim to attract and retain excellent talents, working together to drive the sustainable growth of the Company and society.

Country/ Region	Year	Ratio of Standard Salary for Male Entry-Level Employees to Local Minimum Wage	Ratio of Standard Salary for Female Entry-Level Employees to Local Minimum Wage
Taiwan	2023	1.52	1.48
	2024	1.1	1.2

Country/ Region	Ratio of Annual Total Compensation of the Highest-paid Individual to the Median Annual Total Compensation of Employees (Excluding the Highest-paid Individual)	Growth Rate of Annual Total Compensation of the Highest-paid Individual to the Annual Total Compensation of Employees (Excluding the Highest-paid Individual)
Taiwan	4.39	-1.08

Note:
1. The Chairman is not considered the highest-paid individual unless also serving as President/CEO.
2. Median annual compensation ratio formula: Annual salary of the highest-paid individual in the year / Annual salary of the median-paid individual in the year.
3. Annual compensation growth rate formula: Growth percentage of annual salary of the highest-paid individual in the year / Growth percentage of annual salary of the median-paid individual in the year.

Unit: NT\$ Thousand

Salary Structure of Full-Time Employees without Managerial Positions			
Item	2023	2024	Difference from the Previous Year (%)
Number of Full-Time Employees without Managerial Positions	1,089	1,093	0.37%
Total Salary of Full-Time Employees without Managerial Positions	721,222	775,784	7.57%
"Average" Salary of Full-Time Employees without Managerial Positions	662	710	7.25%
"Median" Salary of Full-Time Employees without Managerial Positions	612	666	8.82%

Note:
1. Difference from the previous year [%].
2. Formula: 2023-2024 [(2024-2023) / 2023].
3. For the detailed information, please refer to the Market Observation Post System (<https://mopsov.twse.com.tw/mops/web/t100sb15>).

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◆ Benefits

AIR ASIA upholds the philosophy of caring for employees by providing diverse and comprehensive benefit system. Through the Employee Welfare Committee, Labor Union, and training mechanism for further studies, AIR ASIA strives to enhance employees' quality of life and professional skills, ensuring the protection of their rights and career growth. In accordance with regulations, all employees are covered by labor insurance and National Health Insurance, ensuring access to essential social security. The Company has also established the Employee Welfare Committee, jointly contributed the welfare funds by the Company and employees, to implement various benefit measures. These include allowances and gifts for weddings, funerals, and other special occasions, as well as sympathy payments, birthday and childbirth gifts, holiday vouchers, hospitalization benefits, retirement gratuities, and flexible benefits options. The Labor Union provides members with various benefit measures and actively organizes events to promote employee well-being and labor-management relations.

In 2024, 4 family day events were organized across different regions, with a total of 468 participants. Additionally, 36 participants joined a labor-management sports competition. The Company's various benefit measures are as follows: :



AIR ASIA Benefit Measures	
Benefit Category	Content
Health check-ups	Provide free health check-ups for employees annually.
Transportation allowances	Provide free shuttle bus for serving to and from the Aircraft Maintenance Division, Pingtung.
Festive bonuses	Grant bonuses for the holiday and Labor Day.
Annual leave	Grant employees their annual leave in advance.
Employees' compensation	Distribute 1%~3% of the Company's profits for employees' compensation.
Parental and other leave	Provide menstrual leave, maternity leave, paternity leave, and parental leave without pay in accordance with the laws.
Employee stock ownership trust	Launched in 2024. The Company contributes certain monthly amounts as mandatory pension contributions for participating employees.
Long-service bonuses	Grant long-service bonuses to employees upon reaching 25 years of service.

◆ Implementation of Parental Leave

After being employed for six months, employees can apply for parental leave without pay for having the child does not reach three years old in accordance with the Company's regulations. Leave can continue until the child reaches three years of age, but not exceeding two years. During parental leave, employees can fully dedicate their time to caring for the child while enjoying the Company's related support. When an employee applies to return to work, the Company will assist in arranging reinstatement to their original position and ensure the restoration of their previous working conditions and benefits, facilitating a smooth transition back to the workplace. This policy helps employees maintain career stability and achieve a work-life balance, reflecting the Company's commitment to overall employee welfare. As of the end of 2024, 5 employees have applied for parental leave without pay. The following table summarizes the Company's parental leave information for the past three years:

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Overview of Employee Parental Leave Without Pay for the Past Three Years									
Year	2022			2023			2024		
Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of Employees Eligible for Parental Leave Without Pay (A)	26	5	31	23	4	27	27	7	34
Number of Employees Who Actually Applied for Parental Leave Without Pay in the Year (B)	3	2	5	3	2	5	3	2	5
Number of Employees Scheduled to Return from Parental Leave Without Pay in the Year (C)	3	2	5	3	2	5	3	2	5
Number of Employees Who Actually Returned from Parental Leave Without Pay in the Year (D)	2	2	4	1	1	2	2	1	3
Number of Employees Who Actually Returned from Parental Leave Without Pay in the Previous Year (E)	4	2	6	3	2	5	3	2	5
Number of Employees Who Continued Working for One Year After Returning from Parental Leave Without Pay in the Previous Year (F)	2	2	4	0	0	0	1	1	2
Parental Leave Without Pay Return Rate in the Year % (D/C)	66.67	100	80	33.33	50.00	40	67	50	60
Parental Leave Without Pay Retention Rate in the Year % (F/E)	50.00	100	67	-	-	-	33	50	40
Note: 1. Number of employees scheduled to return = Number of employees on parental leave expected to return to work in the year. 2. Number of employees retained in 2024 = Number of employees who actually returned from parental leave in 2023 and remained employed as of December 31, 2024. 3. Parental leave without pay return rate in the year % = Number of employees who actually returned from parental leave without pay in the year / Number of employees scheduled to return from parental leave without pay in the year (D/C). 4. Parental leave without pay retention rate in the year % = Number of employees who continued working for one year after returning from parental leave without pay in the previous year / Number of employees who actually returned from parental leave without pay in the previous year (F/E).									

◆ Employee Retirement System and Transition Assistance Programs

To ensure that employees enjoy financial security after leaving the workforce, the Company provides retirement benefits for all employees in accordance with the "Labor Pension Act". A monthly contribution of 6% of salary is made to each employee's individual labor pension account. According to the regulations, contributions to the pension are made from the employee's first day of employment, based on their salary level, and are remitted to the Bureau of Labor Insurance. In 2024 and 2023, the Company recognized pension expenses of NT\$39,628,223 and NT\$38,323,447, respectively. Except for the labor pension, the Company implemented an Employee Stock Ownership Trust Plan in 2024, which is open to employees with at least one year of service on a voluntary basis. For employees participating in this plan, the Company provides fixed contributions to help them accumulate additional funds for financial security after retirement.

◆ Minimum Notice Period for Operational Changes

When the Company undergoes significant operational changes that may affect employee rights, it complies with relevant labor laws by issuing advance notices, publicly disclosing information, and engaging in negotiation. The critical matters or information related to employee rights are announced through EIP or employee email. When employees have concerns regarding the Company's systems, additional explanations and increased communication frequency are provided to ensure that employees fully understand the relevant changes. In addition, we respect the Labor Union in accordance with the laws and engage in active communication and negotiation, consistently treating the Labor Union with respect and equality. In 2024, through ongoing communication and negotiation, no significant labor disputes or strikes occurred, demonstrating a stable labor-management relation between the Company and employees.

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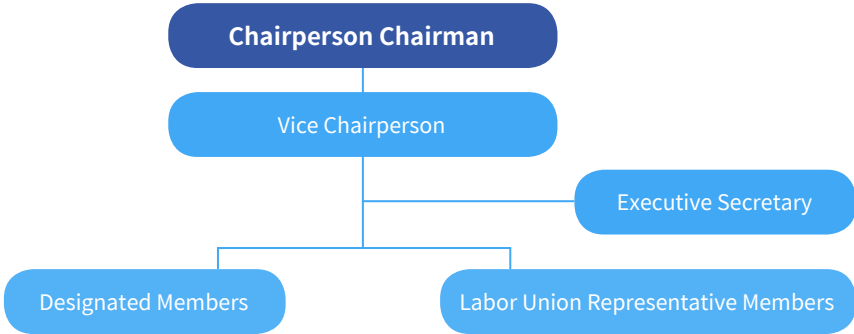
◆Occupational Health and Safety Management System

The Company currently does not have an ISO 45001 Occupational Safety and Health Management System. Instead, it has established an Occupational Safety and Health Management System in accordance with the "Occupational Safety and Health Regulations". Through the PDCA management cycle, the Company aims to reduce occupational injuries, establish correct occupational safety and health concepts and knowledge for all workers, lower employee operational risks, and ensure compliance with all environmental, health, and safety (EHS) laws and regulations during business activities. The Company has formulated the "Safety and Health Work Rules" to promote workplace disaster prevention and mitigation measures, strengthen occupational safety and health, implement the identification, assessment, and risk control of potential workplace hazards, and ensure work safety and employee health.

The Occupational Safety and Health Management System covers all production and non-production sites, areas, and equipment of the Company, as well as routine and non-routine operational activities. It also includes activities and operations of external units entering the Company's premises, along with the use of their facilities and equipment. The system applies to all 1,166 employees and 24 non-employees, covering 100% of personnel. In addition, any contractors entering the Company's controlled areas to perform work are also included under the management scope, ensuring comprehensive occupational safety and health protection.

◆Occupational Safety and Health Committee

In accordance with the "Occupational Safety and Health Regulations", AIR ASIA has established the Occupational Safety and Health Committee. In 2024, the Committee comprised 21 members, including 7 labor representatives nominated by the Labor Union to expand labor participation, accounting for more than one-third of the Committee. Meetings are held in March, June, September, and December annually. The Committee's responsibilities include researching and resolving the Company's occupational safety and health strategies and proposals, covering regulations, education implementation plans, prevention of hazards from machinery, equipment or raw materials, countermeasures for operational environment measurement results, health management, and regular reviews of occupational safety and health performance. The Occupational Safety and Health Committee also reviews environmental, safety, and health anomalies or occupational accidents involving employees and contractors, analyzes the causes, and identifies improvement measures to prevent similar incidents from occurring.



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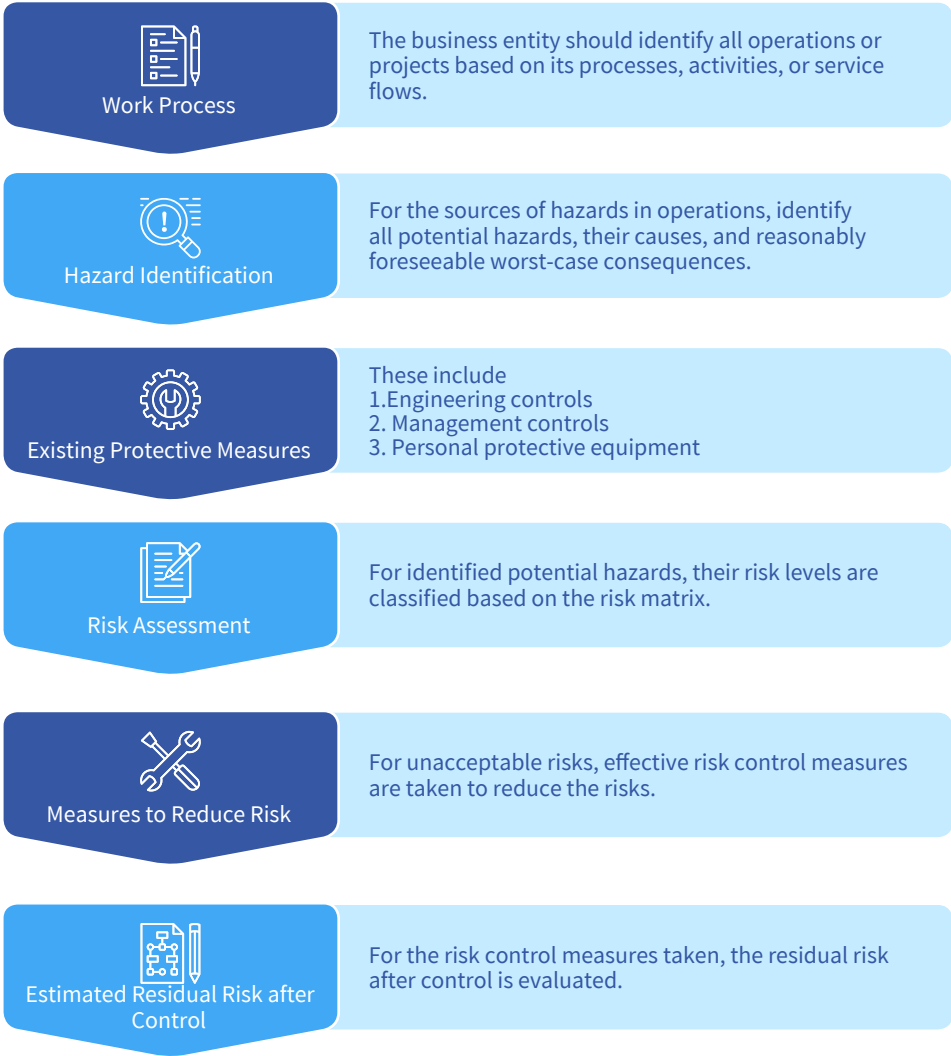
◆ Hazard Identification and Risk Assessment

To effectively meet occupational safety and health management requirements, AIR ASIA conducts a comprehensive hazard identification before establishing or implementing the safety and health management system. This assessment evaluates potential risks in current operations that could cause injury or accidents and reviews past and present safety and health management performance. The results form the basis for developing safety and health policies and goals, guiding the planning of the safety and health management system, and enhancing management efficiency, with the ultimate goal of "Zero accidents, Zero incidents". It applies to all past, present, and future hazards that could directly or indirectly cause harm or are expected to have an impact on safety and health.

For work processes, locations, job contents, personnel qualifications, machinery, equipment, tools, and chemicals that may be used or contacted, potential operational hazards are identified. Existing engineering controls, management controls, and personal protective equipment are confirmed to assess the risk level of the hazards. This helps determine the extent of the hazards' impact on the Company's personnel and consider opportunities to eliminate hazards, reduce occupational safety and health risks, and improve occupational safety and health performance, preventing occupational accidents for employees and minimizing hazards. To ensure the effectiveness of risk management measures, the Company conducts a comprehensive safety and health risk assessment every two years, with priority improvements implemented for medium- and high-risk items. In 2024, a total of 58 operational procedures were assessed.

Through a comprehensive hazard identification and risk assessment mechanism, the Company ensures the safety of its operational environment and continuously enhances the effectiveness of the occupational safety and health management. We are committed to strengthening occupational safety and health management by regularly assessing and optimizing measures, effectively preventing occupational accidents, safeguarding employee health and safety, and fostering a safety-first corporate culture that creates a secure and stable working environment.

| Risk Assessment Flowchart



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◆Occupational Accident Investigation Process

In the event of an occupational accident, the supervisor of the relevant unit should be immediately notified. On-site personnel should respond to the accident situation according to the circumstances. The occupational safety and health management unit conducts accident investigation and analysis, provides care and support, assists with return-to-work/job adjustments, and handles occupational accident compensation. Additionally, accident investigations can identify unsafe conditions, unsafe actions, lack of or inappropriate training, improper personnel assignments, insufficient supervision or maintenance, and necessary changes in engineering design. Improvement effectiveness is tracked to prevent similar accidents from occurring again. To ensure a safe working environment, prevent threats to employee safety and health from operations, activities, services, or facilities, and minimize financial losses to the Company, a comprehensive risk assessment and control mechanism has been established. Based on the results of risk assessments, the Company implements multiple layers of protection, including elimination, substitution, engineering controls, management controls (such as training, signage, and warnings), and personal protective measures. The best control methods are selected according to priority to reduce risks to an acceptable level.

We respect and protect employees' right to work safely. If employees identify an immediate hazard while performing their duties, they may stop work or leave the hazardous area to ensure their own safety. If employees encounter issues or have related concerns during work, all employees can report them through the "Safety Management System (SMS)" by submitting a safety issue report via the EIP system. Report issues to the relevant departments to ensure concerns are addressed and resolved promptly.

To ensure that employees can confidently report safety issues, the Company has established the "Safety Issue Reporting System", characterized by "Proactivity, Confidentiality, Non-punitive", allowing employees to freely share personal experiences or report issues that may affect safety. After analysis and research by the team, relevant units are provided with the findings as guidance for review and improvement, helping to prevent such "latent" hazards from developing into aviation safety-related incidents. Upon receiving a "confidential" report, the Quality Assurance Team immediately contacts the reporter to clarify the content. Once the information is verified, all identifying data are removed. For user convenience, the Company provides two reporting channels: Online reporting and a safety issue reporting email.

| Occupational Accident Investigation Flowchart



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◆Occupational Safety Education and Training

AIR ASIA is committed to creating a safe and healthy work environment by providing comprehensive occupational safety and health education and training to enhance employees' safety awareness and disaster response capabilities. We conduct safety training in accordance with relevant regulations and use diverse promotional methods to ensure that all employees acquire the necessary safety and health knowledge, reducing occupational risks and preventing accidents. The Company's computer system allows employees or supervisors to access their individual training records in the occupational safety and health education and training system. Information is disseminated through the Company's bulletin boards, internal network occupational safety and health columns, and e-Learning system, using both active and passive methods. The content includes environmental safety and health regulations, various occupational safety and health course materials, and norms. An "Occupational Safety and Health Week" event is organized, during which prevention and control measures are implemented based on the goals pledged or set, as well as the identified hazards and risk levels. Through "education and training", "diagnosis and counseling", and "audits", the occupational safety and health facilities, health environment, and management functions are strengthened to protect the safety and health of workers.

In 2024, the Company conducted training in accordance with the Occupational Safety and Health Training Regulations, including fixed crane operations, organic solvent operation supervisors, oxygen-deficient operation supervisors, specific chemical substance operation supervisors, dust operation supervisors, first aid personnel training, new employee and inservice education and training, general knowledge of hazardous chemicals, and confined space training. A total of 1,336 participants received training. Promotional posters, occupational safety alerts, and workplace occupational safety and health promotion materials were also produced. All the above training was provided free of charge by the Company.

Occupational Safety and Health Training Statistics		
Training Program Name	Number of People Trained	Training Expenses
Fire Extinguishing Training	558	0
Hazardous Chemical Substances General Education Training	135	0
Occupational Safety and Health Education and Training	383	0
Confined Space Safety and Health Education Training	190	0
Operation of Fixed Cranes Lifting Loads Over 3 Tons	12	22,000
Operation of Forklifts Lifting Loads Over 1 Ton	10	6,000
High-Pressure Gas Cylinder Operator	3	12,600
Aerial Work Platform Operator	8	64,000
Boiler Operators	5	7,800
Occupational Safety and Health Business Supervisor	3	10,500
Organic Solvent Operation Supervisor	9	11,600
Oxygen-deficient Operation Supervisor	11	13,200
Specific Chemical Substance Operation Supervisor	1	3,600
Fire Management Personnel	5	12,600
First Aid Personnel	3	2,400
Note: 1. Including employees as well as non-employees whose work and/or workplace is under the control of the organization. 2. Non-employees whose work and/or workplace is under the control of the organization include contractors and outsourcers such as security guard, cleaner, and construction workers, etc. 3. Occupational safety and health education and training here include general training and training targeted at specific occupational hazards and hazardous situations.		

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| Overview of Occupational Safety and Health Training



Fire Drill



Vertical Flight Center Emergency Response Drill



Hazardous Chemical Substances General Education Training



Occupational Safety and Health Education and Training

◆ Contractor Management

AIR ASIA places special emphasis on labor rights and occupational safety and health. We are committed to developing a "Partnership" relationship of coexistence and mutual prosperity with all stakeholders, creating profits and values for each other, and pursuing sustainable operations. To this end, we have established the "AIR ASIA Occupational Safety and Health Family" to assist and guide contractors in improving their work environments. We pursue sustainable operations and harmonious social relationships, value and provide employees with a healthy and safe workplace,

and uphold the vertical and horizontal operating mechanisms of "large companies leading small companies" and resource sharing. Through experience inheritance, two-way communication, and on-site guidance, we enhance the occupational safety and health culture of small and medium-sized enterprises, prevent occupational accidents, strengthen enterprises' ability to identify operational hazard characteristics and prevention, and internalize occupational safety and health concepts into daily life, protecting the safety, health, and employment rights of workers. In 2024, we guided 20 contractors, proposed 22 deficiency improvement items, and the contractors achieved a 100% improvement rate. There were no contractor occupational accidents during the 2024 reporting period. We will continue to create a safe and healthy working environment for our employees and partners, working together toward sustainable development.

◆ Occupational Accident Statistics

The Company is committed to providing a safe and healthy work environment. In 2024, there were 7 recordable occupational injuries, mostly caused by unsafe behaviors such as falls and pressure injuries. The Company has continued to promote the cases, enhance the signage and reminders, and increase inspection frequency to prevent similar incidents from recurring.

To address occupational accidents, the Company continues to strengthen safety management measures, including hazard identification, risk assessment, and employee safety education and training. The activities such as the "Occupational Safety and Health Week" are organized to further raise employees' safety awareness. In addition, the Company actively promotes contractor safety management to ensure that external partners also comply with high standards of occupational safety and health regulations. In the future, the Company will continue to review the causes of occupational injuries and reduce risks of occupational accidents by improving work processes, enhancing equipment safety, and strengthening employees' safety behaviors. With the goal of "Zero occupational injuries", the Company is committed to creating a safer and healthier work environment.

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Occupational Injury Statistics of Employees for the Past Two Years			
Category	Item	2023	2024
Total Working Hours	Total Hours Worked of Female	336,834	334,184
	Total Hours Worked of Male	1,969,924	1,890,336
	Total Hours Worked	2,306,758	2,224,520
Number of Fatalities from Occupational Injuries	Number of Female Fatalities (Cases)	0	0
	Number of Male Fatalities (Cases)	0	0
	Total Fatalities (Cases)	0	0
Number of Serious Occupational Injuries (Excluding Fatalities)	Total Number of Serious Occupational Injuries of Female (Cases)	0	0
	Total Number of Serious Occupational Injuries of Male (Cases)	0	0
	Total Number of Serious Occupational Injuries (Cases)	0	0
Number of Recordable Occupational Injuries (Including Fatalities and Serious Occupational Injuries)	Total Number of Occupational Injuries of Female (Cases)	1	0
	Total Number of Occupational Injuries of Male (Cases)	0	7
	Total Number of Occupational Injuries (Cases)	1	7
Recordable Occupational Injury Rate %		0.43	3.15
Note: 1. Rate of fatalities from occupational injuries = (Number of fatalities from occupational injuries / Total hours worked) * 1,000,000. 2. Serious occupational injury rate = [Number of serious occupational injuries (excluding fatalities) / Total hours worked] * 1,000,000. 3. Recordable occupational injury rate = [Number of recordable occupational injuries (including fatalities and serious occupational injuries) / Total hours worked] * 1,000,000. 4. A serious occupational injury refers to an occupational injury that cannot be restored to health within six months. 5. Recordable occupational injuries do not include commuting-related occupational injuries.			

Occupational Injury Statistics of Non-employee Workers for the Past Two Years			
Category	Item	2023	2024
Total Working Hours	Total Hours Worked of Female	15,872	16,000
	Total Hours Worked of Male	92,728	92,840
	Total Hours Worked	108,600	108,840
Recordable Occupational Injury Rate %		-	-
Note: 1. Rate of fatalities from occupational injuries = (Number of fatalities from occupational injuries / Total hours worked) * 1,000,000. 2. Serious occupational injury rate = [Number of serious occupational injuries (excluding fatalities) / Total hours worked] * 1,000,000. 3. Recordable occupational injury rate = [Number of recordable occupational injuries (including fatalities and serious occupational injuries) / Total hours worked] * 1,000,000. 4. A serious occupational injury refers to an occupational injury that cannot be restored to health within six months. 5. Recordable occupational injuries do not include commuting-related occupational injuries.			

◆Caring for Employee Health

AIR ASIA upholds the philosophy that "employees are the Company's greatest asset" and continuously promotes a healthy and safe workplace environment, while actively fostering a culture of health and safety among all employees. To safeguard employees' physical and mental well-being, AIR ASIA adopts a comprehensive approach to health care. In addition to conducting regular annual general health check-ups for all employees, special health check-ups are provided for personnel engaged in operations with specific health hazards. Based on the examination data, as well as the results of the Framingham Risk Score and the NMQ, analysis and risk stratification are carried out. Employees identified as high-risk are scheduled for on-site consultations with occupational medicine physicians, during which health interviews, health education, and recommendations are provided. When necessary, referrals to medical institutions are arranged, and continuous follow-up is conducted to ensure proper care and

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support for employee health. In addition, based on employees' health needs, AIR ASIA invites professional instructors to organize a variety of health promotion activities within the workplace, including aerobic exercise courses, stress-relief and relaxation courses, nutrition courses, and health seminars. Employees are encouraged to actively participate, with the aim of fostering work-life balance and creating a preventive health environment where prevention is better than cure. In 2024, AIR ASIA invested a total of NT\$2,312.9 thousand in health check-ups.

Employee Health Check-ups and Expenses Statistics	
General Health Check-up	
Examination Items	Basic check-up, physical examination, chest X-ray, vision test, hearing test, body fat analysis, complete blood count, white blood cell differential, urine routine, blood glucose test, liver function test, blood lipid test, kidney function test, thyroid function test, cancer screening (AFP, CEA, CA199), electrocardiogram examination, and abdominal ultrasound.
Number of employees examined (Persons)	1,027
Examination Expense (NT\$ Thousand)	2,312.9
Special Health Check-up	
Examination Items	Regulatory examinations for operations involving ionizing radiation, lead, n-hexane, dust, chromic acid and its salts, cadmium and its compounds, nickel and its compounds, and formaldehyde.
Number of employees examined (Persons)	97
Examination Expense (NT\$ Thousand)	0 ^(Note)
Note: To prevent occupational diseases among workers engaged in high-risk operations and to safeguard the health of insured employees, those exposed to 32 types of hazardous work environments, such as high temperatures, noise, and dust, who have at least one consecutive year of insurance coverage, are eligible to apply once a year to the Bureau of Labor Insurance for a preventive occupational disease health check-up or health follow-up check. The examination expenses are paid by the Bureau of Labor Insurance.	



Employee Health Check-up Photos

◆ Promotion of Worker Health

The Company has set up a medical room staffed with 2 full-time nurses, responsible for providing health services and conducting annual health check-ups. Additionally, occupational medicine physicians from partner hospitals provide on-site services 3 times a month, offering professional health consultations and employee health monitoring to ensure that employees' health is properly managed. Based on employees' physical, psychological, and social needs, the Company organizes a variety of health promotion activities that are open to all employees, aiming to enhance overall well-being. In the future, the Company will continue to implement health promotion initiatives to ensure employees work in a safe and healthy environment, improve workplace well-being, and foster a more friendly work environment.

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Health Promotion Activities		
Aspects	Activities	Content
Physical Aspect	Cancer screening	In 2024, colorectal and oral cancer screenings were conducted, with a total of 260 employees examined. Employees with abnormal results were notified by the hospital for follow-up consultations.
	Preventive Vaccination	Influenza vaccine: 161 doses administered. COVID-19 vaccine: 213 doses administered. (138 doses of Novavax in January and 75 doses of Moderna in November)
	Prevention of musculoskeletal hazards	5 shoulder and neck conditioning and aerobic exercise courses were held, with a total of 138 participants.
	Nutrition and balanced diet promotion	3 health education and handmade meal courses were organized by a nutritionist, with a total of 72 participants.
	Health management for middle-aged and older employees	Physical fitness examinations were conducted to assess muscular endurance and cardiopulmonary function, with a total of 24 employees tested in 2024.
	Health Promotion	Health professionals from public health centers were invited to provide talks on topics such as metabolic syndrome, kidney disease prevention, smoking and betel nut cessation, menopause, and dementia management.
Psychological Aspect	Prevention of occupational unlawful infringement	In 2024, 2 seminars were held to promote awareness of prevention of occupational unlawful infringement and gender equality, with a total of 95 participants.
	Psychological health care	Employees completed the Framingham Risk Score to evaluate mental risks. High-risk employees were provided with care and, with their consent, referred to professional psychological counseling services.
	Stress relief activities	Activities such as exercise and meridian massage were offered to encourage employees to relieve stress and maintain psychological well-being.
Social Aspect	Outdoor health activities	In response to the Labor Affairs Bureau's hiking and sports competitions, employees were encouraged to participate, enhancing their health awareness.
	Warm day activities organized by the Labor Union	Employees were encouraged to participate, fostering emotional connections among colleagues and families and creating a harmonious workplace atmosphere.

| Health Promotion Activity Photos



Neck and Shoulder Conditioning



Blood Donation Activities



Tobacco Hazards Prevention



Exercise

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5.5 Social Contribution

◆ Community Charity and Contribution

AIR ASIA upholds the philosophy of making contributions to society, ranging from caring for disadvantaged groups to enhancing the well-being of employees and their families, while participating in various social charitable activities. We recognize that corporate responsibility goes beyond economic development, encompassing the promotion of social harmony, support for disadvantaged groups, and the creation of shared value. Through actual actions, we aim to deliver warmth and positive impact. These actions include organizing warm day and health activities to promote physical and mental well-being as well as family cohesion; supporting sheltered workshops for 4 consecutive years and facilitating the donation of goods to disadvantaged groups and occupational accident victims through coordination with the Tainan City Government, helping them gain more resources and opportunities; and regularly conducting blood donation drives to respond to societal needs and save lives. In 2024, 5 blood donation events were held, successfully collecting 543 bags of blood, continuing a 60-year actual activities of encouraging employees to participate in charitable activities. We also fostered community relations by participating in local religious blessing ceremonies and donated NT\$500,000 to support the 12-year Jiao Festival at Wude Temple. AIR ASIA will continue to fulfill its corporate social responsibility, strengthening connections with society through diverse charitable activities and working together to create a more friendly and better future.

Name of Warm Day and Health Activities	Number of Participants
Pingtung Plant Warm Day Activity	38
Guanziling Parent-Child Hiking Activities	144
Tainan Plant Employee and Family Warm Day	148
2024 Member Organization Education and Training	60
Sung Shan Plant Parent-Child Warm Day	62
Taichung Plant Parent-Child Warm Day	76
Tainan City 2024 Labor-Management Sports Competition	36

Community and Charitable Activity Name	Amount (In Dollars)
Huashan Social Welfare Foundation – 50 sets of Spring Festival care gift donation	53,750
150 copies of GiMoa Sheltered Workshop's printed activity manuals	10,500
Order 188 boxes of Aniping KangChia FuTien Sheltered Workshop lunch box	18,800
65 copies of Chongyi Sheltered Workshop's printed education and training activity manual	4,355
Order 1,000 copies of ZhanYi Bakery Sheltered Workshop's Mid-Autumn Festival gift box	500,000
Donation to Wude Temple for the 12-Year Jiao Festival	500,000
Donation to Tainan City Rende District Chejia Evergreen Association for the 2024 Double Ninth Festival Celebration	100,000

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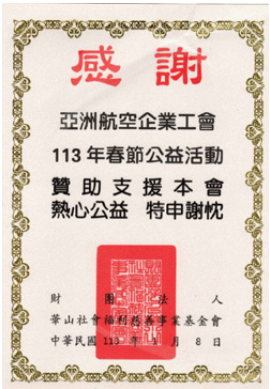
| Charitable Activity Photos



Labor-Management Harmony Medal



Labor-Management Sports Appreciation Certificate



Huashan Social Welfare Foundation Charity Appreciation Certificate



Labor-Management Sports Event



Guanziling Hiking



2024 Blood Donation Event

◆ Industry-Academia Collaboration

AIR ASIA actively promotes industry-academia collaboration, offering 15 to 30 internship positions annually and partnering with approximately 13 universities and 7 vocational high schools to provide students with valuable practical experience. These internship opportunities are divided into short-term and long-term programs. Short-term internships are 2-month summer internships, while long-term internships are six-month or 1-year internships with pay. Outstanding interns may be given priority consideration for full-time employment upon graduation based on their performance during the internship. In addition, the Company conducts a pre-employment training program for aircraft maintenance technicians, which not only meets internal manpower needs but also provides learning opportunities for external job applicants. Upon completion of the training, qualified participants may be converted to full-time employees, achieving the goal of integrating training with employment.

Number of Interns and Trainees Over the Years					
Year	2020	2021	2022	2023	2024
Number of Interns	46	1	9	5	3
Number of Trainees	19	8	15	16	10

| Appreciation Certificates for Visits



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Appendix 1 : GRI Sustainability Reporting Standards (GRI Standards) Comparison Table

Statement of use	AIR ASIA Company Limited has reported the information referenced in the GRI content index in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024.				
GRI 1 used	GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)	n/a				
GRI Standards Category/Topic	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/ Note
1. The Organization and Its Reporting Practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	2.2 Corporate Overview	24	
	2-2	Entities included in the organization's sustainability reporting	About This Report	3	
	2-3	Reporting period, frequency and contact point	About This Report	3	
	2-4	Restatements of information	About This Report	3	
	2-5	External assurance	About This Report	3	
2. Activities and Workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	2.2 Corporate Overview	24	
	2-7	Employees	5.2 Talent Recruitment and Training	72	
	2-8	Workers who are not employees	5.2 Talent Recruitment and Training	72	
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	2.3 Operations of the Board of Directors	27	
	2-10	Nomination and selection of the highest governance body	2.3 Operations of the Board of Directors	27	
	2-11	Chair of the highest governance body	2.3 Operations of the Board of Directors	27	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.3 Operations of the Board of Directors	27	
	2-13	Delegation of responsibility for managing impacts	2.3 Operations of the Board of Directors	27	
	2-14	Role of the highest governance body in sustainability reporting	2.3 Operations of the Board of Directors	27	
	2-15	Conflicts of interest	2.3 Operations of the Board of Directors	27	
	2-16	Communication of critical concerns	2.3 Operations of the Board of Directors	27	
	2-17	Collective knowledge of the highest governance body	2.3 Operations of the Board of Directors	27	
	2-18	Evaluation of the performance of the highest governance body	2.3 Operations of the Board of Directors	27	
	2-19	Remuneration policies	2.3 Operations of the Board of Directors	27	
	2-20	Process to determine remuneration	2.3 Operations of the Board of Directors	27	
	2-21	Annual total compensation ratio	5.3 Employee Benefits and Protection	77	

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GRI Standards Category/Topic	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/ Note
4. Strategy, Policies and Practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	Message from the Chairman	5	
	2-23	Policy commitments	2.3 Operations of the Board of Directors	27	
	2-24	Embedding policy commitments	2.3 Operations of the Board of Directors	27	
	2-25	Processes to remediate negative impacts	2.3 Operations of the Board of Directors	27	
	2-26	Mechanisms for seeking advice and raising concerns	1.1 Stakeholder Identification and Communication 2.5 Compliance with laws and regulations	10 41	
	2-27	Compliance with laws and regulations	2.5 Compliance with laws and regulations	41	
	2-28	Membership associations	2.2 Corporate Overview	24	
5. Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	1.1 Stakeholder Identification and Communication	10	
	2-30	Collective bargaining agreements	5.2 Talent Recruitment and Training	72	

◆ Material Topics

GRI No.	Topic	Sector Standard No.	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/ Note
GRI 3: Material Topics 2021	Management Approach	-	3-1	Process to determine material topics	1.2Material Topic Identification	15	
GRI 3: Material Topics 2021	Management Approach		3-2	List of material topics	1.2Material Topic Identification	15	
Material Topic: Business Performance							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	2.1 Management of Material Topics	21	
GRI 201	Economic Performance 2016	-	201-1	Direct economic value generated and distributed	2.4 Economic Performance	39	
		-	201-2	Financial implications and other risks and opportunities due to climate change	4.2 Climate Change Management	58	
		-	201-3	Defined benefit plan obligations and other retirement plans	5.3 Employee Benefits and Protection	77	
		-	201-4	Financial assistance received from government	2.4 Economic Performance	39	

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GRI No.	Topic	Sector Standard No.	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/ Note
Material Topic: Information Protection							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	2.1 Management of Material Topics	21	
GRI 418	Customer Privacy 2016	-	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.6 Information Security Protection	43	
Material Topic: Energy							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	4.1 Management of Material Topics	56	
GRI 302	Energy 2016	-	302-1	Energy consumption within the organization	4.3 Energy and GHG Emissions	61	
		-	302-2	Energy consumption outside of the organization	-	-	Not applicable
		-	302-3	Energy intensity	4.3 Energy and GHG Emissions	61	
		-	302-4	Reduction of energy consumption	4.3 Energy and GHG Emissions	61	
		-	302-5	Reductions in energy requirements of products and services	-	-	Not applicable
Material Topic: Emissions							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	4.1 Management of Material Topics	56	
GRI 305	Emissions 2016	-	305-1	Direct (Scope 1) GHG emissions	4.3 Energy and GHG Emissions	61	
		-	305-2	Energy indirect (Scope 2) GHG emissions	4.3 Energy and GHG Emissions	61	
		-	305-3	Other indirect (Scope 3) GHG emissions	4.3 Energy and GHG Emissions	61	
		-	305-4	GHG emissions intensity	4.3 Energy and GHG Emissions	61	
		-	305-5	Reduction of GHG emissions	4.3 Energy and GHG Emissions	61	
		-	305-6	Emissions of ozone-depleting substances (ODS)	4.3 Energy and GHG Emissions	61	
		-	305-7	Nitrogen oxides (Nox), sulfur oxides (Sox), and other significant air emissions	4.3 Energy and GHG Emissions	61	

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GRI No.	Topic	Sector Standard No.	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/ Note
Material Topic: Training and Education							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	5.1 Management of Material Topics	69	
GRI 404	Training and Education 2016	-	404-1	Average hours of training per year per employee	5.2 Talent Recruitment and Training	72	
		-	404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Recruitment and Training	72	
		-	404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Recruitment and Training	72	
Material Topic: Labor Relations							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	5.1 Management of Material Topics	69	
GRI 401	Employment 2016	-	401-1	New employee hires and employee turnover	5.2 Talent Recruitment and Training	72	
		-	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Benefits and Protection	77	
		-	401-3	Parental leave	5.3 Employee Benefits and Protection	77	
Material Topic: Occupational Safety and Health							
GRI 3: Material Topics 2021	Management Approach	-	3-3	Management of Material Topics	5.1 Management of Material Topics	69	
GRI 403	Occupational Health and Safety 2018	-	403-1	Occupational Health and Safety Management System	5.4 Health and Safety	81	
		-	403-2	Hazard identification, risk assessment, and incident investigation	5.4 Health and Safety	81	
		-	403-3	Occupational health services	5.4 Health and Safety	81	
		-	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Health and Safety	81	
		-	403-5	Worker training on occupational health and safety	5.4 Health and Safety	81	
		-	403-6	Promotion of worker health	5.4 Health and Safety	81	
		-	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Health and Safety	81	
GRI 403	Occupational Health and Safety 2018	-	403-8	Workers covered by an occupational health and safety management system	5.4 Health and Safety	81	
		-	403-9	Work-related injuries	5.4 Health and Safety	81	
		-	403-10	Work-related ill health	5.4 Health and Safety	81	

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*Custom Topic	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/Note
*Customer Relationship					
GRI 3 Customer Relationship Management Approach	3-3	Management of Material Topics	3.1 Management of Material Topics	51	

◆ Other Specific Topic Disclosures

GRI Standards Category/Topic	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/Note
Topic-Specific Standards: 200 Series (Economic Topics)					
Market Presence					
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Benefits and Protection	77	
	202-2	Proportion of senior management hired from the local community	5.2 Talent Recruitment and Training	72	
Indirect Economic Impacts					
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	-	-	Not disclosed
	203-2	Significant indirect economic impacts	5.5 Social Contribution	89	
Procurement Practices					
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.3 Supply Chain Management	53	
Anti-Corruption					
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.5 Compliance with laws and regulations	41	
	205-2	Communication and training on anti-corruption policies and procedures	2.5 Compliance with laws and regulations	41	
	205-3	Confirmed incidents of corruption and action taken	2.5 Compliance with laws and regulations	41	
Anti-Competitive Behavior					
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti- trust, and monopoly practices	2.5 Compliance with laws and regulations	41	

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GRI Standards Category/Topic	No.	GRI Standards Disclosure Content	Corresponding Chapter	Page	Omission/Note
Tax					
GRI 207 Tax 2019	207-1	Approach to tax	2.4 Economic Performance	39	
	207-2	Tax governance, control, and risk management	2.4 Economic Performance	39	
	207-3	Stakeholder engagement and management of concerns related to tax	2.4 Economic Performance	39	
GRI 207 Tax 2019	207-4	Country-by-country reporting	-	-	No preparation required
Topic-Specific Standards: 300 Series (Environmental Topics)					
Materials					
GRI 301 Materials 2016	301-1	Materials used by weight or volume	-	-	The information is currently incomplete and will be disclosed in the future.
	301-2	Recycled input materials used	-	-	
	301-3	Reclaimed products and their packaging materials	-	-	Not applicable; the Company has no related situations.
Water and Effluents					
GRI 303 Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.4 Water Resource Management	63	
	303-2	Management of water discharge-related impacts	4.4 Water Resource Management	63	
GRI 303 Water and Effluents 2018	303-3	Water withdrawal	4.4 Water Resource Management	63	
	303-4	Water discharge	4.4 Water Resource Management	63	
	303-5	Water consumption	4.4 Water Resource Management	63	
Biodiversity					
GRI 304 Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	-	All of the Company's operational sites are not located within national protected areas and biological habitats.
	304-2	Significant impacts of activities, products and services on biodiversity	-	-	
	304-3	Habitats protected or restored	-	-	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	-	
Waste					
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	4.5 Waste management	66	
	306-2	Management of significant waste-related impacts	4.5 Waste management	66	

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GRI 306 Waste 2020	306-3	Waste generated	4.5 Waste management	66	
	306-4	Waste diverted from disposal	4.5 Waste management	66	
	306-5	Waste directed to disposal	4.5 Waste management	66	
GRI 306 Effluents and Waste 2016	306-3	Significant spill	4.5 Waste management	66	
Supplier Environmental Assessment					
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.3 Supply Chain Management	53	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Supply Chain Management	53	
Topic-Specific Standards: 400 Series (Social Topics)					
Labor/ Management Relations					
GRI 402 Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.3 Employee Benefits and Protection	77	
Diversity and Equal Opportunity					
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.2 Talent Recruitment and Training	72	
	405-2	Ratio of basic salary and remuneration of women to men	5.3 Employee Benefits and Protection	77	
Non-Discrimination					
GRI 406 Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	2.5 Compliance with laws and regulations	41	
Freedom of Association and Collective Bargaining					
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operational sites and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.5 Compliance with laws and regulations	41	
Child Labor					
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.5 Compliance with laws and regulations	41	

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Forced or compulsory labor					
GRI 409 Forced or Compulsory Labor 2016	409-1	Operational sites and suppliers at significant risk for incidents of forced or compulsory labor	2.5 Compliance with laws and regulations	41	
Security Practices					
GRI 410 Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	-	-	
Rights of Indigenous Peoples					
GRI 411 Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	2.5 Compliance with laws and regulations	41	
Local Communities					
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.5 Social Contribution	89	
	413-2	Operation with significant actual or potential negative impacts on local communities	5.5 Social Contribution	89	
Supplier Social Assessment					
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.3 Supply Chain Management	53	
	414-2	Negative social impacts in the supply chain and actions taken	3.3 Supply Chain Management	53	
Public Policy					
GRI 415 Public Policy 2016	415-1	Political contributions	-	-	Sensitive topic; not disclosed
Customer Health and Safety					
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.2 Product Quality and Customer Service	52	
	416-2	Incidents of non-compliance with regulations concerning the health and safety of products and services	3.2 Product Quality and Customer Service	52	
Marketing and Labeling					
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	-	-	Not disclosed
	417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	
	417-3	Incidents with non-compliance concerning marketing communications	-	-	

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Appendix 2 : Sustainability Disclosure Indicators (SASB) Comparison Table – Aerospace & Defense

Industry: Aerospace & Defense						
Disclosure Topic	Indicator No.	Unit	Disclosure Indicator	Disclosure in 2024	Corresponding Chapter	Page
Energy Management	RT-AE-130a.1	Gigajoule (GJ) Percentage (%)	(1) Total Energy Consumption (2) Percentage of Electricity Usage (3) Percentage from Renewable Energy	Total energy consumption was 35,978.23 GJ, of which electricity accounted for 69.69%, with no renewable energy usage at present.	4.3 Energy and GHG Emissions	61
Waste Management	RT-AE-150a.1	Metric Ton (t) Percentage (%)	(1) Total Waste (2) Percentage of Hazardous Waste (3) Percentage of Non-Hazardous Waste	Total waste was 354.998 metric tons, of which hazardous waste accounted for 11.10% and non-hazardous waste accounted for 88.90%.	4.5 Waste management	66
	RT-AE-150a.2	Kilogram (kg)	Number and Total Volume of Spills and Total Recovered Volume	In 2024, the Company had no significant waste spill incidents.	4.5 Waste management	66
Data Security	RT-AE-230a.1	Percentage (%)	(1) Number of Data Breaches (2) Percentage Involving Confidential Information	In 2024, the Company had no incidents of violations of customer privacy or complaints of losses of customer data.	2.6 Information Security Protection	43
	RT-AE-230a.2	N/A.	Methods for Identifying and Addressing Data Security Risks in the Company's Operations and Products	To enhance the security and stability of the Company's information and communication operations, provide reliable ICT services, and ensure the confidentiality, integrity, and availability of information assets, while facilitating the smooth execution of various business activities, the Company has established its information security policy as the highest guideline for information security management. This policy is designed to comply with the ISO 27001 international standard and is committed to continuous improvement. The Company conducts at least one assessment per year, or a re-assessment in the event of significant organizational changes (e.g., organizational restructuring, major business changes, etc.). Based on the assessment results, relevant laws and regulations, as well as the latest developments in technology and business, the policy shall be appropriately revised. >> <u>For more details, please refer to the "Corresponding Chapter".</u>	2.6 Information Security Protection	43

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Disclosure Topic	Indicator No.	Unit	Disclosure Indicator	Disclosure in 2024	Corresponding Chapter	Page
Product Safety	RT-AE-250a.1	Number	Number of Product Recalls and Total Units Recalled	No product recalled occurred in 2024.	-	-
	RT-AE-250a.2	Percentage (%)	Percentage of Detected Counterfeit Parts	No counterfeit parts were detected in 2024.	-	-
	RT-AE-250a.3	Number	Number of Airworthiness Directives Received and Number of Units Affected	In 2024, the Company received a total of 112 Airworthiness Directives from FAA and EASA, affecting 73 aircraft.	-	-
	RT-AE-250a.4	Currency	Total Monetary Loss and Outcomes of Product-Related Safety Litigation	No monetary losses resulted from product-related safety litigation in 2024.	-	-
Product Lifecycle Management	RT-AE-410a.1	Currency	Revenue from Renewable Energy-Related Products	Not applicable; no relevant products	-	-
	RT-AE-410a.2	N/A.	Description of Strategies and Methods Related to Product Fuel Efficiency and GHG Emissions	Guided by the entrepreneurial spirit of "valuing natural resources", the Company integrates core environmental protection initiatives with customer trust to jointly create the concepts of "sustainable operations" and "social contribution". The Company continuously implements waste reduction efforts, assigns qualified waste management personnel to oversee waste handling, and engages certified disposal and treatment contractors approved by the Ministry of Environment. This ensures that all industrial waste is properly managed, removed, treated, and reused, effectively preventing negative impacts on the environment. >> <u>For more details, please refer to the "Corresponding Chapter".</u>	4.3 Energy and GHG Emissions	61
Materials Procurement	RT-AE-440a.1	N/A.	Description of Risk Management Related to the Use of Critical Materials	No such incidents occurred in 2024.	-	-
Business Ethics	RT-AE-510a.1	Currency	Legal Proceedings Related to Corruption, Bribery, and Illegal International Trade, and Total Monetary Loss	Not applicable; no relevant incidents occurred.	-	-
	RT-AE-510a.2	Currency	Revenue from Countries or Regions Rated E or F and International Government Defense Anti-Corruption Index	China: NTD 11,047,292 Thailand: NTD 12,296,932	-	-

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Disclosure Topic	Indicator No.	Unit	Disclosure Indicator	Disclosure in 2024	Corresponding Chapter	Page
Business Ethics	RT-AE-510a.3		Description of Business Ethics Risk Management in the Value Chain	To implement the Company's integrity management policy and proactively prevent dishonest practices, the Company has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and "Code of Business Conduct". These regulations clearly define the responsibilities and considerations for the Board of Directors, management, and all employees in the execution of business activities. By upholding "honesty and legality" as the highest ethical standard, the Company aims to foster trust-based partnerships among employees, shareholders, customers, and suppliers.	-	-

No.	Activity Metrics	Unit	Disclosure in 2024		Corresponding Chapter	Page
RT-AE-000.A	Production Volume within Reporting Scope	Number	Item		2.2 Corporate Overview	24
			Production Value (NT\$ Thousand)			
			Aircraft Maintenance			
			Fleet Maintenance and Repair Supply Installation Pricing			
			Outsourced Repair and Aviation Material Trading			
Component Maintenance (Self-performed)		2,112,964				
RT-AE-000.B	Number of Employees	Number	1,147 persons		5.2 Talent Recruitment and Training	72

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Appendix 3 : Climate-Related Information for Listed Companies

Item	Corresponding Chapter	Page
Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	4.2 Climate Change Management	58
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	4.2 Climate Change Management	58
Describe the financial impact of extreme weather events and transformative actions.	4.2 Climate Change Management	58
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.2 Climate Change Management	58
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario analysis (including 2° C or more severe scenarios): Due to climate change, the frequency of extreme weather events is increasing. Equipment may be damaged by flooding caused by heavy rainfall and typhoons, potentially affecting aircraft delivery schedules and resulting in financial losses. Considering the probability of future flooding, the Company assesses the risk level of potential flood events and plans various flood prevention measures accordingly. Measures already implemented include installing flood barriers, purchasing water pumps, and reassessing asphalt paving and drainage installation in low-lying areas to prevent asset losses caused by flooding.	-
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	By using GHG emissions, water usage, and waste generation as management indicators, the Company sets reduction targets and increases the amount of green procurement. In addition, to achieve sustainable environmental goals, the Company continuously implements improvement measures through energy-saving and carbon-reduction actions, and regularly reviews environmental protection issues to achieve GHG reduction targets.	-
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet implemented an internal carbon pricing mechanism. Currently, self-assessments and reduction measures have been carried out.	-
If climate-related targets have been set, the activities covered, the scope of GHG emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Short-term and mid-term goal: Reduce electricity intensity by 0.5% compared to 2024. Long-term goal: Achieve maximum energy efficiency in accordance with government policies and continuously implement various reduction initiatives.	-
GHG inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	4.3 Energy and GHG Emissions	61

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| 1-1 GHG Inventory and Assurance Status for the Most Recent Two Years
| 1-1-1 GHG Inventory Information

Describe the GHG emissions for the most recent two years (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and the scope of the data.		
Item / Year	2023	2024
Scope 1: Total Emissions (metric tons CO ₂ e)	737.335	708.029
Scope 1: Intensity (metric tons CO ₂ e/NT\$ million)	0.1516	0.1362
Scope 2: Total Emissions (metric tons CO ₂ e)	3,403.619	3,440.730
Scope 2: Intensity (metric tons CO ₂ e/NT\$ million)	0.6998	0.6617
Scope 3: Total Emissions (metric tons CO ₂ e)	5,390.246	2,245.631
Scope 3: Intensity (metric tons CO ₂ e/NT\$ million)	1.1083	0.4318
Note: 1. Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed by the Company), and other indirect emissions (Scope 3, i.e., emissions generated from the Company's activities that are not classified as energy indirect emissions, but originate from sources owned or controlled by other companies). 2. The coverage of direct emissions and energy indirect emissions shall follow the schedule stipulated in Article 4-1, Paragraph 2 of the "Operation Procedures for Listed Companies to Prepare and Report Sustainability Reports" (hereinafter referred to as the "Operation Procedures") of the Taiwan Stock Exchange. Information on other indirect emissions may be disclosed voluntarily. 3. GHG inventory standard: ISO 14064-1 issued by the International Organization for Standardization (ISO). 4. The GHG emissions intensity is calculated based on revenue (NT\$ million).		

| 1-1-2 GHG Assurance Information

Describe the assurance status for the most recent two years, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.
AIR ASIA plans to complete the 2027 third-party verification for the parent company in 2028 and disclose the assurance status in the annual report. Regarding the GHG inventory and assurance of consolidated subsidiaries, the Company plans to complete the 2026 GHG inventory for the consolidated subsidiaries in 2027 and complete the assurance of the 2028 GHG inventory for the consolidated subsidiaries in 2029.
Note: 1. In accordance with the schedule stipulated in Article 4-1, Paragraph 3 of the "Operation Procedures for Listed Companies to Prepare and Report Sustainability Reports". 2. The assurance provider shall comply with the relevant regulations for sustainability report assurance providers as stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange. 3. The disclosure content may refer to the best practice samples provided on the Taiwan Stock Exchange Corporate Governance Center website.

| 1-2 GHG Reduction Target, Strategy, and Concrete Action Plan

Basic information of the Company
☐ Companies with capital of NT\$10 billion or above, steel industry, cement industry
☐ Companies with capital of NT\$5 billion or above but less than NT\$10 billion
☒ Companies with capital of less than NT\$5 billion
According to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, disclosure shall be made at least as follows:
☐ Disclose reduction targets, strategies, and concrete action plans for the previous year in 2025
☐ Disclose reduction targets, strategies, and concrete action plans for the previous year in 2026
☒ Disclose reduction targets, strategies, and concrete action plans for the previous year in 2027

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GHG Reduction Strategy		
After the Environmental Group of the Sustainability Implementation Committee identifies the Company's risks, it discusses with various business units to develop appropriate response measures. Based on the analysis, the Sustainability Implementation Committee establishes a risk management strategy plan as the core for climate change actions, which serves to estimate management costs and assess financial impacts. Through the aforementioned data collection, the Company strengthens governance of climate change and systematically evaluates financial connections, thereby mitigating risks and capturing opportunities.		
GHG Reduction Target		
Energy and GHG Management	Short-term Goals	Mid-term and Long-term Goals
	- Carbon emissions reduced by 0.5% in 2025. - Electricity intensity decreased by 0.5% compared to 2024. - The Company plans to complete the 2025 GHG inventory for the parent company in 2026, and the 2026 GHG inventory for consolidated subsidiaries in 2027. - The Company plans to complete the verification assurance of the 2027 GHG inventory for the parent company in 2028, and complete the verification assurance of the 2028 GHG inventory for consolidated subsidiaries in 2029.	- In the long term, the Company achieves maximum energy efficiency in accordance with government policies and continuously implements various reduction plans. Using 2024 as the base year, the Company aims to reduce energy consumption by 5% by 2034. - Reduce carbon emissions by 10% by 2040. - Achieve net-zero carbon emissions by 2050.
Reduction Achievement in 2024		
Energy and Reduction of GHG Emissions	Specific measures and performance: - Replaced T8 lamps with T5 energy-saving lamps in the facilities. - Replaced office lighting with LED lamps: An investment of NT\$390,600 was made to replace the lighting in Hangar 2 maintenance area with LED lamps, resulting in electricity savings of 18,432 kWh in 2024 compared to the old lamps. - Reduced the use of boiler natural gas: Since November 2023, an investment of NT\$1,327,740 was made to replace the old boiler with the high-efficiency and energy-saving BB-1000APG boiler system (with standard inverter). The new boiler reduces average gas consumption by 38% compared to the old boiler, saving 55% of natural gas per hour of consumption. In 2024, the new boiler saved 32.61% of natural gas use compared to the old boiler. - The chiller units are adjusted seasonally. - Gradually replace old air conditioners with energy-efficient models: In 2024, an investment of NT\$2,273,660 was made to retire 31 high-energy-consuming fixed-frequency air conditioners, replace 24 units with new energy-efficient models, and add 9 new units. A total of 33 units were either replaced or newly installed, all selected to meet the Ministry of Economic Affairs' Grade 1 energy efficiency standard. In 2024, the energy-saving air conditioners saved a total of 11,802 kWh of electricity.	- Replaced industrial water pumps with higher-efficiency models, achieving 67.7% electricity savings under the same operating conditions. - Replaced fire water pumps with higher-efficiency models, achieving 6.4% electricity savings under the same operating conditions. - Replaced emergency fire generator with a lower-capacity generator, saving 57.4% diesel under the same operating hours. - GHG emission intensity decreased by 37.25% in 2024. - Products/Services: Source low-carbon raw materials and conduct ESG evaluations of raw material suppliers starting from 2025. - Energy sources: Installed solar green energy generation equipment. In 2024, total electricity generation reached 1,889.93 MWh, reducing carbon emissions by 895,978.07 kg. - The GHG emissions (tCO₂e) for 2024 are as follows: - Scope 1: 708.029 tCO₂e. - Scope 2: 3,440.730 tCO₂e. - Scope 3: 2,245.631 tCO₂e. - Total emissions = Scope 1 + Scope 2 + Scope 3 = 6,394.390 tCO₂e.
Note: - The Company shall conduct in accordance with the schedule stipulated in Article 4-1, Paragraph 4 of the Operation Procedures. - The base year should be the year in which the inventory is completed according to the boundary of consolidated financial statements. For example, in accordance with Article 4-1, Paragraph 2 of the Operation Procedures, companies with capital of NT\$10 billion or above are required to complete the inventory for the 2024 consolidated financial statements in 2025; therefore, the base year is 2024. If companies complete the inventory for the consolidated financial statements earlier, that earlier year may be used as the base year. Additionally, the data of base year may be calculated using a single year or the average of multiple years. - The disclosure content may refer to the best practice samples provided on the Taiwan Stock Exchange Corporate Governance Center website.		

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