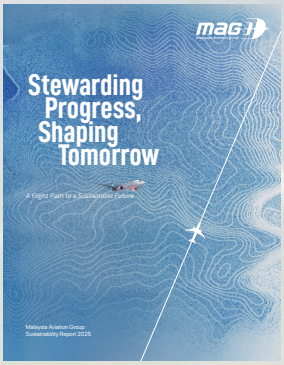
malaysia aviation group

Stewarding Progress, Shaping Tomorrow



A Flight Path to a Sustainable Future

Malaysia Aviation Group
Sustainability Report 2025



Stewarding Progress, Shaping Tomorrow

A Flight Path to a Sustainable Future

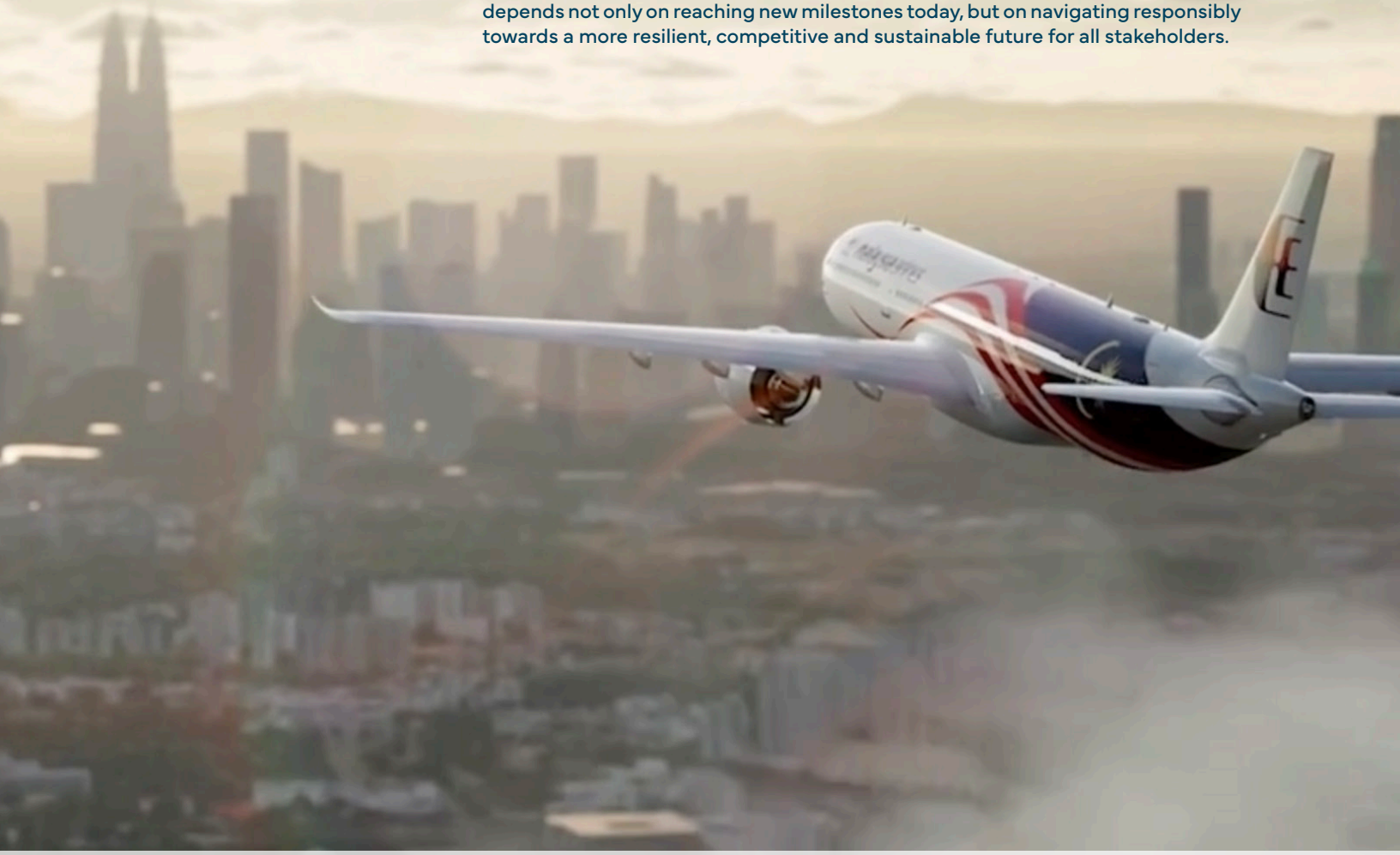
The cover theme reflects MAG's commitment to advancing responsibly while preparing the business for the opportunities and challenges of the future.

Stewarding Progress underscores the Group's disciplined approach to growth, operational excellence and strong governance, ensuring that progress is managed with accountability and long-term value creation in mind.

Shaping Tomorrow conveys MAG's forward-looking ambition to transform the aviation experience through innovation, fleet modernisation, customer experience enhancements and evolving sustainability strategies.

The supporting line, A Flight Path to a Sustainable Future, reinforces MAG's identity as an aviation group while symbolising clear and purposeful progress towards more sustainable operations. It reflects the Group's continued focus on decarbonisation levers such as fleet renewal, operational efficiency, sustainable aviation fuel readiness, responsible resource management and people development.

Together, the theme captures MAG's belief that long-term success in aviation depends not only on reaching new milestones today, but on navigating responsibly towards a more resilient, competitive and sustainable future for all stakeholders.



malaysia airlines · firefly · amal · Enrich · Journify · AeroDarat
mab engineering · maskargo · mab academy · mag culinary solutions
mag malaysia aviation group

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1 Overview



1.1 About This Report
1.2 Key Highlights 2025
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1.1 About This Report

GRI 2-2, 2-3, 2-5

The Sustainability Report 2025 presents Malaysia Aviation Group's (MAG, or the Group) environmental, social, and governance (ESG) performance for the financial year ended 31 December 2025.

This report reflects MAG's continued commitment to integrating sustainability into our strategy, operations and decision-making. As a leading aviation group in Southeast Asia, we recognise that responsible growth requires balancing operational excellence with environmental stewardship, social responsibility and sound governance.

The report outlines the Group's sustainability strategy, key initiatives, and performance across our priority areas, including climate action, operational efficiency, sustainable aviation fuel (SAF), responsible supply chains, employee wellbeing, safety, and community engagement. It also highlights how these efforts support MAG's long-term ambition to achieve net zero carbon emissions by 2050 while delivering sustainable value to our stakeholders.

Where possible, the report provides year-on-year comparisons to track progress and maintain transparency in our sustainability journey.



We recognise that responsible growth requires balancing operational excellence with environmental stewardship, social responsibility and sound governance

Reporting Scope and Boundaries

This report covers the sustainability performance of MAG and its key operating entities for the financial period of 1 January 2025 to 31 December 2025.

The scope includes the Group's airlines business, aviation services, and Loyalty and Travel services including:

- Malaysia Airlines (MAB)
- Firefly (FY)
- MASwings (MW)
- AMAL by Malaysia Airlines
- MASkargo
- Selected supporting subsidiaries and operational units where relevant sustainability data is available

MASwings was acquired by the Sarawak Governent in February 2025, with full operational transition to AirBorneo effective 1 February 2026. Data for MASwings' operations is included within the Group's 2025 reporting boundary as the business remained under MAG during the reporting period, unless stated otherwise.

Operational data and disclosures generally reflect activities across the Group's flight operations, engineering, cargo, ground operations, and corporate functions.

Environmental data such as fuel consumption, emissions, energy use and waste generation are reported based on operational control. Social and governance disclosures primarily relate to Group employees and internal management systems.

Where information is estimated, restated, or subject to methodological updates, appropriate notes are provided in the relevant sections.

Reporting Frameworks and Standards

MAG prepares its Sustainability Report with reference to internationally recognised sustainability reporting frameworks and aviation industry standards to ensure consistency, transparency and comparability.

The report is guided by the following frameworks:

- Global Reporting Initiative (GRI) Standards
- International Sustainability Standards Board (ISSB) sustainability disclosure standards
- Sustainability Accounting Standards Board (SASB) – Airlines industry metrics
- International Air Transport Association (IATA) ESG metrics
- United Nations Sustainable Development Goals (UN SDGs)

These frameworks support MAG in aligning its sustainability disclosures with evolving global best practices and regulatory expectations in sustainability reporting.

Where applicable, disclosures are mapped to relevant standards and indicators to provide stakeholders with a structured view of the Group's sustainability performance.

MAG continues to strengthen its reporting practices in line with emerging sustainability disclosure requirements, including enhanced climate-related disclosures and scenario-based analysis.

Assurance

Verifavia Singapore Pte Ltd (Verifavia) has conducted reasonable assurance on MAG's carbon inventory data for Scope 1 and Scope 2, and limited assurance for Scope 3 metrics, carbon intensity, and diversity data from 1 January to 31 December 2025.

Forward-Looking Statements

This report may contain forward-looking statements regarding MAG's future sustainability strategies, initiatives, and performance.

These statements reflect the Group's current expectations, assumptions and plans regarding environmental, social and governance matters. They may include references to planned programmes, emissions reduction pathways, operational improvements, or anticipated regulatory developments affecting the aviation sector.

Forward-looking statements are inherently subject to risks and uncertainties, including changes in economic conditions, regulatory environments, technological developments, fuel markets and other external factors that may influence the aviation industry.

In addition, while the Group has made reasonable efforts to ensure the accuracy and completeness of data presented in this report, information is derived from multiple internal systems and sources and may be subject to inherent limitations. As such, unintentional errors in data collection, calculation or processing may occur.

Actual results may therefore differ materially from those expressed or implied in such statements. MAG undertakes no obligation to update forward-looking statements except where required by applicable laws or regulations.

1.2 Key Highlights 2025

Sustainability

In 2025, MAG continued to advance its sustainability journey through operational improvements, strategic partnerships and strengthened governance across environmental and social priorities. Key highlights for the year include:

MAG Key Sustainability Milestones

Outline of key initiatives, achievements and programmes.

March 2025

MAG Sustainability Office launched new sustainability logo



March 2025

MAG's first all-female panel session for International Women's Day



March 2025

MAG acquired 30 new Boeing 737 aircraft to advance fleet renewal



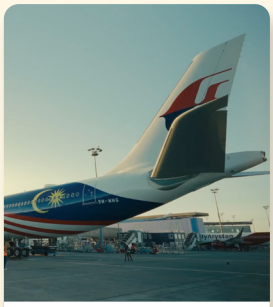
May 2025

Introduced the MAG Upcycling Guideline



June 2025

MAG took the stage at Energy Asia



July 2025

Placed orders for 20 A330neo aircraft



July 2025

MAG shared lesson on buying SAF at MYAERO 2025



August 2025

MAG organised Upcycling Hackathon at INTI college



August 2025

MAG at Young Executive Sustainability Summit (YESS) by UNGCMYB



Sept 2025

First flight on locally blended SAF by PETRONAS



Sept 2025

MAG MH2610 all-women powered flight



Oct 2025

MAG Sustainability Office launched internal sustainability S.A.V.E campaign



Dec 2025

MAG hosted CEO Action Network (CAN) DEI working team

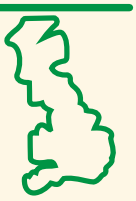
Environment

Achieved **30,036** tonnes of fuel savings through operational efficiency initiatives reducing **103,424 tonnes** of CO_2 emissions



Increased share of ICAO Chapter 14 aircraft to **15.6%** of fleet

Conducted MAG's first operational SAF uplift trial on the Kuala Lumpur–London route





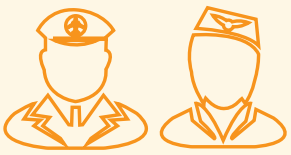
Uplifted **2%** SAF from flight departing UK and Europe aligning with the region's mandate

Social

Customer and operational performance improved, with Customer Satisfaction Index (CSI) reaching **83%**



Of the 1,560 new hires, **51%** were female and **67%** were young talent, strengthening diversity and future readiness



Female representation increased to **36.2%**



Customer Complaints Closure Rate Achieved for All Airlines **99.0%**

Highest in 3 years



Governance

First Malaysian Airline Group to meet ISO37001 Anti-Bribery Management System Standard Certification



Achieved Dual Certification from DSM Malaysia & UKAS

100%

ABMS Training across the Group



2



Certified ABMS Lead Auditors within Group Business Integrity Internal Assurance

ABMC internal audit conducted across all certified Group function

100% Third-party Risk Management

5



Certified Integrity Officers (CeIO) recognised by MACC



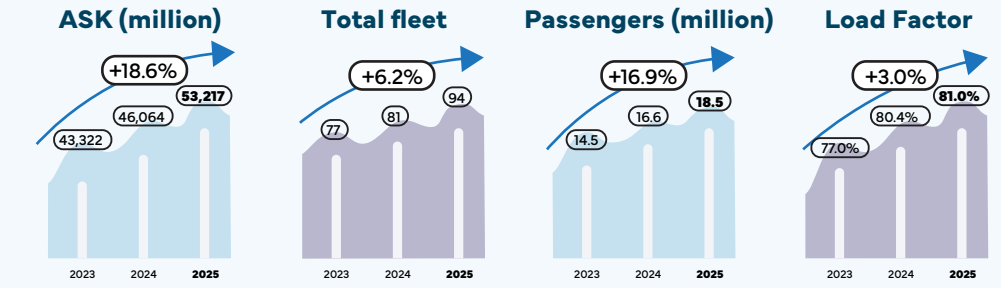
100%

Third-party Risk Management

Group-wide Due-Diligence (KYC) framework for all service providers and contractors

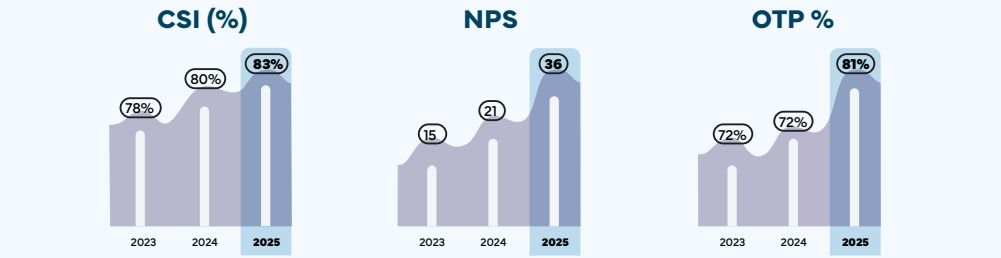
We demonstrate growth and resilience in a demanding environment

Network, Fleet and Passenger Overview



Available Seat Kilometers (ASK) | Fleet Size | Passenger Flown* | Passenger Load Factor

MH's Operational Performance



Customer Satisfaction Index (CSI) | Net Promoter Score (NPS) | On-Time Performance (OTP)

Operational performance improved across key indicators in 2025, with higher capacity deployment, stronger passenger volumes and improved service quality, supported by fleet expansion and network optimisation.

**includes MASwings passenger count*

In 2025, MAG demonstrated continued growth and operational resilience, supported by fleet modernisation and strengthened service delivery. MAG's operational performance reflects a phased recovery from post-pandemic rebuilding to stabilisation, followed by accelerated growth and network expansion in 2025. We carried over 18.5 million passengers reflecting sustained demand across both domestic and international markets. This was supported by an expanded network of 66 destinations from Kuala Lumpur and connectivity to nearly 1,000 destinations globally through alliance and codeshare partnerships.

Metrics	2023	2024	**2025**
Passengers (mil)	14.5	16.6	**18.5**
ASK (mil)	43,322	46,064	**52,217**
Passenger Load Factor (%)	77%	80%	**81%**
Fleet Size	77	81	**94**
Customer Satisfaction (CSI)	78%	80%	**84%**
On-Time Performance (OTP)	72%	72%	**81%**

**includes MASwings passenger count*

**Effective 1 January 2025, AirBorneo will assume full legal and operational responsibility for all services previously operated by MASwings. Data for passenger count in 2025 includes MASwings, but will be excluded from 2026 onwards.*

Operational capacity increased significantly, with Available Seat Kilometres (ASK) rising by 18.6%, driven by the launch and resumption of key international routes including Paris, Brisbane and multiple ASEAN destinations.

Customer and operational performance improved, with Customer Satisfaction Index (CSI) reaching 84%, reflecting stronger service delivery across key touchpoints.

Key Developments

In 2025, MAG made significant progress in strengthening its market position, supported by network expansion, strategic partnerships and continued investments in operational and organisational capabilities. These developments reflect a shift from stabilisation to growth, as the Group builds a more resilient and integrated aviation ecosystem.



Customer and Network Expansion

MAG expanded its global and regional network through the launch and resumption of key routes, including Paris and Brisbane, alongside increased frequencies across Australia and ASEAN markets. The introduction of Firefly jet operations from KLIA further strengthened regional connectivity and supported long-haul feed into Malaysia Airlines' network.

Customer experience enhancements remained a priority, with the introduction of new-generation aircraft such as the A330neo and B737-8, onboard WiFi, and refreshed inflight offerings. Operational improvements were also realised through regaining control of inflight catering and call centre operations, contributing to higher service quality and customer satisfaction across key touchpoints.



Strategic Partnerships and Market Positioning

MAG strengthened its global reach and commercial capabilities through expanded partnerships across airlines, cargo operators and tourism bodies. Key collaborations included codeshare and cargo partnerships with international carriers, as well as joint initiatives with tourism authorities to drive inbound travel and network demand.

The Group also enhanced its brand visibility and customer engagement through high-impact partnerships and campaigns, reinforcing its positioning as a premium carrier in the region and supporting long-term revenue growth.



Digital, Innovation, and Capability Building

MAG continued to invest in digital transformation and operational innovation to improve efficiency and customer experience. Strategic collaborations with global technology partners enabled the adoption of digital platforms and enhanced end-to-end travel solutions.

At the same time, the Group strengthened its internal capabilities through the training provided by the MAB Academy campus, supporting workforce development and technical excellence. Investments in MRO innovation, including the adoption of automation and advanced technologies, further position MAG for long-term operational leadership.

These developments collectively strengthen MAG's ability to deliver consistent service quality, expand its market reach and build a resilient platform for sustainable long-term growth.

Awards and Recognitions
(non-exhaustive)









Sustainability & Industry Awards

Fastest-Growing Airline Brand (2025)

Recognised at the Brand Finance Asia Brand Gala for enhancing brand strength, customer experience, and sustainability.

Sustainable Brand Awards (2022)

Winner of the Sustainable Brand Awards, highlighting efforts in responsible practices.

Asian Experience Awards (2024)

Recognised for delivering superior customer service and experience.

Voyage Awards (China, 2025)

Named 'Airline of the Year' for significant industry influence and sustainable aviation practices.

Pioneer Sustainable Development Action Recognition (2024)

Honoured for pioneering initiatives, including recruiting Orang Asli community members as cabin crew, highlighting diversity and inclusion.

Restructuring Deal of the Year (2022)
Airline Economics' The Aviation 100 Deals of the Year

Onboard-Hospitality Awards (2024)
Airbus 330neo Cabin Concept of the Year

Global Brand Awards (2024)
Best Airline Brand (South Asia) & Best Cabin Crew (Malaysia)

Industry Excellence Awards (2024)
Best Contact Centre Customer Experience - Project Pinnacle

Putra Brand Awards (2025)
Transport, Travel & Tourism Category: MH Platinum, FY Bronze

SKYTRAX Awards (2025)
#27 Top 100 Airlines #8 Best Cabin Crew
#6 Best Airport Services

Condé Nast Traveller Readers' Choice Awards
#9 The Best Airline in the World (2025)
#6 Best Airline Food (2024)

APEX Airline Awards (2025)
Malaysia Airlines recognised as Four Star Airline Award

12th Payload Asia Awards (2025)
MK Overall Carrier of the Year - Asia Pacific

MAG Awards *Click here to know more about our awards*

1.3 About MAG

GRI 2-1, 2-6

Building on a legacy that traces back to 1937 with the founding of Malaysia Airlines, MAG was established in 2016 to guide the nation's aviation ecosystem towards long-term, sustainable growth. Grounded in decades of operational excellence and a strong sense of national identity, MAG continues to evolve alongside Malaysia's development while upholding its role as the national carrier.

Today, MAG operates as a privately owned, Malaysia-headquartered global aviation group with a diversified portfolio spanning three core segments:

AIRLINE BUSINESS

Malaysia Airlines — The national carrier of Malaysia

Carried over	Flying to	Connecting to nearly
15.0mil	66	1,000
passengers in 2025	destinations ex-KUL	destinations

Firefly — A regional airline serving communities across Malaysia and selected destinations

Served **2.3mil** passengers in 2025 from **Penang, Subang,** and **Kota Kinabalu** across Malaysia and selected regional markets

amal* — A leading provider of end-to-end pilgrimage travel solutions

Served **0.4mil** Hajj and Umrah passengers in 2025 from key pilgrimage markets to Jeddah and Madinah

MASwings** — Provides essential rural air services (RAS), connecting underserved and remote communities in East Malaysia, while supporting regional accessibility and socio-economic development

Served **0.82mil**

**AMAL operates under Malaysia Airlines and does not maintain its own fleet*

***Effective 1 January 2026, AirBorneo will assume full legal and operational responsibility for all services previously operated by MASwings. Data for number of passengers carried in 2025 includes MASwings, but will be excluded from 2026 onwards.*



MAG's Airline Business forms the core of its operations, anchored by a diversified portfolio of carriers serving distinct market segments.

Malaysia Airlines, as the national carrier, drives long-haul and premium passenger revenue while providing global connectivity through its network and alliance partnerships. Complementing this, Firefly focuses on regional and short-haul routes, enabling cost-efficient connectivity and supporting domestic and ASEAN travel demand. MASwings plays a critical role in delivering rural air services (RAS), ensuring essential air connectivity to remote and underserved communities in Sabah and Sarawak. Beyond its commercial contribution, this function supports regional development, social inclusion and economic participation. AMAL further strengthens the Group's offering through specialised and culturally appropriate pilgrimage travel services, catering to a distinct customer segment with tailored, end-to-end travel solutions.

Together, these airlines enable a balanced network strategy that combines full-service, regional, and purpose-driven operations, enhancing resilience across market cycles while expanding access to air travel.

AVIATION SERVICES

mabengineering

Provides comprehensive maintenance, repair and overhaul (MRO) services for MAG's fleet and third -party airlines

Backbone to our MRO capabilities through:

13 Aircraft Bays

3 Hangars

at Sepang and Subang

maskargo

Offers scheduled and charter air cargo services, including terminal operations, warehousing and integrated logistics solutions

Operates scheduled and charter cargo services, logistics, and cargo terminal across nearly

100 international destinations

AeroDarat

Delivers ground handling services, including ramp handling, passenger services and airport ground operations

Integrated ground (ramp and cargo) support at

16 airports across Malaysia

mabacademy

A centre of excellence for aviation, hospitality and service training, supporting MAG and external industry players

3,000+

Trainings in aviation, hospitality and professional development in 2025

magculinary

Provides inflight catering and food solutions, supporting airline operations with a focus on quality, safety and efficiency

Currently handling

25,000

inflight meals daily in KUL

LOYALTY & TRAVEL SERVICES

Enrich

MAG's loyalty programme, designed to strengthen customer engagement through a broad partner ecosystem

loyalty programme serving over

4.3 mil

members, with redemption across Malaysia Airlines, Firely, oneworld, and partner airlines

MHholidays

Offers curated flight-and -hotel packages and end -to-end holiday solutions

Provides access to over

350,000

hotels globally, offering seamless flight and hotel travel solutions

Journify

A digital travel and lifestyle platform connecting customers through a seam less ecosystem

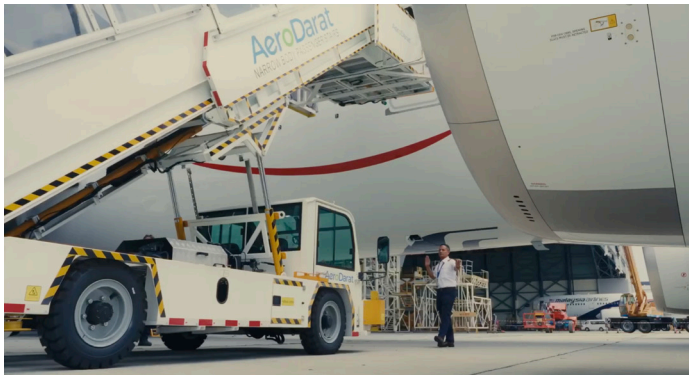
Offering over 75,000

travel products, from tours and attractions to airport services and travel passes, with Enrich rewards earning on the Journifly platfrom

MAG's Aviation Services segment provides the operational backbone that enables safe, efficient and scalable airline operations, while also generating third-party revenue streams.

MAB Engineering delivers maintenance, repair and overhaul (MRO) services, ensuring fleet reliability and extending aircraft lifecycle for both MAG and external customers. MASkargo provides air freight, terminal operations and integrated logistics solutions, capturing value from cargo demand across global supply chains. AeroDarat supports ground handling operations, delivering ramp, passenger and airport services that are critical to operational performance and turnaround efficiency. MAB Academy (MABA) contributes to long-term capability building through aviation and technical training, supporting workforce development across the Group and the broader industry. MAG Culinary Solutions (MAGCS) further enhances service delivery through inflight catering and food solutions, supporting both operational efficiency and customer experience.

Together, these businesses strengthen MAG's operational resilience while diversifying revenue beyond passenger travel, creating a more balanced and integrated aviation ecosystem.



MAG's Loyalty & Travel Services segment extends the Group's value proposition beyond air travel, creating a connected ecosystem that enhances customer engagement and unlocks new revenue streams.

Enrich, the Group's loyalty programme, strengthens customer retention and lifetime value through points-based engagement and a broad partner network across travel, retail and lifestyle offerings.

MHholidays complements this by offering curated travel packages, bundling flights, accommodation and experiences into seamless end-to-end solutions. Journify further expands this ecosystem as a digital travel and lifestyle platform, enabling cross-selling opportunities and connecting customers to a wider range of services within and beyond MAG's core offerings.

Together, these platforms enable MAG to deepen customer relationships, diversify income streams and capture value across the broader travel journey rather than at a single point of sale.

1.4 MAG Culture

At MAG, our culture defines how we think, act, and deliver value across the organisation. Our Culture Principles ensure our behaviours remain aligned with our purpose of becoming Asia's leading travel and aviation services group.

Built around our core mission of driving Customer Excellence, People Excellence and Profitable Growth, these principles translate our vision into everyday actions. They guide how we collaborate, make decisions and serve our customers, while reinforcing a shared commitment to integrity, accountability and continuous improvement.



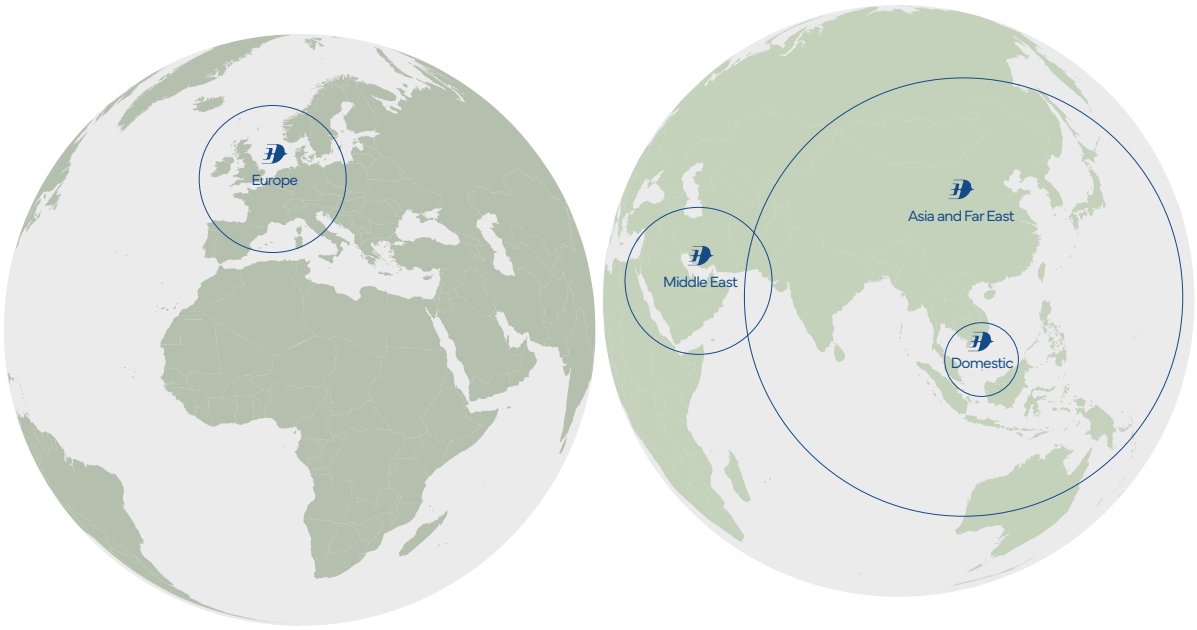
Our Culture Principles: Inspire Trust, Dream Big, and Make Malaysia Proud, are supported by clearly defined habits that encourage ownership, innovation and care. Together, they foster a high-performance culture that empowers our people to think ahead, embrace change and go beyond expectations.

By embedding these principles across the organisation, MAG is strengthening a culture that not only supports operational excellence, but also enables long-term, sustainable growth.

1.5 Network Overview

(As at 31 December 2025)

As of December 2025, MAG's passenger network serves 66 destinations across 170 countries, including Malaysia.



malaysia airlines			MASwings		firefly		amal	maskargo	
ADL	HAN	NRT	BKI	BBN	BTJ	AOR	JED	AMS	BKI
AKL	HKG	PEN	BTU	BKM	SIN	BKI	MED	BKK	KCH
AMD	HKT	PER	KCH	LBP	HKT	JHB	PKU	BOM	LBU
AOR	HYD	PKX	LBU	LGL	BKK	KCH	YIA	BWN	KUL
ATQ	ICN	PNH/KTI	LDU	LKH	XSP	KBR	BPN	CAN	RGN
BKI	JHB	PVG	LMN	LWY	KNO	LGK	UPG	DOH	HAN
BKK	KBR	RGN	MKM	MUR	DMK	MYY	KUL	HKG	TPE
BLR	KCH	SBW	MYY	ODN	CEB	PEN	JHB	MAA	
BOM	KIX	SDK	MZV	TGC	KBV	SDK		MNL	
BTU	KJT	SGN	SBW		SAI	TGG	Hajj Season	MST	
CAN	KNO	SIN	SDK		SBW	TWU	AOR	PER	
CCU	KTM	SUB	TWU			SZB	JHB	PVG	
CGK	KUA	SYD				KUL	KBR	SYD	
CMB	LBU	TGG			Charter Flights		TGG		
CNX	LGK	TPE			NKG		BKI		
COK	LHR	TRV			CKG		KCH		
DAC	MAA	TWU			HAK		PEN		
DAD	MEL	XMN			MFM				
DEL	MLE	CDG			TFU				
DOH	MNL	BNE							
DPS	MYY	KUL							

1.6 Fleet and Passenger Overview

(As at 31 December 2025)

SASB TR-AF-000.A, 000.B, TR-AL-000.A, 000.B, 000.C, 000.D, 000.E, 000.F

As part of our long-term business strategy, our fleet size, destinations served, and flight frequencies have increased each year. Since 2023, we have steadily replaced our aging fleet with newer and more fuel efficient models.

In 2025, we received 9 Boeing 737-8 and 8 A330-900 (A330neo) aircraft, replacing the older and less fuel efficient B737-800 and A330-200 aircraft.

Aircraft type		malaysia airlines	Firefly	MASwings	Average age of fleet (years)
	A350-900	7			7.6
	A330-900	9			0.5
	A330-300	15			13.5
	A330-200	4			17.4
	A330-200F	3			14.1
	B737-8	14			1.1
	B737-800	40	5		13.3
	ATR72-500		9	8	16.1
	DHC6			6	11.9

MAG's average aircraft fleet age is 11.1 years

We have also placed orders for 20 A330neo and 30 Boeing 737-8/737-10 aircraft, targeting a fleet of 40 A330neo widebody and 55 B737-8/10 narrowbody aircraft by 2032.

2 Leadership & Strategy



2.1 Message from the President and Group Chief Executive Officer
2.2 Sustainability at MAG: Building Long-Term Resilience
2.3 Sustainability and the Long-Term Business Plan

2.1 Message from the President and Group Chief Executive Officer



Captain Nasaruddin A. Bakar
President and Group Chief Executive Officer
Malaysia Aviation Group

I am pleased to present the Malaysia Aviation Group (MAG) Sustainability Report 2025 — a reflection of another year of measurable progress as we embed sustainability at the core of our operations, growth, and long-term resilience.

Guided by our purpose of *Shaping a Sustainable Tomorrow*, MAG remains committed to advancing environmental stewardship, social impact, and governance excellence across our business and communities.

Decarbonising aviation remains one of the most critical challenges facing our industry. In 2025, MAG continued to manage its carbon footprint with discipline as flight activity increased in line with network demand. While absolute emissions reflected growth in operational scale, carbon intensity improved against our 2019 baseline, achieving an overall improvement of approximately 50% by 2025. This reflects the cumulative impact of fleet modernisation and ongoing operational efficiency initiatives, reinforcing our commitment to decoupling growth from emissions intensity while maintaining operational resilience.

In 2025, we embarked on the next phase of our fleet modernisation programme under our Long-Term Business Plan (LTBP) 2.0. MAG carried over 18.5 million passengers, reflecting continued growth in demand across our network. As part of this next phase, MAG placed orders for 20 A330neo widebody aircraft and 30 Boeing 737-8/737-10 narrowbody aircraft, marking a significant step in renewing our fleet with next-generation, more fuel-efficient aircraft. By 2032, we aim to operate 40 A330neo and 55 Boeing 737-8/10 aircrafts, progressively replacing ageing aircraft while improving fuel efficiency, operational reliability, and passenger comfort. This builds on our existing fleet of A350-900 aircrafts, introduced in 2017, which continue to support long-haul operations with improved fuel efficiency and lower carbon emissions.

Alongside fleet modernisation, we remain focused on delivering high quality customer experience. In 2025, Malaysia Airlines achieved a Customer Satisfaction Index (CSI) score of 84% exceeding our target of 83%, while Firefly has improved by 5% to 79% CSI. These results underscore the effectiveness of ongoing enhancements under Project Orion initiatives which focuses on elevating cabin comfort, in-flight dining, hospitality of our award-winning cabin crew and KLIA business class passenger's private terminal transfers with EVs, alongside sustainability-driven improvements including the introduction of biodegradable and lower-waste onboard products.

In parallel, MAG continued to advance its Sustainable Aviation Fuel (SAF) journey. Flights departing from the United Kingdom and the European Union were required to uplift 2% SAF under the UK SAF Mandate and the ReFuelEU Aviation regulation. Beyond compliance, we also strengthened strategic partnerships to support the development of a regional SAF ecosystem. Our pilot partnership with PETRONAS enabled the delivery of Malaysia's first locally blended SAF for scheduled Malaysia Airlines flights, an important milestone in strengthening Malaysia's domestic SAF supply chain and supporting long-term climate action.

We have also taken an important step in preparing for the compliance of the International Civil Aviation Organisation (ICAO) Carbon Offseting and Reduction Scheme for International Aviation (CORSIA) regulation. MAG successfully completed the pilot purchase of CORSIA Eligible Emissions Units (EEUs) through the IATA procurement event hosted on Aviation Carbon Exchange (ACE) platform, reinforcing our readiness to meet offsetting obligations.

Beyond our flight operations, we continue to improve the environmental performance of our ground facilities. Through targeted energy efficiency initiatives and chilled water optimisation programmes, MAG achieved a Building Energy Intensity of 208 kWh/m²/year, representing a 6.7% reduction compared to 2024.

This growth reflects a more structured approach to circularity while supporting community participation and livelihoods.

In 2025, we moved beyond isolated substitutions to a more structured approach to single-use plastics reduction. This included the full rollout of plastic-free pyjama packaging across all routes, the removal of plastic wrapping from Business Class amenity kits, and the scaling of alternative materials such as paper-based tray mats and bioplastic components. Complementing these efforts, our Scrap2Fab upcycling initiative, delivered in partnership with *Jabatan Penjara Malaysia* (Malaysian Prison Department) and the *Komuniti Tukang Jahit*, Malaysia-based social enterprise that focuses on empowering women through sewing skills and income opportunities has expanded its product range from two to eight items. This growth reflects a more structured approach to circularity while supporting community participation and livelihoods. Together, these initiatives mark a shift toward consistent and measurable waste reduction across our network. MAG also strengthened diversity, equity, and inclusion, with women now representing 36% of our workforce, a 1% increase from 2024. Female representation across technical roles continues to grow, with aircraft engineers at 8.9%, technicians at 9.2%, and pilots at 4.5%. We welcomed four additional cabin crew from the indigenous community (Orang Asli), one cadet pilot, and two executives under the Leadership Executives Accelerated Programme (LEAP). The all-female flight on MH2610 Kuala Lumpur–Kota Kinabalu further highlighted the increasing representation of women across both operational and leadership roles.



Our social impact extended through the School Adoption Programme, including SMK Dato' Syed Omar in Alor Setar and SK Taman Pantai Sepang Putra, where MAG hosted career and motivational talks for over 100 STEM students, supporting inclusive education. In line with our commitment to strengthening digital access in education, MAG also contributed 30 desktop units to SK Taman Pantai Sepang Putra. This one-off contribution addressed critical gaps in the school's ICT infrastructure, enabling both students and teachers to benefit from improved digital learning capabilities. The initiative reflects MAG's support for national education priorities and our continued effort to create meaningful, long-term impact within our adopted school communities. We also collaborated with MAKE-A-WISH Malaysia to fulfil the dream of the dreams of children facing critical illnesses, bringing hope and joy to them and their families, reflecting our commitment to good health and wellbeing.

Through our governance pillar, we strengthened responsible business practices and supply chain accountability. Building on our Sustainable Procurement Blueprint, we advanced ESG integration through supplier capacity-building initiatives, focusing on awareness, compliance with our Supplier Code of Conduct, and alignment with sustainability requirements, while beginning alignment with IATA's Integrated Sustainability Program.

These efforts reflect a broader commitment to building resilience while creating long-term value for our stakeholders. Looking ahead, we will continue to innovate responsibly and collaborate to advance sustainable aviation. In recognition of our progress, MAG was named a 3-Star Lister in the ESG Select List 2025 by the UN Global Compact Network Malaysia & Brunei (UNGCMYB), underscoring our advancement in ESG practices, partnerships, and decarbonisation.

I extend my sincere appreciation to our employees, partners, and stakeholders whose commitment continues to drive our journey towards a more resilient, inclusive, and sustainable future for aviation.

2.2 Sustainability at MAG: Building Long-Term Resilience

GRI 2-22, 2-23; GRI 3-3

Sustainability is increasingly interconnected with the long-term success of the aviation industry. As global air travel continues to recover and grow, airlines are expected to respond to evolving stakeholder expectations, changing regulations, climate-related risks, resource constraints and shifting customer preferences.

For MAG, sustainability is therefore not seen as a standalone agenda, but as an important component of building a resilient, competitive, and future-ready aviation group.

We recognise that responsible growth in aviation requires balancing commercial performance with environmental stewardship, social responsibility and sound governance. This includes improving operational efficiency, modernising the fleet, enhancing customer experience, strengthening workforce capability, maintaining strong governance standards and preparing for the sector's long-term decarbonisation pathway.

MAG believes that sustainability and commercial success are mutually reinforcing. More efficient aircraft and operations can support cost discipline and lower emissions intensity. Strong governance and risk management can strengthen resilience and stakeholder confidence. Investment in people and service excellence can improve customer trust and organisational performance. Responsible engagement across the value chain can also help strengthen long-term business continuity. By integrating sustainability considerations into decision-making, the Group seeks to create lasting value for shareholders, customers, employees, business partners, communities and the wider economy.

Strategic Context

In 2025, MAG continued to strengthen the link between sustainability priorities and business transformation initiatives. Fleet renewal remained a key strategic lever, with the induction of newer generation aircraft expected to improve fuel efficiency, customer comfort and operational reliability over time. The Group also advanced digitalisation initiatives to improve service delivery, streamline processes and enhance productivity across selected operations.

At the same time, MAG continued to respond to the evolving external landscape, including emerging SAF requirements in certain markets, increasing climate disclosure expectations and growing stakeholder focus on responsible business practices. These developments reinforce the importance of embedding sustainability considerations within long-term planning, capital allocation and risk management.



Our Sustainability Framework

MAG's sustainability framework provides a structured approach for managing material sustainability matters across the Group. It is designed to align sustainability priorities with the Group's strategic direction while supporting transparent reporting and continuous improvement.

At its core, the framework is anchored on MAG's decarbonisation pathway, supported by four key operational levers:

Operational Improvement

Optimising fuel consumption and improving operational practices across flight and ground operations

Fleet Technology

Transitioning towards newer generation, fuel-efficient aircraft to reduce emissions intensity

Sustainable Aviation Fuel (SAF)

Advancing the adoption of lower-carbon fuels through partnerships and operational readiness

Carbon Removal and Offsetting

Supporting compliance with international carbon frameworks and market-based measures

These focus areas are complemented by broader sustainability priorities that address the Group's operational footprint and stakeholder expectations. This includes waste management and circular economy initiatives, employee health and safety, and responsible business practices across the value chain.

The framework is supported by established governance structures and cross-functional collaboration across business units, ensuring that sustainability considerations are embedded into day-to-day operations. MAG continues to strengthen data management, governance processes and performance tracking, while progressively enhancing disclosures with reference to IFRS S1 and IFRS S2 requirements.

Through this structured approach, MAG aims to drive consistent implementation across the organisation while supporting measurable progress towards its long-term sustainability ambitions.

MAG SUSTAINABLE TOMORROW

Sustainability Mission

Promote socio-economic development and preserve the environment through our commitment to achieve net-zero carbon emissions by 2050

Pillars

Environment - *Better Planet*
- Climate Change and Energy
- Fuel Effiency
- Sustainable Aviation Fuel (SAF)
- Waste Management
- Environmental Compliance
- Aircraft Noise

Social - *Empowering Communities*
- Occupational Safety and Health
- Employee Engagement and Development
- Customer Experience
- Community Investment

Governance - *Building Trust*
- Corporate Governance
- Risk Management and Compliance
- Data Privacy and Cybersecurity
- Supply Chain Management

Enablers

Sustainability Policy

Sustainability Procurement Blueprint

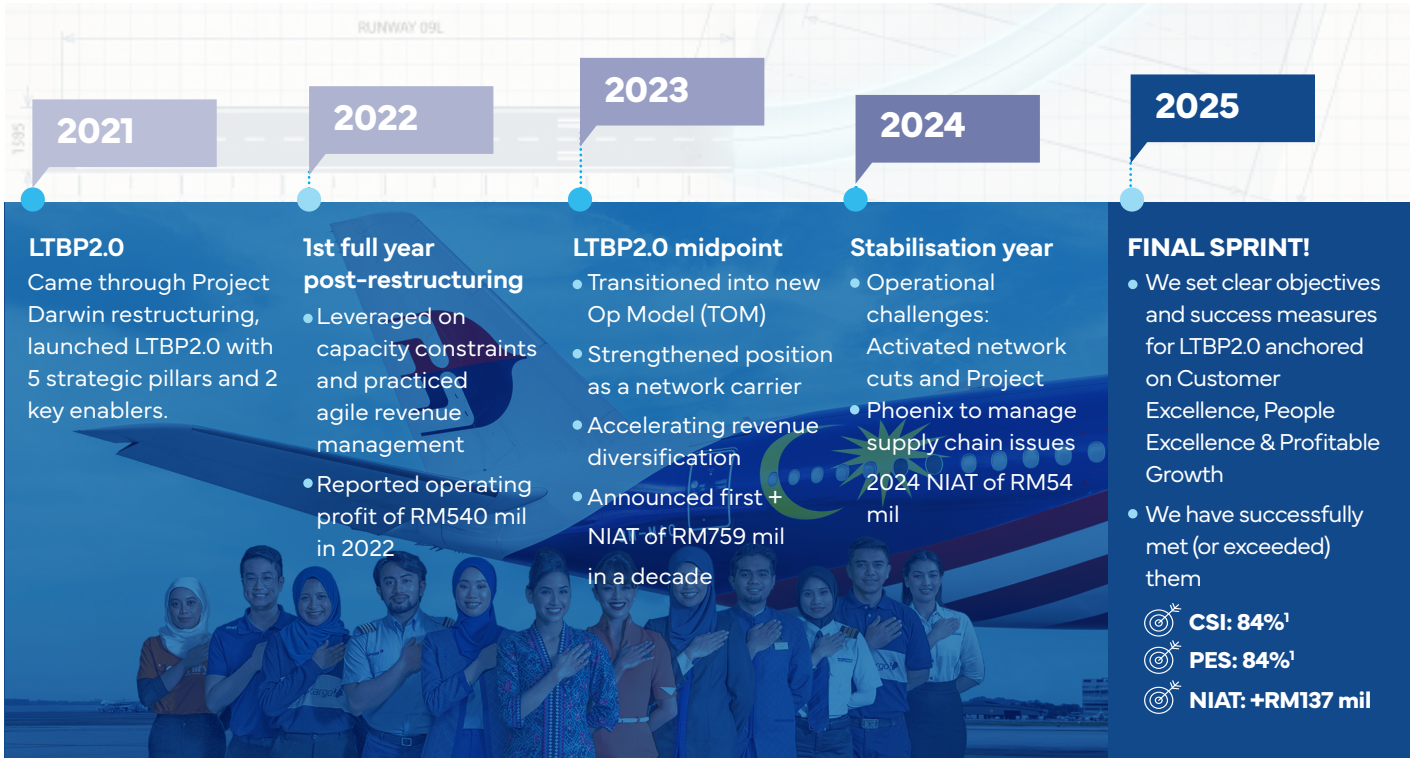
In 2025, the Group continued to strengthen the implementation of its framework by progressing from baseline assessments towards more operationalised initiatives. This includes the expansion of inflight waste segregation programmes, the enhancement of ground waste management practices, and the scaling of upcycling initiatives to extend material lifecycles and reducing landfill dependency.

2.3 Sustainability and the Long-Term Business Plan

GRI 2-23, 2-24; GRI 3-3

MAG's sustainability agenda is closely integrated with our Long-Term Business Plan (LTBP), ensuring that environmental and social considerations are embedded into strategic planning, capital allocation and operational decision-making.

Under LTBP 2.0, we prioritised rebuilding operational strength while laying the groundwork for decarbonisation through initiatives such as fleet renewal, fuel efficiency programmes and early-stage SAF development. These efforts have delivered measurable improvements in fuel savings and emissions reduction, while positioning the Group for a more structured transition pathway.



Fleet modernisation remains a key pillar of this approach. The induction of newer-generation aircraft, such as the Boeing 737-8 and Airbus A330neo, contributes to improved fuel efficiency, lower emissions intensity and enhanced operational performance, while supporting the replacement of older, less fuel-efficient aircraft. At the same time, forward fleet planning continues to prioritise a younger, more efficient fleet to support sustainable growth over the long term.

Operational efficiency continues to be a critical lever, with initiatives across flight operations and ground support aimed at reducing fuel consumption and optimising resource use. In 2025, the Group achieved estimated fuel savings of over 30,000 tonnes, translating into significant emissions avoidance and cost efficiencies.

At the same time, MAG is advancing its SAF strategy from exploration to implementation. SAF uplift trials, compliance with emerging international mandates, and ecosystem development efforts with industry partners reflect a shift towards operational readiness and long-term supply development.

These initiatives reflect a practical and phased approach to integrating sustainability into the Group's business strategy, focusing on initiatives that deliver both environmental benefits and operational value. By aligning sustainability with its LTBP, MAG is strengthening its ability to manage transition risks, improve efficiency, and position the Group for resilient, long-term growth in an evolving aviation landscape.

As we transition to the next phase of our long-term strategy, we are currently developing LTBP 3.0 as our blueprint for 2026-2030. The blueprint will be based on two key principles: operating as a financially sustainable entity by ensuring financial viability and delivering strong shareholder returns; and playing a catalytic role in national development.

3 Governance & Risk



3.1 Corporate Governance
3.2 Sustainability Governance Structure
3.3 Board and Management Oversight
3.4 ESG Integration into Enterprise Risk Management
3.5 Climate Risk Governance and Enterprise Resilience
3.6 Ethics, Compliance and Integrity
3.7 Data Governance and Digital Responsibility

Focus Area	Why It Matters	Key Metrics and Indicators
Corporate Governance	Ensures effective oversight, accountability and alignment between strategy, risk and performance across the Group	Board oversight structure, committee governance, ESG integration into KPIs
Sustainability Governance	Embeds ESG considerations into decision-making and operational execution across all levels of the organisation	Governance structure (Board, GEXCO, SSC, GSO), ESG KPIs integration
Enterprise Risk Management (ERM)	Enables systematic identification, assessment and mitigation of risks, including climate-related risks, to support resilience and long-term value creation	Number of risk entries (566), risk categorisation (% high/medium/low), risk governance framework alignment
Climate-Related Risk Management	Strengthens preparedness for transition, physical and liability risks arising from climate change and regulatory developments	Climate risk exposure (% liability/transition/physical), integration into ERM, progressive alignment with IFRS S2
Ethics, Compliance and Integrity	Upholds ethical conduct, regulatory compliance and stakeholder trust across operations and value chain	ABAC training (100%), corruption incidents (1) whistleblowing cases (110 reported; 106 closed)
Human Rights and Responsible Conduct	Ensures protection of human rights and responsible practices across workforce and supply chain	Zero human trafficking cases, wildlife trafficking incidents (6), training and awareness initiatives
Safety and Operational Integrity	Safeguards passengers, employees and assets through robust safety governance and compliance with aviation standards	Aircraft incidents (1), IOSA compliance, zero safety related sanctions
Cybersecurity and Data Governance	Protects critical systems, sensitive data and digital operations while enabling secure digital transformation	Cybersecurity training (>85% completion), phishing failure rate (<10%), PDPA compliance, IRM integration

2025 Highlights

First Malaysian Airline Group to meet ISO37001 Anti-Bribery Management System Standard Certification

Achieved Dual Certification from DSM Malaysia & UKAS

100%

ABMS Training across the Group

2

Certified ABMS Lead Auditors within Group Business Integrity Internal Assurance

ABMC internal audit conducted across all certified Group function

100% Third-party Risk Management

5

Certified Integrity Officers (CeIO) recognised by MACC

100%

Third-party Risk Management

Group-wide Due-Diligence (KYC) framework for all service providers and contractors

Corporate governance forms the foundation of MAG's strategic and operational discipline. The Group maintains a robust governance framework aligned with the Malaysian Code on Corporate Governance (MCCG) and guided by international best practices.

This framework ensures effective oversight, accountability and transparency across all levels of the organisation, while supporting sound decision-making, regulatory compliance and high standards of ethical conduct. It also enables the Group to proactively manage risks, capture opportunities and sustain long-term value creation in an increasingly complex operating environment.

3.1 Corporate Governance

GRI 2-9, 2-10, 2-12, 2-13, 2-17, 3-3

MAG's Board of Directors (the Board) is committed to upholding strong corporate governance as a foundation for sustainable value creation and long-term performance.

The Board provides strategic oversight of the Group's direction by reviewing its vision, mission, core values and key operational priorities, while ensuring alignment between the corporate plan and both financial and non-financial key performance indicators (KPIs).

The Board also oversees the effectiveness of the Group's risk management and internal control systems, ensuring that material risks, including sustainability-related risks, are appropriately identified, assessed and managed within the Group's Enterprise Risk Management (ERM) framework.

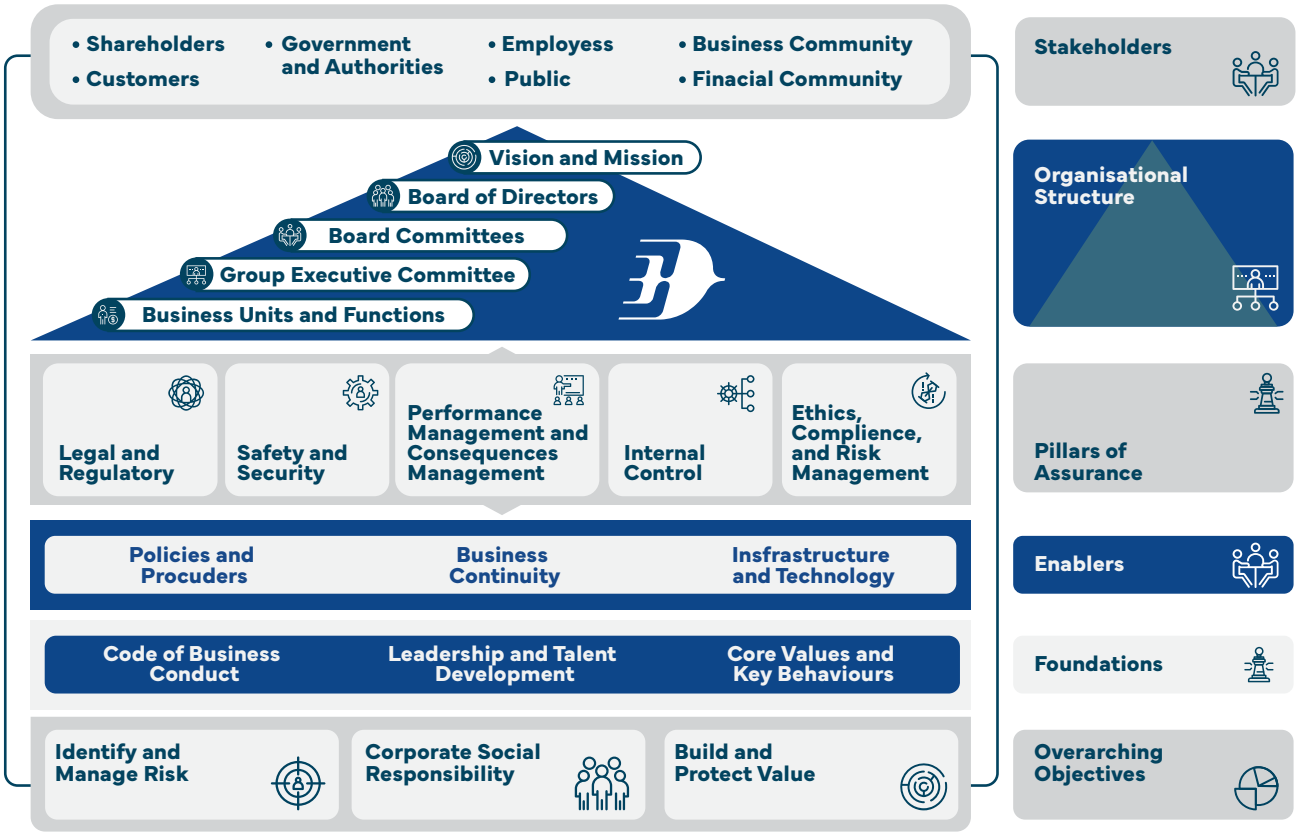
Ethical leadership remains central to the Board's role. It establishes and upholds high standards of integrity through clear codes of conduct, governance policies and expected behaviours, while ensuring that the Board remains diverse, effective and well-equipped to discharge its responsibilities. The Board is also responsible for the appointment, evaluation and development of senior management, as well as succession planning to ensure leadership continuity and organisational resilience.

To support effective governance, the Board is assisted by key committees, including the Audit Committee, Nomination and Remuneration Committee, and Sustainability Steering Committee, each providing focused oversight across critical areas of the Group's operations.

The Board meets regularly and is supported by timely access to comprehensive information and independent professional advice, enabling informed and forward-looking decision-making.

In line with MAG's sustainability ambitions, the Board provides oversight of ESG priorities, including climate-related risks and opportunities, ensuring that these considerations are embedded into strategic planning and operational decision-making. Through transparent communication with shareholders and stakeholders, the Board reinforces trust and confidence in MAG's governance framework.

Business Ethics and Regulatory Complience Overview with Key Functions



3.2 Sustainability Governance Structure

GRI 2-9, 2-10, 2-12, 2-13, 2-17, 3-3

MAG has established a structured, Board-led sustainability governance framework that embeds ESG considerations across the Group's operations.

Sustainability Governance Structure and Roles



Note: The orange text represents the reporting frequency for the entity (or entities) directly beneath it

MAG's sustainability governance model is designed to ensure that oversight, decision-making and implementation are clearly aligned across the Group. Accountability begins at the Board level, which retains ultimate responsibility for sustainability-related priorities and ensures that these matters are considered alongside overall business strategy, performance and risk management.

Supporting the Board is a central management governance layer comprising the Group Executive Committee (GEXCO) and the Sustainability Strategic Committee (SSC). Together, these bodies provide leadership direction, evaluate progress, review emerging matters and help translate strategic priorities into coordinated actions across the organisation.

Execution is led through the Group Sustainability Office (GSO), which serves as the Group's central coordinating function for sustainability matters. Working with representatives from business units and corporate functions, the GSO helps drive implementation, monitor progress and facilitate alignment of initiatives across the Group.

This structure enables a clear reporting flow from operational teams to management committees and ultimately to the Board, ensuring that sustainability priorities are embedded across governance levels while allowing issues, opportunities and performance updates to be escalated in a timely and structured manner.

The framework is further reinforced through MAG's performance management processes, where selected sustainability key performance indicators are incorporated into scorecards and cascaded across relevant functions to strengthen ownership and accountability.

3.3 Board and Management Oversight

GRI 2-12, 2-13, 2-16, 2-17, 3-3

The Board provides active oversight of MAG's strategy, performance and risk management, including sustainability-related priorities.

It is responsible for reviewing and approving the Group's strategic plans, including the Annual Strategic Review (ASR) and Annual Business Plan (ABP), ensuring alignment with both financial and non-financial objectives. This includes oversight of ESG KPIs, sustainability targets and resource allocation to support long-term value creation.

The Board also oversees the effectiveness of the Group's risk management and internal control systems, ensuring that material risks — including climate-related and other sustainability risks — are appropriately identified, assessed and managed within the Enterprise Risk Management framework.

Board committees, including the Audit Committee, Nomination and Remuneration Committee, and Sustainability Steering Committee, provide focused oversight in their respective areas, supporting more effective governance and decision-making.

At the management level, GEXCO reviews sustainability performance, monitors key initiatives and ensures that material ESG matters are escalated to the Board where appropriate. The SSC provides additional oversight of ESG priorities, risk developments and implementation progress across the Group. The Board meets regularly and is supported by timely access to information and independent professional advice. During the year, the Board continued to strengthen its oversight capabilities through targeted sustainability-related training, including areas such as SAF and emerging ESG risks.

3.4 ESG Integration into Enterprise Risk Management

GRI 22-12, 2-25, 2-26, 3-3

MAG embeds sustainability-related risk management within its broader Enterprise Risk Management (ERM) framework, ensuring that ESG considerations are fully integrated into strategic planning and operational decision-making.

This approach is aligned with MAG's ongoing transition towards IFRS S2 Climate-related Disclosures, where climate and sustainability-related risks are progressively integrated alongside other enterprise risks within a unified governance and risk management system.

Managing risk is central to MAG's corporate governance philosophy. The Group Risk Management System provides a structured, enterprise-wide approach to identifying, assessing, monitoring and reporting risks across all business units. This framework enhances risk awareness, strengthens compliance and supports informed decision-making at all levels of the organisation.

MAG's Risk Management Governance Framework is aligned with:

- ISO 31000:2018 and COSO ERM Integrated Framework
- ISO 37001:2016 ABMS
- Task Force on Climate-related Financial Disclosures (TCFD)
- Malaysian Code on Corporate Governance (MCCG)
- Bursa Listing Requirements (LR) Chapter 15.26
- Bursa Guidelines on Statement on Risk Management and Internal Control (SORMIC)

This ensures that sustainability risks, including climate-related risks, are managed with the same level of rigour as financial and operational risks.

To support implementation, independent risk management functions are established across key subsidiaries, with designated risk owners responsible for managing and reporting risks within their respective functions. This structure ensures clear accountability, effective oversight and consistent risk management practices across the Group.

Governance and Oversight

The Board of Directors retains ultimate accountability for MAG's risk management and internal control systems, including sustainability-related risks. The Board is supported by the Board Audit Committee (BAC), which provides oversight of the ERM framework and ensures that appropriate risk mitigation strategies are in place.

The BAC also oversees the management of sustainability and climate-related risks, ensuring alignment with the Group's strategic objectives and regulatory expectations. Risk insights and strategic direction are cascaded throughout the organisation via the ERM function and Business Continuity Management (BCM) processes, ensuring a coordinated and enterprise-wide response.

Sustainability-related risks and opportunities are identified through an annually reviewed materiality assessment and prioritised based on their severity and likelihood, with consideration given to potential impacts on regulatory compliance, operational continuity and financial performance. This integrated process ensures alignment with IFRS S2 requirements, where climate-related risks are embedded within overall risk governance and disclosure practices.

Risk Management Structure

MAG's BOD is tasked with managing the Group's risk and internal control systems. They set policies on internal control and seek assurance that the systems are functioning correctly. The Board also emsures that ongoing threat detection efforts continue to be a core part of MAG's corporate culture and that our internal control system manages risks, including those related to business sustainability:

BOARD OF DIRECTORS (BOD)

AUDIT RISK BOARD COMMITTEE (ARBC)

Key BAC responsibilities are to oversee, guide, and direct the Group's risk management functions and processes, including, but not limited to, strategies for managing fraud and sustainability risks.

ENTERPRISE RISK MANAGEMENT (ERM)

BUSINESS CONTINUITY MANAGEMENT (BCM)

The ERM and BCM:

- Integrates risk management processes into MAG's business activities and processes to ensure the sustainability of the risk management framework
- Facilitates the integration of sustainability into business strategy and risk management.
- Recommends the Group's risk management policies, strategies, and risk tolerance levels, including business sustainability risks.

RISK OWNERS
(Company, Division, Department, Business Unit, Project, Process, etc.)

Risk owners identify and monitor key risks, including fraud and business sustainability risks that they face and that could impact their ability to achieve given objectives. They also create action plans to eliminate or reduce potential exposures to a minimum level while maintaining adequate internal controls.

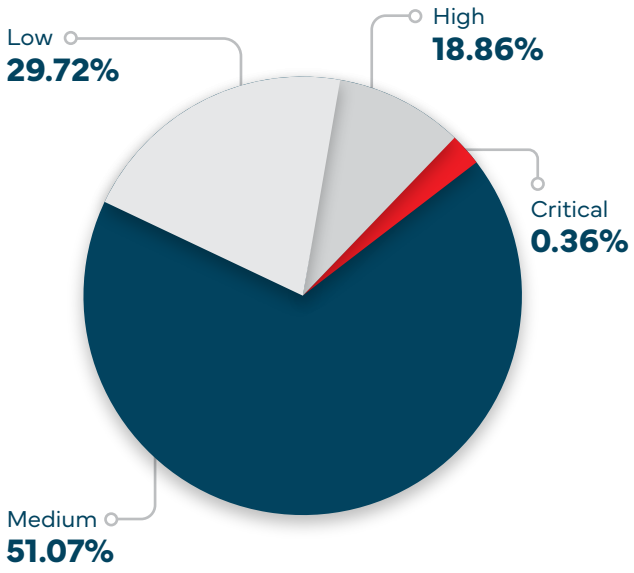
3.5 Climate Risk Governance and Enterprise Resilience

GRI 2-12, 2-22, 3-3

Risk Identification and Risk Registry Integration

MAG adopts a bottom-up and top-down approach to risk identification, supported by a comprehensive risk registry. In 2025, the Group recorded 566 sustainability-related risk entries, reflecting the breadth and depth of our ESG and climate risk exposure. These are systematically assessed and managed under our ERM framework. Of these, 19.22% are high or critical risks and receive close oversight at Board level, while 51.07% are medium risks managed through operational controls and mitigation plans. The remaining 29.72% are low-risk exposures, monitored through routine processes.

2025 Sustainability Risk Profile



Once identified, risks are continuously monitored for changing risk conditions to enable timely intervention. This monitoring approach ensures that risk management remains responsive to evolving internal and external developments, including regulatory changes, market shifts and climate-related disruptions.

Risk Tier	% of Total Risk	Governance Approach
High / Critical	19.22%	• Focused on regulatory evolution and ethical governance • Subject to quarterly Board oversight
Medium	51.07%	• Managed through structure mitigation plans and embedded operational controls
Low	29.72%	• Monitored through routine prodcesses

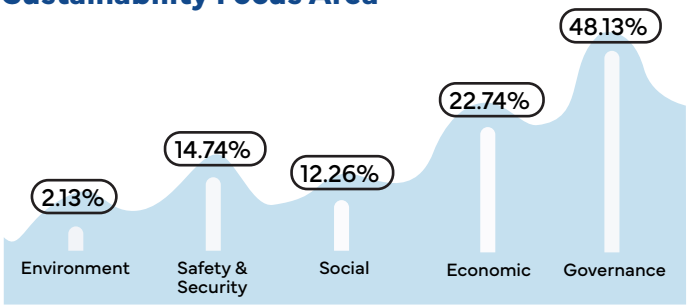
The risk registry functions as a central and authoritative repository, forming a critical input into the Group's overall governance and decision-making processes. It directly informs strategic decision-making and business planning by ensuring that key risks are embedded into the Annual Strategic Review (ASR) and business plans across all levels of the organisation. In parallel, it supports the development of targeted mitigation strategies and internal controls, enabling business units to proactively manage exposures within defined risk tolerance levels.

The risk registry also guides the allocation of resources and prioritisation of risk responses, ensuring that capital, capabilities and management attention are directed towards the most material risks. This risk-informed approach enhances organisational resilience, strengthens accountability and ensures that MAG's sustainability and climate risk considerations are effectively integrated into our long-term value creation strategy.

Material Sustainability Risk Management

MAG adopts a risk-led approach to sustainability, where risk identification and management are fully embedded within our ERM framework and aligned to our ESG priorities. Sustainability risks are systematically captured through the Group's risk registers and analysed across key focus areas: Governance, Economic, Social & Environmental, and Safety & Security, ensuring a structured and enterprise-wide view of exposures.

Sustainability Focus Area



Focus Area 1	Risk Exposure	Key Risk Drivers
Governance	**48.13%**	• **Ethics and anti-corruption** • **Strong internal controls** • **Regulatory compliance**

Management Approach

We prioritise a strong governance framework, underpinned by robust internal controls, enhanced oversight, and the systematic integration of ESG considerations across operations. This approach is aimed at strengthening organisational accountability, ensuring regulatory compliance, and safeguarding long-term value. In line with MAG's zero-tolerance stance on bribery and corruption, the Group is focused on continuously enhancing our integrity framework. Key priorities include strengthening vendor due diligence processes, reinforcing internal controls, and promoting greater awareness and accessibility of whistleblowing channels. These measures are designed to uphold ethical conduct across the value chain and ensure transparency in all business activities.

Focus Area 2	Risk Exposure	Key Risk Drivers
Economic	**22.74%**	• **Improve efficiency and cost management** • **Strengthen business continuity** • **Ensure sustainability efforts are commercially viable**

Management Approach

Underscores the importance of maintaining financial resilience amid evolving ESG expectations. In 2026, the Group will prioritise strengthening business continuity, enhancing resource efficiency across operations, and ensuring the commercial viability of its sustainability transition-supporting long-term stability and sustainable value creation.

Focus Area 3	Risk Exposure	Key Risk Drivers
Safety & Security	**14.74%**	• **Strengthen safety systems** • **Improve cybersecurity and operational readiness** • **Manage risks from climate disruptions**

Management Approach

Remain fundamental to operational integrity. In response to increasing climate-related disruptions, the Group continues to strengthen safety management systems, integrate physical and cybersecurity controls, and enhance operational readiness to safeguard passengers, employees and critical aviation assets.

Focus Area 4	Risk Exposure	Key Risk Drivers
Social & Environmental	**14.39%**	• **Workforce readiness and skills** • **Diversity and Equal Opportunity** • **Talent retention** • **Environmental management and climate goals**

Management Approach

MAG's sustainability risk exposure, reflects the importance of building a resilient and future-ready organisation. For 2026, the Group will focus on advancing talent sustainability, strengthening workforce capabilities and enhancing environmental management practices in alignment with its long-term climate ambitions.

Focus Area 4	Risk Exposure	Key Risk Drivers
Supply Chain (Cross-cutting)	**Embedded across categories**	• **Improve supplier ESG compliance** • **Strengthen screening and oversight** • **Build climate-resilient supply chains**

Management Approach

In view of the aviation industry's complex and interdependent ecosystem, supply chain risks remain closely linked to governance, transition and economic exposures. As part of its 2026 priorities, MAG will strengthen supplier ESG compliance, enhance screening and due diligence processes, and build greater climate resilience across its supply chain to support responsible and sustainable procurement practices.

Climate-related risks are further categorised into physical, transition and liability risks, enabling targeted management actions aligned with the Group's climate strategy.

Regulatory Compliance

MAG operates in a sector facing rapidly evolving climate-related regulation, where non-compliance can create direct financial exposure, operational disruption and reputational risk. As international aviation decarbonisation frameworks mature, climate regulation is increasingly shifting from voluntary commitments toward mandatory compliance obligations. This creates a material transition risk for MAG, particularly on international routes serving Europe and the United Kingdom.

MAG is subject to multiple regulatory frameworks including the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the European Union Emissions Trading System (EU ETS), the United Kingdom Emissions Trading Scheme (UK ETS), and ReFuelEU Aviation.

Regulation/ Scheme	Scope & Definition
CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation)	Global ICAO scheme requiring CO, emissions monitoring, reporting, and verification for international flights. Airlines must offset emissions above 85% of the 2019 baseline.
EU ETS (European Union Emissions Trading System - Aviation)	Cap-and-trade system applying to flights within the European Economic Area (EEA). Includes non-CO, emissions reporting from 2025.
Non-CO2 Aviation Effects Reporting (EU ETS Extension)	Mandatory monitoring, reporting and verification of atmospheric effects (e.g., contrails, NOx, Water vapour) for operators in EU ETS
UK ETS (United Kingdom Emissions Trading Scheme)	ETS covering flights departing from or arriving in the UK
ReFuelEU Aviation	EU regulation mandating progressive use of Sustainable Aviation Fuel (SAF) at EU airports and anti-tankering policy

These schemes impose requirements for emissions monitoring, reporting and verification (MRV), carbon allowance procurement, eligible offsetting, and SAF uptake on relevant routes.

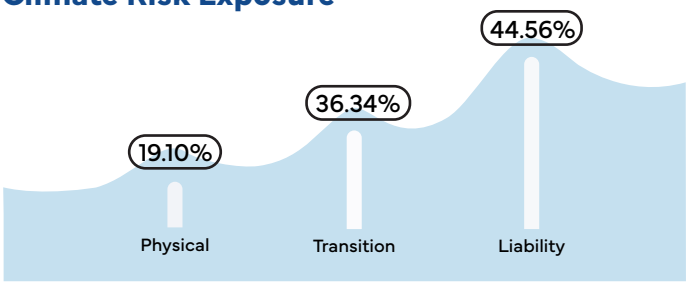
Climate Risk Exposure Evaluation

The Group's assessed climate exposure remained weighted toward liability and transition risks, driven by tightening international aviation regulation, evolving stakeholder expectations, carbon pricing mechanisms and SAF mandates. Physical risks remain relevant and are expected to increase over time as climate impacts intensify.

Based on the Group's 2025 climate risk assessment, the most significant near-term exposures relate to liability risks (44.56%) and transition risks (36.34%), reflecting tightening regulatory requirements, carbon pricing mechanisms, disclosure expectations and the cost of decarbonisation measures such as fleet renewal and SAF. Physical risks (19.10%) remain relevant and are expected to become more material over time as climate impacts intensify.

MAG manages these risks through an integrated approach aligned with enterprise risk management processes, operational resilience planning, governance controls and long-term decarbonisation strategy.

Climate Risk Exposure



Risk Category	Exposure/ Time Frame	Key Risk Drivers	Implications for MAG	Mitigation Strategy
Liability Risks	**44.56%** 	• Evolving climate regulations and carbon pricing mechanisms • Mandatory disclosures (TCFD, ISSB) and MRV requirements • Increased scrutiny on ESG reporting and greenwashing	• Heightened compliance obligations and reporting complexity • Potential legal and reputational risks from noncompliance • Increased demand for transparency and data integrity	• Strengthening governance frameworks and internal controls • Enhancing ESG data management, auditability and disclosures • Ensuring regulatory alignment and compliance readiness
Transition Risks	**36.34%** 	• Decarbonisation pressures (SAF adoption, fleet modernisation) • Shifting investor and customer expectations • Policy changes and carbon-related costs • Supply chain ESG compliance requirements	• Increased cost structures and capital investment requirements • Pressure on profitability and competitivene ss • Exposure to supply chain disruptions and non-compliance	• Aligning sustainability strategy with commercial viability • Strengthening sustainable procurement and supplier screening • Driving operational efficiency and low-carbon initiatives
Physical Risks	**19.10%** 	• Extreme weather events and climate variability • Long-term environmental changes impacting infrastructure • Operational disruptions across flight and ground activities	• Flight delays, cancellations and operational inefficiencies • Increased maintenance and infrastructure resilience costs • Safety and service reliability implications	• Enhancing safety management systems and operational resilience • Integrating climate considerations into operational planning • Strengthening business continuity and risk

Legend	Time Horizon	Main Risk Themes
	Short Term	Regulatory compliance, disclosure readiness, immediate carbon cost exposure
	Medium Term	SAF affordability and availability, fleet transition, customer expectations
	Long Term	Physical climate impacts, infrastructure resilience, structural market shifts

Climate Risk and Opportunities

More information on Chapter 4.4 Climate Risk and Opportunities is available on pg 42.

MAG's climate risk profile demonstrates that the most immediate pressures are linked to policy and compliance rather than direct physical damage. This is consistent with global aviation trends, where decarbonisation policy is moving faster than technology deployment.

Accordingly, MAG's near to medium-term resilience will depend on disciplined regulatory compliance, cost-effective transition planning, fleet renewal and SAF readiness, while continuing to strengthen long-term preparedness for physical climate impacts.

3.6 Ethics, Compliance and Integrity

GRI 2-23, 2-24, 2-25, 2-26, 205-2, 205-3, 406-1

MAG upholds strong business ethics and regulatory compliance as a cornerstone of its responsible growth strategy. The Group is committed to maintaining high standards of integrity by adhering to applicable laws and regulatory requirements within the aviation industry, while continuously strengthening its governance frameworks, compliance processes and internal controls through the adoption of technology and evolving best practices.

The Group adopts a zero-tolerance approach towards bribery, corruption and misconduct, supported by structured policies, robust internal controls and continuous oversight mechanisms applied across all business units and operational functions.

Code of Conduct and Ethical Framework

GRI 2-23, 2-24

Ethical conduct across MAG is guided by the Code of Conduct and Business Ethics, which establishes clear expectations for integrity, professionalism and accountability across all employees and business units. This framework is supported by a suite of Group-wide policies governing business conduct, corporate approvals and regulatory compliance.

The Code is reinforced through structured communication, periodic reviews and integration into employee onboarding and day-to-day decision-making processes, ensuring consistent application across the Group's operations.

Performance data and KPIs related to this section are available in the Performance Data chapter of this report on pages 107 to 108.

Anti-Bribery and Corruption

GRI 205-2, 205-3, 2-26

Metrics	2023	2024	**2025**
Employees with ABAC training	100%	100%	**100%**
Corruption and Bribery Incidents	0	1	**1**

MAG is committed to conducting business with the highest standards of integrity, underpinned by a zero-tolerance approach towards bribery and corruption. MAG's Anti-Bribery Management System (ABMS), aligned with ISO 37001, provides a structured approach to preventing, detecting and addressing corruption risks across all employees, business units and relevant third-party relationships.

In 2025, MAG strengthened its anti-bribery and corruption framework through the successful attainment of ISO 37001 dual certification from the Department of Standards Malaysia (DSM) and the United Kingdom Accreditation Service (UKAS), affirming the robustness of its ABMS. This milestone was supported by the formalisation of the ABMS Manual and the rollout of revised policies through Group-wide circulars and awareness initiatives, reinforcing consistent implementation across the organisation.

Governance capabilities were further enhanced with the appointment of five Certified Integrity Officers (CeIO), recognised by the Malaysian Anti-Corruption Commission (MACC), and two certified ABMS Lead Auditors within the Group, strengthening internal oversight and assurance.

The framework is supported by risk-based due diligence processes, including a Group-wide know-your-counterparty (KYC) framework applied to service providers and contractors, as well as internal audit and assurance mechanisms conducted across in-scope functions to assess system effectiveness.

Training and awareness remain central to MAG's approach. Anti-bribery and anti-corruption (ABAC) training is mandatory for all employees, with full completion achieved across Group functions in 2025. This is complemented by regular refresher programmes, onboarding sessions conducted twice monthly, and targeted training for ABMS working committees to ensure sustained awareness and adherence. Engagement has also been extended externally, with integrity briefings conducted for suppliers and service providers to reinforce expectations under the Supplier Code of Conduct.

In 2025, the Group recorded 1 corruption-related incident (2024: 1; 2023: 0), with appropriate actions taken in accordance with established procedures.

MAG will continue to strengthen our anti-bribery and corruption framework by maintaining our ABMS in line with ISO 37001 requirements, while progressively expanding the scope of certification across additional Group entities. The Group will also deepen engagement with business partners, vendors, contractors and the wider supply chain to reinforce adherence to anti-bribery and corruption standards in all business dealings.

Whistleblowing and Speak-Up Culture

GRI 2-26, 2-25

MAG maintains a robust whistleblowing framework aligned with ISO 37001. The framework provides a structured and secure mechanism for employees and external stakeholders across the Group's operations to raise concerns relating to unethical conduct, misconduct or regulatory breaches.

The platform is externally managed to ensure anonymity and impartiality, supported by defined reporting and escalation protocols. Reported matters are subject to structured review and oversight, with established escalation pathways to senior management and the Board, reinforcing accountability, transparency and a strong speak-up culture.

A structured reporting and oversight mechanism is in place, with whistleblowing cases reported monthly to the Group Managing Director, quarterly to the Audit and Risk Board Committee, and biannually to the MACC, ensuring strong checks and balances in case management.

In 2025, a total of 110 whistleblowing cases were reported, of which 106 (96.4%) have been investigated and closed, with 4 cases remaining under investigation, reflecting effective case management and oversight.

Whistleblower Performance Data

Metrics	2023	2024	**2025**
Total number of whistle-blowing cases reported	79	152	**110**
Total number of whistle-blowing cases investigated and closed	79	152	**110**
Total number of whistle-blowing cases under investigation	0	0	**0**

Third-party Due Diligence and Compliance

GRI 2-24, 308-1, 414-1

MAG applies a structured due diligence framework across its value chain to ensure that suppliers, contractors and business partners adhere to its ethical and regulatory standards.

This includes know-your-counterparty (KYC) processes, compliance screening and alignment with the Supplier Code of Conduct. Due diligence is applied across the supplier lifecycle, from onboarding through to ongoing monitoring and review, strengthening governance and risk management across third-party relationships.

Human Rights and Responsible Conduct

GRI 2-23, 2-24, 412-2

MAG recognises its responsibility to uphold human rights and responsible conduct across its operations and broader value chain. The Group adopts a policy-driven approach supported by governance frameworks, due diligence processes and awareness initiatives to identify, prevent and address potential risks.

Human rights considerations are embedded within MAG's broader governance and risk management systems, ensuring alignment with regulatory expectations and international principles on responsible business conduct. This includes a focus on areas relevant to the aviation sector, such as human trafficking, workplace conduct, fair competition and operational safety.

These areas are managed through a structured, risk-based approach supported by policies, training and operational controls.



i. Anti Human Trafficking

GRI 2-23, 2-24, 412-2

MAG addresses risks related to human trafficking and modern slavery through its Anti-Human Trafficking and Modern Slavery Policy, aligned with international aviation guidance. The framework is supported by structured awareness programmes, defined reporting and escalation protocols, and ongoing collaboration with relevant stakeholders to strengthen early detection and response across operations.

As part of the onboarding process, new cabin crew intakes are required to undergo monthly training sessions on victim identification and reporting channels.

In 2025, MAG undertook key initiatives to strengthen its approach to addressing risks related to human trafficking and modern slavery within its operations and supply chain.

The Group initiated the revision of its Anti-Human Trafficking and Modern Slavery Policy to align with ICAO guidance on combating human trafficking and modern slavery in the aviation sector. The revised policy is expected to incorporate enhanced due diligence requirements for service providers, enabling the identification and mitigation of modern slavery risks across the supply chain.

In parallel, MAG collaborated with the Group Strategic Procurement function to develop the necessary frameworks and mechanisms to operationalise these requirements. This includes integrating due diligence practices into supplier management processes to strengthen oversight and accountability.

The revised policy is expected to be finalised and implemented in 2026, alongside the rollout of enhanced due diligence practices to support more robust risk management of modern slavery within the Group's operations and value chain.

Moving forward, MAG aims to extend these requirements by encouraging first-tier service providers to adopt similar due diligence practices within their own operations, including across subcontractors and lower-tier suppliers. This approach supports the development of a more transparent and accountable supply chain, while strengthening risk management beyond the Group's direct operations.

MAG has maintained zero cases of human trafficking in 2025 (2023:0; 2024:0).



ii.
Anti-Wildlife Trafficking
GRI 2-23, 2-24

MAG continues to strengthen its efforts to combat wildlife trafficking across its operations, recognising the aviation sector's role in preventing the illegal movement of wildlife and related products.

There were 6 confirmed incidents of wildlife trafficking in 2025 (2023: 0; 2024:3).

In 2025, the Group collaborated closely with enforcement agencies and industry partners to enhance detection, awareness and response capabilities. This includes strategic engagement with the Department of Wildlife and National Parks (PERHILITAN) to conduct targeted training on the identification and reporting of potential wildlife smuggling activities. These sessions involved frontline personnel across Airport Services, cargo operations, airline security teams and MAB Kargo, with selected high-risk routes prioritised for enhanced monitoring.

MAG continued its collaboration with TRAFFIC, a global NGO focused on wildlife trade, to deliver awareness and training sessions for aviation staff, including twice-monthly sessions for ADS check-in counter and passenger handling teams. Training materials and intelligence support provided by TRAFFIC were integrated into internal programmes, including train-the-trainer sessions to strengthen internal capability and ensure continuity of knowledge dissemination. Regular training sessions are conducted twice monthly to reinforce staff awareness on wildlife smuggling indicators and reporting procedures.



To strengthen operational controls, periodic safety and security checks are conducted in collaboration with the Group Safety and Security team, with designated personnel assigned to inspect baggage and cargo on selected routes. These measures are complemented by broader awareness efforts through partnerships with organisations such as This Wild Earth (TWE), which support public education and advocacy through articles, podcasts and digital content published across MAG's platforms, including inflight channels.

Through these combined efforts, MAG aims to enhance early detection, strengthen cross-functional coordination and contribute to broader industry initiatives to combat wildlife trafficking, while reinforcing responsible practices across its operations and value chain.



iii.
Sexual Harassment
GRI 2-23, 2-24, 406-1

MAG adopts a zero-tolerance stance on sexual harassment, underpinned by a governance framework that promotes accountability, awareness and safe reporting across the Group. Senior leadership across all entities actively foster a speak-up culture, encouraging employees to raise concerns without fear of reprisal.

Formal reporting channels are established and accessible, including the MAG Whistleblowing platform and the grievance reporting portal managed by Group Human Capital, providing multiple avenues for employees to report incidents.

Capability building is reinforced through structured training and awareness initiatives. Group Human Capital equips Human Capital Business Division (HCBD) personnel with specialised training conducted by legal experts, focusing on workplace sexual harassment awareness and the proper conduct of investigations and due inquiry processes. During the year, a total of 9 sexual harassment cases were reported.

At the operational level, all new hires are required to undergo sexual harassment training as part of onboarding, with sessions conducted twice monthly, training an average of 100 employees per session. For cabin crew, training is embedded within integrity modules (MABA), conducted monthly with an average of 25 crew per intake. In addition, senior cabin crew members receive ongoing reinforcement through monthly engagement sessions coordinated by Inflight Services, with an average of 20 participants per session since August 2025.

Training and number of cases

Metrics	2023	2024	2025
Employees with sexual harassment training	100% new hirers 100% cabin crew intake 100% ADS new intakes 100% engineering staff	100% new hirers 100% cabin crew intake 100% ADS new intakes	**100% new hirers** **100% cabin crew intake** **100% senior cabin crew**
Total number of sexual harassment cases reported and investigated	14	16	**9**

iv.
Anti-Competitive Behaviour
GRI 2-23, 2-24, 206-1

MAG is committed to upholding fair competition and complying with applicable anti-competition laws and regulations across all its operations. This commitment is embedded within the Group's Code of Business Conduct and Supplier Code of Conduct, which set clear expectations for ethical business practices and responsible engagement with partners.

To mitigate risks associated with anti-competitive behaviour, MAG incorporates strict contractual safeguards across its commercial arrangements. Anti-competition clauses are embedded not only in agreements with airline partners but also with other commercial partners and service providers, ensuring that all parties adhere to fair competition principles and regulatory requirements.

The Group's Business Integrity function plays an active role in supporting compliance by providing internal advisory and consultation to business units. This includes assessing potential risks of anti-competitive behaviour in proposed projects, collaborations and partnerships before they are pursued, enabling informed and compliant decision-making.

For more complex arrangements, including strategic partnerships and joint ventures, additional approval processes are in place. These may involve escalation to relevant internal governance bodies, such as MAVCOM, and, where applicable, consultation with competition authorities to ensure full compliance with anti-competition regulations. In 2025, the Group recorded no monetary losses arising from legal proceedings related to anti-competitive behaviour (2024: 0; 2023: 0), reflecting the effectiveness of its governance controls and compliance framework.

Please refer to Responsible Business Practices on pages 97 to 104 for more information.

v.
Aircraft Safety Management
GRI 3-3

MAG maintains a robust governance framework for aircraft safety, anchored by strict adherence to internationally recognised standards and continuous oversight of operational performance. Central to this approach is the Group's ongoing registration under the International Air Transport Association's Operational Safety Audit (IOSA), which serves as a critical assurance mechanism for evaluating airline systems, procedures and safety performance against global benchmarks. The IOSA framework enables systematic identification of risks, ensures alignment with regulatory requirements, and drives continuous improvement across the Group's safety practices.

In 2024, Firefly successfully completed its inaugural IOSA audit, achieving a 92% conformance rate. This milestone reflects strong compliance with industry best practices and reinforces the airline's commitment to maintaining high standards of safety and operational integrity.

For 2025, MAG recorded 1 aircraft-related incident and zero sanctions for non-compliance with flight safety regulations, demonstrating continued effectiveness in safety governance and regulatory adherence.

Aircraft Safety Management Performance

Metrics	2023	2024	**2025**
Total number of aircraft related incidents (cases)	0	0	**1**
Sanctions for Non-Compliance with Flight Safety Regulations (number)	0	0	**0**



3.7 Data Governance and Digital Responsibility

GRI 2-23, 2-24, 2-25, 3-3

As MAG advances its digital transformation agenda, cybersecurity remains a critical enabler of operational resilience, data protection and stakeholder trust. In an increasingly interconnected and technology-driven environment. The Group adopts a structured, risk-based approach to managing cybersecurity risks, ensuring alignment with its broader ERM framework.

Training Completion **> 85%**
all quarters 2025

Phishing Failure Rate **< 10%**

Cybersecurity and Risk Management

GRI 2-25, 3-3

MAG's cybersecurity practices are aligned with internationally recognised standards, including ISO/IEC 27001 and the NIST Cybersecurity Framework, providing a consistent and systematic approach to identifying, assessing and mitigating cyber risks across its operations. Cyber risks are integrated into the Group's risk management processes, enabling coordinated oversight, improved risk visibility and more informed decision-making.

During the year, MAG continued to strengthen its cyber resilience across critical business, operational and customer-facing systems by enhancing its prevention, detection, response and recovery capabilities. This includes ongoing improvements in threat intelligence, continuous monitoring, behavioural analytics and threat hunting capabilities to proactively identify and respond to evolving cyber threats.

The Group is also progressively advancing its cybersecurity operations through the adoption of automation and artificial intelligence capabilities to improve threat detection, alert correlation and incident response effectiveness. These efforts support the development of a more adaptive and responsive cybersecurity environment, including longer-term plans to evolve towards more automated security operations.

Third-party and supply chain cybersecurity risks are actively managed through strengthened oversight and due diligence processes, recognising the increasing interdependencies within the digital ecosystem. In parallel, MAG continues to enhance its incident response readiness by streamlining processes for faster triage, containment and recovery.

Employee awareness remains a key line of defence. In 2025, MAG achieved high participation rates in mandatory cybersecurity training, with completion rates exceeding internal targets across all quarters. Regular phishing simulation exercises were also conducted, with failure rates consistently maintained below 10%, reflecting strong awareness and resilience among employees.

Looking ahead, MAG is strengthening its cybersecurity capabilities through the implementation of Integrated Risk Management (IRM) tools to enhance risk visibility and integration with enterprise risk processes. The Group has also initiated its readiness for post-quantum cryptography (PQC), assessing future requirements to safeguard sensitive data and digital transactions against emerging technological risks.

Data Governance and Responsible Technology Use

GRI 2-23, 2-24

MAG is strengthening its data governance practices to ensure the integrity, security and responsible use of information across its operations and value chain. Governance frameworks are in place to support data management, access control and regulatory compliance, ensuring that data is handled in a consistent and secure manner across the organisation.

In parallel, the Group is developing governance guidelines for the responsible adoption of emerging technologies, including artificial intelligence, establishing principles for ethical use, accountability and oversight. These measures ensure that digital innovation is aligned with governance expectations, risk management requirements and long-term stakeholder trust.

4 Our Priorities



4.1 Material Matters
4.2 Stakeholder Engagement
4.3 Linkage to Strategy and Risk
4.5 Climate Risk and Opportunity

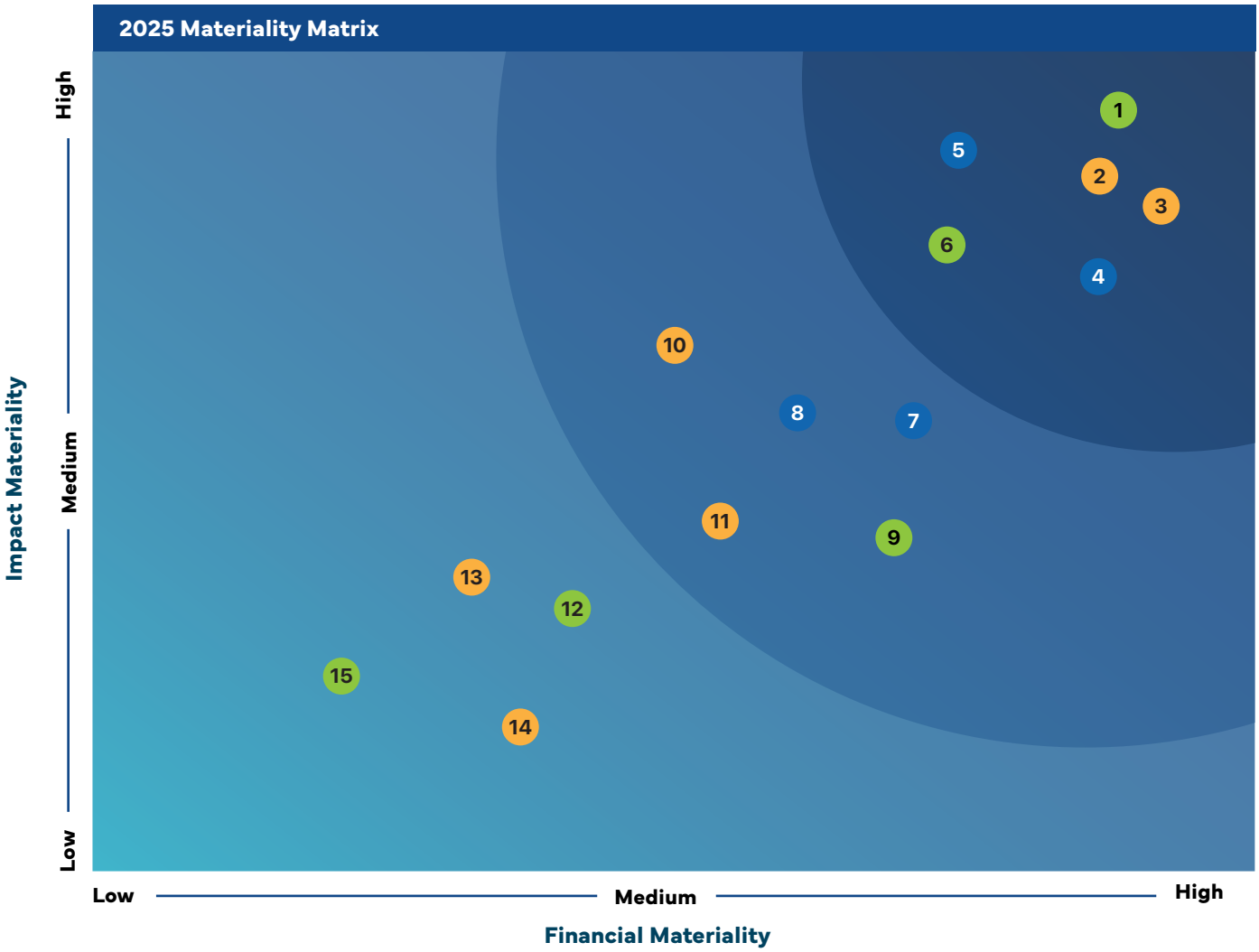
4.1 Material Matters

GRI 3-1

MAG adopts a double materiality approach to identify, assess and prioritise sustainability matters that are most relevant to the Group and its stakeholders. This approach considers both:

- **Impact materiality** – how MAG's operations impact the environment and society; and
- **Financial materiality** – how sustainability-related risks and opportunities may affect the Group's financial performance, position and long-term value creation.

This dual lens reflects evolving global reporting expectations on identifying sustainability related impacts including the alignment with GRI Standards and increasing convergence with IFRS S1 and IFRS S2 as highlighted under Malaysia's National Sustainability Reporting Framework (NSRF).



Low
- 12 Noise reduction
- 13 Human rights
- 14 Community welfare
- 15 Biodiversity preservation

Medium
- 7 Data privacy
- 8 Corporate governance, management, and business ethics
- 9 Responsible waste management
- 10 Customer welfare and branding
- 11 Diversity

High
- 1 Climate change and emissions management
- 2 Aircraft and employee safety
- 3 Employee management
- 4 Economic growth and performance
- 5 Supply chain management
- 6 Energy and resource efficiency

Legend
- Environmental
- Social
- Governance

High Priority Material Matters and Impact

Material matters	Financial Materiality	Impact Materiality
Climate Change and Emissions Management	Increased CAPEX for fleet renewal and higher OPEX from SAF adoption, CORSIA carbon pricing, regulatory compliance and facility energy efficiency improvement	Reduction of GHG emissions contributing to lower environmental and social cost of carbon while supporting national and Global sustainability goals
Energy and Resource Efficiency		
Aircraft and Employee Safety	Potential revenue loss and increased cost due to operational disruptions from safety incidents, workforce challenges, macroeconomic uncertainty and supply chain constraints	Business operations supports national GDP growth through tourism, trade, connectivity and supply chain value creation
Employee Management		
Economic Growth and Performance		
Supply Chain Management		

Material Topic Definitions

More information on Material Topic Definitions is available on pg 106.

MAG's high priority material matters are centred around environmental impact and operational resilience, reflecting the Group's responsibility to manage climate-related risks while ensuring safe, reliable, and economically meaningful operations. The application of double materiality enables MAG to balance financial performance with its broader impact on society and the environment.



4.2 Stakeholder Engagement

GRI 2-29

Stakeholder engagement remains central to MAG's sustainability approach, ensuring that the Group's priorities reflect the expectations of those most affected by its operations.

MAG engages a broad range of stakeholders through structured and ongoing channels.

Stakeholder feedback directly informs:

- The identification and prioritisation of material topics
- The refinement of sustainability strategies and initiatives
- Continuous improvement in operational and ESG performance

Stakeholders	Engagement Mode	Frequency	Key interest and concerns	How we responded
Shareholders (COSEC)	• General Meetings • Performance Update Session	• Annually • Periodically • When necessary or upon request	• Strategic • Financial performance • Governance	• Physical meeting • Virtual • Email
Government and Regulators (ST - Government Relations)	Physical	• Quarterly engagement • When necessary upon request	• Different initiatives by various ministries resulting in nil alignment of mandate to airlines. • Lack of understanding of sustainability requirements.	• Regular updates with stakeholders • Participation in key meetings
Employees (HC)	Digital	• Culture Principles leaders and animation videos (Quarterly) • Culture articles and updates (Weekly)	• To educate employees on the company vision and MAG Culture Principles. • Employees seek regular updates and relevant content on culture initiatives.	• Provided authentic messages through leaders and animation videos. • Published bite-sized, engaging content on PulseDaily and Viva Engage to maintain consistent communication
	Physical	• Culture on ground engagement with business units (Monthly) • Culture Leaders Clinic &Performance Coaching (Weekly)	• Employees value direct interaction and opportunities in sharing insights. • Leaders may face challenges in guiding their teams to drive culture transformation.	• Conducted interactive sessions with activities designed to address specific topics with business units. • Organised clinics to empower leaders with right mindsets, tools and support.
Customer (CX - Customer Experience)	• Physical engagement throughFocus Group Session, Mystery Shopper Programme & MAG Events • Digital / Online via CustomerExperience Survey (CES)	• Quarterly Engagement • Monthly Survey Programme • Ad-Hoc (As and when required)	• Gauge customer feedback and insights while effectively managing their sentiments. • Monitoring Customer Satisfaction Index (CSI) & Net Promoter Score NPS) performance across all MAG customers, including the AB, AVS, and LTS business pillars.	Held a focus group discussion or customer experience survey with MAG customers to gather feedback on our products and services, as well as to perform product testing, including meal tastings and product concept evaluations for improvement and future development.
Suppliers (GP)	• Digital • Physical	• Onboarding session • Periodic	• Risk Analysis and ESG requirements • Sevice eves Agree ireland Key Performance Indicator (KPI) • Contract renewal • Clarification sessions between Business Unit and Vendor	Conducted these engagements with vendors through vendor registration, performance evaluation, contract renewal discussions, and quality assurance audits.
Communities (Group Comms)	• Provide support through CSR activities supporting non-profit organisations	• Once a year • Upon request, or when necessary	• Community engagement, assistance and development in line with our CSR framework of supporting education, humanitarian needs and environment.	CSR activities through collaborations with non-profit organisations
Industry Stakeholders (GSO)	• IATA - World Sustainability Symposium (WSS), Aviation Energy Forum (AEF) • *oneworld - Environment Social Board • AAPA - Environment WorkingGroup • MADB Steering Committee, National SAF Taskforce	• Annual • Quarterly • Bi-annual	• Promoting industry wide collaboration on sustainability practices and addressing challenges faced by the industry in transitioning to a low carbon economy • Communicating effectively on the progress of sustainability matters	• Actively participating in collaboration activities (forum, workshop and taskforce) and providing MAG perspective • Communicate effectively MAG's sustainability progress via regulatory and annual sustainability reporting

Industry Collaboration

MAG collaborates with industry bodies and cross-sector platforms to help shape a more sustainable and resilient aviation ecosystem. In 2025, the Group contributed expertise, operational insights and industry perspectives across international, regional and national forums focused on aviation decarbonisation, sustainable fuels, environmental stewardship and inclusive workplace practices.

Global and International Engagement

MAG continued to participate in key international aviation sustainability platforms to support industry-wide progress toward lower-carbon aviation. The Group participated in the International Civil Aviation Organization (ICAO) Committee on Aviation Environmental Protection (CAEP) Working Group 5, contributing to technical discussions on SAF and Lower Carbon Aviation Fuels (LCAF), including supply availability scenarios, emerging production pathways and fuel accounting systems. MAG also engaged through the Long-Term Aspirational Goal (LTAG) monitoring and review platform, supporting global progress toward net zero aviation.

In addition, MAG supported the oneworld Environmental Sustainability Board (ESB), helping to advance carbon reduction initiatives, promote SAF development and strengthen sustainability practices across member airlines.



Regional Collaboration

At the regional level, MAG contributed to the Association of Asia Pacific Airlines (AAPA) working group on environmental matters affecting member carriers, sharing perspectives on operational and policy developments across the sector. The Group also supported the ASEAN Aviation Sustainability Working Group (ASWG), which focuses on regional cooperation, knowledge sharing and policy alignment to accelerate sustainable aviation across Southeast Asia.

National Leadership and Partnerships

Within Malaysia, MAG continued to play an active role in supporting national aviation decarbonisation efforts. The Group contributed inputs to the Malaysia Aviation Decarbonisation Blueprint (MADB) Steering Committee under the Ministry of Transport (MOT), including advocacy and stakeholder engagement to help shape the sector's transition pathway in alignment with the National Energy Transition Roadmap (NETR) and Malaysia's aspiration to achieve net zero emissions by 2050.



MAG also chaired the SAF Task Force established by MOT in collaboration with the Civil Aviation Authority of Malaysia (CAAM), helping to strengthen national readiness for SAF adoption and implementation.

Beyond environmental matters, MAG strengthened its social sustainability commitments through participation in the CEO Action Network's Diversity, Equity and Inclusion (DEI) Working Stream, collaborating with Malaysian corporate peers to advance inclusive workplace practices.

Through these engagements, MAG seeks not only to respond to evolving sustainability expectations, but also to play a constructive role in shaping the future of responsible aviation.

4.3 Linkage to Strategy and Risk

GRI 3-3

MAG integrates its material matters into its broader corporate strategy and risk management framework, ensuring that sustainability considerations are embedded into decision-making processes.

Material topics are linked to:

- **Strategic priorities,** including operational efficiency, fleet modernisation and long-term decarbonisation incorporated as part of our LTBP 3.0 corporate strategy.
- **Enterprise risks**, monitors key sustainability and climate risks as part of key focus area particularly in areas such as:
  - Governance
  - Economic
  - Safety and security
  - Social and environment
  - Supply chain
- **Performance management**, through operational KPIs and sustainability metrics

For Example

Climate-related topics are addressed through MAG's decarbonisation strategy, including fuel efficiency initiatives, SAF adoption and fleet renewal

Operational efficiency directly supports both emissions reduction and cost optimisation, with 2025 initiatives delivering measurable fuel savings and emissions avoidance

Supply chain and vendor engagement address ESG risks across procurement and operational delivery

MAG's Contribution to the SDGs

MAG acknowledges the vital role that businesses play in advancing the global United Nations' Sustainable Development Agenda and the importance of its Sustainable Development Goals (SDGs) in establishing a common language for tracking sustainability progress. MAG has identified four priority SDG goals, which are embedded in several of our core business objectives.

Relevant SDG goals	SDG-related targets	MAG's progress
5 GENDER EQUALITY — Achieve gender equality and empower women and girls	As part of MAG's commitment to gender equality, we are striving to increase the representation of women in senior leadership positions and underrepresented business divisions. This objective aligns with the International Air Transport Association (IATA) target of achieving 25% women's representation by 2026.	See **6.5 Diversity, Equity and Inclusion**
7 AFFORDABLE AND CLEAN ENERGY — Ensure access to affordable,reliable, sustainable, and modern energy for all	MAG aims to facilitate access to affordable, reliable, sustainable, and modern energy solutions in tandem with our dedication to developing infrastructure and facilities for generating renewable energy, enhancing energy efficiency, and digitalising the energy system.	See **5.3 Energy Management and Efficiency**
12 RESPONSIBLE CONSUMPTION AND PRODUCTION — Ensure sustainable consumption and production patterns	In 2025, we eliminated 30.1 million single-use plastic items on board our aircraft by replacing three types of material and completing an inventory of all plastics used on board. Our efforts form part of a phased approach to reducing plastic consumption and increasing recycling rates.	See **5.5 Waste and Circularity**
13 CLIMATE ACTION — Take urgent action to combat climate change and its impact	MAG aims to achieve net-zero carbon emissions by 2050 through fuel-efficiency initiatives, continued fleet modernisation, the development and use of sustainable aviation fuel (SAF), and participating in market-based measures.	See **5.2 Climate Action**

4.4 Climate Risk and Opportunity

GRI 3-3

Based on MAG's materiality assessment, climate change and emissions management are topics of significant financial and impact materiality. MAG Group ERM oversees and manages a broad range of strategic, financial and operational risks, including those related to climate change.

The types of climate risk that impact MAG are:

- **Transition** - The risks arising from the global transition to a low-carbon economy
- **Liability** - The risk of legal actions arising from the failure to accurately assess and incorporate physical and transition risks in decision making
- **Physical** - The immediate risks arising from acute weather-related events, as well as the increasing frequency of such events over the medium and longer term alongside a slower onset of chronic climate changes

Transition and Liability Risks

Climate scenario analysis is an important tool that enables the Group to assess and prepare for potential business impacts arising from plausible low-carbon economy pathways. MAG has undertaken a climate risk assessment based on both a Business-as-Usual (BAU) scenario and a 2°C Scenario (2DS):

Transition Scenarios

- **Business-as-Usual (BAU):** Assumes the social, economic, technological and climate policy landscape evolves broadly in line with current market expectations and prevailing trends.
- **2°C Scenario (2DS):** Aligned with Malaysia's and IATA's long-term climate ambitions to achieve net zero emissions by 2050, with the objective of limiting global warming to well below 2°C above pre-industrial levels by 2100.



Type of Risks	Risk Overview	Description	Timeline
Transition	**Policy**	Under a 2DS, MAG faces growing transition risks as climate policies become more ambitious. Regulations such as SAF blending mandates, carbon offsetting under CORSIA, and carbon pricing schemes like the EU ETS are expected to increase compliance costs. These policies will require MAG to invest in sustainable fuels, improve emissions tracking, and manage higher operating expenses	**Short to Medium -term**
	Technology - SAF	SAF is one of the most critical decarbonisation levers for MAG, but its wide-spread adoption is challenged by limited global supply and slow technology deployment. SAF currently costs 3 to 4 times more than conventional jet fuel, creating significant cost pressures. As mandates like RefuelEU Aviation come into force, MAG must carefully balance regulatory compliance with the realities of supply constraints and financial impact	**Short to Medium -term**
	Technology - Aircraft	The development of next-generation aircraft, such as hydrogen- or electric-powered propulsion systems, remains in its early stages. Current pro-jections indicate that new-generation narrowbody aircraft will only become commercially viable by the mid-2040s. Any further delays in technological advancement or infrastructure deployment could significantly hinder the aviation industry and MAG ability to meet its long-term decarbonisation goals	**Long-term**
	Market Preferences	Rising climate awareness is shifting passenger and business preferences, potentially impacting demand for air travel and cargo. This impact will be amplified considerably if increased decarbonisation costs are passed on to consumers, more so in a 2DS scenario. In a 2DS, the expansion of high-speed rail and improved rail connectivity may lead to slower growth in short-haul travel and non-critical cargo, as customers seek lower-emission alternatives. This shift presents both a risk and an opportunity for airlines to adapt through sustainable offerings and route optimisation	**Medium to Long-term**
Liability	**Climate Litigation**	The aviation industry faces increasing liability risks from inaction on climate-related regulations and failure to address environmental impacts. Simultaneously, there is growing scrutiny over greenwashing and misleading claims related to climate targets and progress. MAG must communicate its decarbonisation efforts clearly, accurately, and transparently backed by verifiable data to maintain trust or credibility	**Short to Medium -term**

Timeline
- Short-term - 2025 - 2030
- Medium-term - 2030 - 2040
- Long-term - 2040 - 2050

Physical risk

The Group is conducting a physical climate risk assessment to identify and quantify physical climate risk impact.

Physical risk scenarios

- Middle of the Road: A scenario pathway assumed social, economic technology, and climate policy landscape does not shift significantly resulting in temperatures rise by 2.7°C by 2100 (RCP4.5/SSP2-4.5)
- High Emissions: A scenario pathway assumed social, economic technology, and climate policy landscape without no on climate change resulting in warming above 4°C by 2100, (RCP8.5/SSP5-8.5)

The list of impact to be assessed includes acute and chronic physical climate risk impact on MAG assets and facilities, route network disru ptions and employee's health.

**The IPCC scenarios provided base parameters for modelling both transition and physical risks, as they describe global shared socioeconomic pathways (SSPs)*

5 Climate and Environment



5.1 Our Climate Ambition
5.2 Climate Action
5.3 Energy Management and Efficiency
5.4 GHG Emissions
5.5 Waste and Circularity
5.6 Environmental Management

Climate Performance Dashboard

Indicator	2023	2024	**2025**	Trend
Fuel savings (tonnes)	24,039	22,581	**30,036**	▲
CO_2 emissions avoided (tonnes)	75,963	71,356	**103,424**	▲
Total fuel consumption (tonnes)	1,179,776	1,253,086	**1,316,457**	—
Operational emissions (tCO_2e)	3,728,092	3,959,752	**4,160,004**	—
SAF usage (tonnes)	0	0	**1,496.71**	▲
Fleet certified under ICAO Chapter 14 (%)	8.6	10.8	**15.6**	▲
Fleet average age (years)	11.4	11.9	**11.1**	▼



2025 Climate Highlights

Achieved
30,036
tonnes of fuel savings through operational efficiency initiatives reducing
103,424 tonnes
of CO_2 emissions



Conducted MAG's first operational SAF uplift trial on the Kuala Lumpur–London route



Uplifted 2% SAF from flight departing UK and Europe aligning with the region's mandate



Increased share of ICAO Chapter 14 aircraft to
15.6%
of fleet



5.1 Our Climate Ambition

GRI 305 IATA E.1, E.2



MAG's climate ambition is aligned with the global aviation industry's commitment to achieve net zero carbon emissions by 2050, while ensuring that decarbonisation efforts remain operationally and economically sustainable.

While aviation decarbonisation will require long-term technological and infrastructure developments, MAG is taking practical steps today to reduce its environmental impact. Recognising the structural constraints of aviation, the Group adopts a portfolio approach to emissions reduction, based on the four pillars. This approach reflects a clear priority: reducing emissions within operations first, before relying on market-based measures.

Climate considerations are embedded into MAG's long-term business planning, ensuring that decarbonisation is not treated as a standalone initiative, but integrated into how the Group grows and operates.

Building on this ambition, MAG's decarbonisation pathway focuses on delivering measurable emissions reductions in the near term while laying the groundwork for longer-term transformation.

5.2 Climate Action

GRI 305 IATA E.1

MAG's decarbonisation pathway is designed to balance immediate operational improvements with longer-term structural change.

Rather than relying on a single initiative, MAG's approach emphasises incremental gains applied consistently across operations, recognising that small improvements at scale can deliver meaningful outcomes. Our approach is structured across a combination of operational improvements, fleet renewal, alternative fuels, and market-based mechanisms. These levers work together across short-, medium-, and long-term horizons to progressively reduce the Group's carbon footprint while supporting operational growth.

In the near term, operational efficiency remains the most effective and scalable lever. In 2025, MAG achieved 30,036 tonnes of fuel savings, equivalent to 103,424 tonnes of CO_2 emissions avoided, driven by improvements across flight operations.

These savings were achieved through a combination of incremental improvements embedded across the flight lifecycle, including more efficient routing, optimised climb and descent profiles, improved fuel planning, and enhanced pilot decision-making supported by digital tools.

Alongside operational improvements, MAG continues to advance structural decarbonisation levers. Fleet modernisation supports sustained reductions in emissions intensity through more fuel-efficient aircraft, while SAF is progressively integrated into operations to reduce lifecycle emissions over time. These efforts are complemented by market-based mechanisms, which address residual emissions that cannot yet be eliminated through operational or technological measures.

MAG's pathway is also shaped by an evolving regulatory landscape. The Group continues to strengthen readiness for emerging requirements, including carbon pricing mechanisms and SAF mandates, ensuring that climate considerations are embedded into operational and financial planning. As these efforts scale, MAG is also strengthening its understanding of climate-related risks and opportunities to ensure that its strategy remains resilient in a rapidly evolving regulatory and operating environment.

Looking ahead, MAG will continue to deepen operational efficiency initiatives, expand collaboration with regulators to improve airspace efficiency, scale SAF adoption as supply increases, and refine its long-term decarbonisation strategy in line with industry developments.

Fleet Technology

GRI 305 IATA E.1

Enhancing Structural Efficiency Across Operations

Complementing operational improvements, fleet modernisation represents a key structural lever in MAG's decarbonisation pathway. The transition to newer, more fuel efficient aircraft enables the Group to achieve meaningful emissions reductions relative to older-generation fleets, even as overall capacity expands. Beyond emissions reduction, fleet modernisation also supports improved operational performance and enhanced passenger experience.

In 2025, MAG continued the progressive renewal of its fleet with the introduction of Boeing 737-8 and Airbus A330neo aircraft, alongside the phased retirement of older models. These next generation aircraft offer improved fuel burn efficiency, lower emissions, and enhanced operational performance, supporting both environmental and commercial objectives.

Fleet renewal is central to MAG's long-term strategy, with continued investments planned to modernise the narrowbody and widebody fleet over time. By improving fuel efficiency at a structural level, these efforts help mitigate emissions growth associated with increased flight activity and network expansion. While fleet modernisation requires significant capital investment and long-term planning, it remains one of the most effective pathways for reducing aviation emissions at scale. The Group will continue to prioritise fleet upgrades as part of its broader commitment to operational efficiency and sustainable growth.

In 2025, as part of the LTBP 2.0, the Group inducted 9 Boeing 737-8 and 8 Airbus A330neo aircraft, replacing older B737-800 and A330-200 models. These newer-generation aircraft deliver improved fuel efficiency, enhanced aerodynamics and reduced noise impact, contributing to both environmental performance and operational reliability.

The Airbus A330neo, for example, offers approximately 11% lower fuel consumption compared to previous models, supported by advanced engine technology, lightweight materials and improved wing design. In addition, newer aircraft are increasingly compatible with Sustainable Aviation Fuel blends, supporting future decarbonisation pathways.

In line with its longer-term strategy, MAG has also placed orders for 20 A330neo and 30 Boeing 737-8/737-10 aircraft, targeting a modern fleet of 40 A330neo widebody and 55 Boeing 737-8/10 narrowbody aircraft by 2032. This reflects a continued focus on maintaining a young, fuel-efficient and future-ready fleet.

Looking ahead, the Group expects to receive 11 new aircraft in 2026, comprising 7 Boeing 737-8 and 4 Airbus A330neo, while retiring 5 older aircraft from its operating fleet. MAG will continue to review and refine its fleet strategy, particularly in relation to its long-range widebody fleet, to ensure alignment with evolving operational needs and decarbonisation objectives.



Operational Improvement

GRI 302-1 IATA E.1

Operational Levers for Immediate Impact

Fuel efficiency remains one of MAG's most immediate levers for moderating emissions growth across both flight and ground operations.

As jet fuel continues to represent the largest share of the Group's emissions footprint, improving fuel use is critical to reducing carbon intensity while maintaining operational performance.

In 2025, MAG continued to pursue fuel efficiency through a combination of flight operational improvements, digital performance tools, and targeted ground equipment initiatives. These efforts support near-term emissions reduction while complementing longer-term measures such as fleet renewal, sustainable aviation fuel, and ground fleet electrification.

Looking ahead, MAG will continue to strengthen fuel efficiency through closer collaboration with regulators and industry partners. This includes advancing airspace optimisation under the Malaysian Green Skies Initiative and the Malaysia Aviation Decarbonisation Blueprint, with a focus on reducing flight distances, improving navigation efficiency, and optimising ground and air traffic management.



Flight Operations

In flight operations, fuel efficiency continued to be driven by a combination of operational discipline and data-enabled decision-making. In 2025, the Group achieved 30,036 tonnes of fuel savings, equivalent to 103,424 tonnes of CO_2 emissions avoided, reflecting ongoing optimisation across the network.

These gains were delivered through a range of measures applied across the flight lifecycle, including more efficient routing, optimised climb and descent profiles, fuel planning, improved landing and taxi procedures, and enhanced pilot decision-making supported by digital tools. The continued use of GE FlightPulse provided pilots with real-time operational insights, helping reinforce fuel-efficient behaviours and embed performance awareness into day-to-day operations.

While individual initiatives deliver incremental gains, their cumulative impact remains significant in moderating fuel burn and emissions intensity across the network.

Looking ahead, MAG sees further near-term opportunity through closer collaboration with regulators and industry stakeholders to improve airspace and navigation efficiency. This includes opportunities linked to airspace optimisation, Required Navigation Performance – Authorisation Required (RNP-AR), and broader operational improvements under national aviation decarbonisation initiatives.



Ground Facilities

Ground Fuel Consumption Performance by Entity (litres)

Entity	Fuel Type	2023	2024	2025	% 2025
AeroDarat Services (ADS)	Diesel	1,860,642	2,278,091	**2,495,890**	**82.3%**
	Petrol	12,940	29,253	**54,904**	**27.0%**
MAB Kargo (MK)	Diesel	287,652	355,694	**368,328**	**12.2%**
	Petrol	25,831	22,560	**29,919**	**14.7%**
MAB Engineering (MABES)	Diesel	138,868	148,733	**167,459**	**5.5%**
	Petrol	94,448	91,766	**118,188**	**58.2%**
Total	Diesel	2,287,162	2,782,518	**3,031,677**	**-**
	Petrol	133,219	143,579	**203,011**	**-**

Ground fuel consumption increased in 2025, reflecting higher operational activity across MAG's ground handling and engineering entities. Diesel consumption remained highly concentrated in AeroDarat Services (ADS), which accounted for over 80% of total diesel use, underscoring its central role in ground handling operations. Petrol consumption was more distributed, with MAB Engineering contributing the largest share due to equipment and operational requirements within engineering activities.

Despite this increase, MAG continued to advance targeted initiatives to improve ground fuel efficiency and reduce emissions from ground support operations. In 2025, Mototok electric towbarless pushback units were fully deployed into operations, replacing conventional diesel pushback vehicles and displacing an estimated 40,000 litres of diesel annually. MAG also trialled Shell FuelSave Diesel additive to improve combustion efficiency and fuel performance, with promising early results that are being evaluated for continuation from 2026 onwards.

At the same time, MAG assessed the use of B20 biodiesel as an interim transition measure and developed a high-level electric vehicle roadmap through 2030. Given current cost constraints, priority is being placed on equipment categories with shorter payback periods to support a more phased and financially viable transition.

Together, these measures reflect MAG's approach to ground fuel efficiency: improving current equipment performance in the near term while preparing for longer-term electrification where operationally and financially feasible.

Sustainable Aviation Fuel (SAF)

GRI 305 IATA E.2

Under its Sustainable Aviation Fuel (SAF) pillar, MAG is advancing SAF as a key long term lever to reduce lifecycle carbon emissions from flight operations.

In 2025, the Group progressed from strategy and ecosystem building into operational execution, reflecting a broader industry shift where SAF is increasingly shaped by regulatory requirements and operational readiness, rather than voluntary adoption alone.

A key milestone during the year was the successful SAF uplift trial on the Kuala Lumpur–London route. This trial tested end-to-end processes, including fuel delivery, uplift procedures and chain-of-custody documentation, marking an important step towards integrating SAF into routine operations and building internal readiness for scaling.

At the same time, MAG began responding to emerging regulatory requirements, including the UK SAF Mandate and ReFuelEU Aviation, which require a minimum SAF blend of 2% from 2025. SAF compliance has since been incorporated into fuel planning for relevant international operations, particularly on departures from London Heathrow (LHR) for services to Kuala Lumpur (KUL) under the UK SAF Mandate, and from Paris Charles de Gaulle (CDG) for services to Kuala Lumpur under ReFuelEU Aviation. These requirements have been integrated into routine fuel uplift planning at applicable stations.

Despite this progress, SAF adoption continues to face structural challenges. Cost remains a key barrier, with SAF premiums in Europe significantly exceeding market expectations, placing additional financial pressure on airlines. Supply constraints also persist, with a large proportion of SAF in the region still reliant on imports, highlighting the need for stronger local production capacity.



Project EMAS

To address these challenges, MAG is actively supporting the development of a regional SAF ecosystem. In 2025, the Group continued its collaboration with Airbus under Project EMAS, a two-year strategic partnership focused on decarbonisation, sustainability initiatives and carbon emissions reduction pathways.

The initiative goes beyond SAF feasibility studies and adopts a broader transition-planning approach through five dedicated workstreams. These include identifying regional SAF production opportunities and feedstock availability to support aviation emissions reduction, assessing regional Carbon Dioxide Removal (CDR) opportunities to address residual long-term emissions, and evaluating different decarbonisation scenarios combining SAF and CDR pathways in line with MAG's long-term climate ambitions.

5 Key Workstreams under Project EMAS

WS 1: SAF
Identify regional SAF production opportunity and feedstock availability supporting the aviation sector emission reduction

WS 2: CDR
Identify regional Carbon Dioxide Removal (CDR) opportunity to enable avaiation sector offset residual emission in the long run

WS 3: Scenario Planning
Evaluate scenarios for adopting SAF and CDR emission reduction strategy aligned with MAG's long-term decarbonisation goal

WS 4: Financial Impact
Evaluate financial impact of scenarios identified in WS3

WS 5: Joint Advocacy
Promote joint adocacy for supporting SAF project development and CDR adoption across the reign

Project EMAS also includes financial modelling to assess the commercial implications of various transition scenarios, including potential scaling requirements and cost trajectories. In parallel, MAG and Airbus are exploring opportunities for joint advocacy to support SAF project development and wider adoption of emerging decarbonisation solutions across the region.

Through this collaboration, MAG is strengthening its understanding of practical, economically viable and regionally relevant pathways to support long-term aviation decarbonisation.

Carbon Removal and Offsetting

GRI 305 IATA E.9

Addressing Residual Emissions

Carbon offsetting plays a supporting role in MAG's decarbonisation strategy, addressing residual emissions cannot be reduced through operational improvements, fleet modernisation, or the adoption of lower-carbon fuels.

While MAG prioritises emissions reduction within its own operations, certain emissions remain unavoidable in the near term. Market-based mechanisms therefore play a supporting role in addressing these residual emissions.

MAG's approach is primarily aligned with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), a global framework developed by ICAO to stabilise emissions from international air travel. The Group purchases high-quality carbon credits that meet ICAO's requirements.

At the industry level, participation in CORSIA continues to expand. As of 2025, 129 countries have voluntarily agreed to participate in Phase 1 (2024–2026), covering approximately 64% of global international aviation activity. At the same time, ICAO has approved multiple carbon credit projects eligible for CORSIA, providing a structured basis for compliance.

In 2025, MAG progressed its participation in CORSIA by taking part in IATA's quarterly procurement events. These initial purchases were aimed at building internal capability and practical experience in carbon credit procurement, in line with the Group's Carbon Credit Trading Framework and Policy (the carbon trading framework).



However, the supply of CORSIA carbon credits in the market is uncertain. Current estimates indicate a significant imbalance between supply and demand. While global demand for CORSIA Phase 1 credits is projected to reach between 146 million and 236 million units, as of end of November 2025 the carbon credits supply availability is estimated at only around 17 million credits, representing a small fraction of projected demand.

This supply gap is further compounded by regulatory uncertainties. Carbon credits must meet strict eligibility criteria, including securing a Letter of Authorisation (LoA) and corresponding adjustments from host countries. In some cases, projects expected to generate significant volumes of credits have been unable to meet these requirements, highlighting the complexity and risk within the market. As a result, airlines are taking a cautious approach to procurement, balancing compliance requirements with considerations around credit availability, pricing and quality.

Voluntary Offsetting Initiatives

MAG continues to refine its approach to voluntary carbon offsetting. In 2025, the Group made a strategic shift away from its previous passenger offset programme, aligned with evolving market expectations. Instead, MAG is exploring alternative approaches, including the potential development of SAF-based insetting solutions, which provide a more direct and transparent link to aviation emissions reduction.

Looking ahead, MAG will continue to monitor developments in carbon markets and regulatory frameworks, while strengthening its internal capabilities to support compliance and informed decision-making. Market-based mechanisms will remain a complementary tool within the Group's broader decarbonisation strategy, supporting the transition as in-sector solutions continue to scale.

5.3 Energy Management and Efficiency

GRI 302-1, 302-4 IATA E.4

Addressing Residual Emissions

While flight operations remain the primary source of emissions, MAG also focuses on managing energy consumption across its ground operations, including offices, cargo warehouses and catering facilities. These efforts support the reduction of Scope 2 emissions and complement broader decarbonisation initiatives across the Group.

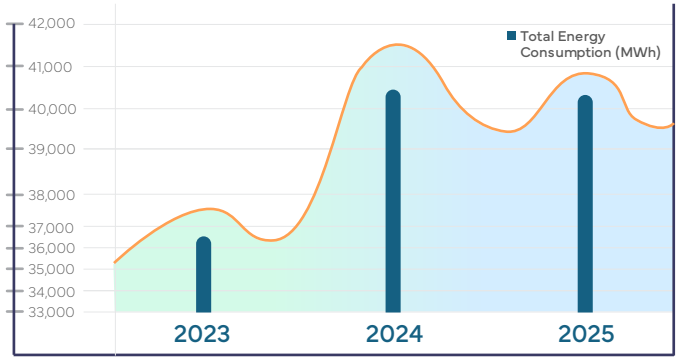
In 2025, total electricity consumption remained broadly stable at approximately 40,627 MWh, despite ongoing operational demands. This reflects continued efforts to optimise energy use through targeted efficiency initiatives and improved operational controls.

MAG also continued to expand its use of renewable energy. In 2025, on-site solar PV installations generated 5,551 MWh, contributing approximately 13.6% of total annual energy consumption, supporting reductions in Scope 2 emissions (see Scope 1, 2, and 3 Emissions on page 55).

At the same time, energy consumption in certain operational areas increased in line with higher activity levels, particularly in facilities supporting maintenance, cargo and engineering operations. This reflects a key challenge in the aviation sector of balancing efficiency gains with growing demand as operations continue to expand.

Key measures implemented during the year include MAGCS Level 1 energy audits, optimisation of building systems, and the progressive rollout of energy-efficient technologies such as LED lighting. Improvements in chilled water consumption, which declined during the year, further demonstrate the impact of these initiatives in enhancing overall energy performance.

Total Energy Consumption (MWh)



Energy Mix (%) 2023-2025

Source	2023	2024	2025
Grid Electricity	81.7%	84.3%	**86.3%**
Solar (On-site PV)	18.3%	15.7%	**13.7%**

Total Annual Energy Consumption (kWh)

BU	2023	2024	2025
MAB	3,675,917	3,595,404	**2,956,458**
Firefly	1,158,713	601,310	**605,354**
MABES	9,588,354	9,201,922	**9,165,111**
MW	490,899	163,025	**95,704**
MK	11,897,353	14,929,312	**16,109,994**
MCAT	1,318,761	3,561,967	**4,015,911**
MABA	994,844	2,205,707	**2,127,234**

Total Annual Chilled Water Consumption (kWh)

BU	2023 (MWh)	2024 (MWh)	2025 (MWh)
MAB	4,312.0	5,905.8	**5,336.9**
MABES	30,896.3	15,586.8	**14,736.1**
MK	4,940.7	3,454.3	**2,771.9**
MCAT	1,169.2	2,329.1	**909.5**
MABA	1,273.6	1,950.4	**1,675.5**
Total	**42,591.8**	**29,226.5**	**25,429.9**
% Reduction YoY		**31.4%**	**13.0%**



Energy performance improvements during the year are reflected across both consumption trends and intensity metrics. While total electricity consumption remained broadly stable in 2025 following an increase in 2024, this was accompanied by a continued decline in cooling demand. Chilled water consumption decreased by 31.4% in 2024 and a further 13.0% in 2025, indicating sustained optimisation of cooling systems across key facilities.

These improvements are further supported by a reduction in Building Energy Intensity (BEI), which improved from 241 kWh/m²/year in 2023 to 208 kWh/m²/year in 2025. The combined trend of stabilising electricity use, reduced cooling demand, and improved energy intensity reflects the impact of targeted efficiency measures, including system optimisation, energy-efficient retrofits, and enhanced operational controls.

MAG continues to monitor and manage energy consumption through structured tracking and performance review processes, enabling the identification of efficiency opportunities across its facilities. These efforts are supported by internal policies and operational guidelines aimed at promoting responsible energy use.

While ground energy represents a smaller proportion of the Group's overall emissions footprint compared to aviation fuel, it remains an important area for continuous improvement. MAG will continue to enhance energy efficiency across its operations as part of its broader commitment to reducing environmental impact and supporting long-term sustainability goals.

MAG will continue to strengthen its energy management approach through Level 2 facility audits, system upgrades and potential expansion of on-site renewable energy, while maintaining alignment with national energy efficiency targets and regulatory requirements.

Chilled water consumption decreased by 31.4% in 2024 and a further 13.0% in 2025



5.4 GHG Emissions

GRI 305-1, 305-2, 305-3 IATA E.1

MAG continues to enhance its emissions tracking and reporting across all scopes through the implementation of a centralised data lake platform, shifting from manual, Excel-based processes to a more structured and scalable system. In line with the GHG Protocol, emissions are reported across three scopes:

- **Scope 1:** Direct emissions from sources under MAG's operational control, including fuel consumption in flight and ground operations
- **Scope 2:** Indirect emissions from purchased electricity and chilled water consumed across MAG's facilities and operations
- **Scope 3:** Other indirect value chain emissions, including selected upstream and downstream activities

Data Methodology and Restatement

In 2025, MAG transitioned its emissions accounting and reporting process to a data lake-based platform built on Databricks, marking a significant step in strengthening ESG data management and governance. This shift moves away from fragmented, Excel-based workflows toward a more integrated, scalable, and auditable system for managing emissions data across the Group.

The platform enables structured ingestion of data from multiple internal sources into a centralised environment, where data is standardised, validated, and processed through controlled calculation logic. This improves consistency across entities and reduces reliance on manual intervention, while providing a clear audit trail from raw data inputs through to final reported emissions.

Key enhancements introduced through this transition include:

- Improved data consolidation across business units through a centralised data architecture
- Enhanced validation, transformation, and calculation controls embedded within the system
- Greater traceability of emissions data, with clearer linkage between source data, assumptions, and outputs
- Development of structured data models to support consistent KPI generation and reporting

In addition, the platform enables the development of internal dashboards and reporting tools, allowing for more timely monitoring of emissions performance, improved visibility across Scope 1, 2, and 3 categories, and more efficient preparation of disclosures. This supports better decision-making and reduces reporting cycle time.

As part of this transition, historical emissions data for 2023 and 2024 were restated to align with the improved data structure and processing logic. As a result, certain figures may differ slightly from those previously disclosed. However, the updated dataset provides a more robust and consistent basis for like-for-like comparison and future tracking.

MAG's 2025 emissions data has been verified based on this updated process. The move to a data lake platform also lays the foundation for further automation of data flows and calculations over time, with the long-term objective of achieving end-to-end automation where feasible.

This transition strengthens MAG's overall data governance framework and enhances readiness for increasing regulatory, reporting, and assurance requirements.

Emissions intensity 2023 - 2025

Metrics	2023	2024	2025
Total Emissions (tCO_2)	3,738,024	3,959,751	**4,160,004**
Activity (LTK)	3,904,345,738	4,543,680,792	**5,372,008,397**
Emissions Intensity (gCO_2 / LTK)	957	871	**774**
YoY Change (%)	–	-9.0%	**-11.0%**

Note: Data includes MASwings. Following the acquisition by AirBorneo, MASwings' data will be excluded from 2026 onwards.

MAG's jet fuel emissions intensity continued to improve in 2025, declining from 871 gCO_2/LTK in 2024 to 774 gCO_2/LTK in 2025, representing a year-on-year improvement of 11.0%. This was achieved despite continued network growth, with LTK increasing from 4.54 billion to 5.37 billion, or approximately 18.9% year-on-year.

While total emissions increased from 3.96 million tCO_2 in 2024 to 4.16 million tCO_2 in 2025 in line with higher flying activity, the lower emissions intensity shows that capacity growth was supported more efficiently. This was driven in part by continued fleet modernisation, including the delivery of new Boeing and Airbus aircraft and the gradual retirement of older aircraft, alongside improved load factors and ongoing operational efficiency measures.

The improvement in emissions intensity indicates that MAG is strengthening its ability to moderate emissions growth relative to operational expansion. It also reflects the combined effect of fleet renewal and fuel efficiency initiatives across flight operations, even as overall activity continues to scale.

MAG expects this improvement trend to continue over the next few years as newer aircraft continue to enter the fleet and older aircraft are progressively retired, although the rate of improvement is expected to moderate as major fleet deliveries are completed.

Scope 1, 2 and 3 Emissions

In 2025, MAG's total Scope 1, Scope 2 and Scope 3 emissions reached approximately 5.36 million tCO_2, compared with 4.96 million tCO_2 in 2024 and 4.62 million tCO_2 in 2023. This represents an increase of around 8.1% year-on-year and approximately 16.1% compared with 2023, reflecting continued network recovery, higher flight activity and broader operational growth across the Group. Total emissions also rose slightly above the 2019 baseline of 5.23 million tCO_2, by approximately 2.6%.

Emission Performance (tCO_2)

MAG's emissions profile across Scope 1, Scope 2 (location-based) and Scope 3 is presented below:

Scope	2023	2024	**2025**
Scope 1	3,697,748	3,968,173	**4,171,710**
Scope 2 (Location-Based)	30,649	29,593	**30,637**
Scope 3	891,137	965,594	**1,161,559**

Note: MASwings was subject to a Sales and Purchase Agreement signed in February 2025. Accordingly, MASwings' emissions have been included in the Group's GHG inventory for 2025 reporting but will be excluded from 2026 onwards.

Scope 2 (location-based) emissions are calculated using grid-average emission factors based on the geographic location of electricity consumption, as defined by the GHG Protocol (distinct from market-based methods which reflect contractual instruments).

Scope 1 emissions remained the largest component of MAG's emissions profile, accounting for approximately 77.8% of total reported emissions in 2025. Scope 1 emissions increased from 3.70 million tCO_2 in 2023 to 3.97 million tCO_2 in 2024, and further to 4.17 million tCO_2 in 2025. This represents an increase of approximately 5.1% from 2024 and 12.8% from 2023, primarily driven by jet fuel consumption from flight operations. However, Scope 1 emissions remained slightly below the 2019 level of 4.24 million tCO_2, indicating that operational recovery has been supported by improved fleet and fuel efficiency compared with the pre-pandemic baseline.

At entity level, Scope 1 emissions remained highly concentrated. Malaysia Airlines accounted for 82.8% of total Scope 1 emissions, reflecting its role as the Group's primary airline operator and the scale of its flight operations. Other significant contributors included AMAL at 6.4%, MAB Kargo at 5.2%, and Firefly at 4.3%, with smaller contributions from MASwings, ADS, MAGCS and MABES.

Emissions Contribution by Business Entity

Emissions contributions varied across business units, reflecting differences in operational scale, fleet composition, and activity levels.

MAG GHG Emissions by Entity – Scope 1 (tCO_2)

Entity	2025 (tCO_2)	% of Scope 1
Malaysia Airlines (MAB)	**3,453,737**	**82.29%**
AMAL	**268,737**	**6.44%**
MAB Kargo	**218,057**	**5.23%**
Firefly	**177,239**	**4.25%**
MASwings	**43,681**	**1.05%**
ADS	**7,743**	**0.19%**
MAGCS	**1,842**	**0.04%**
MABES	**673**	**0.02%**

Scope 2 location-based emissions remained comparatively small, representing less than 1% of MAG's total emissions footprint. Scope 2 emissions were broadly stable over the three-year period, recorded at 30,649 tCO_2 in 2023, 29,593 tCO_2 in 2024, and 30,637 tCO_2 in 2025. While 2025 emissions increased by approximately 3.5% compared with 2024, they remained broadly in line with 2023 levels. This movement was influenced by operational growth, the inclusion of new facilities such as simulator buildings, and expanded electricity use across engineering, cargo and ground operations.

MAG GHG Emissions by Entity – Scope 2 (tCO_2)

Entity	2025 (tCO_2)	% of Scope 2
MAB Kargo	**11,307**	**36.91%**
MABES	**9,670**	**31.56%**
MAGCS	**4,293**	**14.01%**
Malaysia Airlines (MAB)	**2,342**	**7.65%**
MABA	**1,889**	**6.17%**
Firefly	**987**	**3.22%**
ADS	**118**	**0.39%**
MASwings	**31**	**0.10%**

Note: Scope 1 emissions are primarily driven by jet fuel consumption and operational activity across airline entities, while Scope 2 emissions reflect electricity and chilled water consumption across facilities. Variations year-on-year are influenced by operational growth, facility boundary changes, and improvements in emissions data classification and reporting.

Scope 2 emissions were more distributed across operational facilities compared with Scope 1. MAB Kargo accounted for 36.9%, followed by MABES at 31.6% and MAGCS at 14.0%. Together, these three entities represented approximately 82.5% of total Scope 2 emissions, reflecting the electricity-intensive nature of cargo, engineering and catering operations. This highlights the importance of targeted energy efficiency measures and renewable energy opportunities across ground infrastructure.

Scope 3 emissions showed the strongest growth across the reporting period, increasing from 891,137 tCO_2 in 2023 to 965,594 tCO_2 in 2024, and further to 1.16 million tCO_2 in 2025. This represents an increase of approximately 20.3% from 2024 and 30.3% from 2023. Scope 3 accounted for around 21.7% of total emissions in 2025, compared with approximately 19.3% in 2023, indicating the growing significance of value chain emissions within MAG's overall footprint.

The largest Scope 3 contributor was Category 3: Fuel- and energy-related activities, which accounted for 875,750 tCO_2, or 75.4% of total Scope 3 emissions. This reflects the upstream emissions associated with fuel and energy consumption, further reinforcing the dominance of aviation fuel across both direct and indirect emissions. Other material Scope 3 categories included Category 1: Purchased goods and services at 125,839 tCO_2, or 10.8%, and Category 5: Waste generated in operations at 93,081 tCO_2, or 8.0%. The remaining categories each contributed less than 3% of Scope 3 emissions.

MAG GHG Emissions by Category – Scope 3 (tCO_2)

Category	2025 (tCO_2)	% of Scope 3
3.1	**125,838.5**	**10.8%**
3.2	**23,581.7**	**2.0%**
3.3	**875,749.5**	**75.4%**
3.4	**593.2**	**0.1%**
3.5	**93,081.2**	**8.0%**
3.6	**6,432.7**	**0.6%**
3.7	**15,881.0**	**1.4%**
3.8	**18,236.9**	**1.6%**
3.15	**2,164.2**	**0.2%**
Total	**1,161,559.0**	**100.0%**



In parallel, MAG's solar panel generation contributed to 4,174.3 tCO_2 of avoided emissions in 2025. While this remains modest compared with the Group's overall emissions footprint, it demonstrates the role that renewable energy can play in reducing electricity-related emissions from ground operations.

Several entity-level movements in 2025 were also influenced by improved boundary alignment and reporting clarity. MAGCS, formerly MCAT, recorded emissions in line with its expanded role as the Group's in-house catering arm and increasing operational activity. ADS Scope 2 emissions now reflect a smaller annex facility, while other facilities previously associated with ADS have been reclassified under MAGCS to better reflect operational reality. MASwings remained within the reporting boundary for 2025, with future recalculations expected to reflect upcoming structural changes in line with the GHG Protocol.

Overall, the 2023–2025 trend shows that MAG's emissions growth is closely linked to operational recovery and network expansion. While absolute emissions increased over the period, Scope 1 emissions remain slightly below the 2019 baseline, supported by fleet renewal and fuel efficiency efforts. At the same time, the growth in Scope 3 emissions highlights the need to strengthen value chain decarbonisation, particularly around fuel- and energy-related activities, procurement and waste. Continued fleet renewal, fuel efficiency initiatives, SAF adoption, energy efficiency measures, renewable energy deployment and improved data governance remain central to moderating emissions growth over time.

Scope 3

1. Measurement Approach

MAG's Scope 3 inventory captures indirect greenhouse gas emissions occurring across the value chain. The reporting boundary covers relevant upstream and downstream categories based on the GHG Protocol Corporate Value Chain (Scope 3) Standard, with calculation approaches selected according to data availability and methodological suitability.

A combination of spend-based, activity-based, supplier-specific, survey-based, and investee-reported methods is applied across categories. Where primary data is not yet available, MAG uses secondary emission factors and estimation techniques to support completeness of reporting. As a result, data quality varies by category, with higher uncertainty in categories that rely on proxy data, extrapolation, or average emission factors.

Scope 3 emissions remain a significant component of MAG's total emissions profile, with fuel- and energy-related activities representing the largest share during the reporting year.

2. Methodologies by Category

Purchased goods and services

Emissions from purchased goods and services are calculated using a spend-based methodology. Expenditure data is mapped to relevant categories and multiplied by global average emission factors, primarily based on US datasets.

This method enables broad coverage across the procurement base, but it reflects industry-average emissions rather than supplier-specific performance. Accordingly, the results are sensitive to the relevance of the emission factor dataset and the accuracy of spend categorisation.

Capital goods

Capital goods emissions are calculated based on aircraft deliveries and retirements occurring during the reporting year. MAG includes both within this category to reflect the full lifecycle emissions of aircraft as capital assets, from manufacturing to end of life, rather than classifying aircraft retirement under waste disposal.

The emission factors applied are estimated using publicly available supplier and manufacturer data. This treatment provides a more complete and decision-useful representation of aircraft-related capital flows in the Group's emissions inventory.

Fuel- and energy-related activities

Fuel- and energy-related activities are calculated using average emission factors applied to actual fuel and energy consumed during the year. This category represents the largest share of MAG's Scope 3 emissions.

The category reflects upstream emissions associated with the production, extraction, processing, and transportation of fuels and energy used in operations. Because the calculation is based on actual consumption data, this category is more closely linked to operational activity than categories that rely on spend-based estimation.

Upstream transportation and distribution

Emissions from upstream transportation and distribution are based on supplier-provided data.

This approach improves relevance where suppliers are able to provide activity or emissions data directly. However, reported data may vary in quality, completeness, and methodological consistency across suppliers and regions.

Waste generated in operations

Waste generated in operations is calculated using operational waste data. Where direct weight data is unavailable, waste quantities are estimated using waste container volume as a proxy.

Emissions for this category are calculated using emission factors aligned to the relevant end-of-life treatment route, such as recycling, landfill, or other applicable treatment methods. The category also includes emissions associated with waste transport and, where relevant, treatment and disposal. As official local emission factors are not available for all waste streams and treatment pathways, MAG applies relevant UK- or US-based emission factors as proxies.

While this approach supports a broader and more treatment-specific representation of waste-related emissions, estimation based on container volume and the use of non-local proxy emission factors introduce a degree of uncertainty, particularly where waste density and treatment assumptions are required.

Business travel

Business travel emissions are estimated using a spend-based approach. The category includes hotel stays and accommodation as an optional inclusion, as well as transport emissions from non-MAG-specific air travel and other modes of travel.

This approach provides broad coverage of travel-related emissions, but it is dependent on the quality of spend records and the representativeness of the emission factors used.

Employee commuting

Employee commuting emissions are based on employee survey responses. The survey captured commuting distance and transport mode data from approximately 3,500 employees out of a total workforce of around 14,000, and the results were extrapolated across the remaining employee population.

Distance-based emission factors are applied by mode of transport. This approach provides a more activity-based estimate than a pure spend method, but results are subject to sampling bias, response representativeness, and extrapolation uncertainty

Upstream leased assets

Upstream leased assets are estimated using leased floor area for each unit within MAG. Average emission factors are applied based on floor area, with factors grouped by local versus international locations and by airport versus town office assets. For international sites, regional averages are used.

This method provides a practical basis for estimating emissions where direct energy consumption data is not available. However, use of average factors rather than site-specific consumption data reduces precision.

Investments

Emissions from investments are based on actual data reported by investees.

This approach improves relevance where investee emissions information is available, although data quality and completeness depend on the reporting maturity and methodologies used by investee entities.

3. Data Quality and Uncertainty

The quality of Scope 3 data varies across categories. Categories based on actual operational activity, supplier-provided data, or investee-reported data generally provide higher relevance than categories estimated using spend-based methodologies or extrapolated survey data.

The main sources of estimation uncertainty are:

- use of global average spend-based emission factors for purchased goods and services and business travel
- extrapolation of employee survey responses to the broader workforce
- estimation of waste quantities using waste container volume rather than actual weight
- use of average floor-area-based emission factors for upstream leased assets
- variability in supplier-reported and investee-reported data quality

4. Methodological Judgments and Comparability

MAG applies category-specific methodologies across Scope 3 to reflect differences in data quality, activity type and operational relevance. Some categories require specific boundary and classification decisions to ensure that emissions are allocated in a way that best reflects MAG's activities.

For 2025, key judgement areas include the classification of aircraft deliveries and retirements under capital goods, the inclusion of hotel stays and accommodation within business travel, and the inclusion of waste transportation emissions within waste generated in operations. These treatments support a more complete view of value chain emissions and are applied consistently to maintain comparability across reporting periods.

5. Material Categories and Emissions Profile

Fuel- and energy-related activities are the largest contributor to MAG's Scope 3 emissions and remain the most material category within the value chain profile.

Purchased goods and services also represent a material category, reflecting the scale of external procurement activity. Other categories, including employee commuting, business travel, upstream leased assets, and capital goods, are smaller in relative terms but remain relevant for providing a complete picture of indirect emissions.

The overall profile indicates that MAG's Scope 3 emissions are concentrated in categories linked to fuel supply, procurement, and broader value chain dependencies.

5.5 Waste and Circularity

GRI 306-2, 306-3 IATA E.6

In addition to managing emissions, MAG continues to address its broader environmental footprint through improved waste management and circularity initiatives across its operations.

Waste management remains a key focus area as operations continue to scale, particularly in ground operations, maintenance activities and inflight services.

MAG's approach to waste is increasingly shifting from disposal to waste reduction and circular resource management, with efforts focused on both operational practices and upstream design decisions.

Inflight Waste Management

Inflight waste remains one of the most complex waste streams due to regulatory requirements and operational constraints. In 2025, MAG strengthened its approach to inflight waste management by shifting from measurement and pilot initiatives to more structured, operational implementation across its catering and flight operations.

Building on the data-driven baseline established through the Cabin Waste Composition Audit (CWCA) in 2024, the Group focused on embedding waste reduction directly into operational processes, with particular emphasis on food waste prevention, waste segregation and improved internal waste handling capabilities. The CWCA methodology was developed by the IATA and the Aviation Sustainability Forum, providing MAG with a stronger evidence base for targeted action.

A key development during the year was the operationalisation of MAGCS as the Group's in-house catering arm. This significantly improved oversight and control of inflight waste management, with approximately 70% of waste from inbound flights now handled internally. The transition created a stronger foundation for more consistent segregation practices, closer monitoring of waste streams, and reduced dependence on third-party handling.

However, total waste sent to landfill increased in 2025, reflecting both higher operational activity and improved internal capture of waste volumes following the transition. Galley waste to landfill rose from 5,349 tonnes in 2024 to 5,531 tonnes in 2025, an increase of 182 tonnes or 3.4%. Cleaning waste to landfill increased more sharply, from 1,051 tonnes to 1,506 tonnes, an increase of 455 tonnes or 43.3%.

Combined, landfill waste from these two streams reached 7,037 tonnes in 2025, compared with 6,400 tonnes in 2024, representing an overall increase of 637 tonnes or around 10.0%. This indicates that while operational control improved, landfill diversion remains an area requiring further scale-up.

In parallel, MAG introduced a more structured inflight waste segregation programme, separating recyclable and non-recyclable materials in line with regulatory requirements. This was supported through operational trials and collaboration with waste management vendors, enabling recovery beyond the Group's earlier primary focus on corrugated boxes.

In 2025, MAG recycled a total of 68.6 tonnes of inflight-related waste captured through the segregation programme. Corrugated boxes accounted for the largest share at 48.93 tonnes, representing about 71% of total recycled volume. This was followed by meal boxes at 12.06 tonnes or around 18%, while plastic (3.96 tonnes) and aluminium foil (3.69 tonnes) each contributed around 5–6%.

The profile shows that cardboard and fibre-based materials currently provide the largest recovery opportunity, while recovery of lighter materials such as plastics and aluminium is still at an early stage.

Inflight Waste Management (tonnes) 2023-2025

Metrics	2023	2024	**2025**
Galley Waste to Landfill	3,982	5,349	**5,531**
Cleaning Waste to Landfill	984	1,051	**1,506**
Total Waste Diverted from Landfill	93	57	**69**

Note: Cabin waste comprises cleaning waste managed by AeroDarat Services (ADS), galley waste generated at MAGCS facilities, galley waste from MAG flights handled by POS Aviation, and Business Class galley waste managed by MASAwana at its CPU2 facility.

Food waste remains the largest contributor to cabin waste, and 2025 saw a stronger shift towards waste prevention at source. A passenger consumption study conducted on selected routes provided insights into non-consumption patterns, enabling data-driven adjustments to catering.

A key outcome was a product substitution trial on selected Singapore routes, where a high-waste food item was replaced with a more preferred alternative. This resulted in a reduction in uneaten food from approximately 30% to below 1%, demonstrating the effectiveness of aligning catering with passenger preferences.

Additional waste prevention measures included:

- Optimisation reporting boundaries across engineering, cargo, and ground operations
- Enhancements to pre-order meal systems to reduce over-catering; and
- review of meal offerings on selected red-eye and short-haul services to improve provisioning efficiency.



MAG also began piloting food waste treatment solutions. In late 2025, a composting trial was introduced using rented equipment capable of converting approximately 100 kg of food waste into 20–30 kg of compost, supporting potential reuse in local agricultural applications.

Collectively, these initiatives reflect a clear shift from reactive waste disposal towards a more integrated circular approach, where waste reduction is embedded into catering design, operational processes and customer choice architecture.

Looking ahead, MAG intends to scale segregation across a larger share of flights, expand composting capabilities and continue refining data-led provisioning strategies. These efforts support the Group's longer-term ambition to progressively reduce landfill dependency while maintaining strict hygiene, safety and service standards.

Single-Use Plastics Reduction



In-flight Disposable Cutlery

2023	2024	**2025**
4,390,500	6,640,500	**2,516,000**

Number dropped due to re-introduction of our hybrid cornstarch cutlery pack for certain sectors, instead of wood

In-flight Biodegradable Dental Kits

2023	2024	**2025**
49,000	107,000	**138,600**

Other In-flight Plastic Stirrers Materials Reduced

2023	2024	**2025**
5,710,000	8,650,000	**10,450,000**

As part of its broader waste reduction and circularity efforts, MAG continues to reduce reliance on single-use plastics (SUP) across its operations, particularly within inflight services where disposable materials are widely used.

While demand for eco-friendly alternatives is growing, challenges remain due to inconsistent certifications, limited recycling or composting infrastructure, and the risk of shifting impacts elsewhere in the value chain. As a result, material choices are assessed not just on recyclability or compostability, but also on how they perform in practice and their overall lifecycle impact.

In 2025, the Group progressed from isolated product substitutions to a more structured and forward-looking approach to plastics reduction. Building on earlier initiatives, efforts during the year focused not only on eliminating high-visibility plastic items, but also on establishing internal standards and governance to guide more consistent material decisions. At the same time, the Group began establishing measurable targets for systematic tracking.

Key initiatives implemented during the year included:

- full rollout of plastic-free pyjama packaging across all routes, eliminating plastic wrapping from a major comfort item stream,
- removal of plastic wrapping from Business Class amenity kits, reducing unnecessary secondary packaging,
- replacement of plastic tray mats with paper-based alternatives, and
- transition of selected inflight items, such as headphones, to bioplastic materials.

These changes were implemented across multiple onboard product categories and at scale. In 2025 alone, several high-volume items saw full removal or material substitution, including pyjama and slipper packaging, Business Class amenity kit coverings, headphone bags, and tray mats. Implementation was phased across the year depending on product type and supply readiness, with full rollouts completed between January and July 2025.

The table below summarises key items transitioned during the year, including their annual consumption volumes and the timing of onboard implementation. This provides a clearer view of the scale at which plastic reduction measures were executed across inflight services.

Description	2025 Consumption	Plastic Status	New Material
Pyjamas Plastic (All Sizes)	75,840	Removed	None
Slippers Plastic - All Sizes (Gcc)	309,840	Removed	None
Slippers Plastic Ad-Hoc	81,600	Removed	None
Bc Toiletry Flat Pouch Plastic Cover - (Aspinal)	270,540	Removed	None
Headphone Bag (Large) Plastic	2,662,336	Replaced	Bio Plastic
Traymat-Large	3,816,000	Replaced	Paper Traymat
Traymat-2/3	9,770,000	Replaced	Paper Traymat

MAG also expanded the use of alternative materials across onboard consumables



The 2025 transition programme covered approximately 17.0 million units of onboard items, indicating that MAG's plastics reduction efforts are now operating at meaningful scale rather than through isolated substitutions. Tray mats represented the largest reduction opportunity, accounting for around 13.6 million units, or close to 80% of the total volume covered by the initiatives listed. This concentration shows the value of targeting high-volume consumables alongside high-visibility passenger items. The rollout pattern also indicates a phased implementation approach, with plastic removals for comfort items and amenity packaging introduced in the first quarter, followed by larger-scale material substitutions such as headphone bags and tray mats later in the year.

MAG also expanded the use of alternative materials across onboard consumables. This included continued deployment of wood-based disposable cutlery, as well as increased use of biodegradable dental kits, which rose to 138,600 units in 2025.

These initiatives contributed to a reduction in conventional plastic usage, although total consumption of disposable items remains linked to passenger volumes and operational scale. Importantly, 2025 marked the start of developing MAG's internal plastics standard, which will introduce clearer material classifications, product groupings and design guidelines across cabin services, catering and operational consumables. This is intended to support more consistent decision-making and enable a more systematic transition towards lower-impact materials. The standard will be enforced in 2026, embedding it into procurement and cabin service practices, and scaling compliant products across remaining onboard items.

Looking ahead, MAG will continue to expand substitution initiatives, strengthen supplier engagement and refine material selection frameworks, with the aim of reducing plastics usage while maintaining product quality, safety and customer experience standards.

Ground and Operational Waste

Total Ground Waste Generated (tonnes) 2023-2025

Metrics	2023	2024	2025
Total Waste Generated	4,350	4,653	**4,292**
Total Waste Sent to Landfill	3,806	3,890	**3,582**
Total Waste Diverted from Landfill	545	763	**710**

Note: 2023 - 2025 data has been revised to include PEN operations

Across its ground operations, MAG continues to strengthen waste management practices through a combination of process optimisation, vendor collaboration and targeted infrastructure improvements. In 2025, total ground waste generated was approximately 4,292 tonnes, a decrease from 2024 levels, reflecting stabilisation following higher activity during the post-pandemic recovery phase. Of this, 3,582 tonnes were sent to landfill, while 710 tonnes were diverted through recycling and recovery initiatives.

While landfill disposal remains the dominant outcome, the current performance reflects both operational realities and the early stage of scaling more advanced waste segregation and recovery systems. Waste volumes are closely linked to operational intensity, particularly across maintenance, cargo and engineering functions, where material use and disposal requirements remain high.

MAG's approach focuses on improving consistency and control across sites, rather than isolated initiatives. In 2025, efforts were directed towards strengthening waste segregation practices, standardising processes and improving coordination with waste management vendors to streamline collection and recovery flows.

Several targeted initiatives were implemented to support this transition, including:

- deployment of food composting equipment at key facilities,
- installation of recycling machines at selected locations such as the Visitor Management Centre, and
- ongoing trials to refine segregation methods aligned with operational requirements.

These initiatives are aimed at building the necessary infrastructure and operational discipline to improve diversion rates over time.

Beyond recycling, MAG is also expanding its focus on resource recovery and circularity. Upcycling initiatives such as Scrap2Fab continue to transform selected waste streams into value-added products, extending material lifecycles and reducing reliance on virgin resources. While currently limited in scale, these initiatives demonstrate the potential for circular solutions within aviation operations.



Overall, 2025 represents a transition phase in ground waste management, moving from fragmented practices towards a more structured and systematised approach. While diversion rates remain relatively low, the establishment of clearer processes, improved oversight and supporting infrastructure provides a stronger foundation for future improvement.

Looking ahead, MAG will focus on scaling segregation across more sites, enhancing vendor integration and increasing recovery rates, with the aim of progressively reducing landfill dependency while maintaining operational efficiency.

Scheduled Waste

As part of its ground operations, MAG manages scheduled waste generated from maintenance, repair and engineering activities, including materials such as used oils, chemicals and other regulated waste streams.

Given the nature of these materials, scheduled waste is handled in strict accordance with regulatory requirements, with controls in place for proper segregation, storage, transportation and disposal by licensed contractors.

Total Scheduled Waste Generated (tonnes) 2023-2025

Type of Scheduled Waste	2023	2024	2025
SW109 - Used fluorescent lamp	6.2	2.54	**4.3505**
SW204 - Sludge	10.4	10.83	**25.159**
SW206 - Spent inorganic acid	11.25	13.81	**11.343**
SW305 - Used engine oil	64.3	48.28	**64.172**
SW312 - Oil interceptor Sludge	1.36	2.00	**3.107**
SW409 - Used contaminated container	16.38	29.21	**43.118**
SW410R - Used rags/paper	77.8	136.80	**218.896**
SW417 - Waste: ink, paint pigments lacquer, dye or vanish	21.39	19.80	**28.761**
SW411 - Used carbon/sand	10	10.90	**23.356**
SW401 - Aqueous alkaline solution	0.9	0	**0**

In 2025, scheduled waste volumes increased in line with higher maintenance and operational activity. Notable increases were observed in:

- SW410 (used rags/paper), which rose significantly to 218.9 tonnes,
- SW409 (used contaminated containers) at 43.1 tonnes, and
- SW417 (waste from paint and coating processes) at 28.8 tonnes, linked to aircraft paint stripping and maintenance activities.

Increases were also recorded in SW204 (sludge) and SW206 (spent inorganic acid), associated with treatment processes and maintenance-related operations.



These trends are consistent with increased aircraft utilisation, expanded flight schedules and intensified engineering activities, rather than a change in waste management practices. MAG continues to focus on improving handling efficiency and minimising waste generation at source where possible, while maintaining full compliance with environmental and safety regulations.

Given the nature of these materials, all scheduled waste is managed in strict accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005, with controls in place for proper segregation, handling, storage and disposal through licensed contractors. Monthly monitoring and internal briefings are conducted to reinforce compliance and ensure traceability from generation to final treatment.

MAG continues to focus on improving efficiency at source, including optimising maintenance practices, extending the lifecycle of consumables where feasible, and refining treatment processes such as effluent management to minimise waste generation without compromising operational safety or regulatory compliance.

Overall, the increase in scheduled waste reflects operational recovery and maintenance requirements, while the Group maintains a strong focus on control, compliance and continuous improvement in hazardous waste management.

Upcycling Collaborations and Circularity



As part of its broader circularity and resource optimisation agenda, MAG continues to expand the role of upcycling across its operations by transforming selected end-of-life materials into new products with functional, commercial and social value. Upcycling supports the Group's efforts to reduce waste generation, extend material lifecycles and lower dependence on virgin resources, while demonstrating how operational waste streams can be reimagined as useful assets.

Materials such as aircraft seat covers, textiles, cabin materials, surplus inventory and other selected operational inputs are assessed for repurposing opportunities through internal collaborations and external partnerships. These initiatives also create wider social value by supporting community programmes, entrepreneurship opportunities and education partnerships.

In 2025, MAG further strengthened governance and innovation around upcycling through several targeted initiatives.

MAG Upcycling Guideline

To support consistency and stronger governance across the Group, the Sustainability Office introduced the MAG Upcycling Guideline in 2025. The guideline provides a structured framework for evaluating, approving and managing upcycling projects across Business Units.

It sets out requirements covering project approvals, material sourcing, inventory tracking, branding and financial management, while establishing criteria to ensure initiatives align with MAG's sustainability objectives. These include reducing waste, extending product life, incorporating recyclable materials and generating wider community value.

Upcycle Project Process Flow



Abbreviations

**BU - Business Unit*
**CSR - Corporate Social Responsibility*
**ESGWG - Environmental, Social, Governance Working Group*
**GBD - Group Branding Department*
**GCSO - Group Chief Sustainability Officer*
**GSO - Group Sustainability Office*

The framework also introduced clearer accountability mechanisms, including progress reporting, inventory monitoring and regular updates through internal sustainability working groups. Revenue generated from selected upcycled products may be channelled towards corporate social responsibility initiatives, allowing circularity efforts to create broader positive impact beyond waste reduction.

By formalising this approach, MAG has embedded circular economy principles more systematically into operational practices, while strengthening traceability and cross-functional collaboration.

Note: 2023 - 2025 data has been revised to include PEN operations

MAG x INTI Upcycling Hackathon



In conjunction with International Youth Day, MAG organised the MAG x INTI Upcycling Hackathon on 20 August 2025 in collaboration with the University of Hertfordshire and INTI International College Subang.

The programme brought together 60 students across 11 teams to develop innovative concepts for repurposing aviation-related materials such as luggage, aircraft seatbelts and cabin crew handbags. The hackathon aimed to translate sustainability ideas into practical prototypes, while encouraging youth-led innovation in circular economy solutions.

Over the course of the event, participants developed functional concepts demonstrating the potential of upcycling within an aviation context. Winning entries included multifunctional pet products made from airline materials, a repurposed luggage-based storage solution, and a commercially scalable glove concept incorporating upcycled inputs.

Beyond the competition itself, the initiative highlighted the value of industry-academia collaboration in nurturing future talent, building sustainability awareness and identifying fresh ideas that may support future circular business opportunities.

Scrap2Fab and Product Innovation

MAG also continued to advance its existing Scrap2Fab initiative, which converts selected waste streams into marketable products such as tote bags, sling bags, pouches and accessories. In 2025, the programme expanded into higher-value leather products made from repurposed aircraft seat materials, including new keyring and pouch designs.

These initiatives demonstrate how selected operational waste can be transformed into useful products while supporting awareness, stakeholder engagement and responsible consumption.

Upcycled Products	2023	2024	2025	Collaborations
Sling Bag	304	322	**641**	Penjara Seremban
Tote Bag (Blue Lining)	108	0	**0**	
Tote Bag (Yellow Lining)	98	376	**531**	
Tote Bag (No Lining)	143	0	**16**	
Small Pouch	173	0	**70**	Komuniti Tukang Jahit
Leather Pouch	0	0	**53**	Penjara Seremban
Small Leather Keyring	0	0	**433**	Penjara Seremban
Big Leather Keyring	0	0	**400**	Penjara Seremban

MAG intends to further expand upcycling opportunities by identifying additional material streams suitable for reuse, strengthening external partnerships and integrating circular design principles into future procurement and operational processes. Over time, these efforts are expected to support a more resource-efficient and innovation-led operating model across the Group.



Biodiversity

GRI 303, 304 IATA E.7

Beyond waste and resource management, MAG continues to manage its environmental footprint through responsible use of water resources and mitigation of impacts on biodiversity.

Biodiversity and Wildlife Hazard Management

MAG's primary biodiversity-related impact arises from interactions with wildlife in and around airport environments, particularly bird strikes, which present both operational safety risks and environmental considerations.

Metrics	2023	2024	2025
Total Number of Bird Strikes Recorded	347	338	**349**
Total Number of Flights	150,955	127,756	**133,814**

In 2025, a total of 349 bird strike incidents were recorded across the Group, compared to 338 in 2024. This increase is broadly aligned with the higher number of flight cycles during the year, as operations continued to recover and expand.

Most incidents were attributed to Malaysia Airlines Berhad (MAB), accounting for approximately 76.8% of total cases, with the highest occurrences reported at key operational hubs including Kuala Lumpur (KUL), Kota Kinabalu (KUA) and Penang (PEN).

Importantly, bird strike trends are influenced by a combination of factors beyond flight volume, including:

- airport location and surrounding habitat conditions,
- bird migratory patterns and seasonal activity, and
- environmental factors such as vegetation and waste management practices around airfields.

As such, effective management requires continuous monitoring and coordinated mitigation efforts.

MAG adopts a structured approach to wildlife hazard management, working closely with airport operators, regulators and relevant authorities. Key mitigation measures include:

- **habitat management**, such as grass cutting, drainage maintenance and removal of vegetation that may attract birds,
- **deterrent systems**, including high-frequency sound devices, gas cannons, firecracker dispersal methods and bird scaring techniques,
- **operational controls**, including monitoring of flight phases where strikes are most likely to occur (e.g. approach and landing), and
- **housekeeping measures**, such as ensuring waste areas are properly managed to prevent attracting wildlife.

At selected stations, additional targeted measures have been implemented, including the use of bird repellent sprays, pesticide-based controls to eliminate food sources, and evaluation of drone-based dispersal techniques.

MAG also places strong emphasis on stakeholder engagement and coordination. In 2025, the Group conducted multiple engagements with airport operators (MAHB and MASB), regulatory authorities including CAAM, and external stakeholders such as the Royal Malaysian Air Force (RMAF) and state forestry departments. These engagements support joint planning, information sharing and alignment on wildlife hazard management strategies.

Internally, safety engagement sessions were conducted across stations, including regional briefings with station heads, to strengthen awareness of wildlife hazard risks and reinforce standard operating procedures.

While bird strikes cannot be fully eliminated due to the nature of aviation operations, MAG continues to focus on reducing risk exposure and improving response effectiveness through data-driven monitoring, operational controls and collaborative mitigation efforts.



5.6 Environmental Management

GRI 413, 403-2 IATA E.8

In addition to biodiversity and wildlife management, MAG recognises the importance of managing noise impacts arising from its operations, both for surrounding communities and its workforce.

Aircraft Noise and Community Impact

Aircraft noise remains an inherent aspect of aviation operations, particularly in areas surrounding airports. MAG manages this impact through a combination of fleet modernisation, operational practices and regulatory compliance.

As of December 2025, 84.4% of the Group's fleet was certified under ICAO Chapter 4, while 15.6% met the more stringent Chapter 14 standard, which requires aircraft to be at least 7 Effective Perceived Noise Decibels (EPNdB) quieter than Chapter 4 limits.

The gradual introduction of newer-generation aircraft, including the A330neo and Boeing 737-8, contributes to reducing overall noise footprint during take-off and landing. These aircraft are designed with improved engine technology and aerodynamics, resulting in lower noise emissions compared to older models.

MAG also supports operational measures that help minimise noise exposure where feasible, including optimised flight procedures and coordination with airport operators and regulators. These efforts ensure compliance with applicable noise standards while reducing disruption to surrounding communities.



Workplace Noise and Employee Health

In addition to external impacts, MAG places strong emphasis on managing occupational noise exposure within its operations, particularly in engineering, ground handling and maintenance environments. Occupational noise-related hearing disorders (ONRHD) remain a recognised risk within the aviation sector, and MAG's approach focuses on both prevention and early detection.

The Group has implemented a Hearing Conservation Programme (HCP), supported by Noise Exposure Monitoring (NEM), to protect employees from the risks associated with prolonged exposure to high noise levels.

Key elements of the programme include:

- Identification and assessment of high-noise areas across operational sites
- Implementation of engineering and administrative controls to reduce exposure
- Provision of appropriate personal protective equipment (PPE)
- Regular training and awareness programmes
- Audiometric testing to monitor hearing health among exposed employees.

In 2025, NEM assessments were conducted across seven stations (KUL, SZB, TWU, SDK, SBW, BTU and KBR), with plans to expand coverage to additional domestic stations. This reflects a structured and progressive approach towards achieving broader monitoring coverage across MAG's operations. Continuous monitoring and awareness initiatives have contributed to improved understanding of noise-related risks among employees, supporting the Group's long-term objective of reducing occupational hearing-related cases.

MAG will continue to strengthen its noise management approach through:

- Ongoing fleet renewal to improve noise performance
- Enhanced monitoring and assessment of workplace exposure
- Continued collaboration with regulators and airport operators on operational noise management.

While noise impacts cannot be fully eliminated in aviation operations, the Group remains committed to minimising disruption to communities and safeguarding employee health through structured, data-driven and preventive measures.

6 Our People



6.1 Workforce Profile
6.2 Talent Development
6.3 Occupational Health and Safety
6.4 Employee Wellbeing
6.5 Diversity, Equity and Inclusion
6.6 Labour Standards and Human Rights

At MAG, our people remain at the heart of the business, and we continue to invest in their growth, wellbeing and professional development. With global air travel rebounding, the need for a resilient and highly skilled workforce has become more critical than ever.

In a specialised and safety critical industry, airline operations rely on employees who are trained, adaptable, and dedicated to maintaining the highest standards of safety and service. We support our workforce through programmes that strengthen capability, promote workplace safety, and encourage inclusivity.

By nurturing talent and fostering resilience, we aim to ensure our workforce is fully prepared to support operational demands while delivering safe, reliable services to customers.

Focus Area	Why It Matters	Disclosure Metric
Workforce	Operational continuity	Headcount, turnover
Talent	Service & safety capability	Training hours
Safety	Risk & compliance	LTIFR
Wellbeing	Productivity	Engagement
Diversity, Equity & Inclusion	Talent pipeline	Gender ratio
Labour	Ethical operations	Grievances



6.1 Workforce Profile

GRI 405-1 IATA E.1

MAG continued to strengthen workforce diversity in 2025, with total headcount increasing to 14,054 employees. Gender balance improved steadily over the three-year period, reflecting the Group's ongoing efforts to build a more inclusive and representative workforce.

Female representation rose to 36.2% in 2025 (2024: 35.1%; 2023: 33.4%), marking a consistent upward trend. In absolute terms, the number of female employees increased to 5,091, up from 4,749 in 2024 and 4,145 in 2023. Over the same period, male representation declined proportionately from 66.6% in 2023 to 63.8% in 2025, indicating gradual progress towards a more balanced gender distribution. For a breakdown of gender representation by role, please see the section on Diversity, Equity and Inclusion on page 108.

Total Workforce by Gender

Year	Male	Female	Total	Male (%)	Female (%)
2023	8,274	4,145	12,419	66.6%	33.4%
2024	8,790	4,749	13,539	64.9%	35.1%
2025	8,963	5,091	14,054	63.8%	36.2%

Note: MASwings was subject to a Sales and Purchase Agreement signed in February 2025. Accordingly, MASwings' workforce data has been included in the Group's 2025 reporting, but will excluded from 2026 onwards.

This shift reflects MAG's continued focus on inclusive hiring practices, talent development, and targeted efforts to broaden participation across the workforce. While the Group's workforce remains male majority, the steady increase in female representation demonstrates positive momentum in strengthening gender diversity across the organisation.

Total Workforce by Age Group

Metrics	2023	2024	**2025**
Age <30	2,575	3,440	**3,810**
Age 30–50	7,362	7,227	**7,385**
Age >50	2,542	2,872	**2,859**
Total	12,479	13,539	**14,054**
<30 (%)	20.6%	25.4%	**27.1%**
0–50 (%)	59.0%	53.4%	**52.6%**
>50 (%)	20.4%	21.2%	**20.3%**

MAG's workforce profile reflects a balanced mix of experience and emerging talent, with a growing emphasis on strengthening its future talent pipeline. In 2025, employees aged below 30 accounted for 27.1% of the workforce, demonstrating a clear upward trend in early-career talent participation.

The 30–50 age group remained the largest segment, comprising 52.6% of the workforce in 2025 (2024: 53.4%; 2023: 59.0%). This cohort continues to form the core of MAG's operational and leadership capacity, providing stability, institutional knowledge, and experience across the organisation.

Meanwhile, employees aged above 50 represented 20.3% of the workforce (2024: 21.2%; 2023: 20.4%), remaining relatively stable over the three-year period. This reflects the Group's ability to retain experienced talent while gradually strengthening its succession pipeline.

Overall, the evolving age profile highlights MAG's progress in building a more balanced workforce, combining experienced professionals with a growing base of younger employees to support long-term organisational resilience and continuity.



Female representation increased to **36.2%** in 2025

New Hires by Gender and Age Group

Metrics	2023	2024	2025
Male	1,099	947	**761**
Female	895	816	**799**
Total	1,994	1,763	**1,560**
Male (%)	55.1%	53.7%	**48.8%**
Female (%)	44.9%	46.3%	**51.2%**

Male **761**
48.8%

Female **799**
51.2%

Metrics	2023	2024	2025
Age <30	1,264	1,176	**1,044**
Age 30–50	679	548	**497**
Age >50	51	39	**19**
Total	1,994	1,763	**1,560**
<30 (%)	63.4%	66.7%	**66.9%**
0–50 (%)	34.1%	31.1%	**31.9%**
>50 (%)	2.6%	2.2%	**1.2%**

Employee Turnover by Gender and Age

Metrics	2023	2024	2025
Male	657	683	**894**
Female	368	449	**583**
Total	1,025	1,132	**1,477**
Male (%)	64.1%	60.3%	**60.5%**
Female (%)	35.9%	39.7%	**39.5%**

Metrics	2023	2024	2025
Age <30	392	390	**517**
Age 30–50	454	492	**621**
Age >50	179	250	**339**
Total	1,025	1,132	**1,477**
<30 (%)	38.2%	34.5%	**35.0%**
0–50 (%)	44.3%	43.5%	**42.0%**
>50 (%)	17.5%	22.1%	**23.0%**



MAG's workforce dynamics in 2025 reflect a deliberate strengthening of its talent pipeline alongside emerging retention pressures at mid- to senior levels.

Hiring trends show a clear shift towards greater inclusivity and early-career development, with female hires forming the majority at 51.2% and employees aged below 30 accounting for nearly two-thirds (66.9%) of all new hires. This underscores the Group's focus on building a diverse and future-ready workforce.

At the same time, total employee turnover increased to 1,477, with the highest proportion occurring within the 30–50 age group (42.0%), followed by a rising share among employees aged above 50 (23.0%). This suggests a combination of mid-career mobility and natural workforce transitions, reinforcing the importance of leadership continuity and knowledge transfer.

Together, these trends highlight the need for sustained investment in retention, capability development, and structured succession planning to ensure that the growing pipeline of young talent is effectively integrated and progressed within the organisation.

Of the 1,560 new hires, 51% were female and 67% were young talent, strengthening diversity and future readiness

6.2 Talent Development

GRI 404-1, 404-2 IATA S.4

MAG continued to strengthen its investment in employee development in 2025, reflecting a more structured and scaled approach to capability building across the organisation.

A total of 18,845 employees received training during the year, marking a significant expansion in training reach as the Group prioritised workforce readiness and operational excellence.

Total training investment increased to RM20.5 million, demonstrating a step-up in commitment towards developing critical skills and leadership capabilities. This increase reflects both the scaling of training programmes and a broader shift towards more targeted and role-specific learning interventions. MAG's approach to talent development is anchored on three core training pillars: leadership, compliance, and functional capability.

Leadership development programmes are designed to strengthen succession planning by equipping senior management and high-potential employees with the skills required to drive business growth and transformation. Compliance training ensures that employees operate in line with regulatory requirements and organisational standards, with a strong emphasis on safety, ethics, and corporate governance. Complementing these efforts, functional training programmes focus on building technical expertise and professional competencies, enabling employees to achieve role-specific mastery and maintain industry certifications.

The Group's training approach is aligned with its evolving workforce profile, particularly the growing proportion of early-career employees and the need to strengthen mid-level leadership capacity. Development initiatives are designed to accelerate capability building, support succession planning, and ensure that employees are equipped to operate in an increasingly complex and dynamic aviation environment. In addition to technical and operational training, MAG continues to invest in digital capability enhancement and safety-related competencies, ensuring alignment with both business priorities and industry requirements.

Training and Development

Metrics	2023	2024	**2025**
No. of employees trained	4,995	16,033	**18,845**
Training investment (RM million)	8.9	11.4	**20.5**
Training spend per employee (RM)	1,782	711	**1,087**

Total training investment increased to RM20.5 million, demonstrating a step-up in commitment towards developing critical skills and leadership capabilities



Save Campaign

In 2025, MAG launched the Sustainability S.A.V.E. Campaign, an internal employee engagement initiative designed to strengthen awareness, understanding and participation in the Group's sustainability journey. Targeting approximately 13,000 employees across the organisation, the campaign reinforces the message that sustainability is a shared responsibility and that every employee has a role in delivering MAG's long-term goals.

Running from October 2025 to May 2026, the campaign was guided by the theme "Together We Shape a Sustainable Tomorrow" and implemented a structured and themed month-by-month approach to build knowledge, encourage behaviour change and promote practical actions in the workplace.

Goal	KPI
Increase awareness of MAG's sustainability mission	70% staff recall in post-campaign survey
Improve understanding of individual and departmental roles	60% of departments participate in activities
Encourage behaviour change through engagement	50% increase in internal sustainability-related initiatives



The campaign combines education, participation and recognition through a variety of communication channels including internal email circulars, PULSE and digital posters.

- **Launch communications** from leadership emphasising the importance of employee participation.
- **Sustainability 101** learning materials introducing MAG's sustainability framework and priorities.
- **Infographic posters** highlighting practical sustainability actions and Group initiatives.
- **S.A.V.E. Checkpoints** to reinforce progress and maintain momentum.
- **Sustainability Champions** series recognising employees contributing to sustainability efforts.
- **Monthly quizzes and departmental challenges** focused on topics such as waste reduction and reducing single-use plastics.
- **Recognition programme** including Sustainability Hero Awards for departments and individuals.

The S.A.V.E. Campaign reflects MAG's view that achieving sustainability goals requires organisation-wide participation, not only centralised programmes. By combining awareness-building with practical actions and employee recognition, the initiative helps embed sustainability into daily behaviours, workplace culture and decision-making across the Group.

ESG Capacity Building

GRI 404-1, 404-2 IATA S.4

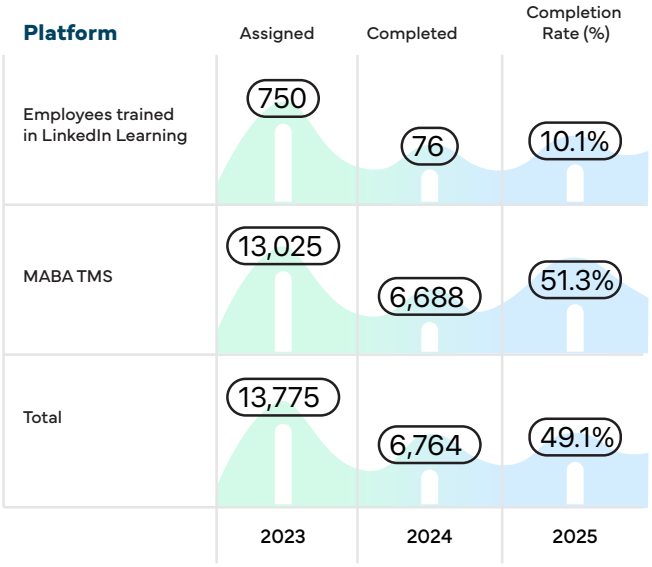
ESG Capacity Building Performance

Metrics	2023	2024	2025
Employees trained in ESG topics	261	1,382	**6,688**
Year-on-year growth (%)	–	+429.5%	**+383.7%**

ESG Training Sessions (Employees)

Session	Participants
Onboarding	**1,902**
SAVE Checkpoints	**86**
Sustainable Procurement	**24**
Pilot to Chief (Management Pilot)	**15**
Legal	**39**
Climate Risk	**21**
FY ESG & CORSIA Session	**9**
International Women's Day Panel	**80**
Session with MK	**63**
Session with GIRA	**8**
Boeing (Technical Crew/Engineers)	**17**
Boeing (GM/SM)	**94**
Total	**2,358**

Virtual ESG Training (2025)



Notes on Training Management System (TMS):

- *Minor system limitations were observed in the delivery of training notifications, which may have affected participation rates for certain modules.*
- *Module completion status may remain as Ongoing where participants do not formally submit completion upon finishing the training.*

Enhancements to the TMS are planned to improve user experience, tracking accuracy, and overall system performance. The Group is working with internal IT teams and the system vendor to address current system constraints, including data accessibility and reporting functionality.

MAG continued to scale its ESG capacity building efforts in 2025, reflecting a transition from foundational awareness to broader organisational integration. A total of 6,688 employees completed ESG-related training during the year (2024: 1,382; 2023: 261), demonstrating a significant expansion in reach as sustainability capabilities are embedded more systematically across the workforce.

This growth builds on the groundwork established in 2024, where ESG capacity building focused on strengthening awareness of key industry developments, regulatory expectations, and MAG's sustainability commitments. Early efforts also emphasised cross-functional engagement, helping departments identify relevant ESG priorities and align their roles within the Group's broader sustainability journey.

The programme is structured into three progressive modules to ensure relevance across different levels and functions.

The foundational module introduces core ESG concepts and builds baseline understanding across the organisation. This is followed by a sector-focused module on sustainable aviation, which contextualises ESG challenges and opportunities within the industry. The third module provides targeted, function-specific ESG training, equipping employees with practical knowledge and tools to integrate sustainability considerations into daily operations.

To translate ambition into measurable impact, MAG initially set a target to train 10% of its workforce in ESG-related topics. This target was exceeded in 2024, with 1,382 employees trained against a target of 1,200, and further accelerated in 2025 as ESG training was scaled more broadly across the organisation.

These efforts reflect a structured approach to ESG capability building, progressing from awareness to application in support of MAG's Net Zero 2050 ambition.

6.3 Occupational Health and Safety

GRI 403-9, 403-10

MAG prioritises safety and security through continuous investment in initiatives that safeguard employee wellbeing. A robust Safety Management System (SMS) is implemented across the Group, with MASkargo's SMS certified to ISO 45001:2018.

Through proactive risk management, ongoing improvements to procedures and adherence to established safety standards, MAG remains committed to upholding high standards in occupational health and safety, guided by its safety commitments and domains.

Our Commitment to Safety and Strategic Domains

VISION
To be recognised as Asia's safest travel and aviation services group by 2030

GOALS
Achieving zero accidents with full compliance to safety standards

MISSION
Ensuring safe, secure and reliable operations across MAG

SAFETY IN 2030
To be ranked among the world's top 10 safest airlines

SAFETY DOMAINS

- Future of Flying
- Safety Culture
- Safety Leadership
- Workforce Health Protection
- Pandemic and Climate Change Preparedness

MAG's 2023-2030 Safety Strategy and Annual Safety Plan

MAG's Safety Strategy 2023–2030 sets the long-term direction for building a proactive, resilient and industry-leading safety culture across the Group. Anchored on the ambition to be among the safest aviation groups in Asia by 2030, the strategy outlines key safety domains as listed above.

Operationalising this strategy, the Safety Business Plan 2025 serves as the Group's annual roadmap for safety-related activities and initiatives, encompassing both ongoing programmes and newly introduced efforts across aviation safety, occupational health and safety, radiation safety and workforce wellbeing. It functions as a central action plan for Group Safety and Security, while guiding business units across the Airlines Business and Aviation Services verticals in developing their respective operational-level Safety Action Plans.

The plan supports the delivery of MAG's LTBP 2.0 and ensures continuity into LTBP 3.0, aligning near-term safety priorities with the Group's longer-term ambitions towards 2030.

Safety Performance

Occupational Health and Safety Performance 2023 - 2025

Metrics	2023	2024	2025
Number of Fatalities	0	0	**0**
Work-related Lost Time Injury (LTI)	37	48	**38**
DOSH Reportable Cases	28	29	**7**
Main cause of work-related injury	1.7 Slip, Trip and Fall	1.74 Manual Handling Injury	**1.28** **Slip, Trip and Fall**

Note: MASwings was subject to a Sales and Purchase Agreement signed in February 2025. Accordingly, MASwings' data has been included in the Group's 2025 reporting, but will excluded from 2026 onwards.

A total of 38 accidents were recorded in 2025, with slip, trip and fall incidents identified as the leading cause of work-related injuries. MAG's lost time injury frequency rate (LTIFR) stood at 1.28, indicating an improvement compared to the previous year.

The reduction reflects ongoing efforts to strengthen safety awareness, reinforce compliance and enhance operational controls across the Group. MAG continues to maintain a zero fatality record while remaining focused on further strengthening preventive measures and safety practices to sustain improvements in safety performance.

6.4 Employee Wellbeing

GRI 401-2, 401-3, 403-3, 403-6; IATA S.2

MAG is committed to fostering a workplace where employees feel supported, valued and equipped to thrive both professionally and personally. In a service-driven and operationally intensive industry, employee wellbeing is recognised as an important contributor to safety, engagement, productivity and long-term organisational resilience.

MAG's wellbeing approach combines employee benefits, wellness support and targeted assistance programmes that promote physical, mental, emotional, social and spiritual wellbeing across the workforce. In addition, wellbeing is guided by the MAG Safety Business Plan 2025, which serves as a Group-wide blueprint for managing safety, health, and workplace wellbeing (see page 76 for MAG's 2023-2030 Safety Strategy and Annual Safety Plan).

Employee Benefits

MAG provides a comprehensive and competitive benefits framework designed to support employees across different life stages, from active service and family needs to retirement. The Group's benefits structure combines industry-specific privileges with core healthcare coverage and long-term security provisions, reinforcing employee wellbeing, retention, and engagement. These benefits are regularly reviewed to remain competitive, relevant and aligned with workforce needs.

We offer parental leave in line with legal requirements: 98 days of maternity leave and 7 days of paternity leave. In 2025, a total of 465 (310 male, 155 female) employees took parental leave, with a return-to-work rate of 100% for both groups. This indicates that MAG's parental leave policies are effective in supporting employees during key life transitions while maintaining workforce continuity.

Travel Benefits

Employees enjoy extensive travel privileges, including Annual Privilege Travel (ID00), ID75 Firm, ID90 Subload, and ZED tickets, making air travel more accessible for both personal and family use.

Key:

- ID00 (free annual confirmed ticket)
- ID75 Firm (confirmed ticket at 75% discount)
- ID90 Subload (standby ticket at 90% discount)
- ZED (discounted standby tickets with our global airline partners)

Cargo Rebates

Employees are eligible for a 75% discount on air cargo services for shipments up to 100 kg, offering significant savings for personal or family logistics.

Medical Benefits

MAG prioritises health protection, providing coverage for employees and their immediate families, including hospitalisation, outpatient care, health screenings, and dental benefits. Dependents include spouses and children up to age 24.



MYRA and Mandatory Retirement Benefits

To support employees transitioning into retirement, MAG provides customised retirement benefits in two categories:

- MAG Early Retirement Application (MYRA) benefits: Employees receive a three-month extension of remaining medical entitlements (excluding health screening), three months' gratuities (base on basic salary plus work-related allowances), and access to Retirees' Tickets that include four ID90 Subload tickets on Malaysia Airlines and unlimited ZED tickets for the employee, spouse, and dependents under 24 years old (as long as they are declared before their final day of service).
- Mandatory retirement benefits: retirees receive the same Retiree's Tickets package as they would in MYRA.

To qualify, employees must meet certain conditions. For MYRA benefits, their last working day must be at least six months before reaching retirement age. For Retiree's Tickets, employees must have completed at least ten years of service.

Employee Assistance Programme (EAP)

MAG continues to prioritise mental and emotional wellbeing through structured Employee Assistance Programme (EAP) offerings, recognising the psychological demands of aviation operations.

The EAP provides confidential support services to help employees manage personal, family and workplace challenges that may affect wellbeing and performance. The programme forms part of the Group's broader people care framework and encourages early access to support when needed.

MHeart Programme



MAG's flagship wellbeing initiative, MHeart, is delivered in partnership with Naluri, a Malaysia-based digital health provider. The programme integrates digital tools with professional coaching to provide accessible and personalised support for employees.

Through the platform, employees are able to access a range of resources designed to support healthier lifestyles and personal wellbeing, including health-tracking tools, self-reflection journals, nutrition logs and interactive wellness planners.
Core programme components include the Naluri mobile application, webinars and workshops in both English and Bahasa Malaysia, consultation sessions, and a dedicated careline for employee support. Employees also benefit from access to a multidisciplinary network of professionals, including psychologists, dietitians, fitness coaches and medical practitioners, enabling more personalised guidance across different wellbeing needs.

Since its launch in 2021, the initiative has continued to see encouraging participation and engagement. As of December 2025, 10,273 employees are registered for the initiative, with 159 hours of counselling support delivered through 148 sessions.

Enhancing Social and Spiritual Wellbeing

As a Malaysian business, MAG recognises social and spiritual health as essential to overall employee wellbeing. Social wellbeing initiatives include employee engagement activities, team-building programmes, volunteerism opportunities and family-oriented events that strengthen belonging across the organisation. MAG supports employees' spiritual wellbeing by fostering an inclusive environment that respects diverse beliefs and values. Facilities, observances and awareness efforts help employees maintain balance, purpose and personal wellbeing in ways meaningful to them.

In 2025, MAG placed greater emphasis on financial wellbeing as a core component of social health, equipping employees with practical knowledge to manage personal finances and long-term planning.

A series of structured webinars and consultation sessions were conducted throughout the year, covering topics such as:

- Financial Fundamentals & the Right Place to Invest (February 2025)
- How Can You Unlock Financial Peace? (May 2025)
- Financial Fundamentals & Income Challenges 101 (September 2025)
- Financial Fundamentals & Retirement Planning 101 (ongoing series)

These sessions were complemented by one-on-one financial consultations and modular courses, enabling employees to receive personalised guidance on budgeting, investing, and retirement readiness.

By integrating financial literacy into the wellbeing framework, MAG supports employees in reducing financial stress, strengthening decision-making, and improving overall quality of life - key factors that contribute to workplace engagement and productivity.

MAG also continued its Sembang Santai series, which provides employees with opportunities for reflection, personal growth, and values-based discussions.
In 2025, sessions featured speakers from diverse backgrounds, including:

- Hj Roslan Mohamad – Caye Ke Ni? (February 2025)
- Firdaus Djamaris – Seindah Mimpi (May 2025)
- Chan Chong Ming – From Court to National Pride (September 2025)
- Fuad Mokhtar – Reflect to Restart (November 2025)

These sessions create a platform for employees to engage with real-life experiences and perspectives, encouraging reflection on resilience, purpose, and personal development.

By fostering open dialogue and shared experiences, MAG promotes a more inclusive and supportive workplace culture where employees feel connected not only to their work, but also to their personal journeys and broader sense of meaning.

6.5 Diversity, Equity and Inclusion

GRI 405-1 IATA G.1

MAG adopts a proactive approach to diversity and inclusion, which focuses on creating equal opportunities, removing systemic barriers, and ensuring all employees have the chance to thrive.

The Group embeds diversity into the heart of its organisation by promoting gender equality and supporting broader inclusion efforts, including Indigenous participation.

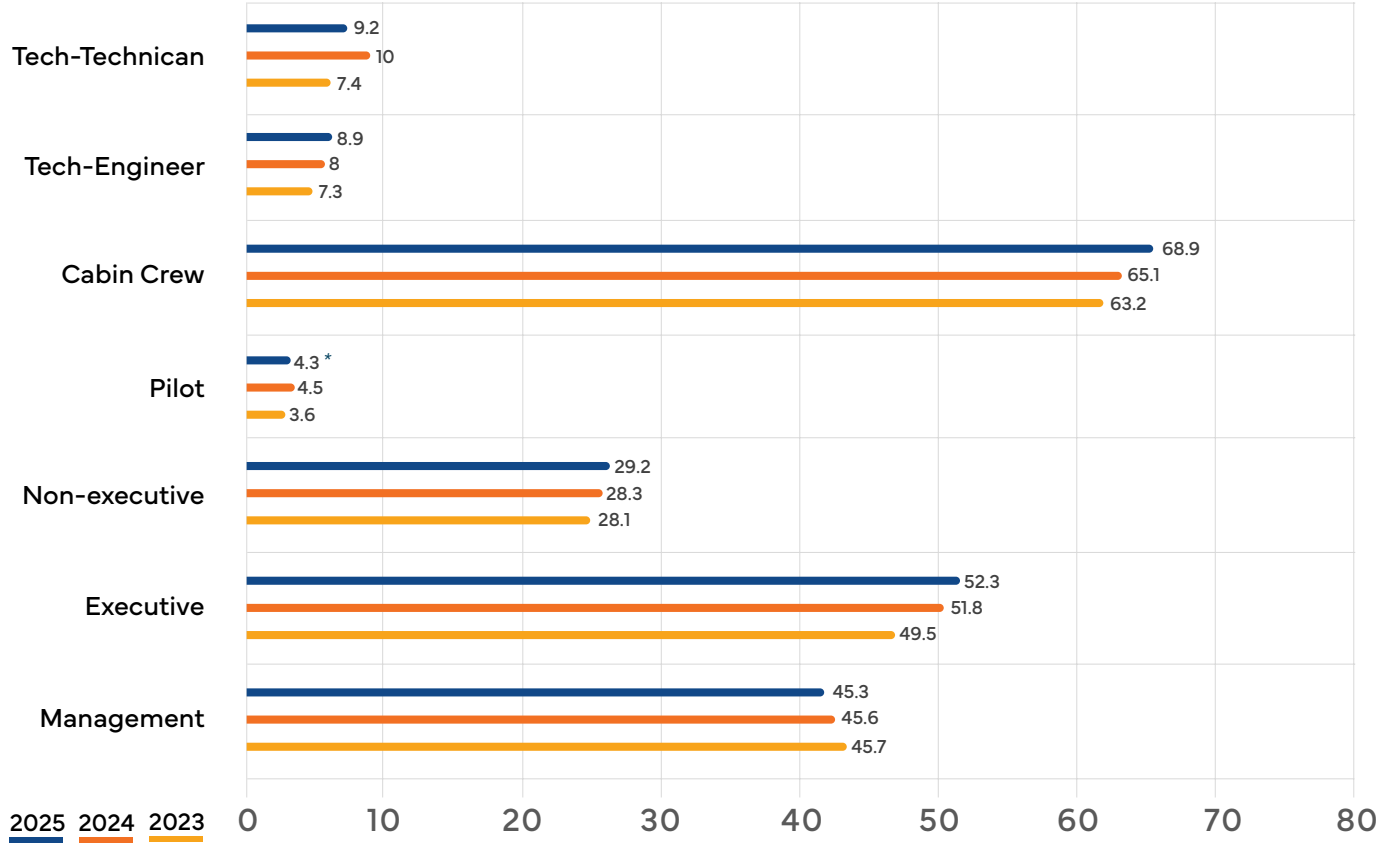
Female representation across MAG's workforce reflects a generally balanced pipeline at core organisational levels, alongside persistent structural gaps in specialised technical roles. At management level, female representation remained stable at approximately 45% over the three-year period, indicating sustained progress in building a more inclusive leadership pipeline. This is further reinforced at the executive level, where women accounted for over half of the workforce in 2025, demonstrating strong gender balance within the Group's core talent base.

Across the broader workforce, non-executive roles showed consistent female participation at around 28–29%, while cabin crew continued to be female-majority, increasing to nearly 69% in 2025. These trends reflect the differing gender dynamics across operational and service-oriented roles within the aviation sector.

However, representation remains significantly lower in technical and flight operations roles. Female participation in pilot and engineering positions remained below 10%, with only marginal improvements observed over the period. This highlights a key area of focus for the Group as it continues to strengthen diversity across all functions.

Overall, the data reflects a maturing gender diversity profile, with strong representation at leadership and executive levels, supported by a healthy talent pipeline, while targeted efforts are required to address imbalances in technical and specialised roles.

Female Representation by Category 2023-2025 (%)



*MASwings employee data is excluded in December 2025 due to the transition period.

Building a Stronger Pipeline for Women

MAG continues to strengthen initiatives that support women's participation and progression across the organisation, particularly in roles that have been traditionally underrepresented. Efforts are focused on creating an enabling environment through inclusive workplace practices, career development opportunities and targeted engagement.

MAG continues to support initiatives that encourage greater participation in STEM related fields, with a focus on building future talent pipelines and promoting diversity in technical roles. MAG has actively increased their efforts through targeted outreach programme to schools and universities, engagement with peer industries and open day organised by MAG engineering's arm, Malaysia Airlines Berhad Engineering Service (MABES) to attract female's participation in the technical roles. These efforts aim to enhance awareness, strengthen engagement with emerging talent and support long term workforce sustainability.

Women@MAG

Women@MAG (W@M) is the Group's dedicated women's network, established to support gender equality and advance women's participation across all levels of the organisation. As a strategic platform within MAG, W@M focuses on fostering an inclusive environment by enabling access to mentorship, leadership development opportunities and cross-functional exposure, while contributing to the Group's broader diversity and inclusion agenda.

In 2025, W@M continued to expand its reach and impact across the organisation, with total female membership increasing to 1,368, more than doubling from 650 in 2023. Participation grew across key employee categories, including cabin crew, executive and non-executive roles, reflecting stronger engagement at both operational and professional levels. Representation also increased within leadership pipelines, with membership among senior and middle management segments continuing to build momentum.

W@M membership by category 2023 – 2025

Employee Category	2023	2024	2025
Total members	650	1,292	**1,368**
Management	149	253	**253**
Executive	225	431	**444**
Non-executive	104	216	**260**
Pilots	13	24	**24**
Cabin crew	106	291	**306**
Technicians	41	61	**62**
Aircraft engineers	12	16	**19**

Note: MASwings was subject to a Sales and Purchase Agreement signed in February 2025. Accordingly, MASwings' data has been included in the Group's 2025 reporting, but will excluded from 2026 onwards.



During the year, W@M strengthened its role in supporting career progression and workplace inclusion through targeted engagement initiatives, contributing to a more supportive and connected environment for women across the Group.

Key initiatives included an HPV vaccination drive with the National Cancer Society Malaysia to support preventive healthcare, an International Women's Day forum featuring industry partners to drive dialogue on gender equality, and a wellness hiking programme to promote physical and mental wellbeing. W@M also engaged future talent through its outreach programme with Kolej PERMATA, inspiring young women to explore careers in aviation.

Health awareness remained a priority, with a Breast Cancer Awareness Talk supporting early detection and employee wellbeing, while regional engagement was strengthened through participation in the Women in Aviation International (WAI) Singapore Chapter Gala Dinner, reinforcing MAG's commitment to advancing women in aviation at both organisational and industry levels.

Moving forward, W@M will continue to focus on strengthening mentorship pathways and leadership development, with the aim of increasing women's representation in senior and executive roles. Efforts will centre on building a sustainable leadership pipeline through structured development programmes, cross-functional exposure and succession planning support.

W@M will also expand its focus on women's physical and mental health, safety and overall wellbeing, recognising the importance of holistic support in enabling long-term career growth. In parallel, the network will continue to strengthen partnerships across the aviation ecosystem to share best practices and contribute to advancing gender inclusion at both organisational and industry levels.

In 2025, W@M continued to expand its reach and impact across the organisation, with total female membership increasing to 1,368, more than doubling from 650 in 2023











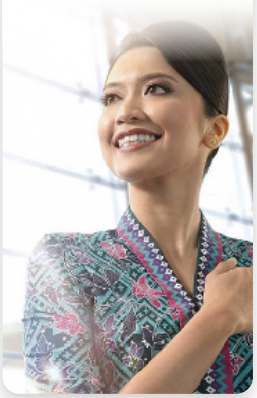
Women in Underrepresented Roles Initiative

MAG continued to strengthen efforts to improve female representation in traditionally underrepresented technical and operational roles, particularly within engineering, flight operations and maintenance functions. Building on programmes initiated in 2024, the Group adopted a more structured employment lifecycle approach in 2025, recognising that sustainable progress requires action across attraction, recruitment, development and retention stages.

The initiative supports MAG's broader DEI agenda by expanding access to career opportunities, improving workplace inclusivity and building a stronger long-term talent pipeline for critical aviation roles.

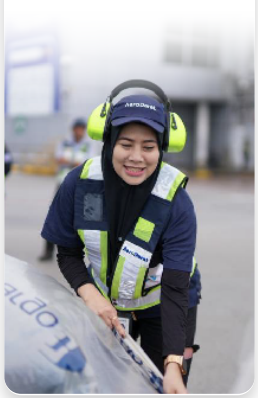
Employment Lifecycle Approach

Stage	Attraction	Recruitment	Development	Retention
Focus Area	Build future talent pipeline	Improve female representation in hiring	Build careers and progression pathways	Create inclusive workplaces
2025 Action	• School outreach • MABES Open Day • Media visibility on • female pilots and • All-Women Powered Flight MH2610	• All Female Cadet Pilot Graduation • Female Engineer Recruitment Drive	• Collaboration with Jabatan Pembangunan Wanita (JPW) • Collaboration with W@MAG on women's initiative • MABA Next Generation of Aviation Professionals (NGAP Programme by ICAO)	• Additional dedicated shuttle services • Upgraded nursing room and women-only rest areas • Women-only parking spots at engineering hangar









Attraction: Building the Talent Pipeline

MAG expanded outreach programmes to encourage greater interest among young women in aviation and engineering careers.

A structured outreach programme engaged students from selected schools, including all-girls institutions, introducing pathways into technical careers such as Licensed Aircraft Engineer (LAE), technician and pilot roles.

School Outreach Programme	Students Reached
SMK (P) Bandaraya	107
SM Sains Seri Puteri (SESERI)	81
SMK (P) Taman Petaling	122
SMJK Katholik PJ	132
School Outreach Programme	**442**

MAG also organised the MABES Open Day, attracting over 1,000 participants, where students and parents gained first-hand exposure to aircraft engineering careers, training pathways and hangar operations.

To strengthen visibility, the Group also featured women employees in internal and external media campaigns highlighting female pilots, engineers and operational staff as role models.



Recruitment: Expanding Representation

MAG introduced targeted hiring initiatives to attract more women into technical roles, supported by more frequent recruitment cycles and dedicated campaigns.
2025 Representation Targets

Role Category	2025 Target Female Representation
Pilots	4%–6%
Licensed Aircraft Engineers (LAE)	6%–8%
Technicians	9%–11%

A dedicated campaign under the message 'Join the Women Who Power Every Takeoff' was launched to attract female LAEs and technicians.

2025 Progress Snapshot

Role Category	2025 Status
Pilots	4.3%*
LAE	8.9%
Technicians	9.2%

**MASwings employee data is excluded in December 2025 due to the transition period.*

Development and Retention

MAG recognises that representation must be supported by career progression and inclusive workplaces. During the year, female employees were promoted into LAE roles, while additional women technicians were recruited and absorbed into operational teams.

The Group also implemented workplace inclusion measures, including:

- additional shuttle services for engineering employees;
- improvements to female rest areas and nursing room facilities;
- designated parking at engineering hangars; and
- internal communications promoting safety, inclusivity and belonging.

Collaborations with organisations such as Jabatan Pembangunan Wanita (JPW) and other external partners further supported women-focused development programmes.

Technical aviation roles remain historically male-dominated across the global industry. By addressing barriers across the full employment lifecycle, MAG aims to build a more diverse and resilient workforce while widening access to high-value careers in aviation. These efforts also support stronger talent sustainability, improved innovation through diverse teams and a workplace culture where employees can thrive based on capability and potential.

Strengthening Indigenous Participation for an Inclusive Workforce

Beyond gender diversity, MAG recognises that meaningful inclusion is essential to building a resilient, future-ready organisation. Expanding opportunities for underrepresented communities not only supports equitable access to employment but also strengthens the Group's ability to draw from a wider and more diverse talent pool.

By improving representation across different workforce segments and leadership levels, MAG aims to foster a workplace where diverse perspectives are valued, and employees are empowered to contribute and grow. This is particularly important in a dynamic and service-oriented industry such as aviation, where cultural awareness, adaptability and community connection enhance both operational effectiveness and customer experience.

Looking ahead, MAG will continue to strengthen its people practices to support broader workforce participation, including targeted efforts to enhance Indigenous representation across technical, operational and leadership roles. These efforts contribute to long-term talent sustainability while reinforcing the Group's commitment to inclusive growth.



Cabin Crew

In 2025, MAG refined its approach to Cabin Crew recruitment within the Orang Asli community by placing greater emphasis on targeted, community-focused outreach. Three dedicated recruitment drives were carried out in Kuala Rompin, Tapah and Gombak, followed by a final interview session in Gombak for shortlisted candidates from Kuala Rompin and Tapah as well as walk-in applicants.

These efforts led to four Orang Asli candidates successfully advancing through the selection process. The initiative reflects MAG's ongoing commitment to widening access to employment opportunities through more localised and inclusive recruitment efforts.



Cadet Pilot

As part of our continued outreach efforts, MAG identified and engaged Orang Asli candidates for the Cadet Pilot programme, with two individuals progressing to the ADAPT assessment stage. One candidate subsequently reached the offer stage, marking a key milestone as MAG's first Orang Asli Cadet Pilot.

The candidate was identified through targeted outreach initiatives and demonstrated strong potential throughout the selection process, representing a significant step toward developing sustainable aviation career pathways for the Orang Asli community and building on the positive momentum from the recruitment of Orang Asli Cabin Crew in 2024, which helped reshape perceptions of aviation careers.



Leadership Executive Accelerated Programme (LEAP)

Meanwhile, the recruitment for LEAP Cohort 7 was enhanced through strategic collaborations with Yayasan Tunku Abdul Rahman and the Jabatan Kemajuan Orang Asli (JAKOA). Through these partnerships, MAG conducted a series of targeted engagement sessions with prospective Orang Asli candidates, including MAGnet Moments, where current LEAP participants shared their experiences and insights during a JAKOA-organised programme for Orang Asli youths.

Shortlisted candidates were subsequently invited to the Gombak Recruitment Drive, where they took part in an engagement session with MAG's former Chief Human Capital Officer, Dato' Mohd Khalis Abdul Rahim. These focused outreach efforts led to the successful onboarding of two Orang Asli LEAP Executives into LEAP Cohort 7, reinforcing MAG's commitment to developing inclusive leadership pathways.

6.6 Labour Standards and Human Rights

GRI 2-23, 2-24, 2-25

MAG is committed to upholding fair labour practices and respecting the rights and dignity of all employees across its operations.

Our approach is grounded in compliance with applicable labour laws and reinforced by internal policies and standards, including the Group Human Capital Corporate Policy and the MAG Code of Business Conduct, which sets clear expectations on ethical behaviour, non-discrimination and fair treatment in the workplace.

In supporting a respectful and inclusive working environment, the Group aligns its practices with internationally recognised principles, including the International Labour Organization (ILO) core conventions and the United Nations Guiding Principles on Business and Human Rights (UNGP). These frameworks guide our approach to safeguarding employee rights, promoting equal opportunity, and ensuring that all employees are treated with fairness and respect.





MAG maintains established grievance and whistleblowing channels that enable employees to raise concerns confidentially and without fear of retaliation, supporting transparency, accountability and the fair resolution of workplace issues. The Group also enforces a zero-tolerance approach to workplace harassment, including sexual harassment, supported by clear policies, reporting mechanisms and ongoing awareness efforts to promote a safe, respectful and inclusive working environment.

The Group adopts a zero-tolerance stance towards any form of forced labour, child labour or workplace exploitation within its operations. Through continuous reinforcement of ethical standards and workplace practices, MAG seeks to foster a safe, respectful and accountable working environment for all employees.

More information on MAG's Whistleblowing Policy, zero-tolerance approach to sexual harassment and other related initiatives and policies are available in the Governance and Risk section of this report (pages 32 to 33).

Our approach is grounded in compliance with applicable labour laws and reinforced by internal policies and standards

7 Customers and Communities



7.1 *Customer Experience and Service Excellence*
7.2 *Safety and Operational Reliability*
7.3 *Accessibility and Inclusive Travel*
7.4 *Community Impact*

Delivering a consistent and reliable customer experience remains central to MAG's hospitality. As travel demand increased in 2025, the Group enhanced its ability to scale operations without compromising service quality.

During the year, passenger volumes grew significantly, placing increased pressure on customer-facing operations. Although the increase in passenger volumes led to a higher total number of complaints, the overall complaint rate remained steady, demonstrating the Group's ability to maintain service performance in line with rising demand. Notably, complaint resolution performance improved markedly, resulting in the highest closure rate recorded over the past three years.

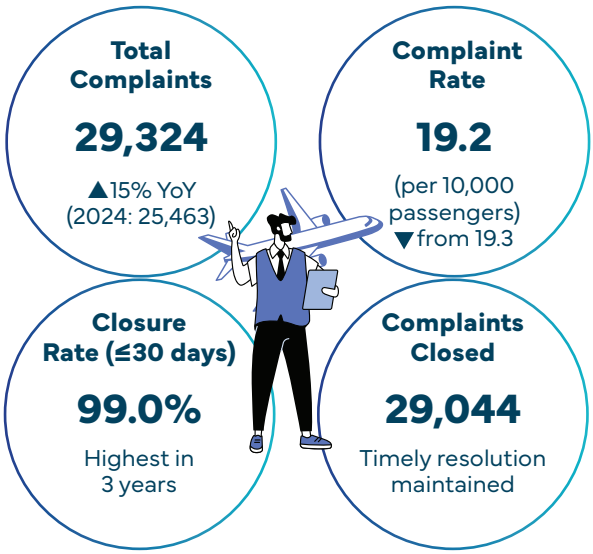
This progress reflects ongoing efforts to enhance responsiveness, streamline service processes, and strengthen coordination across touchpoints. By embedding a more structured and data-driven approach to customer management, the Group continues to improve its ability to resolve issues efficiently, while also identifying opportunities to prevent recurrence.

Looking ahead, the Group remain focused on improving service reliability, enhancing digital engagement, and strengthening proactive service recovery—ensuring that customer experience continues to evolve in line with the Group's growth.

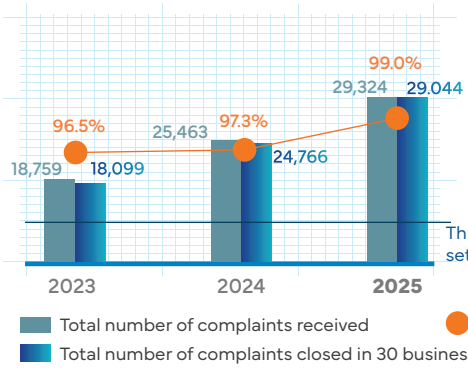
7.1 Customer Experience and Service Excellence

GRI 3-3, 416-2, 418-1 IATA C.1,C.2

Customer Experience Performance



Performance Trend 2023 – 2025



Complaint volumes increased in line with passenger growth, while closure performance improved consistently.

**Complaint rate is per 10,000 flown passengers*

Key Insights

1. Scaling Without Service Dilution

Passenger volume ▲16% YoY

Complaints ▲15% YoY

Complaints rate Stable

Closure rate Improved to 99.0%

Service performance remained resilient despite higher demand. Maintained closure rate above MAVCOM threshold (90%) across all months.

2. What Drove Performance

Operational Improvements

- Faster case handling and resolution workflows
- Strengthened customer response processes
- Improved coordination across service touchpoints

3. What's Next

2026 Focus Areas

- Further reduce complaint incidence rate
- Enhance digital customer service channels
- Improve root cause analysis and prevention
- Strengthen real-time service recovery

Note: The data presented above represents Malaysia Airlines Berhad (MAB) only

MAG continues to enhance its customer experience in response to evolving expectations and operational demands, with a continued focus on delivering consistent, reliable, and high-quality service across all customer touchpoints.

The Group recorded a 16% increase in passenger volumes (15,137,246 passenger) in 2025, resulting in a corresponding 15% rise in total complaints. Meanwhile the complaint rates remain stable and showing a slight improvement from 19.3 to 19.2 complaints per 10,000 passengers.

Despite the higher volumes, complaint management performance improved significantly. The Group achieved a 99.0% complaint closure rate within 30 business days, up from 97.3% in 2024 and 96.5% in 2023, representing the strongest performance over the past three years.

This reflects enhanced operational responsiveness and the continued strengthening of customer service processes, enabling the Group to maintain service quality while scaling operations.



Customer Feedback and Satisfaction

Customer feedback is a key source of insight for MAG, guiding continuous improvements in service delivery and helping address customer pain points across the travel journey. Feedback is collected through post-flight surveys and across multiple touchpoints, providing a more comprehensive view of the overall customer experience. Two primary indicators are used to measure performance: the Customer Satisfaction Index (CSI) and the Net Promoter Score (NPS).

In line with industry requirements, complaints management is regulated under the Malaysia Aviation Consumer Protection Code (MACPC) and overseen by the Civil Aviation Authority of Malaysia (CAAM). Relevant complaint information and performance data are reported in page 86.

In 2025, Malaysia Airlines (MH) recorded a CSI score of 84%, up 4% from 2024 and surpassing the target of 83%. This improvement was driven by enhancements across key touchpoints, particularly the Contact Centre, which recorded an improvement of 11%. Strong cabin crew performance, reflected with a CSI score of 89%, also contributed to MH securing 8th place in the Skytrax 2025 Best Airline Cabin Crew Award. Firefly (FY) achieved a CSI of 79%, an increase of 5 percentage points, while MASwings (MW) maintained stable performance at 82%.

The Net Promoter Score (NPS), which measures customer loyalty and advocacy, also showed improvement during the year. Malaysia Airlines (MH) achieved an NPS of +36, exceeding the target of +27. Firefly (FY) improved significantly from -13 in 2024 to +7 in 2025, while MASwings (MW) recorded a marginal year-on-year increase of one point.

Digital Experience and Customer Engagement

As customer expectations continue to evolve, MAG is accelerating the integration of digital solutions to enhance service delivery, improve operational responsiveness, and create more seamless travel experiences. These initiatives are designed not only to improve convenience and efficiency, but also to reduce reliance on resource-intensive processes and physical infrastructure.

By embedding digital capabilities across customer touchpoints—from pre-flight interactions to on-ground support and multi-carrier journeys—MAG is advancing a more agile, scalable, and sustainable customer engagement model that balances service quality with operational efficiency.



Digital Self-Service with MAVIS Chatbot

The deployment of MAG's chatbot, MAVIS, shifts engagement towards a customer-led model, enabling seamless self-service access to information and services. By automating routine enquiries, MAVIS reduces reliance on resource-intensive call centre operations, optimising workforce deployment and improving service consistency.

From a sustainability perspective, this reduces the environmental footprint associated with high-volume manual servicing, while ensuring customers continue to receive timely, reliable assistance through secure digital platforms.



Airport Companion App

Introduced on an exploratory basis in late 2025, the Airport Companion App (ACA) equips ground staff with mobile servicing capabilities, enabling passenger support directly within terminal areas.

This reduces dependence on fixed service counters, enhances responsiveness during peak periods, and alleviates congestion within airport spaces. By optimising the use of physical infrastructure and improving operational flow, the initiative contributes to a more efficient and sustainable airport environment while supporting a more inclusive customer experience.



Ecosystem Integration through Oneworld CarrierConnect

MAG's participation in the Oneworld CarrierConnect initiative enables seamless digital check-in across partner airlines, allowing passengers on multi-carrier journeys to complete the process via a single platform.

This eliminates duplicated processes and reduces system redundancies, leading to more efficient use of digital infrastructure. The result is a streamlined, lower-friction customer journey that supports sustainability through improved interoperability and reduced digital resource consumption across the airline ecosystem.



Empowering Digital Efficiency

MAG has begun implementing the BTP Citizen Development platform, enabling finance users to automate processes such as report generation, workflow approvals and data updates through low-code solutions.

By reducing reliance on manual processes, the initiative minimises operational errors and enhances efficiency, while lowering resource consumption associated with repetitive administrative tasks. This approach reflects a scalable and sustainable model of digital enablement, strengthening operational resilience and supporting long-term transformation.

7.2 Safety and Operational Reliability

GRI 3-3, 416-1 IATA A.1/A.2, C.1

Safety and operational reliability are fundamental to maintaining customer trust and delivering a consistent travel experience.

While safety governance is managed through established frameworks and oversight structures (see Section [X.X] Governance and Risk Management), the Group's operational focus is on ensuring that every flight is conducted safely and efficiently, with minimal disruption.



Enhancing the Travel Experience

In 2025, MAG maintained strong safety performance across its operations, supported by disciplined execution, continuous training, and adherence to regulatory requirements. This performance provides a foundation for reliable service delivery across the Group's network.

Alongside safety, operational reliability remains a key driver of customer experience. As passenger volumes increased during the year, the Group continued to strengthen coordination across operational functions to manage higher traffic levels and minimise service disruptions. Efforts focused on improving responsiveness, enhancing coordination between ground and flight operations, and ensuring timely service recovery where issues arise.

Recognising that delays and service disruptions are among the primary drivers of customer dissatisfaction, MAG continues to prioritise operational consistency and proactive issue resolution. These efforts are closely linked to the Group's customer experience performance (*refer to Section 7.1 Customer Experience*), supporting stable complaint rates and improved resolution outcomes despite higher demand.

Looking ahead, MAG will continue to enhance operational resilience by strengthening coordination across touchpoints, improving real-time response capabilities, and embedding more proactive approaches to disruption management. These initiatives will support the Group's objective of delivering a safe, reliable, and seamless travel experience as it continues to grow.



Aircraft Safety Management

MAG maintains a robust governance framework for aircraft safety, anchored by strict adherence to internationally recognised standards and continuous oversight of operational performance. Central to this approach is the Group's ongoing registration under the International Air Transport Association's Operational Safety Audit (IOSA), which serves as a critical assurance mechanism for evaluating airline systems, procedures and safety performance against global benchmarks. The IOSA framework enables systematic identification of risks, ensures alignment with regulatory requirements, and drives continuous improvement across the Group's safety practices.

In 2024, Firefly successfully completed its inaugural IOSA audit, achieving a 92% conformance rate. This milestone reflects strong compliance with industry best practices and reinforces the airline's commitment to maintaining high standards of safety and operational integrity.

For 2025, MAG recorded one aircraft-related incident and no sanctions for non-compliance with flight safety regulations, demonstrating continued effectiveness in safety governance and regulatory adherence.

Aircraft Safety Management Performance Data

Metrics	2023	2024	**2025**
Total number of aircraft related incidents (cases)	0	0	**1**
Sanctions for Non-Compliance with Flight Safety Regulations (number)	0	0	**0**

Note: MASwings was subject to a Sales and Purchase Agreement signed in February 2025. Accordingly, MASwings' emissions have been included in the Group's GHG inventory for 2025 reporting but will be excluded from 2026 onwards.

Looking ahead, MAG will continue to enhance operational resilience by strengthening coordination across touchpoints, improving real-time response capabilities, and embedding more proactive approaches to disruption management. These initiatives will support the Group's objective of delivering a safe, reliable, and seamless travel experience as it continues to grow.

Food Safety

Maintaining high standards of food safety is essential to ensuring service quality and safeguarding passenger wellbeing. MAGCS implements a structured and proactive approach, supported by stringent controls to ensure all in-flight meals comply with health and food safety requirements.

Food safety processes are guided by Hazard Analysis and Critical Control Point (HACCP) standards, with regular risk assessments conducted and daily verification checks carried out by internal teams. Any issues are promptly investigated through traceability checks to determine root causes and implement corrective and preventive actions.

There were no reported cases of non-compliance relating to in-flight food safety or associated health impacts during the year.



7.3 Accessibility and Inclusive Travel

GRI 3-3, 413-1 IATA C.1, S.1

Ensuring accessible and inclusive travel experiences is an integralpart of MAG's service delivery. The Group's efforts are focused on enhancing support for passengers with additional needs and improving service touchpoints to deliver a seamless journey. Key initiatives include:



Meet & Assist Services

Dedicated ground staff assist passengers with reduced mobility, the elderly, and those with visual or hearing impairments throughout the journey, from check-in to boarding and arrival. MAG works closely with airport partners to ensure smooth handovers between airline and airport staff.



Medical Assistance (MEDIF)

Passengers requiring medical support, equipment, or oxygen can submit a MEDIF form prior to travel, allowing the airline and airport teams to prepare the necessary accommodations.



Wheelchair & Mobility Aid Handling

MAG provides specialised handling for wheelchairs and mobility aids, ensuring safe transport on board and during transfers, coordinated with airport ground handlers.



Young Passenger Travelling Alone (YPTA)

Dedicated supervision is provided for children travelling alone, ensuring their safety and comfort throughout the journey, with coordination between MAG staff and airport teams.

7.4 Community Impact

GRI 3-3, 413-1, 203-1 IATA S.1, S.4

CSR Initiatives

In 2025, MAG continued to deliver community-focused initiatives across environmental stewardship, education and talent development, humanitarian support, and social welfare. These programmes reflect the Group's commitment to creating positive social impact through employee volunteerism, industry knowledge-sharing and targeted support for communities in need.

Category	Selected 2025 Initiatives
Environment & Conservation	Zoo Negara Volunteer Programme, KK Cleanup Day, Mah Meri Mangrove Planting
Education & Youth Development	School Outreach Programmes, Sekolah Angkat Madani, Student Industry Visits
Community Welfare & Inclusion	Orphanage Support, Ramadan Outreach, Community Donation Programmes
Humanitarian Assistance	Medical Travel Support for Baby Umar

Environment & Conservation

MAG undertook several hands-on environmental initiatives involving employees and local communities.

Zoo Negara Volunteer Programme

The Zoo Negara Volunteer Programme brought together 90 employees for tree planting, maintenance and public area improvement works, supporting wildlife conservation and environmental education.







KK Cleanup Day

The KK Cleanup Day 1.0 event saw MASwings employees participate in public clean-up activities in Kota Kinabalu alongside local authorities and community stakeholders.



Mah Meri Mangrove Planting

The Mah Meri Cultural Village Programme involved around 200 employees and included the planting of 220 mangrove seedlings, supporting biodiversity, coastal resilience and climate awareness.







These programmes combined environmental action with employee engagement and community partnership.

Education & Youth Development

MAG continued to invest in future talent development through school outreach, student engagement and industry exposure programmes.

Initiative	Highlights
School Career Talks	Outreach at SMK St. Joseph Kuching, SMK Bukit Payong, SMK (P) Bandaraya
Sekolah Angkat MADANI	Career Exposure, Stem Motivation and Mentorship Support
University Engagement	UPNM Students Visited MASkargo for Logistics Industry Exposure
Aviation Talent Inspiration	Students Introduced to Pilot, Engineering, Cabin Crew and Technical Pathways

Across these programmes, hundreds of students gained direct exposure to aviation careers, helping strengthen awareness of future opportunities in engineering, logistics, technical operations and flight services.

School Career Talks



MAG conducted a two-day Career Education Seminar at SMK St Joseph Kuching, engaging more than 100 students. The programme aimed to spark interest in aviation-related careers while providing practical industry insights.



Approximately 300 students from SMK Bukit Payong participated in a career and motivational programme. The outreach team travelled more than 600 kilometres to engage students in a rural setting, reflecting MAG's strong commitment to inclusive and equitable outreach.



MAG organised a two-hour outreach session at SMK (P) Bandaraya, engaging approximately 100 students through an interactive programme titled *Flight Mode On: Discover Yourself, Explore Aviation.*

Sekolah Angkat MADANI



MAG continues to support the Government's Sekolah Angkat MADANI initiative by enhancing access to education and career exposure opportunities for students. Schools such as SMK Dato Syed Omar in Alor Setar have been adopted to help address educational gaps while nurturing future talent.

The programme encompasses academic support, teacher development and career exposure initiatives. A STEM-focused session introduced students to potential careers in aviation, supported by industry insights from Malaysia Airlines and MAB Engineering.

University Engagement

MASkargo welcomed final-year Logistics and Supply Chain Management students from Universiti Pertahanan Nasional Malaysia for an academic enrichment visit. The programme provided students with practical exposure to air cargo operations and a deeper understanding of MASkargo's services and operating systems.



Aviation Talent Inspiration

In February 2025, the Flight Operations team carried out two community engagement initiatives in Sabah and Melaka. In Tuaran, Sabah, the team partnered with the Lembaga Kemajuan Ikan Malaysia (LKIM) to organise a session for parents and children, focusing on parenting and the importance of education. The session was led by Dato Captain Mohd Fauzi with support from MABA.

In Melaka, the team engaged Form 5 students at Sekolah Sains Muzaffar Shah, sharing insights into aviation career pathways alongside representatives from MABA and MABES. The session helped broaden students' understanding of potential education and career options within the aviation industry.

Community Welfare & Inclusion

MAG and its business units carried out initiatives focused on social support, festive giving and community wellbeing.

Orphanage Support

CSO Team Janda Baik Initiative involved engagement activities with orphanage children alongside donations of essential goods.





Community Donation Programmes

Sentuhan Kasih Bersama MASkargo delivered refurbishment, landscaping, games and welfare contributions to a children's home in Kuala Langat.





Ramadan Outreach

MASkargo Iftar with Rumah Penyayang Bestari included donations, duit raya and festive activities for children.



In-Flight Services Ramadan Outreach supported communities at Masjid Sungai Pelek through charitable giving.



These efforts reflect MAG's continued emphasis on compassion, inclusion and employee-led volunteering.

Humanitarian Assistance

MAG also extended urgent humanitarian support where its aviation capabilities could make a meaningful difference.

Medical Travel Support for Baby Umar

Medical travel support for Baby Umar Al Mukhtar, who has biliary atresia, enabled him and his family to travel to Shanghai for a critical liver transplant under Malaysia Airlines' MEDA assistance programme.





This initiative demonstrates how MAG can use its core capabilities in connectivity and logistics to support life-changing outcomes. MAG remains committed to aligning community investment with meaningful social outcomes.

By combining environmental action, education outreach, humanitarian support and employee volunteerism, the Group aims to create lasting value for communities while strengthening stakeholder trust and shared progress.

8 Responsible Business Practices



8.1 Sustainable Procurement
8.2 Supply Chain Management
8.3 Ethical Recruitment and Labour Practices
8.4 Anti-Corruption and Business Conduct

Focus Area	Why It Matters	Key Metrics and Indicators
Sustainable Procurement	Embeds ESG considerations into sourcing decisions, enabling MAG to drive environmental and social impact through procurement while supporting long-term resilience.	Local procurement spend: 54% Implementation of ESG onboarding framework (Phase 2) Progress against 2030 Sustainable Procurement Goals
Supply Chain Management & ESG Integration	Ensures suppliers are systematically assessed, monitored and aligned with MAG's sustainability expectations, strengthening value chain accountability.	Number of suppliers assessed for ESG: 507 % of new suppliers undergoing ESG screening Supplier onboarding ESG assessments (since 2023)
Supplier Engagement & Capacity Building	Moves beyond compliance by building supplier capabilities, particularly for ESG fundamentals, enabling long-term alignment and performance improvement.	Suppliers engaged through ESG awareness: 334 ESG awareness and engagement programmes conducted
Ethical Labour & Supplier Practices	Safeguards human rights, fair labour conditions and ethical treatment across MAG's workforce and supply chain.	Policies on labour rights (forced labour, child labour) Workforce diversity and employment data Supplier Code of Conduct compliance
Anti-Corruption & Ethical Business Conduct	Maintains integrity, transparency and regulatory compliance, reducing legal and reputational risks across operations and partnerships.	Anti-corruption training and awareness programmes Confirmed incidents and actions taken

2025 Highlights

Local Procurement Spend
54%

Suppliers Assessed For Environmental Impact
100%

Suppliers Engaged on ESG Awareness
334

ESG Onboarding Framework
Implemented
Phase 2

Supplier Journey

Onboarding → **Screening** → **Engagement** → **Capability Building** → **Performance Monitoring**

Responsible business practices are integral to MAG's approach to building a resilient, ethical, and future-ready aviation ecosystem. Across procurement, supplier engagement, labour practices, and governance, the Group embeds sustainability principles into decision-making to strengthen accountability, transparency, and long-term value creation through-out its operations and value chain.

In 2025, MAG progressed into Phase 2 (2025–2027) of its Sustainable Procurement Blueprint, shifting from policy development to supplier capacity building and active engagement, with a focus on institutionalising ESG practices across its supplier ecosystem.

2030 Sustainable Procurement Goals

GOAL 1

Achieve 100% support for sourcing MAG's Environmental Key Products

(Sustainable Aviation Fuel (SAF), Waste, and Energy Management)
This goal focuses on strengthening MAG's sourcing of key environmental products, particularly SAF, while improving waste and energy management practices across operations.

GOAL 2

Improve sustainable sourcing for selected products by 20% from baseline by 2030

(excluding MAG Environmental Key Products)
This goal expands sustainable sourcing across both airline and non-airline procurement categories, targeting a 20% improvement in sustainable sourcing practices by 2030.

GOAL 3

Support supplier development through ESG capacity building

Minimum of 3 suppliers under Vendor Development Programmes and at least 3 MSME suppliers engaged or awarded ESG-related projects.

This goal reinforces MAG's commitment to building supplier capabilities, particularly among local and MSME suppliers, to ensure they are equipped to meet evolving ESG requirements and contribute to MAG's sustainability objectives.

8.1 Sustainable Procurement

GRI 2-6, 2-23, 204-1 IATA G.4

Metrics	2023	2024	2025
Number of Approved Vendors	27,308	7,046	**507**
Number of Vendors with ESG Awareness	4,387	116	**334**

** 2025 figures reflect the implementation of a revised ESG onboarding framework (launched June 2025) designed to enhance data integrity and align with Phase 2 of the Sustainable Procurement Blueprint*

MAG integrates sustainability considerations into procurement processes through its Sustainable Procurement Blueprint, which defines how ESG criteria are embedded into sourcing, vendor management, and contract evaluation.

Following the completion of Phase 1 (2022–2024), which focused on establishing policies and governance structures, 2025 marked the transition to Phase 2: Capacity Building and Engagement, with the objective of moving suppliers from passive compliance to active participation in MAG's sustainability ecosystem.

Phase 2 (2025-2027): Capacity Building and Engagement

Mentorship
Launch supplier mentorship programmes pairing beginners with experts

Guidelines
Develop responsible procurement guidelines

Engagement
Establish frameworks for stakeholder feedback

Target Outcome
Moving suppliers from passive compliance to active participation in MAG's sustainability ecosystem

Phase 2 (2025-2027): Capacity Building and Stakeholder Engagement

Overview Of Strategy Action Plan

2025	2026	2027
Strategy 1: Launch supplier mentorship programmes	**Strategy 1:** Conduct sustainability workshop	**Strategy 1:** Evaluate and refine mentorship programs
Strategy 2: Develop responsible procurement guidelines	**Strategy 2:** Implement process for supplier evaluation	**Strategy 2:** Review and update procurement guidelines
Strategy 3: Establish stakeholder engagement framework	**Strategy 3:** Facilitate consultations for colaboration	**Strategy 3:** Refine ESG policies using stakeholder feedback

Goal
Enhance supplier capabilities and stakeholder colaboration

Tips
- Capabilitiy building
- Fair procurement
- Active engagement

Key strategic priorities in 2025

Building Supplier Capacity

Deliver targeted ESG capacity-building initiatives for selected suppliers, with a focus on strengthening ESG awareness, ensuring compliance with MAG's Supplier Code of Conduct, and aligning practices with sustainability requirements.

Responsible Procurement

Implement standardised evaluation processes and consider environmental, social and governance (ESG) factors in procurement decisions,in line with the United Nations Sustainable Development Goals (UN SDGs).

Stakeholder Engagement

Establish a structured framework for regular engagement with suppliers and stakeholders, to collect feedback and refine ESG policies. Engagement channels include onboarding questionnaires, supplier ESG assessments, and ongoing dialogue to align with industry standards.

These initiatives reflect a more mature procurement approach in which sustainability is not only enforced through requirements, but actively enabled through supplier capability development.

In 2025, MAG further strengthened its procurement governance by enrolling in the International Air Transport Association Integrated Sustainability Program (ISP), a global certification framework covering environmental management, sustainable procurement, social responsibility, and sustainability performance.

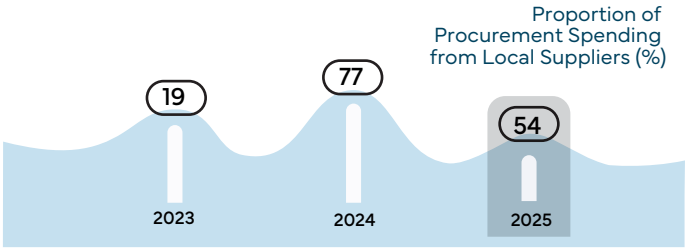
MAG is currently participating in the sustainable procurement module of the programme, with the objective of achieving certification in 2026. This module provides a structured approach to embedding environmental, social and governance (ESG) considerations into procurement processes, including supplier evaluation, sourcing decisions, and contract management.

Participation in ISP enables MAG to benchmark its procurement practices against industry standards, identify gaps, and implement targeted improvements in areas such as supplier engagement, data transparency, and sustainability criteria integration. It also supports greater alignment with international best practices and evolving stakeholder expectations on responsible sourcing.

This initiative represents a step towards more structured and measurable sustainable procurement practices, strengthening MAG's ability to integrate ESG considerations into purchasing decisions while maintaining operational and commercial requirements.



Supporting Local Suppliers



MAG continues to support local economic participation, with 54% of procurement spend directed to local suppliers in 2025, demonstrating sustained commitment despite evolving procurement and sourcing requirements. The reduction from 77% in 2024 is primarily attributed to the completion of several major projects in preceding years, which led to a lower demand for new supplier registrations in 2025, reflecting the cyclical nature of project-driven supplier engagement. This was further compounded by increased spending on specialised goods and services required to support airline operations, where international suppliers were necessary due to limited or commercially unviable local alternatives.

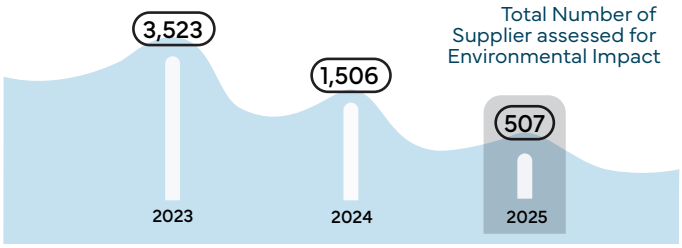
Moving forward, MAG will prioritise local sourcing wherever feasible, strengthen domestic supply chains, support the growth of local enterprises, and expand supplier development initiatives to increase the availability and competitiveness of local suppliers.

8.2 Supply Chain Management

GRI 2-6, 3-3, 308-1, 414-1 IATA G.4, E.3

MAG actively manages its supply chain through structured ESG integration, supplier engagement, and performance monitoring, recognising that suppliers are critical partners in delivering sustainable outcomes. This is further reinforced through MAG's alignment with the IATA Integrated Sustainability Programme (ISP): Sustainable Procurement Certification, supporting more structured and consistent sustainable procurement practices.

Supplier ESG Integration and Screening



Since 2023, all suppliers registering with MAG are required to undergo an ESG assessment through onboarding questionnaires, supported by an established environmental assessment framework.

In 2025, MAG strengthened ESG integration into supplier onboarding and evaluation processes:

- All new 507 suppliers were assessed for environmental impact as part of onboarding and approval processes
- ESG screening was embedded into registration workflows, ensuring consistent application across the supplier base

Supplier Awareness and Engagement

MAG's supplier engagement efforts evolved significantly in 2025 following the implementation of a revised ESG onboarding framework. Based on the outcome of ESG assessment, the vendors will be engaged for a subsequent ESG awareness programme depending on the level of maturity.

- 334 vendors were engaged through ESG awareness initiatives, representing a substantial increase from 2024

MAG's vendor approval process reflects a more ESG -conscious approach and the increase in vendors reached through ESG awareness initiatives indicates deeper engagement and stronger capacity building.

Operational Collaboration Across the Value Chain

Beyond onboarding, MAG continues to work closely with suppliers to improve operational sustainability outcomes.

For example, in waste management operations, the Group collaborates with vendors to:

- Optimise waste segregation and recycling processes
- Improve landfill diversion outcomes
- Standardise practices across operational sites

These efforts enable MAG to improve environmental performance while ensuring operational consistency across its network.



8.3 Ethical Recruitment and Labour Practices

GRI 2-7, 2-23, 2-24, 2-26, 308-2, 414-2, 401-1, 408-1, 409-1 IATA S.1, S.4, G.4



MAG is committed to upholding fair, ethical and responsible labour practices across its operations and supply chain, ensuring that all employees and contracted workers are treated with dignity and respect.

The Group's approach is guided by internal policies and aligned with internationally recognised principles on:

- Fair wages and working conditions
- Equal opportunity and non-discrimination
- Prevention of forced and child labour

These expectations are reinforced through MAG's Supplier Code of Conduct, which sets clear standards for supplier behaviour across:

- Ethical business conduct and integrity
- Labour and human rights practices
- Environmental responsibility
- Health and safety standards

All suppliers are required to comply with these requirements as part of contractual obligations, ensuring consistent application of ESG standards across the value chain.

In parallel, MAG continues to strengthen workforce inclusivity, employee wellbeing and development practices, reinforcing its commitment to responsible employment throughout the employee lifecycle while supporting suppliers in aligning with these expectations.

Details on related policies and governance are available in the Governance and Risk chapter on pages 31 to 34.

The Group adopts a zero-tolerance stance towards any form of forced labour, child labour or workplace exploitation within its operations

8.4 Anti-Corruption and Business Conduct

GRI 2-26, 205-1, 205-2, 205-3 IATA G.1

MAG maintains a zero-tolerance approach to corruption and unethical conduct, supported by a comprehensive governance framework detailed in Chapter 3.

The Group continues to uphold strong anti-corruption practices, including:

- Commitment of tone at the top in combating corruption
- Implementation of compliance & governance related policies and procedures
- Regular training and awareness programmes
- A secured whistleblowing mechanism for reporting concerns

MAG's certification under the ISO 37001: Anti-Bribery Management System reinforces its commitment to ethical business conduct and regulatory compliance.

Further details on governance structure, oversight, and performance are provided in the Governance and Risk chapter on pages 21 to 35.

9 Appendices



Material Topic Definitions
Performance Data
GRI Content Index
IATA ESG Index
SASB Indexes
Sustainability Policy
Assurance Statement
Abbreviations and Acronyms

Material Topic Definitions

Material Topic	Definition
ENVIRONMENTAL	
Climate change and emissions management	Responsibly managing and reducing greenhouse gas (GHG) emissions through sustainable aviation practices, low-carbon technologies, and climate resilience strategies to mitigate MAG's environmental impact
Energy and resource efficiency	Optimising and conserving resources (including fuel, electricity and energy, water, raw materials, consumables, etc.) through efficient technologies and practices to enhance MAG's sustainability and operational performance
Responsible waste management	Minimising waste generation and sustainable disposal practices across MAG's operations to reduce environmental impact and support wider circular economy goals
Noise reduction	Reducing aircraft noise pollution, limiting negative environmental impacts by complying with regulatory requirements and investing in noise-reduction technology in MAG's operations
Biodiversity preservation	Managing biodiversity impacts and dependencies within MAG's operations, supply chain, and products or services by protecting ecosystems, preventing wildlife trafficking, and supporting global biodiversity conservation efforts
SOCIAL	
Aircraft and employee safety	Implementing policies, practices, and initiatives to minimise risk and prevent harm, ensuring customer safety, satisfaction, health, and well-being. This includes efforts to keep our aircraft in an optimal operating condition through innovations, new technologies, and robust risk management, ensuring passenger and staff safety while complying with aviation regulations
Employee management	Promoting fair labour practices, employee representation, and continuous learning and development to foster a safe, inclusive, and engaged workforce
Customer welfare and branding	Managing all client interactions from booking to post-flight to ensure consistent standards, reliable operations, and effective marketing and communication strategies to maintain customers' expectations of MAG's value and reputation
Diversity	Fostering a fair and inclusive workplace by addressing any imbalances in gender, race, ethnicity, religion and/or other characteristics, ensuring equal pay and eliminating any possible discriminatory practices to create equitable opportunities for all
Human rights	Protecting the fundamental rights and freedoms inherent to all individuals, regardless of nationality, ethnicity, religion, gender, or any other status. This also covers human trafficking and the rights of those potentially affected by MAG's operations
Community welfare	Strategic initiatives to support the sustainable development and well-being of communities impacted by MAG's operations; addressing environmental, social, and economic challenges while promoting equity and inclusion to build resilient, thriving communities
GOVERNANCE	
Economic growth and performance	Achieving financial sustainability by effectively managing MAG's finances to support longterm growth and resilience, in line with the LTBP 3.0
Supply chain management	Managing and integrating sourcing, procurement, production, and distribution of goods and services within MAG's value chain to optimise efficiency, minimise costs, ensure timely delivery of services and promote sustainable practices. This includes engaging suppliers' key material topics such as resource management and labour rights
Data privacy	Protecting the personal details of clients, employees, and other relevant stakeholders to ensure confidentiality, integrity, and availability of data, by adhering to applicable laws and applying organisational safeguards to prevent unauthorised access, use, or disclosure of data
Corporate governance, risk management, and business ethics	Upholding transparent leadership, robust risk controls, and ethical conduct across our operations to maintain safety, regulatory compliance, and stakeholder trust. This includes managing the complexity of MAG's operations through effective risk management approaches while continuing to comply with industry standards in a transparent and accountable manner

Performance Data

ENVIRONMENTAL

Description	Breakdown	UoM	2023	2024	2025
Total energy consumption	**Total non-renewables**	**GJ**	**50,922,305**	**54,111,241**	**58,198,623**
	Total renewables	**GJ**	**23,513**	**23,029**	**84,666**
Aircraft fleet fuel consumption performance data	**Total domestic and international fuel consumption**	**t**	**1,179,776**	**1,253,086**	**1,316,457**
	Total domestic fuel consumption	**t**	**203,318**	**185,402**	**199,542**
	MH	t	150,713	136,888	141,416
	FY	t	36,252	33,398	39,774
	MW	t	11,867	12,613	13,823
	AMAL	t	652	373	631
	MK	t	3,834	2,130	3,898
	Total international fuel consumption	**t**	**976,458**	**1,067,684**	**1,116,916**
	MH	t	830,067	910,451	951,512
	FY	t	8,636	14,917	16,194
	MW	t	-	-	-
	AMAL	t	81,156	71,554	84,412
	MK	t	56,599	70,762	64,797
Fuel savings	**Total**	**t**	**26,987**	**48,147**	**30,036**
	MH	t	20,624	25,933	27,117
	FY	t	4,964	21,0711	3,967
	MK	t	783	1,123	1,645
	AMAL	t	535	583	–
Ground fuel consumption	**Total diesel**	**l**	**2,287,162**	**2,782,518**	**3,031,677**
		GJ	**82,612**	**100,505**	**109,140**
	Total petrol	**l**	**133,219**	**143,589**	**203,011**
		GJ	**4,367**	**4,707**	**6,694**
	ADS	**l**	**1,873,582**	**2,307,344**	**2,550,794**
	Diesel	l	1,860,642	2,278,091	2,495,890
	Petrol	l	12,940	29,253	54,904
	MK	**l**	**313,483**	**378,254**	**398,247**
	Diesel	l	287,652	355,694	368,328
	Petrol	l	25,831	22,560	29,919
	MABES	**l**	**233,316**	**240,509**	**285,647**
	Diesel	l	138,868	148,733	167,459
	Petrol	l	94,448	91,776	118,188
Energy management	**Total electricity consumption**	**MWh**	**29,155**	**34,259**	**40,627**
		GJ	**123,331**	**126,273**	**146,257**
	Total solar energy generated	**MWh**	**6,531.45**	**6,397.01**	**5,551**
		GJ	**23,513**	**23,029**	**19,984**
Waste management	**Total waste generated**	**t**	**8,390**	**9,054**	**11,820**
	Total non-hazardous waste	**t**	**8,170**	**8,780**	**11,398**
	Directed to landfill	t	7,702	7,920	10,619
	Diverted from landfill	t	468	860	779
	Total hazardous waste (diverted from landfill)	**t**	**220**	**274**	**422**
	SW109 used fluorescent lamps	t	6	3	4
	SW204 sludge	t	10	11	25
	SW206 spent inorganic acid	t	11	14	11
	SW305 used engine oil	t	64	48	64
	SW312 oil interceptor sludge	t	1	2	3
	SW409 Used contaminated containers	t	16	29	43
	SW410R used rags, paper, or both	t	78	137	219
	SW417 waste ink, paint pigments, lacquer, dye, varnish, etc.	t	21	20	29
	SW411 used carbon, sand, or both	t	10	11	23
	SW401 aqueous alkaline solution	t	1	0	0
	In-flight waste intensity[10]	t/passenger	0.35	0.32	0.43

[10] *Waste intensity is calculated based on the number of passenger (in thousand) and the total weight of in-flight waste.*

Performance Data

SOCIAL

Description	Breakdown	UoM	2023	2024	2025
Employee gender diversity	**Total workforce**	**no.**	**12,488**	**13,539**	**14,054**
	Men	no.	8,287	8,790	8,963
	Women	no.	4,201	4,749	5,091
	Top management	**no.**	**19**	**19**	**18**
	Men	no.	16	16	15
	Women	no.	3	3	3
	Senior management	**no.**	**184**	**198**	**211**
	Men	no.	91	103	113
	Women	no.	93	95	98
	Middle management	**no.**	**642**	**768**	**901**
	Men	no.	355	417	490
	Women	no.	287	351	411
	Executive	**no.**	**1,559**	**1,776**	**1,806**
	Men	no.	788	856	861
	Women	no.	771	920	945
	Non-Executive	**no.**	**4,957**	**5,172**	**5,170**
	Men	no.	3,566	3,664	3,662
	Women	no.	1,391	1,448	1,508
	Management: Pilots	**no.**	**43**	**43**	**28**
	Men	no.	41	41	27
	Women	no.	2	2	1
	Pilot group	**no.**	**1,287**	**1,369**	**1,307**
	Men	no.	1,241	1,307	1,251
	Women	no.	46	62	56
	Cabin crew	**no.**	**2,380**	**2,636**	**2,757**
	Men	no.	877	921	857
	Women	no.	1,503	1,715	1,900
	Aircraft engineer	**no.**	**396**	**436**	**492**
	Men	no.	367	401	448
	Women	no.	29	35	44
	Technician	**no.**	**1,021**	**1,182**	**1,364**
	Men	no.	945	1,064	1,239
	Women	no.	76	178	125
Employee age group diversity	**Total**	**no.**	**12,488**	**13,539**	**14,054**
	Under 30 years old	no.	2,575	3,440	3,810
	30–50 years old	no.	7,362	7,227	7,385
	Over 50 years old	**no.**	2,551	2,872	2,859
New hires	**Total**	**no.**	**1,994**	**1,763**	**1,560**
	By gender	no.			
	Men	no.	1,099	947	761
	Women	no.	895	816	799
	By age group	no.			
	Under 30 years old	no.	1,264	1,176	1,044
	30-50 years old	no.	679	548	497
	Over 50 years old	no.	51	39	19
Employee turnover	**Total**	**no.**	**1,025**	**1,132**	**1,477**
	By gender	no.			
	Men	no.	657	683	894
	Women	no.	368	449	583
	By age group	no.			
	Under 30 years old	no.	392	390	517
	30-50 years old	no.	454	492	621
	Over 50 years old	no.	179	250	339

GOVERNANCE

Description	Breakdown	UoM	2023	2024	2025
Training	Employees who completed human trafficking awareness training	no.	240	240	240

GRI Content Index

The Global Reporting Initiative (GRI) is a multi-stakeholder sustainability reporting standard, providing guidance on determining report content and indicators. GRI is the most widely adopted global sustainability reporting standard. It is designed to enhance the comparability and quality of global information on environmental and social impacts, increasing organisational transparency and accountability. This report and its preparation align with the 2021 GRI Standards.

Statement of use	Malaysia Aviation Group (MAG) has reported in accordance with the GRI Standards for the period of 1 January to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location of Disclosure/Reason for Omission
1. The organization and its reporting practices		
GRI 2: General Disclosures 2021	**2-1** Organisational details	About MAG, p.9–10
	2-2 Entities included in the organisation's sustainability reporting	About This Report – Reporting Scope and Boundaries, p.3–4
	2-3 Reporting period, frequency and contact point	About This Report, p.3–4; Back cover
	2-4 Restatements of information	Data Methodology and Restatement, p.55; Scope 3 Methodology, p.58–59
	2-5 External assurance	About This Report – Assurance, p.4; Assurance Statement, p.113–115
2. Activities and workers		
GRI 2: General Disclosures 2021	**2-6** Activities, value chain and other business relationships	About MAG, p.9–10; Network Overview, p.12; Fleet and Passenger Overview, p.13; Sustainable Procurement, p.101–102; Supply Chain Management, p.103
	2-7 Employees	Workforce Profile, p.71–72; Diversity, Equity and Inclusion, p.79–84; Performance Data, p.108
	2-8 Workers who are not employees	Information unavailable for this reporting period
3. Governance		
GRI 2: General Disclosures 2021	**2-9** Governance structure and composition	Corporate Governance, p.24; Sustainability Governance Structure, p.25
	2-10 Nomination and selection of the highest governance body	Corporate Governance, p.24
	2-11 Chair of the highest governance body	Corporate Governance, p.24; Sustainability Governance Structure, p.25
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance, p.24; Board and Management Oversight, p.26; ESG Integration into Enterprise Risk Management, p.26–29
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure, p.25; Board and Management Oversight, p.26
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure, p.25; Board and Management Oversight, p.26
	2-15 Conflicts of interest	Corporate Governance, p.24; Ethics, Compliance and Integrity, p.32–35
	2-16 Communication of critical concerns	Board and Management Oversight, p.26; Whistleblowing and Speak-Up Culture, p.33
	2-17 Collective knowledge of the highest governance body	Corporate Governance, p.24; Board and Management Oversight, p.26
	2-18 Evaluation of the performance of the highest governance body	Information unavailable for this reporting period
	2-19 Remuneration policies	Information unavailable for this reporting period
	2-20 Process to determine remuneration	Information unavailable for this reporting period
	2-21 Annual total compensation ratio	Information unavailable for this reporting period

GRI Content Index

GRI Standard	Disclosure	Location of Disclosure/Reason for Omission
4. Strategy, policies and practices		
GRI 2: General Disclosures 2021	**2-22** Statement on sustainable development strategy	Message from the President and Group Chief Executive Officer, p.17–18; Sustainability at MAG: Building Long-Term Resilience, p.19–20
	2-23 Policy commitments	Sustainability at MAG: Building Long-Term Resilience, p.19–20; Sustainability and the Long-Term Business Plan, p.21; Ethics, Compliance and Integrity, p.32–35; Labour Standards and Human Rights, p.85; Ethical Recruitment and Labour Practices, p.104; Sustainability Policy, p.112
	2-24 Embedding policy commitments	Sustainability and the Long-Term Business Plan, p.21; Sustainability Governance Structure, p.25; Ethics, Compliance and Integrity, p.32–35; Labour Standards and Human Rights, p.85; Sustainable Procurement, p.101–102; Ethical Recruitment and Labour Practices, p.104
	2-25 Processes to remediate negative impacts	ESG Integration into Enterprise Risk Management, p.26–29; Ethics, Compliance and Integrity, p.32–35; Data Governance and Digital Responsibility, p.36; Labour Standards and Human Rights, p.85
	2-26 Mechanisms for seeking advice and raising concerns	Whistleblowing and Speak-Up Culture, p.33; Labour Standards and Human Rights, p.85; Ethical Recruitment and Labour Practices, p.104; Anti-Corruption and Business Conduct, p.105
	2-27 Compliance with laws and regulations	Ethics, Compliance and Integrity, p.32–35; Anti-Corruption and Business Conduct, p.105
	2-28 Membership associations	Stakeholder Engagement, p.40–41
5. Stakeholder engagement		
GRI 2: General Disclosures 2021	**2-29** Approach to stakeholder engagement	Stakeholder Engagement, p.40–41
	2-30 Collective bargaining agreements	Information unavailable
Material topics		
GRI 3: Material Topics 2021	**3-1** Process to determine material topics	Material Matters, p.38–39
	3-2 List of material topics	Material Matters, p.38–39; Material Topic Definitions, p.107
	3-3 Management of material topics	Relevant topic sections throughout the report, including Sustainability at MAG, p.19–20; Linkage to Strategy and Risk, p.42; Climate and Environment, p.47–68; Our People, p.71–85; Customers and Communities, p.87–97; Responsible Business Practices, p.101–105
Climate mitigation and climate adaptation		
GRI 201: Economic Performance 2016	**201-2** Financial implications and other risks and opportunities due to climate change	ESG Integration into Enterprise Risk Management, p.26–29; Climate Risk Governance and Enterprise Resilience, p.28–31; Climate Risk and Opportunity, p.43–44
Community impact		
GRI 203: Indirect Economic Impacts 2016	**203-1** Infrastructure investments and services supported	Community Impact, p.93–97

GRI Content Index

GRI Standard	Disclosure	Location of Disclosure/Reason for Omission
Sustainable procurement		
GRI 204: Procurement Practices 2016	**204-1** Proportion of spending on local suppliers	Sustainable Procurement, p.101–102; Performance Data, p.108
Corporate governance, ethics and integrity		
GRI 205: Anti-corruption 2016	**205-1** Operations assessed for risks related to corruption	Ethics, Compliance and Integrity – Anti-Bribery and Corruption, p.32; Anti-Corruption and Business Conduct, p.105
	205-2 Communication and training about anti-corruption policies and procedures	Ethics, Compliance and Integrity – Anti-Bribery and Corruption, p.32; Anti-Corruption and Business Conduct, p.105
	205-3 Confirmed incidents of corruption and actions taken	Ethics, Compliance and Integrity – Anti-Bribery and Corruption, p.32; Anti-Corruption and Business Conduct, p.105
Business conduct		
GRI 206: Anti-competitive Behaviour 2016	**206-1** Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethics, Compliance and Integrity – Anti-Competitive Behaviour, p.35
Energy and resource efficiency		
GRI 302: Energy 2016	**302-1** Energy consumption within the organisation	Operational Improvement, p.49–50; Energy Management and Efficiency, p.53–54; Performance Data, p.108
	302-2 Energy consumption outside of the organisation	Information unavailable for this reporting period
	302-3 Energy intensity	Energy Management and Efficiency, p.53–54
	302-4 Reduction of energy consumption	Energy Management and Efficiency, p.53–54; Operational Improvement, p.49–50
	302-5 Reductions in energy requirements of products and services	Information unavailable for this reporting period
Water		
GRI 303: Water and Effluents 2018	**303-1** Interactions with water as a shared resource	Water is not material to MAG's operations.
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
Biodiversity preservation		
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	Information unavailable for this reporting period
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and Wildlife Hazard Management, p.67
	304-3 Habitats protected or restored	Community Impact – Mah Meri Mangrove Planting, p.94

GRI Content Index

GRI Standard	Disclosure	Location of Disclosure/Reason for Omission
Climate change and emissions management		
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	GHG Emissions, p.55–57; Performance Data, p.108; Assurance Statement, p.113–115
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions, p.55–57; Energy Management and Efficiency, p.53–54; Performance Data, p.108; Assurance Statement, p.113–115
	305-3 Other indirect (Scope 3) GHG emissions	GHG Emissions, p.55–59; Performance Data, p.108; Assurance Statement, p.113–115
	305-4 GHG emissions intensity	GHG Emissions, p.55; Assurance Statement, p.113–115
	305-5 Reduction of GHG emissions	Climate Action, p.47–52; Operational Improvement, p.49–50; Sustainable Aviation Fuel, p.51; Carbon Removal and Offsetting, p.52
	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable for this reporting period
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Information unavailable for this reporting period
Responsible waste management		
GRI 306: Waste 2020	**306-1** Waste generation and significant waste-related impacts	Waste and Circularity, p.60–66
	306-2 Management of significant waste-related impacts	Waste and Circularity, p.60–66; Single-Use Plastics Reduction, p.61–62; Ground and Operational Waste, p.63; Scheduled Waste, p.64; Upcycling Collaborations and Circularity, p.65–66
	306-3 Waste generated	Waste and Circularity, p.60–66; Performance Data, p.108
	306-4 Waste diverted from disposal	Waste and Circularity, p.60–66; Upcycling Collaborations and Circularity, p.65–66; Performance Data, p.108
	306-5 Waste directed to disposal	Waste and Circularity, p.60–66; Ground and Operational Waste, p.63; Scheduled Waste, p.64; Performance Data, p.108
Supply chain management		
GRI 308: Supplier Environmental Assessment 2016	**308-1** New suppliers that were screened using environmental criteria	Sustainable Procurement, p.101–102; Supply Chain Management, p.103; Ethical Recruitment and Labour Practices, p.104; Performance Data, p.108
	308-2 Negative environmental impacts in the supply chain and actions taken	Ethical Recruitment and Labour Practices, p.104; partial disclosure only – detailed supplier impact remediation data unavailable for this reporting period
Employee management		
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	Workforce Profile, p.71–72; Ethical Recruitment and Labour Practices, p.104; Performance Data, p.108; Assurance Statement, p.113–115
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellbeing – Employee Benefits, p.77
	401-3 Parental leave	Employee Wellbeing – Employee Benefits, p.77; Assurance Statement, p.113–115

GRI Content Index

GRI Standard	Disclosure	Location of Disclosure/Reason for Omission
Aircraft and employee safety		
GRI 403: Occupational Health and Safety 2018	**403-1** Occupational health and safety management system	Occupational Health and Safety, p.76; Safety and Operational Reliability, p.90–91
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, p.76; Environmental Management – Workplace Noise and Employee Health, p.68
	403-3 Occupational health services	Employee Wellbeing, p.77–78; Occupational Health and Safety, p.76; Environmental Management – Workplace Noise and Employee Health, p.68
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, p.76; Environmental Management – Workplace Noise and Employee Health, p.68
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, p.76; Environmental Management – Workplace Noise and Employee Health, p.68
	403-6 Promotion of worker health	Employee Wellbeing, p.77–78
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, p.76; Safety and Operational Reliability, p.90–91; Supply Chain Management, p.103
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, p.76; partial disclosure only
	403-9 Work-related injuries	Occupational Health and Safety, p.76; Performance Data, p.108
	403-10 Work-related ill health	Environmental Management – Workplace Noise and Employee Health, p.68; Occupational Health and Safety, p.76
Talent development		
GRI 404: Training and Education 2016	**404-1** Average hours of training per year per employee	Talent Development, p.73–75; Performance Data, p.108; average training hours pending final data confirmation
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Talent Development, p.73–75; ESG Capacity Building, p.75
	404-3 Percentage of employees receiving regular performance and career development reviews	Information unavailable for this reporting period
Diversity, equity and inclusion		
GRI 405: Diversity and Equal Opportunity 2016	**405-1** Diversity of governance bodies and employees	Workforce Profile, p.71–72; Diversity, Equity and Inclusion, p.79–84; Performance Data, p.108; Assurance Statement, p.113–115
	405-2 Ratio of basic salary and remuneration of women to men	Information unavailable for this reporting period
Diversity, equity and inclusion		
GRI 406: Non-discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	Ethics, Compliance and Integrity – Sexual Harassment, p.34; Labour Standards and Human Rights, p.85
Labour standards and human rights		
GRI 408: Child Labour 2016	**408-1** Operations and suppliers at significant risk for incidents of child labour	Ethical Recruitment and Labour Practices, p.104; Supply Chain Management, p.103; detailed supplier risk assessment data unavailable for this reporting period

GRI Content Index

GRI Standard	Disclosure	Location of Disclosure/Reason for Omission
Human rights and responsible conduct		
GRI 412: Human Rights Assessment 2016	**412-2** Employee training on human rights policies or procedures	Ethics, Compliance and Integrity – Anti-Human Trafficking, p.33–34; Labour Standards and Human Rights, p.85; Performance Data, p.108
Community welfare and inclusive travel		
GRI 413: Local Communities 2016	**413-1** Operations with local community engagement, impact assessments, and development programmes	Accessibility and Inclusive Travel, p.92; Community Impact, p.93–97
Supply chain management and labour practices		
GRI 414: Supplier Social Assessment 2016	**414-1** New suppliers that were screened using social criteria	Sustainable Procurement, p.101–102; Supply Chain Management, p.103; Ethical Recruitment and Labour Practices, p.104; Performance Data, p.108
	414-2 Negative social impacts in the supply chain and actions taken	Ethical Recruitment and Labour Practices, p.104; partial disclosure only – detailed supplier impact remediation data unavailable for this reporting period
Customer welfare and safety		
GRI 416: Customer Health and Safety 2016	**416-1** Assessment of the health and safety impacts of product and service categories	Safety and Operational Reliability, p.90–91; Food Safety, p.91
Data privacy		
GRI 416: Customer Health and Safety 2016	**418-1** Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Governance and Digital Responsibility, p.36; information on substantiated complaints unavailable for this reporting period

IATA ESG Index

Metric Code	Metric Name	Metric Unit	Location of Disclosure
Core metrics			
E.1	Fuel consumption (flight operations)	tand/or L	Climate Action – Operational Improvement and Fuel Efficiency, p.49–50; Performance Data, p.108
E.2	Scope 1 COz emissions	tCOz	GHG Emissions, p.55–57; Performance Data, p.108
E.3	Scope 2 COz emissions	tCOz	GHG Emissions, p.55–57; Performance Data, p.108
E.4	NOx emissions	kg	Information unavailable. MAG does not currently track NOx emissions.
E.5	Aircraft noise: % of fleet that meets with ICAO Chapter III, IV and XIV	%	Noise Management and Noise Reduction, p.68–69
E.6	Energy consumption within the organization, non-renewables and renewables	GJ; MWh	Energy Management and Efficiency, p.53–54; Performance Data, p.108
S.1	Community engagement and charitable support	RM, hours, cargo t, passengers	Accessibility and Inclusive Travel, p.92; Community Impact, p.93–97
S.2	Work-related injuries	#, rate of recordable injuries	Occupational Health and Safety, p.76; Performance Data, p.108
S.3	Fatalities as a result of work-related injury	#, rate of fatalities	Occupational Health and Safety, p.76
S.4	Employee training: Includes different types of training	Average training hours per employee	Talent Development and ESG Capacity Building, p.73–75; Performance Data, p.108
G.1	Diversity (gender, grade)	# male/female/non-binary divided by employee category (matrix table)	Diversity, Equity and Inclusion, p.79–84; Performance Data, p.108
G.2	Total number of confirmed corruption cases	#	Ethics, Compliance and Integrity, p.32–35; Anti-Corruption and Business Conduct, p.105
Extended ("Core+") metrics			
E.7	Scope 3 CO, emissions	tCOz	GHG Emissions, p.55–59; Performance Data, p.108
E.8	Carbon offsets (voluntary- airline purchased)	t	Carbon Removal and Offsetting, p.52
E.9	Carbon offsets (voluntary- customer purchased)	t	Information unavailable for this reporting period
E.10	Carbon offsets (mandatory)	t	Climate Action – SAF Mandates and Compliance, p.51
E.11	Waste	t	Waste and Circularity, p.60–66; Performance Data, p.108
E.12	Recyclables	%; t	Waste and Circularity – Upcycling Collaborations and Circularity, p.65–66; Performance Data, p.108
E.13	Water consumption	L; megaliters	Environmental Management, p.67–68
E.14	Water consumption in water-stressed areas	L	Information unavailable / not currently material to MAG
E.15	Single-use plastics (SUP)	#, t	Single-Use Plastics Reduction, p.61–62
S.5	Work-related ill-health	number of work- related ill health cases	Occupational Health and Safety, p.76; Workplace Noise and Employee Health, p.68

IATA ESG Index

Metric Code	Metric Name	Metric Unit	Location of Disclosure
S.6	Fatalities as a result of work-related ill health	#	Information unavailable for this reporting period
S.7	Employee satisfaction	Employee satisfaction score/indicator	Employee Wellbeing and MHeart Programme, p.77–78
S.8	Number of aviation accidents	#	Safety and Operational Reliability, p.90–91
S.9	Risk for incidents of child, forced or compulsory labor	#,%	Labour Standards and Human Rights, p.85; Ethical Recruitment and Labour Practices, p.104
S.10	Pay gap	Ratio of the basic salary and remuneration of women to men	Information unavailable for this reporting period
G.3	Percentage of critical suppliers subjected to environmental and social impact assessments and total spend they represent	%	Sustainable Procurement, p.101–102; Supply Chain Management, p.103
G.4	Percentage of the active workforce covered under collective bargaining agreements	%	Information unavailable for this reporting period
G.5	Losses as a result of legal proceedings associated with anticompetitive behavior regulations	RM, #	Ethics, Compliance and Integrity – Anti-Competitive Behaviour, p.35
G.6	Number of government enforcement actions of aviation safety regulations	#	Safety and Operational Reliability, p.90–91
Business activity indicators (per annum, as minimum)			
B.1	Available Tonne-Kilometers ATK)	CTKM	Fleet and Passenger Overview, p.13
B.2	Passenger-Kilometers Flown (RPK)	RPK	Fleet and Passenger Overview, p.13
B.3	Tonne-Kilometers Performed (RTK)	RTK	Fleet and Passenger Overview, p.13
B.4	Departures	#	Fleet and Passenger Overview, p.13
B.5	Landings and Take-offs (LTOs)	#	Fleet and Passenger Overview, p.13
B.6	Passengers	#	Fleet and Passenger Overview, p.13
B.7	Employees	#	Workforce Profile, p.71–72
ESG intensity ratios			
1.1	Intensity 1	gCOz/RTK	GHG Emissions and Intensity Metrics, p.55–57
1.2	Intensity 2	gCOz/ATK	Climate Action and Operational Efficiency, p.47–50
1.3	Waste Intensity for cabin operations (for activity table)	t/passenger	Waste and Circularity – In-flight Waste, p.62; Performance Data, p.108
1.4	NOx emissions intensity	kg NOx per LTO	Information unavailable. MAG does not currently track NOx emissions.

SASB Indexes

Airlines

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Category	Unit of Measure	Location of Disclosure/ Reason for Omission
Greenhouse gas emissions	TR-AL-110a.l	Gross global Scope 1 emissions	Quantitative	tCO_2	GHG Emissions, p.55–57; Performance Data, p.108
	TR-AL-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	Climate Action and Decarbonisation Strategy, p.47–52; Climate Risk Governance and Enterprise Resilience, p.28–31
	TR-AL-110a.3	Total fuel consumed, percentage alternative and (3) percentage sustainable	Quantitative	GJ, %	Operational Improvement and Fuel Efficiency, p.49–50; Sustainable Aviation Fuel, p.51; Performance Data, p.108
Labour practices	TR-AL-310a.]	Percentage of active workforce employed under collective agreements	Quantitative	GJ, %	Information unavailable for this reporting period
	TR-AL-310a.2	(1) Number of work stoppages and (2) total days idle	Quantitative	Number, days idle	No work stoppages reported during the reporting period
Competitive behaviour	TR-AL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	RM	Ethics, Compliance and Integrity – Anti-Competitive Behaviour, p.35
Accident & safety management	TR-AL-540a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Quantitative	n/a	Safety and Operational Reliability, p.90–91
	TR-AL-540a.2	Number of aviation accidents	Quantitative	Number	Safety and Operational Reliability, p.90–91
	TR-AL-540a.3	Number of governmental enforcement actions of aviation safety regulations	Quantitative	Number	Safety and Operational Reliability, p.90–91

Airlines – Activity Metrics

Activity Metric	Code	Category	Unit of Measure	Location of Disclosure/ Reason for Omission
Available seat kilometres (ASK)	TR-AL-000.A	Quantitative	ASK	Fleet and Passenger Overview, p.13
Passenger load factor	TR-AL-000.B	Quantitative	Rate	Fleet and Passenger Overview, p.13
Revenue passenger kilometres (RPK)	TR-AL-000.C	Quantitative	RPK	Fleet and Passenger Overview, p.13
Revenue tonne-kilometres (RTK)	TR-AL-000.D	Quantitative	RTK	Fleet and Passenger Overview, p.13
Number of departures	TR-AL-000.E	Quantitative	Number	Fleet and Passenger Overview, p.13
Average age of fleet	TR-AL-000.F	Quantitative	Years	Fleet Modernisation, p.50

SASB Indexes

Air freight & logistics

Sustainability Disclosure Topics & Accounting Metrics

Topic	Acitivity Metric	Category	Unit of Measure	Location of Disclosure/ Reason for Omission
TR-AF-110a.1	Gross global Scope I emissions	Quantitative	tCO_2	GHG Emissions, p.55–57
TR-AF-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	Climate Action and Decarbonisation Strategy, p.47–52
TR-AF-110a.3	Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b sustainable	Quantitative	GJ, %	Operational Improvement and Fuel Efficiency, p.49–50; Sustainable Aviation Fuel, p.51
TR-AF-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N20), (2) SOx, and (3) particulate matter (PM10)	Quantitative	t	Information unavailable. MAG does not currently track NOx, SOx and PM10 data.
TR-AF-310a.1	Percentage of drivers classified as independent contractors	Quantitative	%	Information unavailable. MAG does not directly hire truck drivers.
TR-AF-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	RM	Ethics, Compliance and Integrity, p.32–35
TR-AF-320a.]	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	Occupational Health and Safety, p.76; Performance Data, p.108
TR-AF-430a.1	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	tCO, per t-km	GHG Emissions and Intensity Metrics, p.55–57
TR-AF-430a.2	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	Discussion and Analysis	n/a	ESG Integration into Enterprise Risk Management, p.26–29; Supply Chain Management, p.103
TR-AF-540a.]	Description of implementation and outcomes of a Safety Management System	Quantitative	n/a	Safety and Operational Reliability, p.90–91
TR-AF-540a.2	Number of aviation accidents	Quantitative	Number	Safety and Operational Reliability, p.90–91
TR-AF-540a.3	Number of road accidents and incidents	Quantitative	Number	Information unavailable for this reporting period

Air Freight & Logistics – Activity Metrics

Acitivity Metric	Category	Unit of Measure	Location of Disclosure/ Reason for Omission
Revenue tonne-kilometres (RTK) for: (1) road transport and (2) air transport	Quantitative	RTK	Fleet and Passenger Overview, p.13
Load factor for: (1) road transport and (2) air transport	Quantitative	Rate	Fleet and Passenger Overview, p.13. Load factor for road transport is not reported.
Number of employees, number of truck drivers	Quantitative	Number	Workforce Profile, p.71–72. MAG does not directly hire truck drivers.

Sustainability Policy

Malaysian Hospitality Begins With Us.

SUSTAINABILITY POLICY

MAG is committed to upholding these sustainability principles:

ENVIRONMENT

I. Promote emissions reduction through fuel efficiency improvement from operational process optimisation, fleet modernisation, electrification of ground support equipment and vehicles, and Sustainable Aviation Fuel ("SAF").
II. Enhance energy efficiency ("EE") and use of Renewable Energy ("RE")
III. Manage water responsibly and increase the use of alternative non-potable water sources.
IV. Strengthening waste reduction, segregation, recycling, reuse and upcycling practices in alignment with the Group's Waste Management Framework and global aviation best practices.
V. Commit to compliance with the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA").
VI. Adopt operational practices that reduce noise, air pollutants, and environmental impacts, while supporting conservation initiatives.

SOCIAL

I. Foster an inclusive workplace that values diversity, respect across religion, ability, indigenous communities' cultural heritage, and socio-economic backgrounds.
II. Promote women's representation, particularly in technical roles including pilot and engineering crew, while maintaining zero tolerance for discrimination, bullying, and harassment.
III. Support socio-economic well-being, local communities, and Corporate Social Responsibility ("CSR") initiatives across the Group's areas of operation.
IV. Strengthen employee engagement, uphold human rights, embed MAG Culture Principles, and support continuous learning and change management.

GOVERNANCE

I. Maintain strong governance framework through clear policies, sustainability targets, risk management internal controls, and effective oversight. Uphold the highest standards of business integrity and ethical conduct, with zero tolerance for malpractices including bribery, corruption, human and wildlife trafficking, and modern slavery.
II. Ensure compliance with applicable laws, regulations, and regulatory requirements across all markets of operation.
III. Collaborate with suppliers, vendors, and subcontractors to promote sustainable procurement, in alignment with the Group's Sustainable Procurement Blueprint.

KEY POLICY ENABLERS

I. Support through sustainability awareness, training, capacity building, and adequate resources for effective implementation of MAG's sustainability strategy and initiatives.
II. Engage stakeholders to advance MAG's sustainability agenda in the aviation industry, and global markets.
III. Transforming sustainability data digitalization for streamlined data collection and performance analysis.
IV. Ensure transparent sustainability disclosures through annual reporting, regulatory submissions, and corporate communications.
V. Collaborate with government agencies, regulators, and industry bodies to support sustainable aviation policies, infrastructure, and industry progress.

Captain Nasaruddin A Bakar

President and Group CEO

13 May 2026

Assurance Statement

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ASSURANCE STATEMENT

Context

NORMEC VERIFAVIA has been engaged by Malaysia Aviation Group (MAG) to perform an independent verification of carbon inventory data with reasonable assurance for Scope 1 & 2, and limited assurance on Scope 3 emissions, carbon intensity (gCO_2/LTK), and diversity data as presented in the Malaysia Aviation Group's Carbon Footprint for calendar year 2025 (January 01, 2025 – December 31, 2025). Scope 2 emissions were calculated using location and market-based emission factors. Scope 3 emissions consist of categories 1, 2, 3, 4, 5, 6, 7, 8, and 15 as per the Greenhouse Gas Protocol – "A Corporate Accounting and Reporting Standard" (Revised Edition).

A summary of the emissions data and carbon intensity reported by Malaysia Aviation Group is given in the table below:

Environmental Footprint		
Source	***Unit***	***Emissions***
Scope 1	tCO_2e	4,171,710
Scope 2		30,637
Location-based emissions	tCO_2e	30,637
Market-based emissions	tCO_2e	30,637
Scope 3		1,161,559
Purchased goods & services	tCO_2e	125,838.5
Capital goods	tCO_2e	23,581.7
Fuel and energy-related activities	tCO_2e	875,749.5
Upstream transportation & distribution	tCO_2e	593.2
Waste generated in operations	tCO_2e	93,081.2
Business travel	tCO_2e	6,432.7
Employee commuting	tCO_2e	15,881
Upstream leased assets	tCO_2e	18,236.9
Investments	tCO_2e	2,164.2
Total emissions: location-based	tCO_2e	5,363,906
Total emissions: market-based	tCO_2e	5,363,906
Renewable energy (avoided emissions)	tCO_2e	4,174

Carbon Intensity		
Entity	***Unit***	***Intensity***
MAG	(gCO_2/LTK)	774
MAB	(gCO_2/LTK)	811
AMAL	(gCO_2/LTK)	1,027
Firefly	(gCO_2/LTK)	359
MASwings	(gCO_2/LTK)	2,917
MABKargo	(gCO_2/LTK)	628

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A summary of the diversity data, new employee hire, and employee turnover by gender and age group, along with employee parental leave reported by Malaysia Aviation Group, is given in the following tables:

Diversity Data											
Employee Category	***Gender***					***Age group***					
	Male		Female		Total	<30		30-50		>50	
	Count	(%)	Count	(%)		Count	(%)	Count	(%)	Count	(%)
Top Management	15	83	3	17	18	-	-	7	39	11	61
Senior Management	113	54	98	46	211	-	-	128	61	83	39
Middle Management	490	54	411	46	901	45	5	625	69	231	26
Executive	861	48	945	52	1,806	406	22	1,060	59	340	19
Non-executive	3,662	71	1,508	29	5,170	1,702	33	2,517	49	951	18
Management pilot	27	96	1	4	28	0	0	12	43	16	57
Pilot group	1,251	96	56	4	1,307	252	19	833	64	222	17
Cabin Crew	857	31	1,900	69	2,757	855	31	1,191	43	711	26
Tech Group - Engineer	448	91	44	9	492	46	9	362	74	84	17
Tech Group - Technician	1,239	91	125	9	1,364	504	37	650	48	210	15
Total	**8,963**	**64**	**5,091**	**36**	**14,054**	**3,810**	**27**	**7,385**	**53**	**2,859**	**20**

New employee hires and employee turnover					
Employee Category	***Gender***		***Age group***		
	Male	Female	<30	30-50	>50
New Hiring	1,028	866	1,279	585	30
Turnover	894	583	517	621	339

Parental leave		
Metrics	***Male***	***Female***
Total number of employees took parental leave	329	179
Total number of employees returned to work after parental leave ended	324	130
Return to work rate of employees who took parental leave	98%	73%

All other information in the Malaysia Aviation Group Carbon Footprint report is not subject to our assurance engagement, and we do not report and do not opine on that information. The Group Sustainability Office of Malaysia Aviation Group is responsible for the preparation and presentation of Malaysia Aviation Group's Carbon Footprint report, including the reported annual environmental data and information presented therein.

We are responsible for providing an Assurance Statement on the reported annual environmental data and the diversity data presented in the tables above. NORMEC VERIFAVIA disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement.

Criteria

The framework used by Malaysia Aviation Group to report the carbon inventory is the Greenhouse Gas Protocol – "A Corporate Accounting and Reporting Standard" (Revised Edition).

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We conducted the independent audit based on the following verification criteria:

- ISO/IEC 17029:2019 - Conformity assessment - General principles and requirements for validation and verification bodies.
- ISO 14064-3:2019 – Greenhouse Gases – Specification with guidance for the validation and verification of greenhouse gas emissions and removals.
- ISO 14065:2020 - General principles and requirements for bodies validating and verifying environmental information.
- The GHG Protocol (Revised Edition) - Corporate Accounting and Reporting Standard.

Responsibilities

Malaysia Aviation Group is solely responsible for the preparation and reporting of its carbon inventory and diversity data, for any information and assessments that support the reported data, for determining the group's objectives concerning carbon information and management, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

In accordance with the verification contract, it is our responsibility to form an independent opinion, based on the examination of information and data presented in the Carbon Footprint report, and to report that opinion to Malaysia Aviation Group. We also report if, in our opinion:

- the carbon inventory data is or may be associated with misstatements (omissions, misrepresentations, or errors), non-conformities; or
- the verification team/verifier has not received all the information and explanations that it requires to conduct its examination; or
- improvements can be made to the group's performance in monitoring and reporting carbon inventory data.

Independence statement

We confirm that NORMEC VERIFAVIA and the verification team are independent of Malaysia Aviation Group and have not assisted in any way with the development of the carbon inventory or in the preparation of any text or data provided in the Carbon Footprint and the diversity report, except for this Assurance Statement.

Work performed & basis of the opinion

We conducted our examination having regard to the verification criteria documents listed above. This involved a virtual site visit on February 26, 2026, to interview the staff responsible to gain reasonable assurances that the amounts and disclosures relating to the data have been properly prepared in accordance with the requirements of the Greenhouse Gas Protocol in terms of relevance, completeness, consistency, transparency, and accuracy. This also involved assessing where necessary estimates and judgements made by Malaysia Aviation Group in preparing the data and considering the overall adequacy of the presentation of the data in the Carbon Footprint report and the Diversity report.

Materiality threshold

For the purpose of this audit, a materiality threshold of 5% was determined, as GHG quantification has inherent uncertainties due to measurement instrumentation capabilities, testing methodologies, and incomplete scientific knowledge used in determining emissions factors and global warming potentials.

Opinion

NORMEC VERIFAVIA conducted the verification of the carbon inventory data reported by Malaysia Aviation Group in its Carbon Footprint report and presented above. Based on the verification work undertaken to gain reasonable assurance for Scope 1 & 2 and limited assurance for Scope 3 (categories 1, 2, 3, 4, 5, 6, 7, 8, and 15), carbon intensity, diversity data, employee data of new hire, turnover as well as parental leave that the data is fairly stated and contains no material misstatements or material non-conformities.

Courbevoie, May 5, 2026

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Abbreviations and Acronyms

ADS	AeroDarat Services
CAAM	Civil Aviation Authority of Malaysia
CO_2	Carbon dioxide
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CSR	Corporate social responsibility
DEI	Diversity, equity, and inclusion
DMA	Double materiality assessment
EAP	Employee assistance programme
ERM	Enterprise risk management
ESG	Environmental, social, and governance
FY	Firefly
GHG	Greenhouse gases
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
IOSA	IATA Operational Safety Audit
KPI	Key performance indicator
KTJ	Komuniti Tukang Jahit
LTAG	Long-Term Aspirational Goal
LTBP	Long-Term Business Plan
LTIFR	Lost time injury frequency rate
MAB	Malaysia Airlines Berhad
MABA	Malaysia Airlines Berhad Academy
MABES	MAB Engineering
MACC	Malaysian Anti-Corruption Commission
MAG	Malaysia Aviation Group
MAHB	Malaysia Airports Holdings Berhad
MAVCOM	Malaysian Aviation Commission
MCAT	MAG Catering Operations
MH	Malaysian Hospitality
MK	MASkargo
MRO	Maintenance, repair, and overhaul
MW	MASwings
MoU	Memorandum of Understanding
NGO	Non-governmental organisation
NRES	Ministry of Natural Resources and Environmental Sustainability
PDRM	Polis Diraja Malaysia
SAF	Sustainable aviation fuel
SDG	Sustainable Development Goals
SHUT	Stop Human and Underage Trafficking
TRAFFIC	Trade Records Analysis of Flora and Fauna in Commerce
UNHCR	United Nations High Commissioner for Refugees



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