



# **Corporate Social Responsibility**

## **Corporate Social Responsibility (CSR)**

Thai AirAsia Co. Ltd. is a leading low-fares airline with its majority owned by Asia Aviation Plc. On top of offering “Truly Low Fares, Trusted Quality” with a focus on on-time service, attention to safety and an extensive network, the airline also gives great importance to its Corporate Social Responsibility (CSR) and is determined to bring about Sustainable Development.

Thai AirAsia maintains a clear CSR policy built on its strong travel and service capabilities with details as follows:

### **1. Consumer Responsibility (Customers)**

Thai AirAsia’s “Truly Low Fares, Trusted Quality” motto means that on top of offering cost-effective flights, “Service Quality” is also priority. The airline is always striving to offer genuine service to its passengers and to apply innovations to offer travellers a new and exciting experience.

Throughout 2017, Thai AirAsia continually added new aircraft to its fleet, especially Airbus A320 neo airplanes, which are fuel efficient and eco-friendly while also reducing cabin noise for a more comfortable flight.

“Safety” was another area that Thai AirAsia has continued to prioritise. The airline is continually enriching its entire staff, from pilots and cabin crew to ground operations with aircraft maintenance knowledge while also performing regular emergency drills and maintaining a trustworthy safety inspection system to ensure conformity to the airline industry’s strict standards. The airline is open to regular safety checks by both domestic and international agencies.

In 2017, Thai AirAsia was proud to be the first low-fares airline to receive AOC Re-Certification according to International Civil Aviation Organisation (ICAO) standards from the Civil Aviation Authority of Thailand (CAAT) as it was an affirmation of the airline’s professionalism, international standards and readiness to be assessed for passenger confidence.

Thai AirAsia’s service prioritises the consumer and seeks to present low cost services that adhere to a verifiable, international standard. The airline pays close attention to ensure its customers know all of its product prices so that they may choose the service that best fits their needs. The pay per service system also allows more consumers to access air travel by removing the obstacle of prohibitive pricing while regular sales promotions extend the access even further.

On customer care aspect, Thai AirAsia always informs passengers as promptly as possible in times of crisis or in situations where their flight cannot take place as scheduled and makes sure to provide reparations for the highest satisfaction and fairness of its travellers.

### **2. Environmental Care**

Thai AirAsia is a low-fares airline that cares about the environment and is always seeking to reduce its need for nonrenewable resources throughout its systems and services. On top of efficiently managing its capital, Thai AirAsia is also determined to be a crucial part of protecting Thailand’s and the world’s environment, believing it to be the responsibility of all organisations.

Thai AirAsia's environmental care starts at its fleet, which is populated by Airbus A320 airplanes, cutting edge aircraft that are energy efficient and environmentally friendly. Going further, the airline chose "Sharklet" wing-tipped planes that use the latest technology to cut fuel consumption and is gradually upgrading its fleet with Airbus A320 neo (new engine option) airplanes, which with their new engine designs are able to use 15 percent less fuel per year.

Thai AirAsia ended 2017 with a fleet of 6 Airbus A320 Neo airplanes out of a total 56 aircraft with plans to add more as an investment toward more eco-friendly operation.

In its services, Thai AirAsia is also mindful of its resource consumption. The airline uses shorter checked baggage tags to address paper and ink savings. The airline's boarding passes are printed on small, non-processed paper and Thai AirAsia was introducing the electronic boarding pass (E-Boarding Pass) and allowing passengers to present an image of their boarding pass from their mobile phone at the boarding gate as to do away with the need for a printout. The airline's self-baggage drop facility at Don Mueang Airport and Chiang Mai Airport, which cuts resource needs has also been well-received.

For flights, it is Thai AirAsia's policy to promote pre-book meals and services so that it may better manage meal production and preparation of other wasteful services. Reduced weight from the improved management also results in more efficient fuel consumption on the airline's flights.

### **3. Community and Social Development**

Thai AirAsia understands the importance of being part of community and social development efforts and in 2017 took an important step by declaring its intention to conduct operations in support of sustainable development, going as far as to sign an agreement for cooperation with the United Nations Development Programme (UNDP), one of the world's most crucial international networks for development and a great source of knowledge, experience and resources for the betterment of the world. Thai AirAsia and UNDP have committed to enacting efforts within the framework of the United Nations' 17 Sustainable Development Goals.

Throughout 2017, Thai AirAsia engaged in the following community and social development activities:

#### **3.1 Journey D: Supporting and Developing Sustainable Community-Based Tourism**

Thai AirAsia Co. Ltd. responded to the government's Pracharat Policy Programme, which seeks to have private operators contribute to public efforts to elevate the quality of life of communities through contextual development and with sustainability.

Thai AirAsia and the United Nations Development Programme acknowledged the importance of the policy while also seeing the growing popularity of community-based tourism among both Thai and international travellers. Journey D programme was created to work with communities on developing their tourism standards. Through 2017, Thai AirAsia facilitated a network of experts on community-based tourism to dispense their knowledge on 3 topics:

### **1. Community-Based Tourism Standards Enhancement and Development**

Thai AirAsia worked with expert organisations to hold workshops for community tourism leaders to improve their skills in areas such as homestay standards, waste management, tourism site management, communications, pricing and capital management and activity design. A key partner was Local Alike, a social enterprise which designed a programme for enhancing community-based tourism leaders and their areas to sustainably welcome visitors in search of environmental and cultural tourism.

### **2. Community Products Development**

To create new revenue streams for communities, the programme supported the development of locally made products, emphasising each area's distinction and uniqueness. Products were chosen based on the capabilities of each community and help was provided in areas such as quality development, packaging and pricing. Marketing channels were also found to ensure that revenue would return to the communities. This effort was handled by Local Alike, Big Trees Group and Thai AirAsia.

### **3. English Knowledge Enhancement through "English on Air"**

Working with faculty from Chulalongkorn University, Journey D designed an English learning program specifically for community tourism operators with volunteers from AirAsia Allstars community taking on the task of relaying the lessons.

Thai AirAsia and its partner agencies made sure to choose communities that are ready for assistance and tourism, selecting areas based on their natural resources, community stability, unity and openness to development. The programme took place through 2017 in the four communities of Pha Mhee in Chiang Rai, Baan Kok Muang in Buriram, Kho Klang in Krabi and Phrom Lok in Nakhon Si Thammarat.

All the four communities were able to establish their own Journey D community tourism commissions comprised of committees handling tourism administration, visitor coordination, homestays, food, special activities and transport. The commissions also considered the unique aspects of community products and helped to develop and design their qualities and packaging so that they could be marketed.

### **3.2 AirAsia Friendly Design: Promoting Universal Accessibility**

Thai AirAsia Co. Ltd., as a provider of air travel, is always mindful of travel equality and worked with the United Nations Development Programme and Friendly Design to campaign for greater awareness in Thailand of the need to facilitate "Universal Accessibility" for the elderly, disabled, infirm, pregnant and young. AirAsia Friendly Design has been a continual effort to improve Thai AirAsia's service both in terms of personnel and facilities to provide equal access to all people. In 2017, the programme focused on development in two areas:

## 1. Personnel

AirAsia worked with Bumrungrad Hospital in “Train the Trainers” programme, teaching staff in every department of the airline how to properly facilitate passengers with special needs.

## 2. Facilities

AirAsia surveyed the need for assistive equipment such as ramps and wheelchairs and added any tools needed to accommodate passengers with special needs.

Moreover, promotion campaigns were held to spread awareness to state and private agencies, encouraging them to enhance tourism sites and public buildings for universal accessibility. Through its efforts, Thai AirAsia Co. Ltd. was recognised with the “Friendly Design Promotion Organisation of the Year” award, receiving the honor from Gen. Anantaporn Kanchanarat, Minister of Social Development and Human Security, on 1 December 2017 at Thailand Friendly Design Expo 2017.

Building on AirAsia Friendly Design, Thai AirAsia worked with Friendly Design to hire more disabled individuals in accordance with Section 35 of the Persons with Disabilities Empowerment Act of 2007. The purpose of the CSR activity was to both provide careers to the disabled as well as to promote Friendly Design, allowing for equal access to public spaces and unhindered travel. Disabled individuals were hired into the programme to study, disseminate Friendly Design information, communicate and foster understanding with society; advise, negotiate and entice partners and propose policies to public and private executives to bring about Friendly Design. At present, the programme has hired a total 54 disabled individuals.

### 3.3 “AirAsia Youth Cultural Ambassadors” Preserving Thai Art Culture

Thai AirAsia Co. Ltd. and the Ministry of Culture worked together to provide complimentary air travel for all of Thailand’s National Artists for the fifth year in 2017. The purpose of the programme is to support National Artists in promoting Thai culture, adding value and helping to preserve all forms of Thai heritage.

To further achieve these objectives, Thai AirAsia joined hands with Thairath Foundation to select youths from Thairath Vithaya Schools talented in traditional Thai arts, appointing them as “AirAsia Youth Ambassadors” and facilitating their travel both domestically and abroad to promote their areas of expertise. The Youth Ambassadors in 2017 took part in Thai Festival in Singapore, which took place at the Thai Embassy in Singapore 4-7 May, Thai Festival in Tokyo, which took place in Yoyogi Park in Shibuya district of Tokyo, Japan 12-15 May and Thai Festival in Seoul, which took place in South Korea between 30 June and November of 2017.

### **3.4 To South/Isan with Love: Aid from AirAsia to the Flood Victims of the South and Northeast**

Severe flooding in the Thai south in January 2017 and its northeast in August resulted in widespread damage, affecting the lives and property of over 5 million people. In aid of these victims, Thai AirAsia Co. Ltd. provided logistical support to public and private agencies as well as associations contributing necessities to impacted areas. The airline was successful in garnering the cooperation of its allies, partners and local offices to ultimately transport over 30 tons of relief to those in need.

Thai AirAsia's Allstars at the same time organised the "To South with Love" activity on Friday, 20 January 2017, travelling to Nakhon Si Thammarat to volunteer at a Big Cleaning event and pass out relief to affected residents of Kanom District. "To Isan with Love" took place on Friday, 11 August 2017 with Allstars travelling to Sakon Nakhon and Nakhon Panom to assist in the Big Cleaning activity and pass out donations.

All of Thai AirAsia's community and social development activities are at their most fundamental designed to have its "employees" understand the need to participate, contribute and drive efforts together, a key reason behind their success and continued growth.

#### **4. Innovations**

Thai AirAsia is an airline of innovation, determined to continually improve its customer experience and enhance its operational efficiency with innovations such as:

- Self Check-In which allows passengers to forego the standard check-in counter at the airport by checking in to their flight via the airline's website, their mobile phone or at check-in kiosks, providing a faster and more convenient experience.

- Self Baggage-Drop which allows passengers to print their own baggage tags straight from the check-in kiosk and to weight their baggage for entering into the airport's security procedure. The service was launched full service at Don Mueang Airport and Chiang Mai Airport and is slated to expand to more airports in the future.

- Meal and Ancillary Service Pre-Booking which allows passengers to choose over 20 more menu items from meals available in-flight. Passengers can pre-book a meal right as they book their ticket and have a greater selection of meals from the usual few. Moreover, passengers can pre-book services such as added baggage allowance, seat selection and city transfer. New products and meals are constantly being added for pre-booking not only adding more variety but also bring out novelty menus to passengers.

- Island Transfer - City Transfer service extends the airline's transport service beyond destination airports by allowing passengers to purchase shuttle tickets to islands and cities while they are booking their flight tickets and then being able to board their shuttle straight from the airport.

- Thai AirAsia's Fly Thru service is for passengers connecting through Don Mueang Airport and allows them to forego purchasing separate tickets as well as to only have to check-in and have their baggage checked once across their entire journey. With Fly-Thru, passengers only have to select their origin and terminal destination with the connection through Don Mueang Airport automatically added. Only single check-in and baggage drop is needed, making the journey much more convenient.

## **5. Responsibility toward Employees**

### **Recruitment Policy**

- Thai AirAsia continues to recruit more employees to support the growth and the expansion of the fleets to serve passengers and for the opening of new routes and the increase in frequencies of existing routes.

- The recruiting process is based on the equal opportunity and fair system of written examination and interviews by a panel of committees with experiences, knowledge, and skills in a transparent manner.

- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere. Mentoring system is promoted in order to create happiness for employees at work.

### **Benefit Management**

Thai AirAsia provides the benefits for employees under the policy to manage benefits according to the needs and advantages of the employees. Benefits include:

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air ticket for employees' weddings
- Free air tickets (16 points per year)
- A discount of 90% for unlimited air ticket per year
- Financial aid in case of death of family members, namely parents, spouses, and children

- Financial aid for child birth
- Employee uniforms
- Financial aid for medical treatment of four diseases including cancer, heart disease, stroke and chronic renal failure.
- Employee Lunch Welfare

### **Remuneration and Salary Management**

Thai AirAsia has established a policy to manage remuneration in a fair and appropriate manner suitable for knowledge and skills of the employees according to the appraisal system and the job positions. Salary survey is done based on the external market and leading companies for appropriate adjustment in order to remain competitive in the same industry and to attract new talents.

### **Employee Relation Activities**

Thai AirAsia exposes its employees to comment on the activities and engage in creating various in-house activities of employees to promote good interpersonal relationships between employee and employee, employee and organisation, as well as employees and community, bringing forth the unity of the group and leading to happiness at work in the organisation as follows:

- Social activities employees as volunteer to carry out activities, e.g. volunteer to help the flood-affected areas, receipt of donations; money and objects to help those employees' families who have been affected by flooding disaster both inside and outside the country, volunteering in the community such as teaching children, giving help to dogs' shelter etc.

- Corporate anniversary the Management and staffs make merits on the anniversary by individual religious ritual, and having a luncheon for employees across the country.

- Activities to promote employee health employees are grouped in the favor of their interest in physical exercise, sponsored by Thai AirAsia for various activities, including running for health, yoga practice, badminton, football group, basketball group and biking group etc.

- Allstars Regional Futsal Tournament 2017 at Grand Soccer Pro. AirAsia, we called our employees as "All Stars". All employees from Office Support and Operation Department are able to participate toward sports to create unity and the same integrity among AirAsia.

- AirAsia Allstar Celebrates 50<sup>th</sup> Anniversary of ASEAN Association by Flashmob show on August 8, 2017, at the DonMuang Airport by the cooperation of all departments..

### **Human Resources Development**

As Thai AirAsia aims to continuously develop human resources with knowledge and expertise, and good quality of life according to the good corporate governance, Thai AirAsia has established a policy to develop human resources to their potential and to prepare them for the competition that will drive and sustainably strengthen the organisation. The goal is to get the employees to develop themselves using their own potential and to create proactive working atmosphere in practicing their

skills and developing their knowledge and expertise to create confidence in dealing with changes and challenges in business competition.

Thai AirAsia is providing trainings according to needs of each business unit as follows:

**Trainings for Engineers**

- Maintenance Familiarization
- AMOS Training
- Basic Digital Avionics
- Basic Gas Turbine
- Basic Airframe
- Basic Electronic

**Training for Flight Attendance**

- Duty Free / Handheld Device
- Thai Announcement
- Airline Business
- Civil Aviation Regulations
- Flight Attendant Procedure

**Training for Ground Staff**

- Customer Service Excellence
- Central Baggage Tracking Office
- Sky Speed
- Duties & Checks
- Disability Equality Training

**Training for Pilots**

- Meteorological
- Weight & Balance procedures
- Flight Operation, Report, Form, Merlot
- Pilot Transit Check
- Auto Flight
- Aircraft System Examination

**Training for Ramp**

- Ramp Ground Handling
- Aircraft Pushback

- Initial Airside Safety and ERP Plan

### **Compliance to Rules and Regulations and Business Ethics**

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to business ethics and the compliance to rules and regulations, along with the handling and reporting of suspicion of violation of laws, rules and regulations, and policies of Thai AirAsia that raises doubts in integrity of the employees or Thai AirAsia.

Thai AirAsia has provided related training, for example, training on Code of Conduct, training on prevention of corruption, and anti-corruption and anti-bribery training, which are compulsory for all employees at all levels. All new recruits shall participate in the following trainings and take required examination during their probation periods otherwise they will not pass the probation:

- Code of Conduct Training for all employees to understand the principle and standard that all employees shall adhere in order to eliminate doubt in integrity of the employees and Thai AirAsia.

- Fraud Awareness Training for employees to learn to prevent and report any suspicious act of corruption for Thai AirAsia.

- Anti-Corruption and Anti-Bribery Training for employees to understand problems and effects of corruption and bribery, and to learn to prevent and report any suspicious act of corruption or bribery through the Company's channels.

### **Occupational Safety, health and environment in the workplace**

In 2017, Thai AirAsia has pursued on safety initiatives under the Safety Management System with the cooperative coordination with the Safety Department, Subcommittees on Pilots Safety, Subcommittees on Crews Safety, and Occupational Safety, Health and Environment in Workplace Committee for projects, and reported directly to the CEO, to focus the management for sustainable safety of the organization.

In the past year, Thai AirAsia has supported and promoted safety in many activities, for example:

- Safety Always 2017 program which aims at creating the safety culture of the organization.

- Behavior based safety (BBS) activity that creates positive approach by ground safety officer together with heads of units to observe employees' behavior, with praise for safety behavior and caution for risky behavior, and constant follow-up on risky behavior to achieve the sustainable "safety culture". At the start of the program (January 2017), the percentage of safety behavior was 99.57, and at the end of the program (December 2017), the percentage of safety behavior was 99.87

- Safety Icon activity which is the selection of employees with outstanding performance in terms of safety as an example for other employees.

- Hazard reporter activity that focuses on the participation of employees in reporting hazard or unsafe work environment, and improvement on the safety issues reported by employees, to proactively prevent accidents. In 2017, there was a total of 1,740 reports on hazards.
- Kiken Yoshi Training (KYT) to train each employee to analyze or predict hidden hazard in operation and to prevent the hazard correctly and appropriately
- Prepare and review the manual to deal with emergency in order to handle the Company's emergency accurately, timely, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Prepare and review safety management manual in order to precede and manage the Company's safety accurately, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Preparing and revising emergency plan for each stations in the country and abroad to use as a guideline in handling the emergency appropriately at each station.
- Training for the Special Assistance Team as a preparation in handling the emergency for passengers and their relatives including physical and mental assistance.
- Regular training for safety officer at the Management, Operation, Supervisory level and Occupational Safety, Health and Environment in Workplace Committee.
- Crew Resource Management training for pilots and cabin crew annually.
- Safety Emergency Procedure training for pilots and cabin crew annually.
- Emergency Response Plan for pilots and cabin crew annually.
- Safety Management System for all employees.
- Firefighting training for ground staff.
- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation.
- Inspection of working environment, for example, noise inspection and light inspection to take pre-caution in working environment that may be health hazard for employees.

However, the aforesaid activities on occupational safety, health and environment in workplace proactively to prevent accidents and incidents resulted in the reduced ground accidents and incidences in 2017 to 0.47 per 1,000 outbound flights, decreased from 0.53 in 2016.

## **6. Human Rights Policy**

Asia Aviation and Thai AirAsia operate with respect to and give importance to promote the protection of human rights in all aspects, and will not engage or take part in any act of violation of human rights. The Company and its subsidiaries shall adhere to the principles of human rights and all applicable laws and regulations.

Asia Aviation and Thai AirAsia impartially respect the rights of all employees and stakeholders without prejudice against origin, race, religion, gender, ethnicity, age, disability, or any other status entitled for rights, by adopting the principle of human rights.

Asia Aviation and Thai AirAsia regularly study and follow changes and modifications in applicable regulations and laws related to human rights in order to effectively enhance the Company's policy on human rights.

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through Whistle Blower. For the year 2017 the Company had not received any complaint regard to violation of human rights.

#### **Treatment for Employees**

- Recruitment shall be done on the basis of fairness and equality. Everyone shall receive an equal opportunity in applying and examination for employment under the applicable legal framework and related regulation, without any discrimination based on gender or disability that does not prevent the person from performing his or her duty.

- Employees shall be treated with fairness and honesty. All employees shall be employed under regulations and conditions that comply with laws, regulations, and customary practices. Child labor, forced labor, or breach of labor standard shall not be practiced.

- Any violation of human rights shall be eliminated. Discrimination shall be prohibited and measures will be put in place to ensure equal opportunity for all employees.

- Operating policy shall be put in place to guarantee personal safety for all employees, along with their entitled rights for a clean, safe, and healthy workplace.

- Physical punishment, mental or physical abuse, or verbal harassment shall not be practiced or accepted.

#### **Treatment for Other Stakeholders**

- The Company shall respect the rights in relation to laws, culture and traditions, for all the stakeholders including customers, business partners, subcontractors, and communities around the workplaces. All stakeholders shall be treated equally and encouraged to follow the international standards for human rights.

### **7. Intellectual Property Right Policy and Practice**

Asia Aviation and Thai AirAsia operate with respect to, and encourage the human resources to perform their duties, in compliance with laws and regulations regarding intellectual property right, including trademarks, patents, copyrights, trade secrets, and other intellectual properties specified by laws, for example, the use of copyrighted computer software that are inspected and installed by the Company's information technology department only, the encouragement for employees to examine their work or information that it does not violate any intellectual property right.

## **8. Anti-Corruption Policy**

Asia Aviation and Thai AirAsia operate businesses on the basis of transparency, fairness and integrity by identifying the organisation structure with clear segregation of responsibilities, working process, chain of command in each organisation so as to balance the appropriately intra-related power. Practical guidelines for directors, management, staff and related parties are determined so as to protect and prevent every form of fraud and corruption. This is the joint obligations to perform duties, make decisions and conduct businesses that may expose to certain fraud and corruption under good investigation and care. Details are as follows:

### **Definition**

“Corruption” means any act of bribery by engaging in the act of directly or indirectly offering, promising, soliciting, asking, or accepting money, valuable items, or any inappropriate advantages with government officials, state or public agencies, or any concerned agents so that the said agents perform or refrain from performing their duties rightfully in order to gain or achieve unethical advantages for business. Exceptions shall be made should they be permitted by laws, rules, regulations, announcements, customs, local traditions, or common business practices

### **Overall Policy**

All Directors, members of Management, employees of Asia Aviation and Thai AirAsia are prohibited from implementing or accepting any act of direct or indirect corruption. Anti-Corruption policy audit or examination shall be done regularly along with revision of roles and duties of all concerned parties and the guidelines for practice, in order to remain relevant to changes in businesses, rules, regulations, and legal requirements.

### **Roles and Responsibilities**

1. Board of Directors has duties and responsibilities in setting policies and overseeing the promotion of the effective anti-corruption system in order to ensure that its members of Management are aware and give importance to counter bribery and corruption.

2. Audit Committee has duties and responsibilities in auditing the financial reporting system, internal control system, and risk assessment, to ensure that the systems hold least risk in corruption that may affect the Company’s financial position and operations, and that the systems are appropriate, trustworthy, and in accordance with international standards. The Committee shall also be notified of suspicious engagement in corruption or bribery involving internal parties, and examines cases and proposes punishments alongside the Board of Directors.

3. Chief Executive Officer and members of Management have duties and responsibilities in setting up the system and promoting and supporting anti-corruption policy in order to disseminate to employees and all associated parties to adopt for operation. They also shall review the appropriateness

of the system and measures in correspond with the changes in business, and rules, regulations and legal requirements.

4. Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Department is responsible for the audit report and the risk evaluation in relation to corruption from internal control examination, for the Audit Committee. In addition, the Department is to be responsible for any tasks assigned by the Audit Committee concerning corruption investigation.

#### **Operating Guidelines**

1. Directors, Management, and employees at all levels shall uphold the Anti-Corruption and business ethics policy by not directly or indirectly engaging in any act of corruption.

2. Any employee who discovers any act of corruption related to the Company or its subsidiary must report it to his/her supervisor or a responsible person. Employees shall provide cooperation in investigation. Should employees have any questions or doubts, they can consult their supervisors or a responsible person whose duty is to monitor business ethics compliance through established channels.

3. Asia Aviation and Thai AirAsia shall provide justice and shall protect the employees or the persons reporting the violations by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.

4. The violator of the Anti-Corruption policy is deemed as breaching the business ethics, and shall be considered for disciplinary punishment as regulated, and may be punished by laws should the violation is unlawful.

5. Asia Aviation and Thai AirAsia communicate and create understanding and awareness for all stakeholders who perform or operate any significant issues that may affect the Company or its subsidiaries in relevance to the Anti-Corruption policy.

6. Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:

#### **Financial or Other Benefits**

- Directors, Management, and employees shall not personally accept financial or other benefits from customers, business counterparts, or any persons for working in the name of Asia Aviation and Thai AirAsia.

- Directors, Management, and employees shall not lend or borrow, or collect contribution from customers or business counterparts of Asia Aviation and Thai AirAsia except loans from banks or financial institutions as customers of said banks or financial institutions.

### **Gift and Hospitality**

- Directors, Management, and employees shall avoid accepting gift, in cash or in kind, from customers or business counterparts of Asia Aviation and Thai AirAsia except in the customary traditions and the value does not exceed THB 5,000. If the value of the gift exceeds THB 5,000, the employee shall declare the gift to his/her supervisor for further appropriate action.

- Directors, Management, and employees may accept business hospitality if it is beneficial for Asia Aviation and Thai AirAsia. However, hospitality shall be avoided if it is in the manner not appropriate for business relationship from persons relevant to Asia Aviation and Thai AirAsia or future business counterparts.

### **Cash or Other Rewards**

Asia Aviation and Thai AirAsia do not have any policy to offer cash, bribery, inducement, or any special rewards in any forms to customers, business counterparts, other external agents, or any individuals in order to gain business advantages, except customary business hospitality, business discount, and the Company's sales promotion.

### **Charitable Contribution or Sponsorship**

Charitable contribution or sponsorship shall be done in a lawful and transparent manner and follows procedures specified by Asia Aviation and Thai AirAsia. Examination and approval of transaction shall be done by authorised persons of Asia Aviation and Thai AirAsia and follow up shall be done in order to ensure the contribution or sponsorship is used in accordance to its objectives and not as a subterfuge for bribery.

### **Risk Assessment for Corruption**

The Company has set up a team consisting of Internal Audit Manager, Compliance and Accounting Manager to assess its exposure to fraud and corruption. Their responsibilities are to determine the procedures for risk management on fraud and corruption by jointly assess, analyse, monitor, control and update risk status on the overall fraud and corruption to remain at the acceptable level. The team will investigate the suspected cases that are vulnerable to fraud and prepare the annual report for presentation to the Audit Committee.

Risk assessment tools are used to assess exposures to fraud and corruption by adjusting The Association of Certified Fraud Examiners' guidelines in evaluating the internal control environment and various kinds of frauds that may incur in the Company. In 2017, the team analysed and assessed business risks of various departments so as to identify their exposures to fraud and corruption e.g. manipulation; forge; change of record or document or financial report; misuse of business assets; misappropriation; conflict of interest; abuse of internal information; corruption in various forms; etc. Last year, exposures to fraud and corruption remain in the acceptable level. Information from the assessment will be used as guidelines to increase the Company's internal audit efficiency and effectiveness and to find preventive measures on fraud operations by setting the good internal control system.

### **Dissemination of Anti-Corruption Policy**

For every individual in the organisation to be aware of the Anti-Corruption policy, Asia Aviation and Thai AirAsia will perform the following actions:

1. Communicate the Anti-Corruption policy through cooperate communication channel, namely the Company's website, Annual Registration Statement (56-1), and Annual Report (56-2).
2. Provide training on Anti-Corruption policy for new recruits.
3. Review Anti-Corruption policy annually.