

Thai AirAsia Co., Ltd. (TAA)

# **HUMAN RIGHT RISK ASSESSMENT SUMMARY REPORT**

18<sup>th</sup> March 2025



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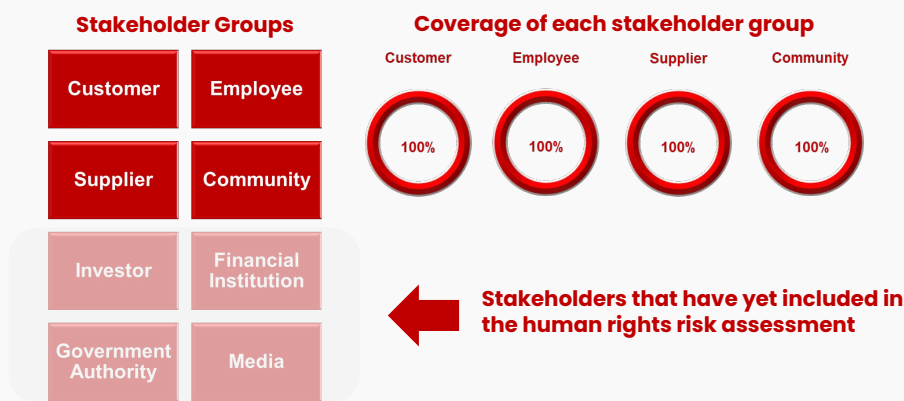
# Executive Summary



Thai AirAsia Co., Ltd. | Human Rights Risk Assessment

The Human Rights Risk Assessment aims to identify salient human rights risk that could potentially arise in the Thai AirAsia value chain. This assessment will facilitate Thai AirAsia to manage human rights risks, in particular, salient human rights risk.

This human rights risk assessment has engaged with the representatives of different stakeholder groups namely; customer, employee, supplier, and community. However, financial institution, investor, government authority, and media were not included in this human rights risk assessment



Human rights risks were identified through various sources, including value chain analysis, research on global issues, peer reviews, and grievance mechanisms. The graphic below illustrates the main human rights topics, presented as themes, that have been assessed in this process. Each topic encompasses different human rights risks. The most significant human rights risks will be further detailed on the next page.



The result of the human rights risk assessment shows that there is no human rights risk at the very high level, however, there are some human rights risks that remain salient, and require further attention, the risks are:

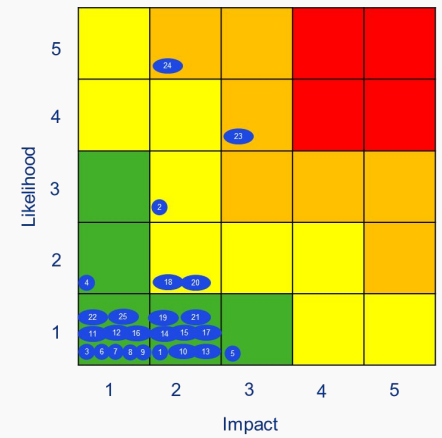
Impact of climate change and global warming

Community concerns on waste and pollution generation from tourism.

Unproper treatment to passenger due to the overbooking, flight cancellations, delay, mishandling luggage.

Personal information leakage in the supply chain.

Human trafficking and forced labor in supplier's business operation



During the risk assessment process, the existing mitigation measures were identified, the measures could be categorized in these 5 groups

- Policies and guidelines:** Include the existing policies and Standard Operation Procedures (SOPs) which establish the commitment and guidelines for operating business.
- Resources:** Include human capital, and team to implement and monitor the measures such as, responsible person/units, welfare committee, working groups.
- Management systems:** Means the systems/procedures that were established to implement the policies such as, Safety Management System, Risk Management
- Programmes and initiatives:** Include programmes, activities, or initiatives that develop for certain objectives such as training, Journey D, zero waste to landfill.
- Other:** Includes others measures that could not fit categories in above-mentioned such as, grievance mechanisms, employee engagement.

In addition to the mitigation measure identified, there are further recommendations to be considered to improve the human rights risk management. The summary of the further recommendations are:

- Strengthen implementation and raise awareness among employees on Human Rights Policy and foster a zero-tolerance culture for discrimination and harassment.
- Integrate requirements on child labour, human trafficking, forced labour, environmental impact, and cyber security into the terms and conditions of purchasing agreement.
- Strengthen the implementation Supplier Code of Conduct, this could be done by assess the compliance with the Supplier Code of Conduct by the suppliers, as well as engage with employee, supplier, and raise awareness on human rights.
- Conduct human rights risk assessment regularly.
- Establish a Diversity, Equity, and Inclusion Committee.
- Ensure transparent performance evaluations
- Adopt eco-friendly innovations.
- Strengthen the role of the welfare committee, encourage employee participation, and ensure employee trust in the welfare committee.
- Provide training on personal data protection and cyber security for suppliers; conduct regular penetration tests.
- Obtain certification for health and safety management systems like ISO 45001.

# The Scope of Human Rights Risk Assessment



Thai AirAsia Co., Ltd. | Human Rights Risk Assessment

**The human rights risk assessment** covers the operation and supply chain of Thai AirAsia. There are 4 groups of stakeholders participated in the human rights risk assessment process, namely, employee, customer, supplier, and community. However, the other stakeholders such as, investor, financial institution, government authority, and media, have yet participated in the process.



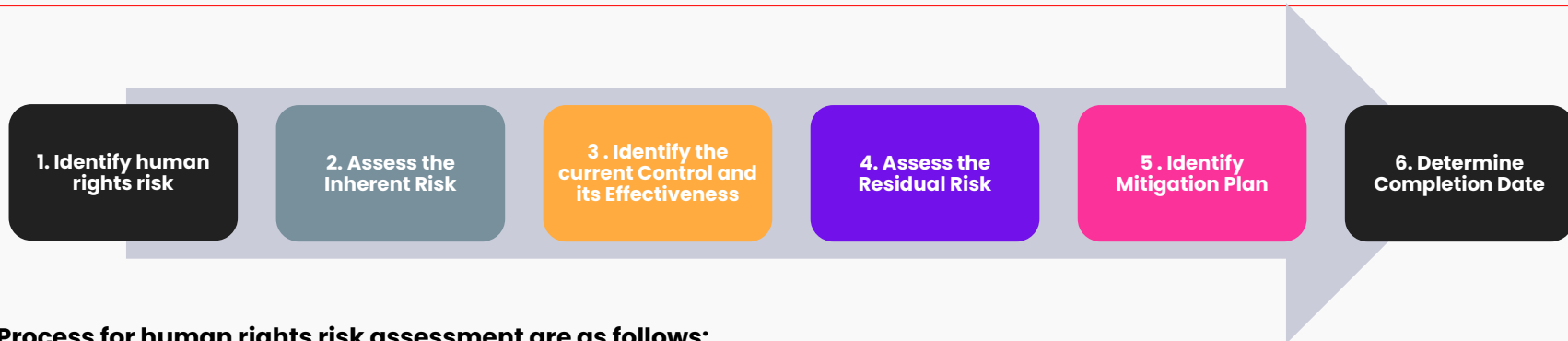
**The human rights risk assessment** identifies and assesses numbers of human rights issues. The followings are the key human rights topics that have been assessed.



# Methodology



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**The Process for human rights risk assessment are as follows:**

The human rights risk assessment for Thai AirAsia begins with identifying relevant human rights risks. These risks are identified through various sources, including value chain analysis, global issues research, peer reviews, and grievance mechanisms. This process results in a comprehensive list of human rights risks.

This long list is then discussed to develop a short list of human rights risks that are confirmed to be applicable to Thai AirAsia's context. The short list is used in a human rights risk assessment workshop, where participants assess the risks based on impact and likelihood criteria. Thai AirAsia also considers the scale, scope, and irremediability of these risks, as suggested by the UN Guiding Principles on Business and Human Rights (UNGPs). Detailed risk criteria are provided on the next page.

Human rights risks are assessed at two levels: inherent risk and residual risk. The final result is the residual risk level, which takes into account current mitigation measures. The effectiveness of these mitigation measures is evaluated to determine the residual risk level.

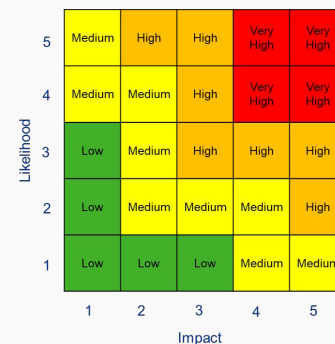
Based on the residual risk level, additional mitigation measures are identified. Human rights risks are managed according to risk treatment criteria. A designated person or team is responsible for monitoring and managing each human rights risk, with a clear timeline for revisiting the implementation of mitigation measures.

Further recommendations could be identify to improve the human rights risk management, the recommendation is drawn from the international standards and best practice in the industry.

## → Methodology – Risk Criteria

The criteria for human rights risk assessment were developed to evaluate the impact on stakeholders. Various impact criteria are employed to assess the human rights impact on stakeholders, focusing on three key aspects: scale, scope, and irremediability, as recommended by the UN Guiding Principles on Business and Human Rights (UNGPs). The assessment categorizes risks into five levels: insignificant/rare, minor/unlikely, moderate/possible, major/likely, and severe/almost certain. These levels are considered during the risk assessment process.

The risks are then mapped on a risk heat map, which identifies the risk levels (low, medium, high, and very high) and aids in determining appropriate human rights risk treatments.



Level	Scale (Legal)	Scale (Safety)	Scale (Environment)	Impact Scale (People)	Scale (Regulatory)	Scope	Remediability
1 (Insignificant)	Minimal or low regulatory involvement; No litigation consequences.	No medical treatment required.	Contained environmental damage - fully recoverable (no cost or action required.)	Employee sentiment has no impact on achieving department goals.	No or minimal impact.	1 individual	6 months and below
2 (Minor)	Regulatory breach or litigation risk with material consequences and readily rectified.	Minor injury with medical treatment required.	Isolated environmental damage - minimal remediation required.	Employee disengagement would cause little impact on achieving department goals.	Isolated compliance issues with no impact on business as usual.	1 group of stakeholder (2 or more individuals)	6 months - 1 year
3 (Moderate)	Regulatory breach or litigation risk with material consequences but can be readily rectified.	Serious injury occurs.	Localised/clustered environmental damage - requiring remediation.	Employee dissatisfaction leading to lower productivity, would cause one or more departmental objectives to fall below goals but above minimum acceptable levels.	Isolated serious compliance issues.	2 groups of stakeholder	1-2 years
4 (Major)	Material breach of regulation or litigation risk with material consequences which cannot be readily rectified.	Single fatality occurs.	Considerable environmental damage - requiring remediation.	Employee dissatisfaction leading to public protest or absenteeism, major impact on staff turnover; causing one or more departmental objectives to fall below acceptable levels.	Serious compliance issues with informal reprimand or warning from regulator.	3 groups of stakeholder	2-3 years
5 (Severe)	Large scale action, material breach of regulation or litigation risk leading to significant financial or reputational consequences.	Multiple fatalities occur.	Widespread long term or permanent damage to the environment - remediation required.	Severe impact on staff turnover, loss of key personnel or activity that would threaten organisational viability and failure to meet key strategic objectives.	Sanction by regulator. Serious risk to license.	4 groups of stakeholder or more	3 years or more recovery time

Level	Likelihood	
	Possibility (%)	Frequency
1 (Rare)	0-5	Not likely to occur in a 3 year time frame
2 (Unlikely)	6-25	Likely to occur within the next 3 years
3 (Possible)	26-50	Likely to occur at least once within the next 2 years
4 (Likely)	51-75	Likely to occur at least once within the next 1 year
5 (Almost Certain)	76-100	High likelihood of occurring more than once within 1 year

The residual risk level is assessed by evaluating the effectiveness of current mitigation controls alongside impact and likelihood criteria. Control effectiveness is categorized as ineffective or less effective, partially effective, and effective. These values determine the residual risk level for each risk.

Once the residual risk is assessed, risk treatment is identified based on the risk grade: low, medium, high, and very high. Human rights risks at the medium level are reported to Senior Management and the Risk Management and Sustainability Committee. Risks at the very high level are deliberated, and additional mitigation measures are identified to reduce the risk to an acceptable level (high). However, risks at medium and high levels require attention and close monitoring. Detailed control effectiveness values and human rights risk treatment criteria are provided in the table below.

## Control Effectiveness Values

Effective

Partially Effective

Ineffective or Less Effective

Effectiveness Value	Description	Percentage Achievement	Impact to Current Rating
Ineffective or Less Effective	No control at all or Control does not deal with risk	0 - 30 %	No change in Likelihood and/or Severity level Example : (4,4) --> (4,4)
Partially Effective	Control partly deal with root cause or mitigate impact, but still need another control or some improvement	31 % - 79 %	Minor Change in Likelihood and/or Severity (Maximum <b>reduce 1 level</b> from Inherent rating) Example: (4,4) --> (3,4) (4,4) --> (4,3) (4,4) --> (3,3)
Effective	Control fully deal with root cause or mitigate impact and well documented and applied consistently	80 % - 100 %	Major Change in Likelihood and/or Severity ( <b>Reduce 1 level or more</b> from Inherent rating) Example : (4,4) --> (3,4)    (4,4) --> (2,4) (4,4) --> (4,3)    (4,4) --> (4,2) (4,4) --> (3,3)    (4,4) --> (2,3) etc

Risk Grade	Description	Controls	Management Actions	KRI	Escalation Process
Very High	These risks breach the risk appetite/tolerance level and must be addressed immediately by the Risk Owners.	Yes	Yes	Yes	Risks will be <b>highlighted and deliberated</b> at Senior Management and RMSC level.
High	These risks breach the risk appetite/tolerance level and must be addressed immediately by the Risk Owners as they can have a major negative impact to the organization.	Yes	Yes	Yes	Risks will be <b>highlighted</b> at Senior Management and RMSC level.
Medium	These risks could potentially breach the risk appetite and require to be monitored closely by the Risk Owners.	Yes	Optional	Yes	Risks will be reported to Senior Management and RMSC.
Low	These risks are considered tolerable and can be controlled by the Risk Owners.	Yes	Optional	Optional	Risks will be monitored at Risk Owner level.

# The Result of Human Rights Risk Assessment



Thai AirAsia Co., Ltd. | Human Rights Risk Assessment

## → The Result of Human Rights Risk Assessment – Inherent Risk

The diagram on the right shows the human rights risks that were assessed the inherent risk level at the early stage. These risks have yet been treated by any mitigation measure. The human rights risks that needed attention are in the very high and high level, they are:

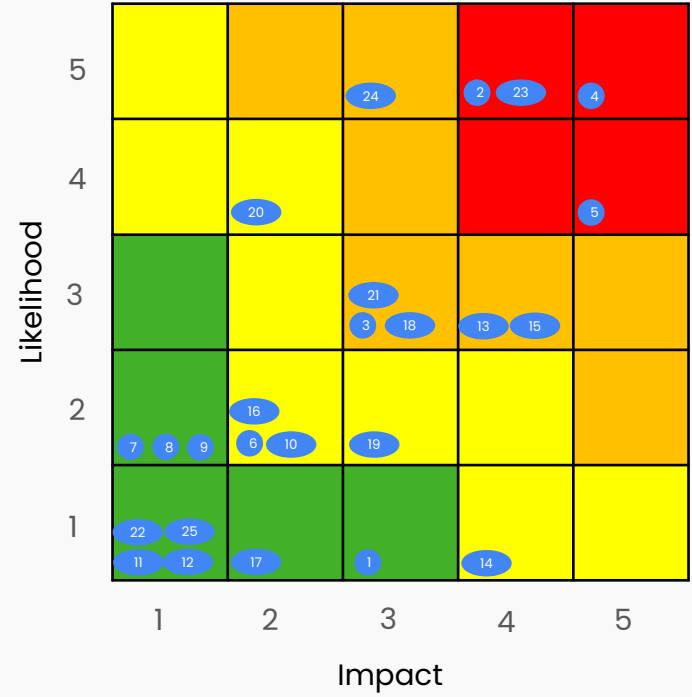
### Very High Level:

- Unproper treatment to passenger due to the overbooking, flight cancellations, delay, mishandling luggage. (2)
- Failure to protect customer personal data , or breach of data security. (4)
- Risk of using airline in the human trafficking process. (5)
- Impact of climate change and global warming. (23)

### High Level:

- Discrimination towards people with disabilities. (3)
- Forced labour in the operation. (13)
- Failure to provide safety working conditions for employee. (15)
- Personal information leakage in the supply chain. (18)
- Involvement in infringement of right to residence of local residents or indigenous people by farmland development, oil and mineral mining, etc. in supply chain. (21)
- Community concerns on waste and pollution generation from tourism. (24)

These risks will be reassessed in consideration with the current mitigation measures. The final result will be shown in the residual risks in the next page.



## → The Result of Human Rights Risk Assessment – Residual Risks

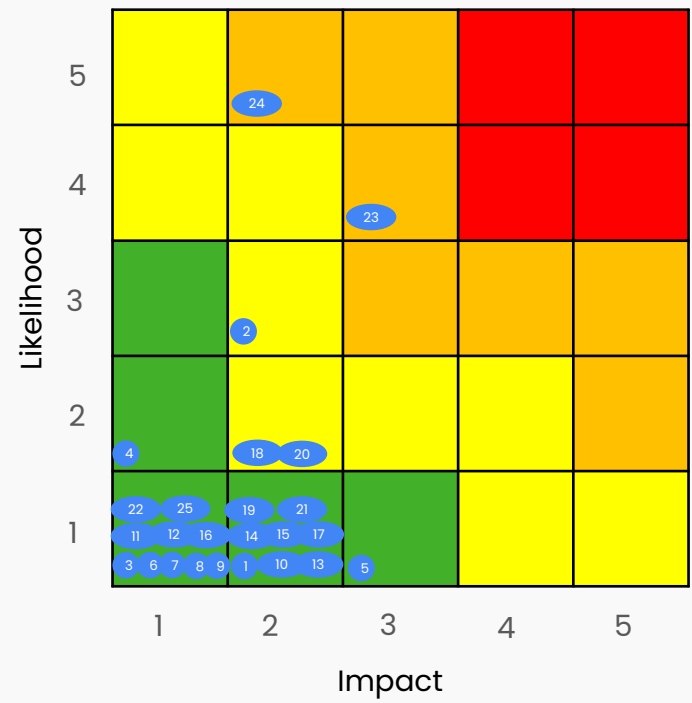
This diagram shows the human rights risks that have been assessed with the consideration of current mitigation measures. Most of human rights risks are at the low level, which the Company can accept the risk at the current status. However, there are few human rights risks that need additional mitigation measures. They are:

- Impact of climate change and global warming. (23)
- Community concerns on waste and pollution generation from tourism. (24)

Moreover, there are some human rights risks that need to be monitored closely and will be reported to the Senior Management and Risk Management and Sustainability Committee. The risks are:

- Unproper treatment to passenger due to the overbooking, flight cancellations, delay, mishandling luggage. (2)
- Personal information leakage in the supply chain. (18)
- Human trafficking and forced labor in supplier's business operation. (20)

In addition, the risk assessment was conducted with the supplier questionnaire, it was found that some suppliers do not have Human Rights Policy and management system in place but their labour practices are comply with the Thai labour law and other related regulations. None of the respondent recruit migrant workers the issues related to migrant workers in the supply chain may not applicable.



# → The Result of Human Rights Risk Assessment – Mitigation

There were a number of current mitigation measures identified during the human rights risk assessment process. They could be categorized to the followings; policies and guidelines, resources, management systems, programmes and initiatives, and others.

**Current mitigation measures categorized into 5 groups**

<p><b>01</b></p> <p><b>Policies and Guidelines</b></p> <ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Standard Operating Procedures (SOPs)</li> <li>• SRO</li> <li>• Ground Operation Manual</li> <li>• Work Regulation</li> <li>• Safety Policy</li> </ul>	<p><b>02</b></p> <p><b>Resources</b></p> <ul style="list-style-type: none"> <li>• Responsible person/units</li> <li>• Welfare Committee</li> <li>• Working Group on specific issues such as safety.</li> <li>• Maintenance</li> </ul>	<p><b>03</b></p> <p><b>Management Systems</b></p> <ul style="list-style-type: none"> <li>• Safety Management System</li> <li>• Safety Risk Management</li> <li>• ISO 27001, PCI DSS</li> <li>• Cyber Security System</li> </ul>	<p><b>04</b></p> <p><b>Programmes &amp; Initiatives</b></p> <ul style="list-style-type: none"> <li>• Community engagement activities such as Journey D, Find Folk.</li> <li>• Training for employees and sub-contractors</li> <li>• Net-zero Strategy</li> <li>• Zero waste to landfill</li> </ul>	<p><b>05</b></p> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>• Grievance mechanisms</li> <li>• Employee engagement</li> <li>• Investigation process</li> <li>• Disciplinary actions</li> </ul>
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Moreover, certain human rights risks have been identified with the additional mitigation measures. It was found that

- For the risk of discrimination:
  - GS should work with Group Ground Ops on the "Discrimination Policy" to ensure that all staff treat all passengers equally.
  - Compliance with the Civil Aviation Authority of Thailand (CAAT) and company regulations. However, the update should be reviewed in line with the revision of the Service Recovery to ensure compliance with regulations 101 and 104.
- For the risk of human trafficking and forced labour:
  - Refreshment training on the human trafficking.
  - Internal communication with the supplier – conduct training with the supplier management/supervisor level
- For the risk of personal data protection:
  - Report directly to the supervisor in case of personal data leakage.
- For the risk of child labour:
  - Conduct training with the community on human rights.

# Appendix



Thai AirAsia Co., Ltd. | Human Rights Risk Assessment



## The Result of Human Rights Risk Assessment – Details



No.	Human Rights Risk	Inherent Risk Level	Current Mitigation Measure	Residual Risk Level
1	Discrimination toward customer in the basis of race, age, SOGI, nationality, etc.	Low	<ul style="list-style-type: none"><li>- Human Rights Policy</li><li>- Company SOP with the statement of non-discrimination</li></ul>	Low
2	Unproper treatment to passenger due to the overbooking, flight cancellations, delay, mishandling luggage.	Very High	<ul style="list-style-type: none"><li>- Regulations on customer protection.</li><li>- Company SOP on the customer protection (Service Recovery Options (SRO) which align with the regulation)</li><li>- Optional insurance for customer to purchase</li><li>- Specific procedures for flight operations to ensure the reduction of flight delay</li></ul>	Medium
3	Failure to provide adequate services for passengers with disabilities, or failure to ensure that individuals with special needs are properly accommodated.	High	<ul style="list-style-type: none"><li>- Company SOP on disability practices and wheelchair.</li><li>- Airline facilities</li><li>- Training for staff on treatment of passengers with disabilities</li><li>- Prior notification for ground staff and cabin crew</li><li>- Hotline for disabled passengers, to request specific needs.</li></ul>	Low



## The Result of Human Rights Risk Assessment – Details



No.	Human Rights Risk	Inherent Risk Level	Current Mitigation Measure	Residual Risk Level
4	Failure to protect customer personal data , or breach of data security.	Very High	<ul style="list-style-type: none"><li>- PDPD Department, Information Security Department, and Legal Department responsible for this issue.</li><li>- Company SOP.</li><li>- Training on cybersecurity for all staff.</li><li>- Risk awareness campaign, e.g. poster.</li><li>- Cybersecurity measures, such as password regulations, IT audit, procedure/policy for data exposures.</li><li>- Data privacy measures.</li></ul>	Medium
5	The Company are sometimes unknowingly used by human traffickers to transport victims, especially in cases where flights to and from vulnerable regions are involved.	Very High	<ul style="list-style-type: none"><li>- Training for staff</li><li>- Company SOP</li></ul>	Low
6	Employees are treated unfairly due to different ages, sexual orientation, gender identity, race, nationality, beliefs, political stances, etc.	Medium	<ul style="list-style-type: none"><li>- Policy on non-discrimination</li><li>- Discussion and warning with perpetrator.</li></ul>	Low



No.	Human Rights Risk	Inherent Risk Level	Mitigation Measure	Residual Risk Level
7	Failure to provide equal career opportunity and remuneration between genders	Low	<ul style="list-style-type: none"><li>- Clear communication of performance evaluation and evaluation criteria.</li></ul>	Low
8	Pregnant and post-partum female employees: Women rights to take maternity leave and be taken care of during and after pregnancy with no pressure.	Low	<ul style="list-style-type: none"><li>- Transfer to work in the office, or internal transfer.</li><li>- Limit working hours from 6.00 a.m. – 8.00 p.m.</li><li>- Flexible maternity leave and benefit for the child.</li></ul>	Low
9	Cabin crew beauty standards: Discrimination/punishment/regulation on cabin crew regarding appearance and beauty standards that is not related to their work performance and security.	Low	<ul style="list-style-type: none"><li>- Policy on non-discrimination</li><li>- Discussion and warning</li></ul>	Low
10	The employees are subjected to harassment, and violence by supervisors, colleagues, or customers.	Medium	<ul style="list-style-type: none"><li>- Grievance channels and investigation</li><li>- Disciplinary action</li></ul>	Low



## The Result of Human Rights Risk Assessment – Details



No.	Human Rights Risk	Inherent Risk Level	Mitigation Measure	Residual Risk Level
11	Unfair treatment toward employees in relation to company's judgement towards customer complaints leading to unfairly punishing employees.	Low	<ul style="list-style-type: none"><li>- Grievance channels and investigation</li><li>- Disciplinary action</li></ul>	Low
12	The Company does not respect employees' rights to form associations and collective bargaining in accordance with local laws and regulations.	Low	<ul style="list-style-type: none"><li>- Welfare Committee</li><li>- Receiving feedback from employee from various channels</li></ul>	Low
13	The Company forces employees to provide services by means of forced labour, violence or intimidation, which causes physical and psychological harm to employees.	High	<ul style="list-style-type: none"><li>- Policy</li><li>- Work Regulations</li></ul>	Low
14	Use of child labour in the operation.	Medium	<ul style="list-style-type: none"><li>- Screening candidate background</li></ul>	Low



No.	Human Rights Risk	Inherent Risk Level	Mitigation Measure	Residual Risk Level
15	Failure to provide safety working conditions for employee.	High	<ul style="list-style-type: none"><li>- Safety Management System (SMS) which align with the international standards, and the regulations of the Civil Aviation Authority of Thailand (CAAT)</li><li>- Safety Risk Management (SRM) to manage the risks.</li><li>- Safety Policy, Just and Culture Policy prioritize the safety to ensure all employee of safety working environment</li><li>- Safety Review Board meeting (SRB): all health and safety issues will be reviewed by the Management</li><li>- Safety Action Group (SAG), a working group of supervisors to monitor and manage the health and safety issue.</li><li>- Safety promotion activities such as “Got time to Healthy”, working environment inspection.</li></ul>	Low



No.	Human Rights Risk	Inherent Risk Level	Mitigation Measure	Residual Risk Level
16	Personal data of employee and candidate leakage.	Medium	<b>Mitigations by PDPA function:</b> 1. SOP on personal data. 2. Limit access right. 3. On personal data, as necessary. 4. Training on PDPA. 5. Limit access to data filing. 6. Limit timing for data storing, and delete unnecessary data. 7. Data Breach Incident Plan. <b>Mitigations by InfoSec Department:</b> 1. Comply with PDPA 2. Develop infrastructure “Zero Trust Network Access (ZTNA)” 3. Comply with ISO 27001 and PCI DSS standard. 4. Security Operations (SecOps) 5. Raise the awareness on cyber security. 6. High security risk alert system, and cyber security plan drill	Low



## The Result of Human Rights Risk Assessment – Details



No.	Human Rights Risk	Inherent Risk Level	Current Mitigation Measure	Residual Risk Level
17	Use of child labour in the supply chain	Low	<ul style="list-style-type: none"> <li>- Policy</li> <li>- Employee contract align with the law</li> </ul>	Low
18	Personal information leakage in the supply chain	Medium	<ul style="list-style-type: none"> <li>- Incorporate personal data protection clause in the terms and condition of purchasing agreement.</li> <li>- Data classification by IT security before external contact</li> <li>- AirAsia's information security system and alert</li> </ul> <p><b>Mitigations by PDPA function:</b></p> <ol style="list-style-type: none"> <li>1. Personal Data Protection Policy for Supplier</li> <li>2. Data Processing Agreement for certain suppliers who need to process personal data.</li> </ol> <p><b>Mitigations by InfoSec department:</b></p> <ol style="list-style-type: none"> <li>1. Comply with PDPA</li> <li>2. Develop infrastructure “Zero Trust Network Access (ZTNA)”</li> <li>3. Comply with ISO 27001 and PCI DSS standard.</li> <li>4. Security Operations (SecOps).</li> <li>5. Raise the awareness on cyber security.</li> <li>6. High security risk alert system, and cyber security plan drill.</li> </ol>	Medium



## The Result of Human Rights Risk Assessment – Details



No.	Human Rights Risk	Inherent Risk Level	Current Mitigation Measure	Residual Risk Level
19	The supplier operation does not consider the adverse impact on the environment.	Medium	<ul style="list-style-type: none"><li>- Maintenance.</li><li>- Comply with the environmental, health and safety law and regulations.</li><li>- Standard operation procedure</li><li>- Emergency response plan</li><li>- Employee/sub-contractor training</li></ul>	Low
20	Human trafficking and forced labor in supplier's business operation	High	<ul style="list-style-type: none"><li>- Employee Contract</li><li>- Human Resource Information System to track working hour</li><li>- Exchange shift to ensure the working hours does not exceed the legal limit.</li><li>- Complaint channel (HR in charge)</li></ul>	Medium
21	Involvement in infringement of right to residence of local residents or indigenous people by farmland development/oil and mineral mining etc, in supply chain.	High	<ul style="list-style-type: none"><li>- Community engagement</li><li>- Complaint channel</li><li>- Maintenance</li><li>- Comply with the environmental, health and safety law and regulations.</li><li>- Standard operation procedure</li><li>- Emergency response plan</li><li>- Employee/sub-contractor training</li></ul>	Low



## The Result of Human Rights Risk Assessment – Details



No.	Human Rights Risk	Inherent Risk Level	Mitigation Measure	Residual Risk Level
22	The environmental impact from the operation.	Low	- Zero waste to Landfill	Low
23	Impact of climate change and global warming	Very High	- Net zero strategy - Green Operating - Redress measures for victim of natural disaster along the Company route.	High
24	Community concerns on waste and pollution generation from tourism	High	- Journey D Campaign - Campaign on using biodegradable - Training for the community on environmental conservation - Encourage tourist/passenger to reserve the environment by find folk	High
25	The use of children as community tourism guide	Low	- Consider whether the activities is appropriate for child to participate/engage.	Low

# Thank You

