Risk Management Policy

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Asia Aviation Public Company Limited and Thai AirAsia Company Limited, as part of the Capital A Berhad Group (referred to as "the Group"), recognise the significance of a robust risk management framework to enhance effectiveness, efficiency, and stakeholder confidence. Thai AirAsia ("the Company") has established its own tailored approach to achieve these objectives in line with the Group's Enterprise Risk Management Policy. The Company, which is a subsidiary and core business of Asia Aviation PCL, has established a robust risk management function to integrate risk management practices into business operations and business functions.

Principles

1. The Company understands that risk is inherent in all aspects of business, from strategic planning to daily operations. The Company aims to manage risks to an acceptable level while utilising resources effectively and efficiently.
2. Risk management is ingrained in our organisational culture and involves the participation of all employees.
3. Risk management is everyone's responsibility that is driven from the top and executed by both the management and employees. The Risk Management Department consolidates enterprise-wide risks and reports to the Risk Management Committee on a quarterly basis.
4. The Risk Management Committee, comprised of the Executive Chairman, Chief Executive Officer, and Department Heads, oversees the risk management practices and policies within the Company.
5. An annual evaluation of the risk management policy is conducted by the Risk Management Committee.

Framework for Risk Management

The risk management framework, which is embedded in the Risk Management Policy supports the Company in making risk-informed decisions by standardising the process of identifying, evaluating, and managing the risks.

The Company is committed to benchmarking its fundamental, underlying risk management principles against international standards and, in particular, the practices outlined in the ISO31000 on risk management.

The framework covers the following key features:
- Roles and responsibilities of the Risk Management Committee ("RMC"), Management, Risk Management Department ("RMD") and all employees.
- Guidance on risk management processes and tools.
- Guidance on Business Continuity Management.

The Company has established a structured process and lines of defence for risk management within the risk management framework as follows:

1st Line of Defence
The first line of defence is provided by management and departments, which are accountable for identifying and evaluating risks in their respective areas of responsibility.

2nd Line of Defence

The second line of defence is provided by the RMD and RMC, which are responsible for facilitating and monitoring risk management processes and reporting.

3rd Line of Defence

The third line of defence is provided by the Internal Audit Department, which provides assurance on the effectiveness of the risk management framework.

Business Continuity Management

Another key component of the risk management framework is Business Continuity Management, and the Company has established business continuity plans that enable it to respond effectively in the event of a crisis and prevent significant disruption to operations.