

ESG REPORT

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2024

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This report is structured to provide a comprehensive overview of Air Arabia's sustainability journey, reflecting our commitment to responsible business practices welfare of people and environmental stewardship.

The Table of Contents outlines key sections, including our sustainability strategy, governance, environmental impact, social initiatives, and performance metrics.

Table of **CONTENTS**

About The Report	04
Message From The Chairman	06
Message From The Group CEO	08
About Air Arabia	10
Responsible Governance	20
Our People	50
Our Environment	84
GRI Content Index	112



About THE REPORT

Welcome to Air Arabia PJSC's 2024 Sustainability Report, which reflects our commitment to responsible and sustainable growth while delivering value to our stakeholders.

This report provides a transparent overview of our environmental, social, and governance (ESG) performance, highlighting key initiatives, progress, and future goals that align with our long-term sustainability vision.



The report focuses primarily on Air Arabia Group's approach to identifying and managing material ESG topics and includes select quantitative disclosures. It highlights how our sustainability strategy is informed by both local and global frameworks, including the 'We the UAE 2031' vision, the United Nations Sustainable Development Goals (SDGs), the Dubai Financial Market's (DFM) ESG metrics and the International Air Transport Association (IATA) standards.

Prepared in accordance with Global Reporting Initiative (GRI) Standards, this report ensures a structured and transparent approach to sustainability reporting. Unless stated otherwise, the reporting period covers January 1, 2024, to December 31, 2024. It includes insights from operations across all hubs, offering a comprehensive view of our sustainability performance.

Recognizing the importance of stakeholder engagement, the report incorporates feedback from key stakeholders, including customers, employees, investors, regulators, business partners, and local communities. This ensures our sustainability initiatives align with their expectations, industry best practices, and evolving global trends.

As we advance on this sustainability journey, it is essential to acknowledge that this report includes forward-looking statements. These statements reflect our current expectations, projections, and assumptions regarding future events, trends, and business performance. While we strive for accuracy and transparency, actual results may vary due to factors beyond our control.

At Air Arabia, sustainability is embedded in our business strategy. We remain committed to enhancing operational efficiency, minimizing environmental impact, fostering social responsibility, and upholding strong governance principles. Through this report, we reaffirm our dedication to driving sustainable value and contributing to a more resilient and responsible aviation industry.

For more information or feedback regarding this report, please reach out to us through the following channels:

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Message From **THE CHAIRMAN**



At Air Arabia, we remain committed to responsible and sustainable business practices. Our goal is to create long-term value for our stakeholders while positively contributing to the environment and society. As we reflect on 2024, we take pride in the significant progress we have made in advancing our sustainability agenda.

Sustainability is at the core of our operations, and we strive to minimize our environmental impact. In 2024, we achieved notable milestones in resource efficiency and waste management. We successfully recycled 270,818 kg of waste, reducing our ecological footprint while promoting the principles of a circular economy.

**Sheikh Abdullah Bin
Mohamed Al Thani**

Chairman, Air Arabia

Additionally, we recorded a 38% reduction in water consumption, demonstrating our commitment to efficient resource management. Our ongoing investment in energy-efficient technologies and practices led to a 32% reduction in electricity consumption, reinforcing our efforts to operate sustainably.

People are at the heart of Air Arabia's success. We take great pride in fostering a diverse and inclusive workplace while creating opportunities for talent growth and development.

In 2024, we welcomed 1,280 new hires, strengthening our workforce and providing valuable employment opportunities.

We are particularly proud of our progress in gender diversity, with women making up 35% of our workforce and holding 12% of top management positions. Furthermore, our continued focus on employee well-being and engagement resulted in a 0.8% reduction in our employee turnover rate. Ensuring a safe and secure working environment

remains our top priority, and I am pleased to report that we recorded zero fatalities this year. Strong governance and operational excellence are the cornerstones of our success.

Our commitment to high ethical standards, innovation, and superior service has been widely recognized. In 2024, we were honored with seven prestigious awards, highlighting our leadership and excellence in the aviation industry. Our sustainability efforts were further validated when we achieved an AA ESG rating. With a modern fleet of 81 aircraft, we expanded our reach and enhanced connectivity, transporting over 18.8 million passengers safely and efficiently.

As we move forward, we remain dedicated to embedding sustainability into every facet of our operations. We extend our gratitude to our employees, customers, and stakeholders for their continued trust and support as we work toward building a more resilient and sustainable aviation industry.

Message From THE GROUP CHIEF EXECUTIVE OFFICER

Dear Stakeholders,

As we reflect on 2024, I am filled with immense pride and gratitude for the remarkable journey Air Arabia has undertaken. This year marked not only another chapter of growth and success but also a reaffirmation of our commitment to sustainability, innovation, and operational excellence.

Since our inception in 2003, Air Arabia has grown from a modest start with two aircraft serving five routes to a global aviation leader with a fleet of 81 Airbus A320 and A321 aircraft, operating 220 routes across six hubs. In 2024, we celebrated 21 years of excellence, a testament to our unwavering dedication to providing affordable, high-quality air travel while staying true to our core values.

A Year of Growth and Resilience

2024 was a year of significant milestones. We transported 18.8 million passengers, a 12% increase from the previous year, and expanded our global network by adding 31 new routes. Our revenue grew to AED 6.63 billion, an 11% increase, while maintaining a strong seat load factor of 82%. These achievements reflect the resilience of our business model, the trust of our customers, and the dedication of our team.

Our fleet expanded with the addition of 10 new Airbus A320

aircraft, and we introduced 9 short-term leased aircraft to support peak season operations. This strategic growth ensures we can meet the increasing demand for affordable air travel while maintaining operational efficiency.

Sustainability: A Core Pillar of Our Success

At Air Arabia, we believe that true success is measured not only by financial performance but also by our impact on the environment and society. In 2024, we made significant strides in embedding sustainability into every aspect of our operations.

Environmental Stewardship:

We are committed to reducing our environmental footprint. This year, we fully implemented a circular economy approach for all inflight service items, ensuring they are biodegradable, and transitioned to 100% recyclable food and beverage packaging.

We also deployed phase one of our enhanced fuel management system, optimizing fuel efficiency and reducing emissions across our operations.

These efforts, combined with our ongoing fleet renewal program, position us to operate one of the youngest and most fuel-efficient fleets in the industry, with an average fleet age of 10.22 years.

Social Responsibility:

Our 'Charity Cloud' program continued to make a meaningful difference in 2024. We established one new classroom in Cambodia and two new medical clinics in Tajikistan and Bangladesh, adding to the 15 schools and clinics we support across 12 countries. Since its inception, Charity Cloud has touched countless lives, embodying our commitment to giving back to the communities we serve.

Within our organization, we hired 1,280 new employees, bringing our total workforce to 4,604.

We are proud to have 35% women in our workforce and 12% women in top management positions, reflecting our dedication to diversity and inclusion. Additionally, we achieved a 0.8% reduction in employee turnover rate, a testament to our focus on employee satisfaction and retention.

Operational Excellence:

We adopted a "Paperless Approach" in our engineering department, replacing all paper-based maintenance records with a fully digital process using the advanced AMOS system. This initiative not only enhances efficiency but also reduces our environmental footprint, aligning with our sustainability goals.

Recognition and Accolades

2024 was a year of accolades, as our efforts were recognized globally. Air Arabia was ranked among the Top 100 Listed Companies of 2024 by Forbes Middle East and named the Best Airline in the region by AirHelp.

We also secured second place globally in the Top 100 Airlines for 2024 ranking by Airfinance Global and achieved the top position worldwide for having the lowest fuel cost per U.S. gallon.

These awards, along with others such as the "Corporate Award in the Airline Category" at the 2024 OPS Forum and the "Leading Low-Cost Airline Brand - MENA" award from Global Brands Magazine, are a testament to our commitment to excellence and innovation.

Looking Ahead with Optimism

As we look to the future, we are optimistic about the opportunities that lie ahead. While the global aviation industry continues to face challenges, including geopolitical uncertainties and rising operating costs, we remain confident in our ability to navigate these complexities.

Our focus on sustainability, operational efficiency, and customer-centric innovation positions us well for continued growth.

We are committed to creating long-term value for all our stakeholders—our passengers, employees, shareholders, and the communities we serve.

Gratitude and Commitment

None of Air Arabia's achievements would be possible without the hard work and dedication of our exceptional team—our pilots, cabin crew, ground staff, maintenance teams, administrative personnel, and executive leadership.

I extend my heartfelt gratitude to each member of the Air Arabia family for their unwavering commitment to excellence.

I would also like to thank our Board of Directors for their visionary leadership and our valued stakeholders for their continued trust and support.

Together, we are shaping a brighter future for aviation and beyond.

As we embark on the next chapter of our journey, we remain steadfast in our mission to connect people, cultures, and opportunities while upholding our commitment to sustainability and operational excellence.

Thank you for being part of our story.

Warm regards,

Adel Abdullah Al Ali

Board Member and GCEO





About AIR ARABIA

As the first and largest low-cost carrier (LCC) operator in the Middle East and North Africa, Air Arabia has been revolutionizing air travel since its inception. With a commitment to making flying accessible, affordable, and efficient, the airline connects over 220 destinations across the Middle East, North Africa, Asia, and Europe.



Redefining

Affordable Air Travel
with a Purpose



220

Routes



Over **18.8 million**

Passengers served across
all hubs in 2024

Over **150 million**

Passengers served across
all hubs since inception

Operating from six strategic hubs Sharjah, Ras Al Khaimah, Abu Dhabi, Morocco, Egypt, and Pakistan. Air Arabia offers passengers a seamless travel experience backed by reliability and comfort.

Air Arabia was established in February 2003 by an Amiri decree issued by His Highness Sultan bin Muhammad Al-Qasimi, Ruler of Sharjah and a member of the Supreme Council of the UAE.

The airline commenced its operations in October 2003. In 2007, it made history as the region's first publicly listed airline following a successful Initial Public Offering (IPO) on the Dubai Financial Market (DFM).

Guided by its brand promise, "Where Next?", Air Arabia continues to expand its global footprint, allowing passengers to travel more frequently and conveniently.

We operate on a robust and successful business model centered on efficiency, optimization, and resource management.

While the airline is committed to offering affordable air travel, it also focuses on making a positive impact by uplifting the lives of those in need.



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Through its sustainability efforts and dedication to customer satisfaction, Air Arabia is shaping the future of low-cost travel while making a lasting impact on society.

Taking responsibility for the social well-being of both local and global communities has been a key factor in our success.

To this end, the airline has implemented an award-winning corporate social responsibility (CSR) program aimed at sustainable development, with a strong focus on enhancing education and healthcare for underprivileged communities.

Our VISION & MISSION



“To be one of the world’s leading budget airlines” in terms of:

Profit Margin

Innovation

Reputation

Operational Excellence

“To revolutionize air travel in the region through an innovative business approach offering superb value for money and a safe, reliable operation” to achieve this,

We will be known for our low fares

Grow our business profitably

Build motivated multi-functional teams

Demonstrate the highest operational standards

Manage our costs ruthlessly



OUR FLEET

With a fleet comprising **81 aircrafts** (72 Airbus A320 and 9 A321 neo LR), Air Arabia continues to provide passengers with efficient and comfortable travel options. In 2019, the airline placed an order for 120 new A320 Family aircraft, with deliveries scheduled to start in 2025.

This strategic move will enable the company to maintain a fleet of newer, more efficient, and environmentally sustainable aircraft while supporting the expansion of its global network.

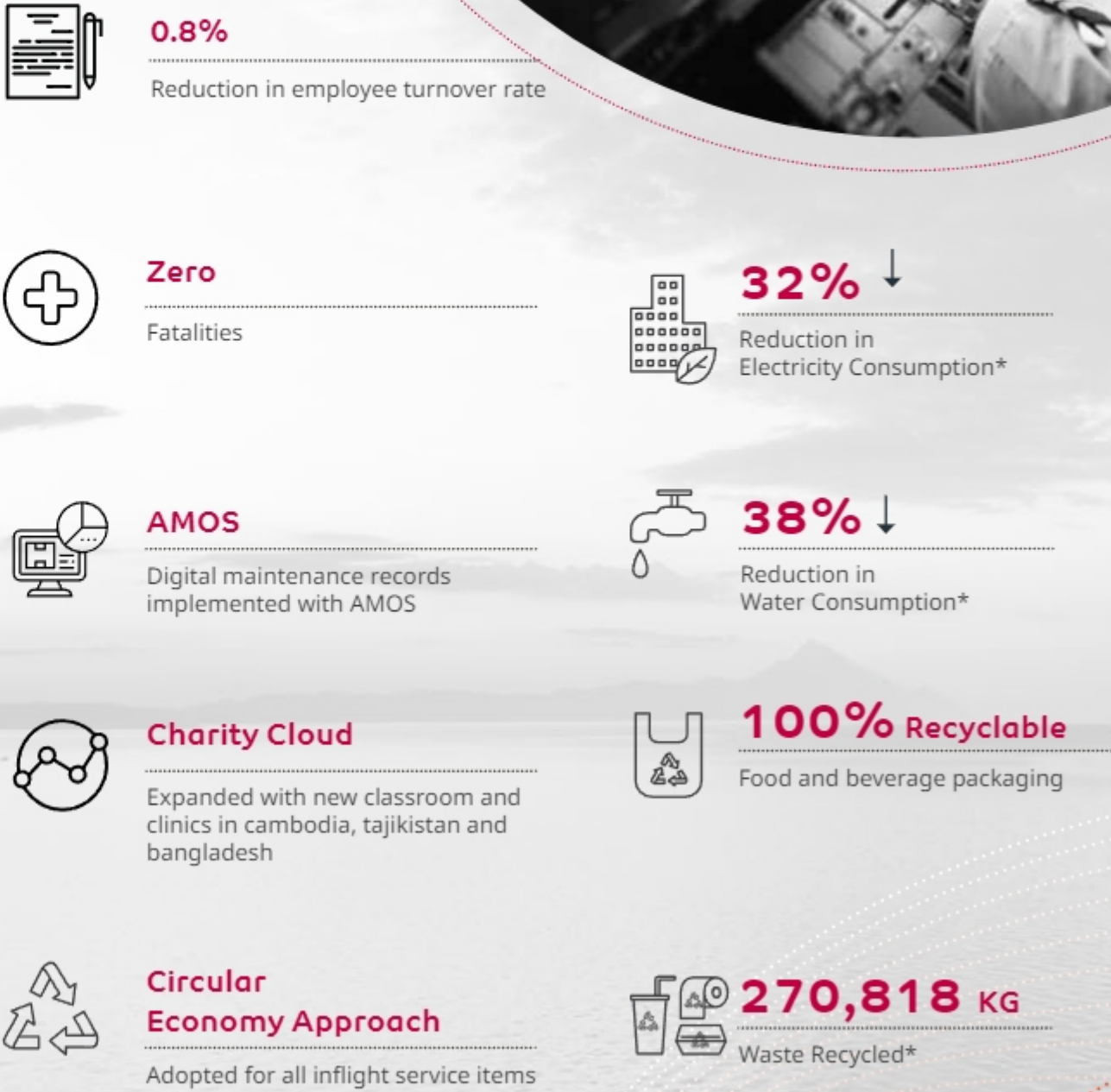
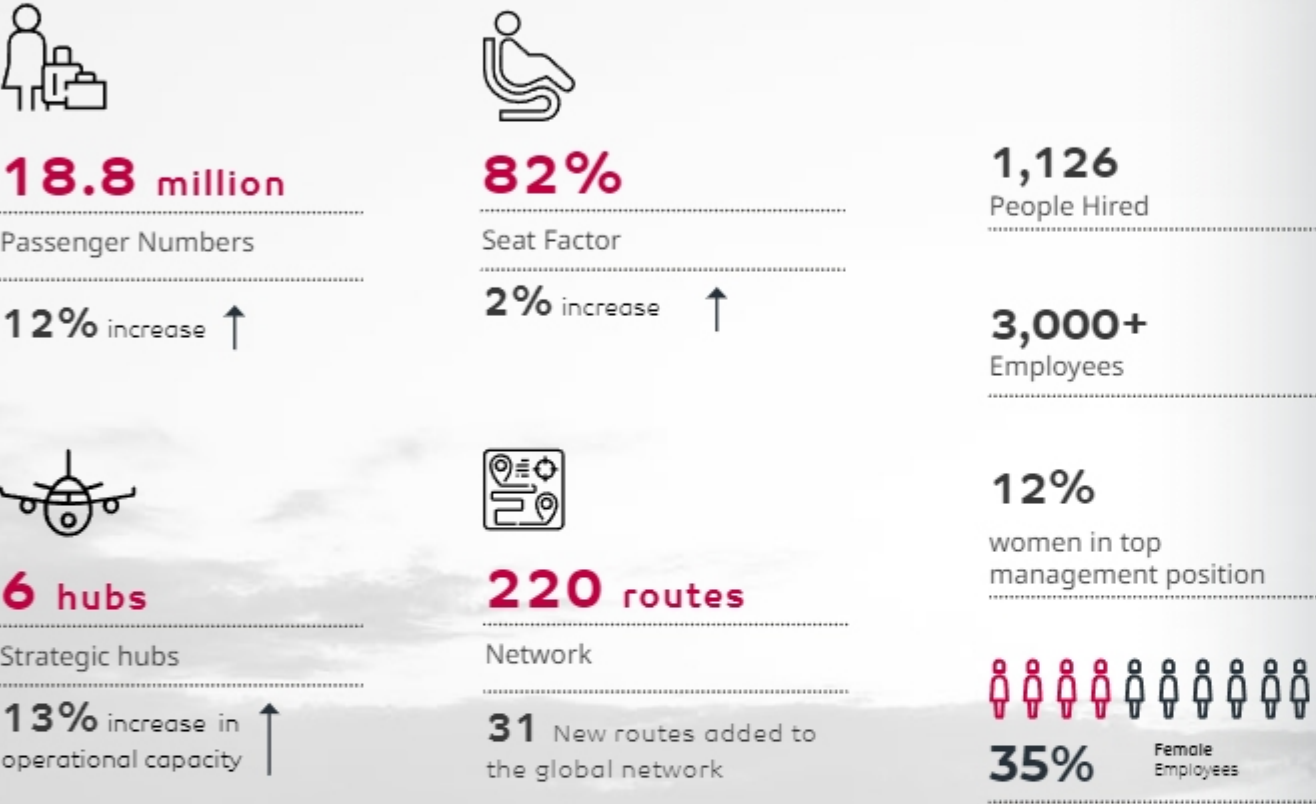
Air Arabia takes pride in offering a world-class travel experience designed with your comfort in mind. Our aircraft feature spacious economy cabin seating with one of the most generous seat pitches in its class, ensuring a relaxing journey for every passenger.

To enhance onboard experience, we provide SkyTime, a complimentary in-flight streaming service, and SkyCafe, our affordable onboard catering service offering a variety of delicious options. Additionally, our Air Rewards loyalty program rewards you with points that can be earned, transferred, and redeemed, making every journey even more rewarding. Our modern fleet is equipped with state-of-the-art cabin interiors, including wireless entertainment systems and ergonomic seats that combine extra comfort with ample legroom. At Air Arabia, we are committed to making your travel experience seamless, enjoyable, and memorable.



ESG

HIGHLIGHTS 2024



*Note: Data pertains to Air Arabia's operational buildings in Sharjah.

Awards AND RECOGNITIONS

Recognized among the
Top 100 Listed Companies
of 2024 by Forbes Middle East.

Won the
**"Corporate Award in the
Airline Category"**
at the 2024 OPS Forum in
Athens, Greece.

Fly Jinnah, an Air Arabia Group
company, was ranked among
the **Top 5 Best Low-Cost**
Airlines in Central Asia & CIS for
2024 by Skytrax.

Ranked the
Best Airline in the region
and eighth globally by AirHelp.

Received the prestigious
**"Leading Low-Cost Airline
Brand MENA"**
award from Global Brands
Magazine.

Awarded an
"AA" ESG ranking by MSCI,
placing it in the Leader category
under MSCI's classification
showcasing the airline's strong
performance in ESG practices.

**Secured second
place globally**

in the Top 100 Airlines for 2024 ranking
by Airfinance Global and achieved the top
position worldwide for having the lowest
fuel cost per U.S. gallon.

Arabian Business
Magazine recognized Air Arabia and its
Chief Executive Officer among the Top
100 Most Admired Companies & Inspiring
Leaders of 2024.





Sustainability IN ACTION

We understand the critical importance of integrating ESG principles into our business strategy to drive long-term sustainability and contribute to the broader goals of the UAE's sustainability agenda.

Our approach to ESG is not only aligned with global best practices but also deeply rooted in the UAE's vision for a sustainable future, supporting national initiatives like the UAE Green Agenda 2030 and UAE Net Zero by 2050.



1. Aligning with SDGs

The aviation industry plays a crucial role in advancing global sustainability, contributing to objectives such as clean energy, sustainable infrastructure, resilient cities, responsible consumption, and climate action. By investing in fuel-efficient technologies, reducing carbon emissions, and enhancing operational practices, the industry helps drive global efforts for a more sustainable future.

Air Arabia aligns with these goals, incorporating sustainable practices across its operations. We focus on minimizing environmental impacts, fostering innovation, and generating positive social outcomes, all while supporting global initiatives for a more sustainable and prosperous world.



2. Environmental Responsibility

Air Arabia is committed to minimizing its environmental impact in line with the UAE's sustainability goals. We prioritize the reduction of carbon emissions by maintaining a modern, fuel-efficient fleet, including the Airbus A320 and A321 Neo LR aircraft.

These advanced aircraft significantly reduce fuel consumption and lower CO2 emissions, helping us contribute to the UAE's broader environmental objectives, such as the national target to reduce carbon emissions and support global efforts to combat climate change.

In addition to our fleet's efficiency, Air Arabia integrates sustainable solutions across its operations, focusing on four key areas to reduce our carbon footprint: energy efficiency, business travel impact, e-waste management, water conservation and pollution mitigation.



3. Social Impact

Air Arabia's social initiatives focus on enhancing access to education, healthcare, and social welfare for underserved communities through our award-winning corporate social responsibility (CSR) programs, including the Charity Cloud program.

This initiative supports various charitable causes, enabling employees and passengers to contribute to meaningful social change.

We are also committed to investing in the development of our employees, ensuring they thrive in a safe, inclusive, and supportive environment.



4. Governance Practices

Air Arabia upholds a robust governance framework that emphasizes transparency, accountability, and ethical business practices. We adhere to the highest standards of corporate governance, meeting both local regulatory requirements and global sustainability standards. Our governance practices are designed to foster stakeholder trust, promote ethical decision-making, and support long-term business growth.

To enhance our ESG management, we have strengthened leadership and coordination efforts, ensuring that ESG issues are effectively overseen by our Board of Directors. We provide regular updates to shareholders at the AGM, disclose financials promptly to all stakeholders, and are expanding our ESG reporting to ensure timely and transparent communication with investors, lenders, and other stakeholders.



5. Aligning with Regional and Global Frameworks

Air Arabia integrates key regional and global frameworks into its sustainability efforts to drive impactful change. We adhere to the Dubai Financial Market (DFM) sustainability guidelines, which emphasize transparency, responsible business practices, and long-term value creation. Our sustainability reporting follows the GRI standards, ensuring comprehensive measurement and monitoring of our ESG performance.

We also align with the GHG Protocol, enabling accurate tracking and reduction of our carbon emissions. Additionally, in support of the UAE's 2050 Net Zero plan, we integrate sustainable practices that contribute to the country's goal of achieving net-zero carbon emissions by 2050.

Through these frameworks, Air Arabia continues to focus on improving operational efficiency, delivering sustainable value, and advancing environmental responsibility.





Responsible **GOVERNANCE**

Leading with integrity,
building trust.

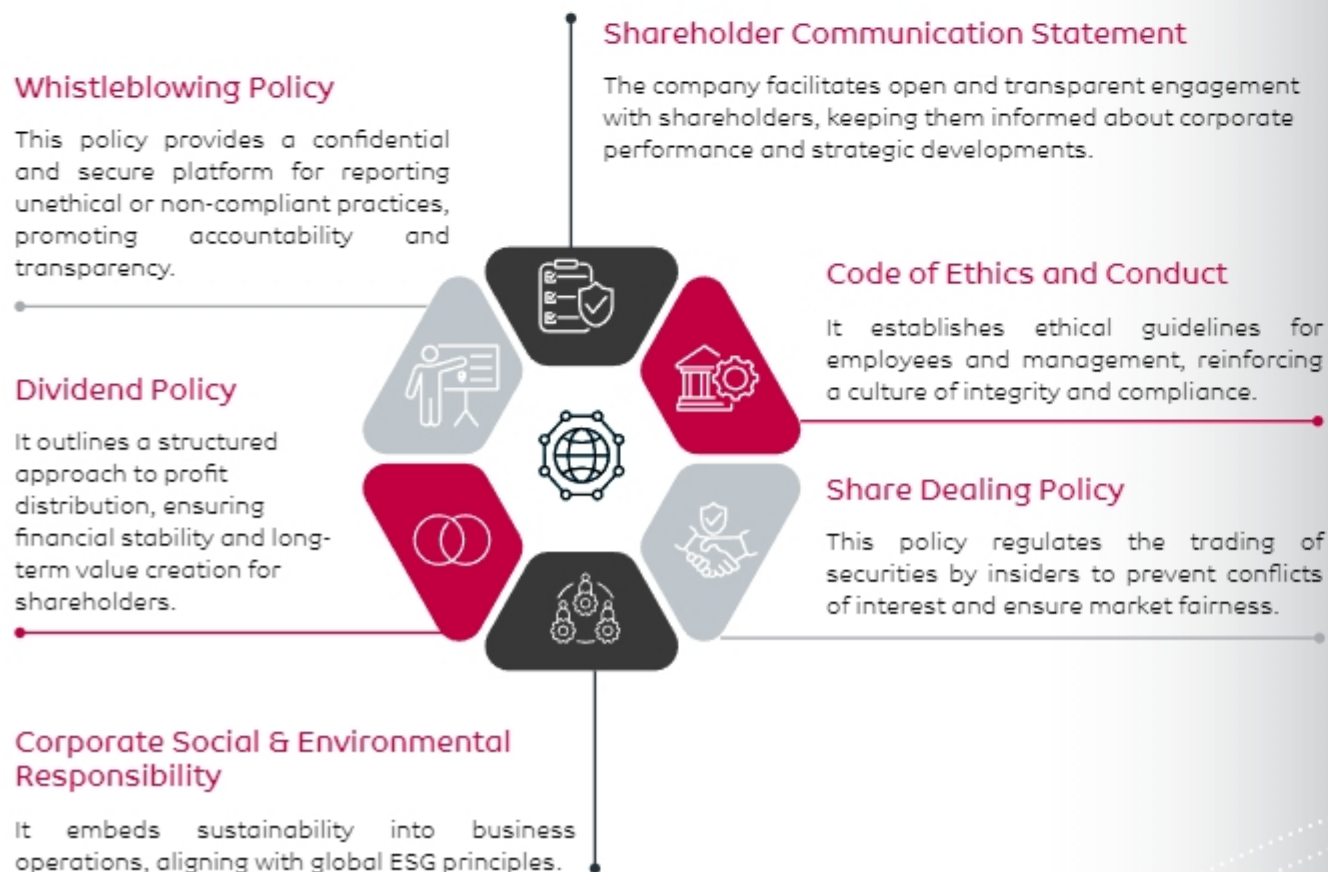
Ensuring ETHICAL BUSINESS PRACTICES AND COMPLIANCE

Air Arabia upholds the highest standards of corporate governance, ensuring transparency, accountability, and ethical business practices across all levels of the organization.

A strong governance framework is fundamental to safeguarding shareholder interests, fostering stakeholder trust, and maintaining operational integrity. By implementing comprehensive policies and oversight mechanisms, Air Arabia enhances decision-making, mitigates risks, and drives sustainable long-term growth.

The company's corporate governance structure is built on well-defined policies and procedures that reflect its commitment to responsible corporate stewardship.

The following provides a broad overview of our corporate governance structures.



As a global aviation company and a publicly listed entity, Air Arabia, its subsidiaries, and group companies are fully committed to adhering to all applicable laws and regulatory requirements. This includes compliance with the UAE's Commercial Companies Law No. 2 of 2015 and its amendments under Law No. 26 of 2020.

The company also strictly adheres to Ministerial Decree No. 518 of 2009, followed by Resolution No. 7 of 2016 and Resolution No. 3 of 2020, issued by the Minister of Economy and Chairman of the Securities and Commodities Authority, which outline corporate governance and corporate discipline standards.

Air Arabia remains committed to adapting to future regulatory changes to maintain compliance and uphold the highest corporate governance standards.



Our company is built on trust, guided by ethics, integrity, and respect for people and the planet. We focus on health, safety, diversity, and community investment to create a positive societal impact.

BUSINESS ETHICS AND CODE OF CONDUCT

Air Arabia’s commitment to the highest ethical standards is outlined in its comprehensive Code of Conduct, which guides all employees, including directors, senior managers, part-time and temporary staff, contractors, trainees, and agency workers. This Code ensures that everyone at Air Arabia adheres to ethical business practices and remains accountable to the organization and its stakeholders.

The Code addresses several critical areas of business ethics, such as:



It serves as a key instrument in upholding exemplary ethical standards and human rights across the organization. The Code emphasizes the principles of integrity, respect, and ethical decision-making in all business dealings, ensuring that all employees conduct themselves fairly and transparently.

Additionally, Air Arabia’s Code comprises essential domains, including:



Promoting respect for individuals and fostering a diverse, inclusive environment.



Implementing anti-corruption policies and encouraging non-discriminatory practices.



Managing conflicts of interest and preventing fraud.



Safeguarding information privacy, adhering to health and safety standards, and maintaining environmental responsibility.

Air Arabia’s Code of Conduct also sets transparency guidelines and ensures all employees understand and comply with legal obligations.

The Code is a platform for ethical behaviour and a basis of the company’s human rights and sustainability commitment.

By embedding these principles into daily operations, Air Arabia ensures that its values are reflected in every aspect of the organization, from internal processes to external relationships with stakeholders.



Board OF DIRECTORS

Air Arabia's Board of Directors comprises experienced, diverse members with varied backgrounds, skills, and expertise while ensuring female representation to reinforce its commitment to equal opportunity and a diverse leadership team.

The Board is dedicated to upholding strong corporate governance, aligning with best practices, and recognizing the importance of ESG issues for stakeholders.

Several Board members possess relevant expertise in these areas and continually enhance their knowledge through regular briefings and discussions with internal experts.

The Board closely monitors risks, particularly during the review of operating and strategic plans and when considering specific actions for approval.

It plays a crucial role in overseeing the strategic direction, management, and financial health of the Group, ensuring long-term success and sustainability.

Additionally, the Board provides guidance and support to the CEO and senior management, representing the interests of shareholders and stakeholders.



BOARD MEMBERS



**Sheikh Abdullah
Bin Mohamed
Al Thani**

Chairman



**Mr. Adel
Abdulla Ali**

Executive
Member



**Sheikh Mohammed
Bin Abdullah
Al Thani**

Board
Member



**Sheikh Khalid
Bin Issam Al
Qassimi**

Independent
Member



**Mr. Waleed Al
Sayegh**

Independent
Member



**Mr. Matar
Al Blooshi**

Independent
Member



**Dr. Ohoud
Shehail**

Independent
Member

Board COMMITTEES

Air Arabia has established specialized Board Committees to enhance governance, streamline decision-making, and ensure effective oversight in key areas such as audit, nominations, remuneration, risk management, and investments. These committees operate under defined mandates and support the Board in fulfilling its responsibilities.



Audit Committee

The Audit Committee, comprising three members, is established in line with corporate governance regulations and oversees risk management. It reports its findings and recommendations to the Board of Directors.

Key responsibilities include:

- Establishing policies for appointing external auditors
- Reviewing and auditing financial statements
- Defining control and audit measures
- Formulating fiscal and audit policies
- Issuing general audit reports
- Enforcing whistleblowing policies
- Monitoring insider trading
- Handling assignments from the Board of Directors

Nominations and Remuneration Committee

The Nominations and Remuneration Committee, composed of three members, is established by corporate governance regulations. It reports its views and recommendations to the Board of Directors and is responsible for:

- Establishing a nomination policy that promotes gender diversity.
- Managing board nominations per regulatory requirements.
- Ensuring the independence of directors.
- Reviewing board remuneration, staff benefits, and incentives.
- Evaluating board structure and recommending improvements.
- Identifying senior management needs and selection criteria.
- Overseeing human resource policies, training, and implementation.



Insider Trading Supervision Committee

The corporate governance manual outlines regulations for insider trading, specifying permitted trading windows and prohibiting transactions based on non-public information. It also mandates that insiders disclose their status to brokers for regulatory approval. The audit committee oversees insider trading compliance.

Investments Committee

The Board of Directors has established an Investments Committee comprising three members. This committee oversees corporate investments, offering guidance, consultation, and review of investment proposals, studies, and instruments to support executive management.



Internal Control System

Air Arabia's Board of Directors takes full responsibility for the effectiveness and integrity of the internal control system, ensuring it supports efficient operations, risk management, and regulatory compliance.

The Internal Control Department is key to monitoring and strengthening governance processes. Established in 2013, the department conducts independent evaluations, provides advisory support, ensures adherence to policies, safeguards company assets, and optimizes resource utilization.

Key responsibilities include:

- Developing audit programs to protect corporate assets.
- Ensuring compliance with policies, procedures, and regulations.
- Assessing organizational performance and risk management.
- Providing recommendations to enhance governance and operational efficiency.
- Extending oversight to group and associate companies.



Air Arabia's internal control framework enhances business resilience and long-term sustainability by reinforcing transparency and accountability.

Risk

GOVERNANCE
FRAMEWORK

Air Arabia has established a robust risk governance framework to ensure comprehensive management of risks across the organization.

The company has dedicated operational risk management functions, supported by a senior management team, responsible for setting control standards and overseeing compliance.



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These senior-level structures play a key role in enforcing control standards and monitoring compliance with the company's risk management policies.

This framework promotes an effective risk culture throughout the organization, with processes and strategies in place to identify, assess, and mitigate risks.

At the senior management level, dedicated roles and committees are in place to oversee risk management activities, ensuring the integration of risk considerations into decision-making and operations.



IDENTIFIED RISKS AND MITIGATING ACTIONS

RISK: REGULATORY COMPLIANCE AND LEGAL RISKS

Likelihood and Magnitude:

High likelihood with potentially significant impacts due to changing regulations in the aviation and environmental sectors.

Mitigating Actions:

Air Arabia maintains a proactive approach to regulatory compliance by closely monitoring changes in regulations across all operational regions. The company has a dedicated legal team responsible for staying ahead of regulatory changes, ensuring timely compliance, and mitigating potential legal risks.



RISK: CYBERSECURITY AND DATA PRIVACY RISKS

Likelihood and Magnitude:

Medium likelihood, but with high potential impacts on business operations and customer trust due to increasing cyber threats.

Mitigating Actions:

Air Arabia has implemented robust cybersecurity measures, including regular system audits, employee training on data security, and collaboration with external cybersecurity experts. The company also has strict data privacy policies and employs advanced encryption technologies to protect customer information.



EMERGING RISKS AND MITIGATING ACTIONS

EMERGING RISK: CLIMATE CHANGE AND ENVIRONMENTAL REGULATIONS

Likelihood and Magnitude:

Increasing likelihood, with long-term significant impacts on operational costs and business continuity due to stricter environmental regulations.

Mitigating Actions:

Air Arabia is actively working on reducing its carbon footprint by optimizing fuel consumption, investing in more fuel-efficient aircraft, and complying with international environmental standards. The company is also exploring alternative fuels and sustainability initiatives to align with emerging global environmental regulations.



EMERGING RISK: TECHNOLOGICAL DISRUPTIONS

Likelihood and Magnitude:

Medium likelihood, with high potential impact on the workforce and operational processes as advancements in artificial intelligence and automation reshape the industry.

Mitigating Actions:

Air Arabia is investing in technology to improve operational efficiency while ensuring its workforce is equipped with the necessary skills for future demands. The company is focusing on reskilling employees through comprehensive training programs to adapt to automation and technological advancements in the aviation industry.

Cybersecurity Threats & RISK MITIGATION

Air Arabia recognizes the critical importance of information security and cybersecurity in safeguarding its operations and protecting sensitive data.

Our systems are designed to prevent unauthorized access, ensuring compliance with global standards such as GDPR and PCI DSS while maintaining customer trust and operational integrity.

We collect and store personal and operational data, including payment details, travel itineraries, and biometric information.



Given the increasing risks of cyber threats and identity theft, we implement advanced security protocols to protect against data breaches, financial losses, and service disruptions.



The company's Board of Directors and Executive Management are actively engaged in the development, review, and implementation of the organization's cybersecurity strategy.

Their involvement ensures that information security is prioritized and aligns with the company's broader risk management and business continuity objectives.

The Executive Management team holds primary responsibility for overseeing cybersecurity across the company, ensuring that the right policies, procedures, and controls are in place to mitigate potential cyber risks.

This includes a commitment to continuous evaluation of the company's cybersecurity posture to stay ahead of emerging threats.





Our Privacy Policy outlines how we collect, use, and protect customer information, with stringent internal controls in place.

We employ firewalls, encryption, access controls, and continuous security testing to mitigate risks and strengthen our defenses.

Data Encryption & Access Controls

Ensuring only authorized access to sensitive information.

Perimeter & Endpoint Protection

Strengthening network security against cyber threats.

Ongoing Security Training & Attack Simulations

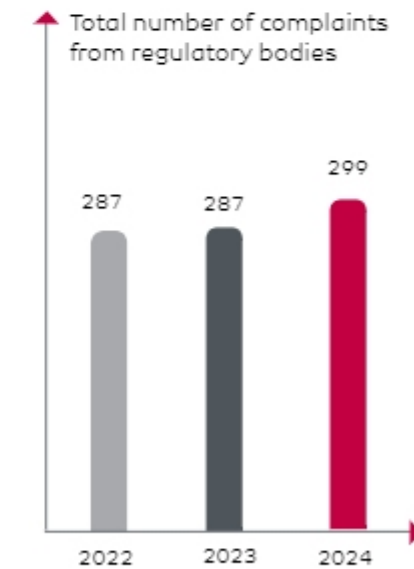
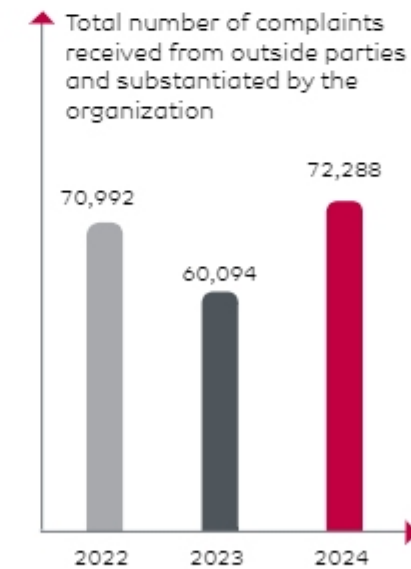
Enhancing awareness and preparedness.



The company is committed to preventing IT system interruptions and cyberattacks through rigorous preventive measures. These include continuous monitoring of systems, regular security audits, and the use of advanced encryption technologies. Air Arabia is well-prepared to react swiftly in the event of a cyberattack or system disruption, with established protocols and trained personnel ready to manage and mitigate the impact of any cybersecurity incidents.

The company has not experienced any instances of data leakage, loss, or theft of customer data over the past three years.

The table below outlines the number of substantiated complaints received regarding breaches of customer privacy:





Building a Robust **CYBERSECURITY CULTURE**

To create a robust security culture, Air Arabia has implemented clear information security and cybersecurity policies, which are internally accessible to all employees.

These policies highlight the importance of cybersecurity and outline specific practices to follow, helping employees recognize potential threats and understand their role in maintaining security.

Additionally, regular cybersecurity awareness training is provided to employees, ensuring they are well-informed about current threats and best practices to protect the organization's digital assets.

Cybersecurity Breach

Parameter	2021	2022	2023	2024
Total number of identified leaks, thefts, or losses of customer data	0	0	0	0

Air Arabia has established a clear escalation process for employees to follow if they notice anything suspicious or unusual within the company's IT systems. This process ensures that potential security incidents are swiftly reported and addressed.





Defining our **STRATEGIC PRIORITIES**

Air Arabia's strategic priorities focus on driving operational excellence, enhancing sustainability, ensuring customer satisfaction, and promoting employee well-being.

As a leading low-cost carrier, we continuously refine our approach to improve efficiency, minimise environmental impact, and deliver outstanding value to our customers.

Through our Materiality Assessment, we have identified key priorities central to our long-term success. This process combines comprehensive stakeholder engagement with analysing industry trends, risks, and opportunities.



By aligning our strategy with the most pressing ESG factors, we ensure that Air Arabia remains responsive to the needs of our stakeholders while maintaining sustainable growth. Focusing on these priorities will help us build stakeholder trust, foster resilience, and thrive in an evolving aviation landscape.





Our approach to **MATERIALITY ASSESSMENT**

Air Arabia recognizes the importance of the Materiality Assessment in identifying and prioritizing sustainability issues that significantly impact our operations, stakeholders, and long-term strategy.

Adopting a structured and globally recognized approach ensures that our sustainability initiatives remain relevant, transparent, and aligned with best practices.

Our 2024 Sustainability Report is developed in alignment with the GRI Sustainability Reporting Standards, the United Nations Sustainable Development Goals (UNSDGs), Dubai Financial Market (DFM) ESG metrics, and the Sustainability Accounting Standards Board (SASB) framework.

These internationally recognized standards and frameworks guide our materiality assessment process, ensuring a comprehensive, data-driven, and rigorous evaluation of key ESG factors.



By adhering to these globally recognized methodologies, Air Arabia enhances stakeholder trust, drives impactful sustainability actions, and ensures long-term resilience in its operations.

These frameworks guide our materiality assessment process, helping us identify, prioritize, and address key ESG factors most relevant to our business and stakeholders.

Stakeholder MAPPING

Our stakeholder mapping process is a fundamental aspect of our sustainability strategy, ensuring that we identify, understand, and engage with all parties who influence or are affected by our operations.

This process involves systematically identifying internal and external stakeholders and recognizing their diverse interests, concerns, and expectations. By establishing clear lines of communication and fostering meaningful engagement, we aim to build trust, promote transparency, and enhance our long-term relationships with stakeholders.

Stakeholder Group	Key Areas of Concern	Engagement Strategies
Shareholders	<ul style="list-style-type: none"> Shareholder value and returns Financial and operational performance Business strategy and development Capital structure and funding Dividend distribution policy Corporate transparency and governance Sustainability and ESG strategy 	<ul style="list-style-type: none"> AGM and detailed financial reports Stock exchange notifications and public announcements Ongoing communication through the Investor Relations team and dedicated online portal
Employees	<ul style="list-style-type: none"> Remuneration, rewards, and benefits Training and professional development opportunities Career growth and advancement Company's strategic direction and future growth Employee engagement and satisfaction Health, safety, and overall well-being Commitment to diversity and inclusion 	<ul style="list-style-type: none"> Employee forums, meetings, and direct communication via email Regular updates through the company intranet Ongoing training and skill development programs Access to an independent whistleblowing system Direct interactions with senior management and Board through visits
Customers	<ul style="list-style-type: none"> Airline safety and security Operational excellence and reliability Innovation and industry expertise Value for money and cost-effectiveness Commitment to sustainability 	<ul style="list-style-type: none"> Company website Social media platforms E-newsletters and email communication Traditional media channels (TV, print, etc.)

Stakeholder Group	Key Areas of Concern	Engagement Strategies
Board of Directors	<ul style="list-style-type: none"> Financial performance and profitability Operational efficiency and excellence Strategic direction and long-term growth Health, safety, and employee well-being Governance, compliance, and risk management 	<ul style="list-style-type: none"> Board of Directors (BOD) meetings Committee meetings for specific focus areas Annual General Meeting (AGM) discussions Regulatory reporting and communication through Investor Relations
Suppliers/ Vendors	<ul style="list-style-type: none"> Strong working relationships and collaboration Timely payments and reliable cash flow Transparency in supplier assessments and qualification processes 	<ul style="list-style-type: none"> Regular two-way communication and face-to-face meetings Adherence to a Supplier Code of Conduct Participation in supplier conferences and industry tradeshows Ongoing supplier due diligence and performance evaluations
Government/ Regulators	<ul style="list-style-type: none"> Compliance with laws and regulations Strong corporate governance framework Transparency and ethical business practices Trust and reputation management Safety standards and regulatory adherence Commitment to sustainability 	<ul style="list-style-type: none"> Regular engagement and dialogue at all levels of government Briefings on key regulatory issues and updates Coordination through the Investor Relations team and compliance units Response to direct regulatory queries Collaborative safety improvement programs
Community	<ul style="list-style-type: none"> Employment opportunities and economic contribution Health, safety, and overall well-being of the community Commitment to sustainability and environmental protection Active community engagement and support 	<ul style="list-style-type: none"> Sponsorships and charitable donations Employee volunteering programs Emiratization initiatives to promote local workforce inclusion Engagement with local community programs and initiatives Sustainable CSR programs, such as "Charity Cloud"

OUR MATERIAL TOPICS

We ensure that our sustainability efforts align with stakeholder expectations and industry best practices while enhancing our ability to manage risks and seize opportunities that can shape our future growth.

We used a comprehensive, three-pronged approach to identify the material topics most relevant to our operations and stakeholders. This methodology integrated insights from our stakeholder engagement process, analysing peers within the aviation industry, particularly major low-cost carriers worldwide, and understanding the operational environment.

By consolidating the findings from these exercises, we identified key material topics critical to both the sustainability of our business and the communities we serve.

These material topics represent areas that are likely to significantly impact our operations unless appropriate measures are taken to manage them effectively. Additionally, they are areas where Air Arabia has the most significant potential to drive positive change through our operational decisions and initiatives.



ENVIRONMENT

GHG Emissions

Energy Usage

Water Management

Waste Management

Aircraft Noise

Climate Risks & Impacts



SOCIAL

Customer Safety & Security
(Product Safety & Quality)

Employee Health & Safety, and Wellbeing

Talent Attraction, Development,
and Retention

Diversity, Equity, and Inclusion

Responsible Marketing Practices

Community Investment



GOVERNANCE

Governance

Risk Management

Compliance with Regulation & Legislation

Privacy & Data Security

Business Ethics



Our **PEOPLE**

Empowering potential,
fostering belonging.



Our EMPLOYEES

At Air Arabia, our people are our greatest asset. As the first and largest low-cost carrier in the Middle East and North Africa (MENA) region, we recognize that our success is built on our workforce's dedication, professionalism, and skills.

Committing to fostering a culture of excellence, inclusivity, and continuous growth, we ensure that every employee is empowered to contribute to the company's vision of making air travel more accessible, convenient, and cost-effective.

To uphold this commitment, Air Arabia has developed a comprehensive Employee Handbook, which serves as a guiding framework for all aspects of human resource management within the organization.

This handbook outlines our HR policies, processes, and procedures, ensuring that employees clearly understand their rights, responsibilities, and career pathways within the company.

It is a crucial resource that supports implementing policies daily and creating a structured and transparent work environment.



The Employee Handbook covers a wide range of key areas, including:

Rights of Employees

Ensuring fair treatment, equal opportunities, and a safe, respectful workplace.

Workplace Conduct & Ethics

Establishing expectations for professionalism, integrity, and compliance with company values.

Recruitment & Terms of Employment

Defining Air Arabia's approach to hiring, onboarding, and employment conditions.

Learning & Development Programs

Providing continuous training and career development opportunities to enhance skills and performance.

Performance Management

Setting clear goals, providing regular feedback, and fostering a culture of recognition and improvement.

Disciplinary Procedures

Outlining fair and transparent measures to address workplace issues while maintaining organizational harmony.

Grievance Mechanisms

Offering employees structured channels to effectively voice concerns and resolve workplace challenges.

By maintaining a well-structured and employee-centric HR framework, Air Arabia ensures its workforce remains engaged, motivated, and aligned with its strategic objectives. This approach allows us to continue cultivating a dynamic workplace that drives operational excellence, fosters innovation, and delivers an exceptional travel experience for our passengers.



BUILDING A SKILLED AND RESILIENT WORKFORCE

Our workforce is the foundation of our success, ensuring operational excellence and a superior travel experience. In 2024, we expanded our team to support our ongoing growth and strengthen our capabilities across all areas of operations, reflecting our focus on attracting top talent and enhancing efficiency to meet the evolving demands of the aviation industry.

This growth represents a significant increase from the previous year.



Female : 1,590
Male : 3,016



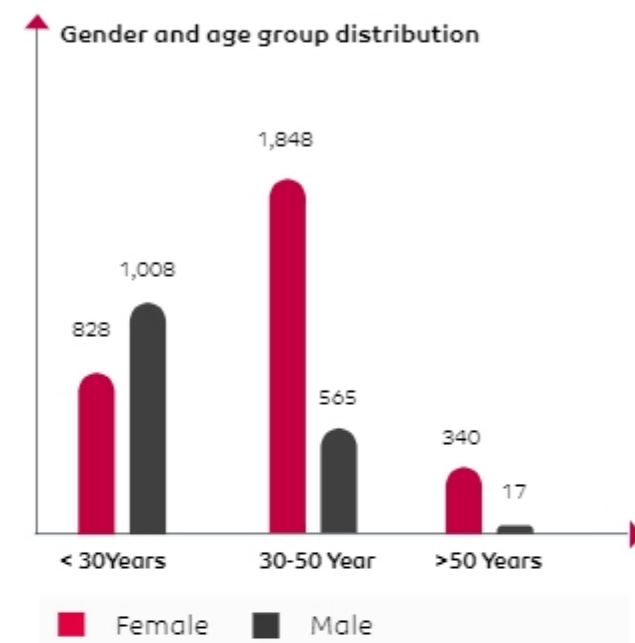
Female : 1,196
Male : 2,188



Female : 1,209
Male : 2,241

Employee Distribution Across Roles and Levels in 2024 (Permanent Staff)

Gender	Male	Female
Leadership	15	2
Senior Management	15	0
Middle Management	60	10
Junior Management	383	67
Trainees	39	20
Entry level	753	206
Pilot	929	38
Crew	822	1,247
Total	3,016	1,590



Diversity of employees in management level

Parameter	<30 years		30-50 years		>50 years	
	Male	Female	Male	Female	Male	Female
Gender						
Leadership	0	0	9	1	6	1
Management	12	6	360	64	86	7
Non- Management	816	1,002	1,480	500	248	9

Strength IN DIVERSITY

Embracing diversity is a key driver of success at Air Arabia, strengthening the organization and fostering a resilient, dynamic workforce ready to thrive in a global marketplace. Diversity fuels creativity, innovation, and collaboration by bringing together a wide range of perspectives, experiences, and ideas.

This enables the company to adapt and excel in the ever-evolving aviation industry. Air Arabia cultivates an inclusive environment where individuals from various backgrounds, cultures, and experiences are valued and empowered to contribute meaningfully to the organization's success.

Top ten nationalities:

19%
India

5%
Tunisia

18%
Morocco

3%
Russian Federation

11%
Egypt

3%
Jordan

2%
Sri Lanka

9%
Pakistan

3%
Philippines

2%
Kyrgyzstan



110
Nationalities
in 2022



110
Nationalities
in 2023



108
Nationalities
in 2024



PROMOTING GENDER DIVERSITY

We are dedicated to fostering a diverse and inclusive workforce where talent is nurtured regardless of gender.

As part of our efforts to ensure equal opportunities for all, we continually monitor and strive to improve the representation of women across various levels and functions within the organization.

Below is an overview of our Diversity Indicators about gender representation:



35% Female
Employees



65% Male
Employees



35%

of women in all management positions (including junior, middle, and top management)



50%

of women in junior management positions (first level of management)



12%

of women in top management positions



27%

of women in management positions in revenue-generating functions



7%

of women in STEM-related positions (Science, Technology, Engineering, and Mathematics)

Supporting **EMIRATIZATION**



34

Emirati

Emirati nationals are an essential part of Air Arabia's success and growth. Our Emiratization initiative is focused on attracting, developing, and retaining top local talent and ensuring that they have the tools to thrive in their careers.

Air Arabia offers diverse programs to foster talent at every stage, from entry-level opportunities to senior leadership roles. Through dedicated training, mentorship, and career development, we strive to cultivate the next generation of Emirati corporate leaders who will drive the company's success forward.

As part of its commitment to Emiratisation and talent development, Air Arabia has launched specialised training programs to equip Emirati youth with essential skills in the aviation sector. The Graduate Engineer Trainee Program and National Cadet Pilot Program provide hands-on training and career opportunities for aspiring engineers and pilots, ensuring a skilled and sustainable workforce.

Additionally, the Trainee Technician Program, set to be introduced in the future, will further enhance technical expertise among Emirati talent. These initiatives reflect Air Arabia's dedication to workforce development, diversity, and the long-term sustainability of the aviation industry.



Recruitment AND TALENT ACQUISITION

We recognize that our success is deeply rooted in the strength and capabilities of our workforce. To ensure we continue to grow and meet the demands of the evolving aviation industry, we prioritize attracting, hiring, and retaining top-tier talent across all functions.

Our Recruitment and Talent Acquisition strategy is designed to identify individuals who possess the required skills and align with our core values and organizational culture.

Our approach goes beyond simply filling vacancies—it focuses on building a team that will drive the company’s long-term vision and support its future growth.

We aim to ensure that each new hire contributes to creating a resilient, innovative, and forward-thinking workforce ready to tackle the challenges of the dynamic aviation industry.

Air Arabia strongly emphasizes internal talent development, offering career advancement opportunities to our existing employees.

We believe in nurturing talent within the organization and empowering employees to grow professionally through learning and development programs, cross-functional roles, and leadership development initiatives.

We employ a strategic approach to recruitment, leveraging multiple channels, including online job platforms, recruitment fairs, and industry-specific events to attract top talent from diverse backgrounds.

Our recruitment process is designed to ensure fairness, transparency, and equal opportunity for all applicants, reflecting our commitment to diversity and inclusion. We seek individuals with a strong passion for aviation and a dedication to delivering exceptional customer service, as well as those with the technical expertise and soft skills necessary to thrive in a fast-paced industry.

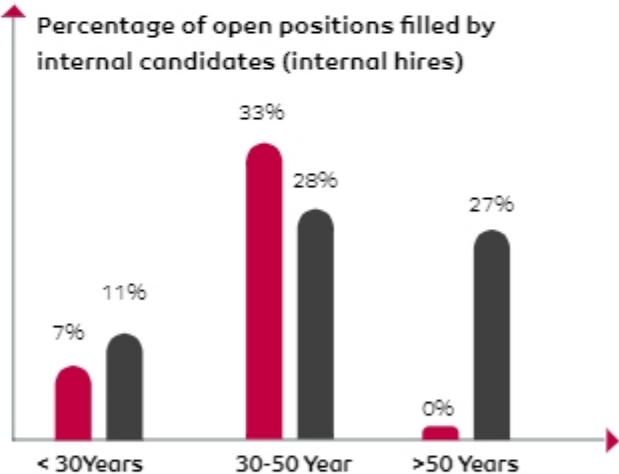


New Employee Hires in 2024 by Location, Gender, and Age Group (Permanent Staff)

Employee category	Gender	<30 years	30-50 years	>50 years	Total
Local Hire	Male	319.00	214.00	27.00	560
	Female	321.00	51.00	1.00	373
Non-Local Hire	Male	87.00	143.00	9.00	239
	Female	86.00	22.00	2	108

New Employee Distribution Across Roles and Levels in 2024

Gender	Male	Female
Leadership	1	0
Senior Management	3	0
Middle Management	7	1
Junior Management	64	14
Trainees	74	66
Entry level	261	51
Pilot	190	6
Crew	199	343
Total	799	481



We closely monitor our employee turnover rate, which is an important indicator of our workforce stability and overall satisfaction. In 2024, the company’s employee turnover rate stood at 12.2%, reflecting the dynamic nature of the aviation industry and the evolving career preferences of our employees.

Air Arabia's COMMITMENT TO TALENT ACQUISITION AND EMPLOYEE DEVELOPMENT

Air Arabia places a strong emphasis on talent acquisition, employee development, and internal growth opportunities. In recent years, the company has seen significant hiring activity to support its expanding operations, with new employee hires totaling 562 in FY 2021, 1,743 in FY 2022, 1,643 in FY 2023, and 1,280 in FY 2024.

The average hiring cost per full-time equivalent (FTE) employee has been consistently maintained at AED 3,450. Additionally, Air Arabia invests in its workforce by spending an average of AED 470 per FTE on training and development.

This investment reflects the airline's dedication to enhancing employee skills and competencies through various training

programs, ensuring that staff are equipped to meet the challenges of a dynamic aviation industry.

By prioritizing both recruitment and ongoing development, Air Arabia reinforces its commitment to building a skilled and motivated workforce that contributes to the airline's success.

In terms of employee retention, Air Arabia has demonstrated effective workforce management with a total employee turnover rate of 13.0% in FY 2023, which improved slightly to 12.2% in FY 2024.

The voluntary employee turnover rate also showed a positive trend, decreasing from 9.8% in FY 2023 to 9.0% in FY 2024.

Notably, data coverage for these metrics remains comprehensive at 100% of all full-time equivalents (FTEs) globally.

These figures indicate a stable work environment and reflect the company's efforts to engage and retain talent while continuously enhancing the overall employee experience.

Employee turnover rate in 2024 by Location, Gender, and Age Group

Employee category	Gender	<30 years	30-50 years	>50 years
Local Hire	Male	14%	8%	9%
	Female	22%	9%	18%
Non-Local Hire	Male	6%	7%	7%
	Female	10%	14%	0%

Employee turnover rate in 2024 by Location, Gender across Roles and Levels

Employee Category	Local		Non-local	
	Male	Female	Male	Female
Leadership	0%	50%	100%	0%
Senior Management	10%	0%	0%	0%
Middle Management	6%	0%	29%	0%
Junior Management	9%	12%	8%	27%
Trainees	31%	90%	0%	0%
Entry level	12%	8%	8%	0%
Pilot	9%	10%	6%	0%
Crew	9%	16%	5%	11%

Air Arabia recognizes the importance of employee engagement as a key driver of organizational success.

In FY 2022, the airline achieved an employee engagement score of 55%, which improved to 70% in FY 2023, reflecting our ongoing efforts to foster a positive work environment and enhance employee satisfaction.

For FY 2024, Air Arabia has set an ambitious target of maintaining this engagement level at 70%. By prioritizing employee engagement alongside talent acquisition and development initiatives, Air Arabia aims to create a motivated

and dedicated workforce that contributes to the airline's overall success and growth.

Additionally, Air Arabia maintains a low absentee rate, recorded at just 1% of total scheduled days for FY 2022, FY 2023 and FY 2024. This consistent absentee rate aligns with the company's target for FY 2023 and reflects the commitment to fostering a healthy work environment where employees feel engaged and valued.

By focusing on both attendance and engagement metrics, Air Arabia continues to strengthen its organizational culture and operational effectiveness.



Employee WELL BEING

At Air Arabia, we prioritize the well-being of our employees, recognizing that a healthy, supported workforce is essential to our success. We are committed to creating an environment where our people can thrive both professionally and personally, offering a wide range of benefits and initiatives designed to support their physical, mental, and emotional well-being.



REWARDING COMMITMENT AND WORK-LIFE BALANCE

We value long-term dedication and reward employees for their loyalty through various recognition programs. Employees celebrating milestones such as five and ten years with the company are honored with special awards. Additionally, long-serving employees enjoy enhanced travel benefits and indemnity packages that exceed UAE labor law requirements.

Understanding the importance of work-life balance, we provide a comprehensive Parental Leave Policy to support new parents during significant life transitions. This policy ensures employees can take time off to care for their families while maintaining their connection to the company.



COMPREHENSIVE EMPLOYEE BENEFITS

Air Arabia also offers an extensive range of benefits to ensure the security and well-being of our employees, which include:



Life Insurance:

Providing financial security for employees' families in unforeseen circumstances.



Disability and Invalidity Coverage:

Offering protection in the event of long-term illness or injury that impacts the ability to work.



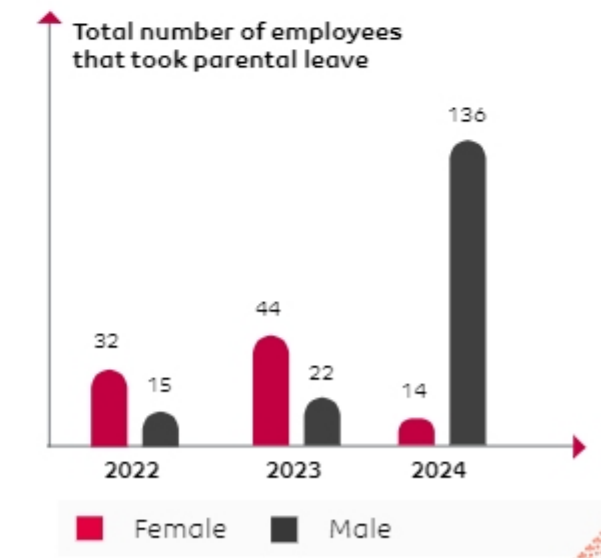
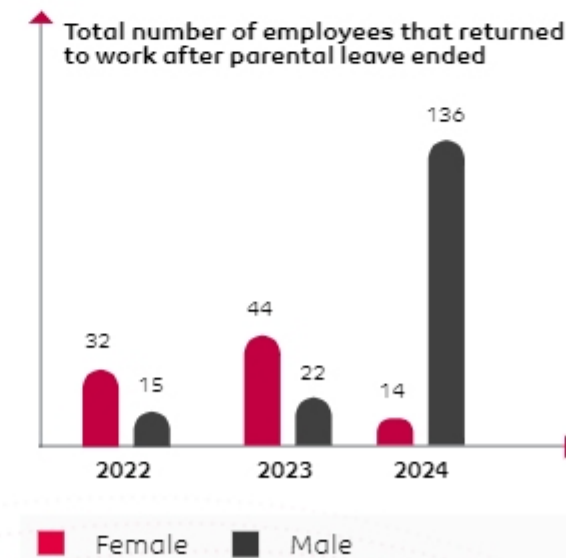
Health Care:

Ensuring access to quality healthcare services for employees and their families.



Retirement Provision:

Helping employees plan for a secure financial future after their careers with us.



WORLD-CLASS FACILITIES

We provide state-of-the-art facilities to enhance employee well-being and create an enjoyable work environment:

- Modern Office Spaces:* Designed to foster productivity and creativity.
- Onsite Gym:* A fully equipped gym in Sharjah, free for employees, with professional instructors.
- Recreational Amenities:* Gaming facilities and a multi-cuisine food court offering diverse, healthy meal options.
- Maintained Standards:* All facilities are maintained to the highest standards, ensuring a comfortable and engaging environment.

HEALTH AND WELLNESS INITIATIVES

Air Arabia is committed to promoting a healthy and balanced work environment through:

- Healthy Meal Options:* Nutritious choices at our food court to encourage better dietary habits.
- Sporting Events:* Annual tournaments like cricket and basketball to foster teamwork and physical activity.
- Morning Yoga Sessions:* Introduced in 2024 to promote mental clarity, relaxation, and fitness.

FLEXIBLE WORK ARRANGEMENTS

While operational roles (e.g., cabin crew, pilots, engineers) have limited flexibility due to industry demands, we strive to offer adaptable work arrangements where possible:

- Work-from-Home:* Available for roles such as IT.
- Flexible Rosters:* Pilots were offered flexible roster patterns in 2024 to better accommodate personal and professional needs.

FAMILY-FRIENDLY BENEFITS

We support employees in balancing their professional and personal lives with:

- Paid Parental Leave:* Compliant with labor laws, available to both primary and non-primary caregivers.
- Future Plans:* Exploring options for childcare and lactation support to further assist employees with young families

COMMITMENT TO CONTINUOUS IMPROVEMENT

Air Arabia is dedicated to evolving its employee support programs to meet the changing needs of our workforce. By prioritizing health, well-being, and work-life balance, we aim to create a supportive and inclusive environment where employees can thrive. These efforts not only enhance employee satisfaction but also contribute to the long-term sustainability and success of our organization.



Incidents of **DISCRIMINATION AND CORRECTIVE ACTIONS**

Our fundamental priority is creating a work environment that promotes respect, inclusion, and equality for all employees.

3 cases of discrimination

thoroughly investigated and corrective actions taken

Discrimination of any kind, whether based on gender, ethnicity, age, religion, or other factors, is not tolerated and contradicts the values that define our company culture. We address any reported incidents of discrimination with urgency and care. Our policies and procedures are designed to prevent discrimination, ensuring employees understand their rights and the appropriate channels for reporting concerns.

In the event of a reported incident, we thoroughly investigate the matter and take corrective actions, including disciplinary measures, training programs, or other steps to prevent recurrence. Beyond addressing individual cases, we continuously review and strengthen our diversity and inclusion initiatives to ensure a welcoming and inclusive environment. We aim to create a workplace where employees feel valued, respected, and empowered.



EMPLOYEE HEALTH AND SAFETY AT AIR ARABIA

Ensuring all employees' health, safety, and well-being is a top priority at Air Arabia. The company understands that a safe and healthy work environment contributes to employee satisfaction and plays a crucial role in reducing the risk of accidents and injuries, especially in the aviation sector. To uphold these values, Air Arabia maintains stringent adherence to local regulations and global standards.

All employees, including crew members (pilots and cabin crew) and technical staff, undergo mandatory safety awareness training programs as regulatory authorities require. This training ensures that all employees engaged in safety-sensitive roles, equipment handling, and personal protection are well-prepared to manage potential risks. Regular general health and safety awareness sessions and well-being programs are conducted to promote a culture of safety across the organization.

Air Arabia has an impeccable safety record, having experienced no work-related injuries in the past three years. In addition, the Group operates the Air Arabia Medical Center at its headquarters, a fully equipped medical facility dedicated to ensuring the well-being of employees.

Air Arabia employs the Safety Assessment of Fatigue Effectiveness (SAFE) application to enhance safety further, integrating scientific principles, operational knowledge, and real-time data to manage fatigue-related risks. Additionally, Systematic Alcohol and Drug Screening is conducted annually for 20% of safety-sensitive staff by aviation safety protocols.

The airline also tracks safety incidents using the Integrated Quality and Safety Management System (IQSMS), maintaining a perfect safety record with no accidents to date. Operational hazards are identified using proactive and reactive methods, including safety reporting, flight data monitoring, investigations, and audits. All safety reports are thoroughly investigated to determine appropriate mitigation actions. The airline also applies a non-punitive safety reporting policy, ensuring that employees can report errors without fear of disciplinary action unless the errors stem from illegal activity or willful misconduct.

Safety Management System (SMS) training is mandatory for all operational staff, with refresher courses every two years. Safety investigations follow ICAO Annex 13 to identify underlying causes and potential hazards. Root cause analysis is performed to establish corrective and preventive actions, ensuring continuous improvement. The SMS is audited internally and externally to verify compliance with industry safety standards.

Zero

(in last three years)
Harmonized accident rate per million sectors

Zero

(in last three years)
Passenger fatalities

GENDER PAY EQUALITY AT AIR ARABIA

At Air Arabia, we are committed to fostering a workplace that values diversity, equity, and inclusion. Ensuring gender pay equality is a cornerstone of this commitment, and we continuously strive to create a fair and transparent compensation structure across all levels of the organization.

Progress In 2024

In 2024, we conducted a comprehensive review of our compensation practices to assess and address potential disparities. The results highlight our progress in achieving pay equity:

Executive Level:	Management Level:	Non-Management Level:
Women's average compensation is at 88% of men's.	Women's average compensation is at 78% of men's.	Women's average compensation is at 89% of men's.

These figures reflect our ongoing efforts to close the gender pay gap and promote fairness across all employee tiers.

GENDER PAY EQUITY ACROSS CATEGORIES

Below is a detailed breakdown of the ratio of median remuneration paid to female employees across various categories, showcasing our commitment to transparency and equity:

Category	Ratio of median remuneration (Female)
Senior Management	125%
Middle Management	103%
Junior Management	77%
Trainees	77%
Entry level	70%
Pilot	85%
Crew	100%
Pilot	9%
Crew	9%

OUR APPROACH TO PAY EQUITY

To ensure fairness and transparency, we have implemented the following strategies:

Regular Audits: We conduct annual pay equity audits to identify and address any gaps, ensuring that compensation is aligned with role responsibilities, experience, and performance.	Transparent Policies: Our compensation policies are designed to promote fairness, with clear criteria for base salaries, incentives, and career progression.	Inclusive Culture: We actively promote gender diversity in leadership and decision-making roles, ensuring that women have equal opportunities to advance and thrive within the organization.
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OUR COMMITMENT

While we are proud of the progress made, we recognize that achieving full gender pay equality is an ongoing journey. Air Arabia remains dedicated to regularly reviewing and enhancing our practices to ensure all employees are compensated fairly and equitably. By fostering an inclusive culture and investing in initiatives that support professional growth, we aim to create a workplace where everyone has the opportunity to thrive and succeed.



Training AND DEVELOPMENT

We understand that the growth and success of our employees are fundamental to the company's overall performance.

We have established a Learning and Development (L&D) department alongside our specialized training schools to support talent development and foster human capital growth. This structure enables us to offer employees the tools, knowledge, and skills they need to excel in their roles and advance in their careers. In collaboration with our academic and training arm, Air Arabia Aviation Academy, we provide world-class training to our team across various functions within the aviation industry.

This partnership allows us to offer both technical and managerial training, ensuring our employees are well-equipped to meet the sector's evolving demands.

Airline Pilot Training Programme

It prepares cadet pilots with the skills and knowledge needed to become qualified A320 Airline Pilots, supporting our expanding network of destinations.

Commercial Pilot License (CPL) Airline Programme

Air Arabia offers a CPL Airline Programme for CPL holders to obtain an A320 Type-Rating and gain 750 flying hours. Upon successful completion and based on performance, trainees may advance to full-time Second Officers with the Group Airlines.

GCAA Flight Dispatcher Licence Training Programme

As the region's first and only training organization to offer the GCAA Flight Dispatcher Licence, T3 Aviation Academy provides specialized training for our Flight Dispatchers using the CBTA model to ensure they are job-ready. After completing the program, including hands-on experience at our Operations Control Centre, trainees receive a GCAA-issued Flight Dispatcher Licence and can interview for positions within the Group.

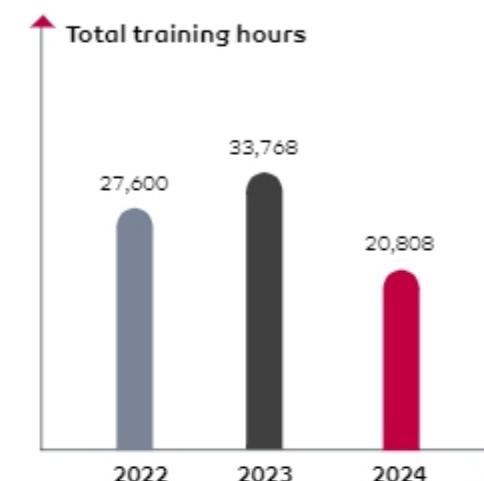


In addition to technical training, Air Arabia runs three comprehensive management training programs designed to support career growth at different company levels. These programs build leadership skills and prepare employees for greater responsibilities within the organization.

Supervisory Development Program

Management Development Program

Executive Development Program



Employee category	Training (Hours)	
	Female	Male
Crew	1,683	1,242
Junior Management	1,233	5,706
Leadership	18	-
Middle Management	234	1,008
Pilot	9	819
Senior Management	2,088	2,358
Trainees	27	288
Non-Management	1,701	2,394
Total	6,993	13,815

Our training approach incorporates a range of methods to suit various learning preferences, including internal training programs, external training, e-learning, job rotation, and mentoring. This diversity in training formats ensures that our employees have access to various learning experiences, enabling them to continuously improve and adapt to their roles.

To support this ongoing development, the Human Resources Department regularly updates a Training Catalogue accessible to all employees and line managers. This catalogue lists all training programs offered by the airline, including those provided by authorized external providers.

Employee category	Training (Hours)		
	<30 years	>50 years	30-50 years
Crew	1,665	-	1,260
Junior Management	576	846	5,517
Leadership	-	-	18
Middle Management	-	378	864
Pilot	171	108	549
Senior Management	3,087	243	1,116
Trainees	252	-	63
Non-Management	1,080	252	2,763

Employee PERFORMANCE AND FEEDBACK

At Air Arabia, we believe that regular performance feedback is essential for fostering employee growth, enhancing productivity, and driving organizational success.

We are committed to ensuring that all employees, regardless of their role or level, receive consistent and constructive feedback to support their professional development.

The table below outlines the percentage of employees receiving regular performance feedback, categorized by role and gender:

Percentage of employees receiving regular performance feedback

Categories	Employees receiving regular performance feedback	
	Male (%)	Female (%)
Leadership	100%	100%
Senior Management	100%	100%
Middle Management	100%	100%
Junior Management	100%	100%
Entry level	100%	100%
Pilots	100%	100%
Crew	100%	100%



PERFORMANCE APPRAISAL FREQUENCY AND PROCESS:

Performance appraisals at Air Arabia are conducted twice a year—mid-year and year-end—to ensure continuous alignment with organizational goals and individual development. The performance management cycle is structured as follows:

Objective Setting Phase:

At the beginning of the cycle, employees and managers collaboratively set clear, measurable objectives aligned with organizational priorities.

Mid-Year Review:

Employees complete a self-evaluation, followed by a manager evaluation, to assess progress against objectives and identify areas for improvement or development.

Year-End Review:

The process is repeated at the end of the year, with a focus on evaluating overall performance, achievements, and setting goals for the upcoming cycle.

Continuous Feedback Mechanisms:

In addition to formal appraisals, employees and managers engage in ongoing performance discussions throughout the year to provide real-time feedback, address challenges, and celebrate successes.

This structured yet flexible approach ensures that employees receive the guidance and support they need to excel in their roles while contributing to Air Arabia's mission and sustainability goals. By prioritizing regular performance feedback and fostering a culture of continuous improvement, we empower our employees to achieve their full potential and drive the long-term success of our organization

Providing

CUSTOMER EXCELLENCE IN SERVICE

Delivering exceptional customer service is integral to the airline's mission. Every interaction with passengers is an opportunity to create a positive and lasting impression.

High service standards are maintained and continually enhanced to meet the diverse needs of its customer base. The airline focuses on providing a seamless and enjoyable travel experience, from booking to arrival. The team is trained to deliver friendly, efficient, personalized service to all passengers. Whether on the ground or in the air, every member of the Air Arabia team is dedicated to making customers feel valued and cared for. With an emphasis on convenience, comfort, and support, Air Arabia aims to exceed customer expectations at every touchpoint, ensuring every journey is memorable.



AirArabia won the prestigious ‘Corporate Award in the Airline Category’ at the 2024 OPS Forum for its commitment to enhancing efficiency, reliability, and customer satisfaction.

CUSTOMER SAFETY AND WELL-BEING

Customer safety and security are top priorities at Air Arabia. The airline adheres to industry standards to ensure all passengers feel safe and secure. This is reflected in comprehensive safety protocols implemented at every stage of the travel process, from check-in and boarding to the flight.

Air Arabia has a robust Quality and Safety Management System, ensuring that all incidents and work hours are meticulously tracked and managed.

Crew members undergo regular training on the latest safety practices and emergency procedures, ensuring they are fully prepared to handle any situation. New hires participate in a thorough induction program and safety training, providing them with the necessary knowledge and skills to perform their roles safely and efficiently. In addition, annual tailored training sessions are provided to employees, aligning with their specific functions to enhance further their proficiency in maintaining a secure working environment.

The airline also invests in advanced technology to enhance flight safety, including state-of-the-art navigation systems and safety equipment. Air Arabia collaborates with regulatory authorities to comply with international safety and security regulations.

To safeguard passengers' security, the airline employs advanced security screening processes and monitoring systems to detect and prevent potential risks. With these measures, passengers can relax and enjoy their travel experience, knowing their safety and security are the airline's primary concern.

SEAMLESS BOOKING AND CHECK-IN EXPERIENCE

With the increasing trend of online bookings, offering a fast, efficient, and user-friendly platform for customers to make reservations, check-in for their flights, and access information about various services is crucial.

Air Arabia prioritizes convenience at every stage of the customer journey. From the initial booking process on the Air Arabia website to checking in and beyond, we strive to ensure a seamless experience to the passenger's destination.

Our website is the gateway to this convenience, enabling passengers to manage their travel plans quickly and effortlessly.

In March 2024, Air Arabia expanded its City Check-In facilities by opening a new location at City Centre Al

Shindagha in the Al Fahidi area of Dubai. This addition brings the total number of City Check-In facilities in the UAE to 13, strategically positioned across the country to enhance passengers' convenience.

In September 2024, Air Arabia Abu Dhabi partnered with Morafiq, a leader in innovative airport services, to introduce a Home Check-In service for passengers in Abu Dhabi.

This service simplifies the travel process by allowing customers to check in their luggage and collect their boarding passes from the comfort of their homes. Passengers can easily book the service through the Morafiq app or website or via Air Arabia's website or customer service.

CUSTOMER FEEDBACK AND RESOLUTION

Customer satisfaction is at the heart of our operations, and Air Arabia strives to resolve any issues swiftly and professionally.

We provide various channels for customers to submit complaints, including our call centre, sales points, airport counters, website, and mobile app. Once a complaint is received, it is logged in our CRM system, tracked and reviewed by our cross-functional teams.

We thoroughly investigate each case to determine the cause of the issue and implement the necessary actions to address it.

In some cases, compensation is offered to ensure customer satisfaction. Upon resolution, we inform the customer and ask them to complete a satisfaction survey to evaluate their experience. Our comprehensive approach helps us resolve concerns effectively and improve our service quality.

ETHICAL MARKETING PRACTICES

Air Arabia takes a proactive approach to marketing by ensuring that our practices promote transparency, trust, and passenger safety. We are committed to providing accurate and precise information about our fares, schedules, and services, ensuring our customers can make informed decisions.

In line with our values, we also emphasize the importance of sustainability in our marketing efforts, showcasing our ongoing initiatives to reduce carbon emissions and minimize environmental impact.

Our marketing materials, including flight tickets and advertisements, clearly display the Terms & Conditions (T&C) for passenger reference.

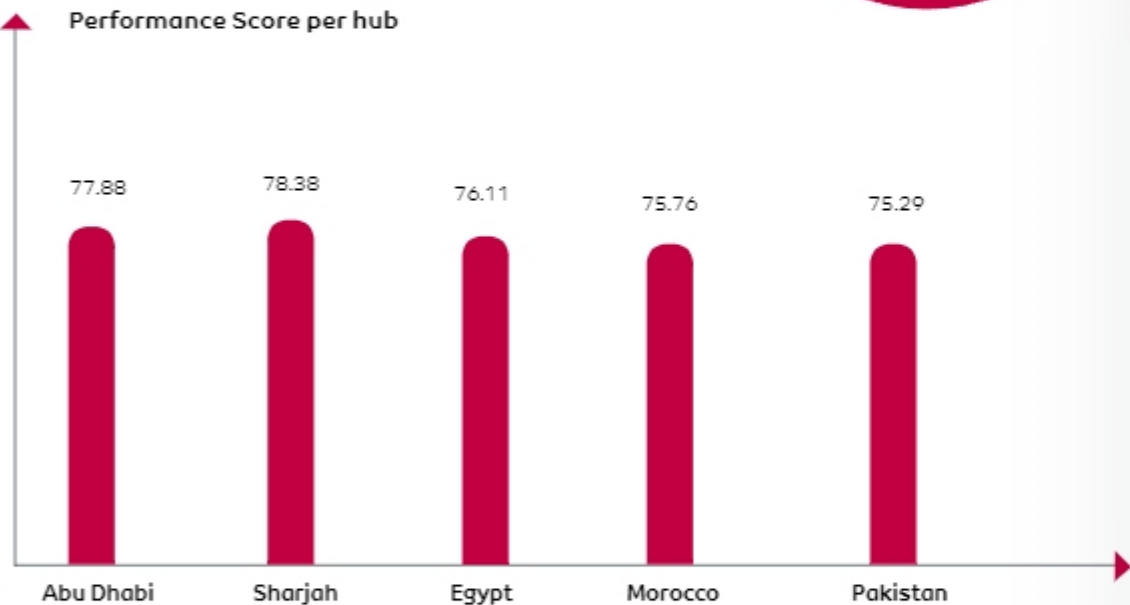
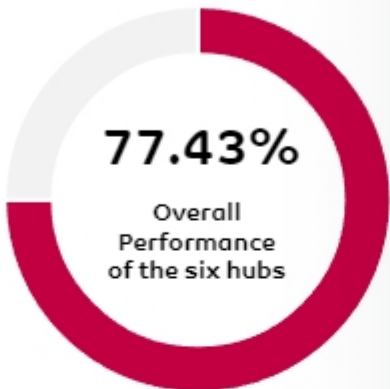
We comply with all relevant consumer protection laws and EU air passenger rights (EU261). Customers can easily submit complaints through our established procedures, ensuring their concerns are heard and addressed.



MYSTERY SHOPPING PROGRAM

Air Arabia operates its own *Mystery Shopper Program*, carefully designed to assess and enhance the passenger experience across selected flights from our six hubs.

This initiative provides valuable insights into service quality and operational efficiency from a customer's perspective.



Air Arabia significantly enhanced its passenger experience analysis in 2024, moving beyond conventional surveys by deploying trained mystery shoppers on 412 actual flights. These in-depth, real-flight evaluations provided authentic, actionable insights into three pivotal aspects of the passenger journey during actual flights. This industry-leading approach underscores Air Arabia's commitment to operational excellence, prioritising real-world feedback over traditional, paper-based assessments.

Airport of Departure

Assessing check-in procedures, boarding efficiency, staff interactions, and overall airport experience.

Inflight Experience

Evaluating seat comfort, crew service, onboard amenities, catering quality, and overall satisfaction.

Airport of Arrival

Measuring baggage handling efficiency, immigration procedures, ground services, and the ease of onward travel.



This program plays a crucial role in continuously refining our services, ensuring that Air Arabia maintains high standards of customer satisfaction and operational excellence across all touchpoints.





CHARITY CLOUD

Air Arabia was among the first in the industry to introduce a initiatives to ensure that the charitable gestures of passengers reach the desired hands and make a positive impact.

In 2007, Air Arabia introduced its 'Charity Cloud' program, a corporate social responsibility initiative in collaboration with Sharjah Charity International that aims solely on directing such contributions to sustainable charitable projects that focus on enhancing the education and healthcare of underprivileged communities around the world.

Now, 17 years later, the program's impact is even more far-reaching, Air Arabia's "Charity Cloud" has built more than 100 charitable projects and initiatives including clinics and schools in various communities in 18 different countries around the world spreading across Sudan, Yemen, Bangladesh, India, Sri Lanka, and Egypt.



100+

projects across 19
Countries around
the world



120,000+

Patients treated,
with 30,000+
treated annually
in the initiative's
clinics

The Charity Cloud program has achieved international recognition and won awards for the positive impact it has had on the lives of children and community members, including winning the award for 'Corporate Social Responsibility Initiative of the Year' at the annual Aviation Business Awards in 2016.

In 2024, Charity Cloud has expanded its reach by establishing impactful projects such as the Charity Cloud Classroom in Cambodia, the Charity Cloud Clinic in Bangladesh, and the Dialysis Centre in Sohaj, Egypt.



Through these initiatives, Air Arabia continues to uplift underserved communities, reinforcing its commitment to making a lasting difference in education and healthcare across the globe.





Our **ENVIRONMENT**

Reducing our footprint,
elevating our impact

Environmental RESPONSIBILITY IN EVERY FLIGHT

As the world becomes increasingly conscious of its environmental impact, the aviation sector faces the pressing need to adapt to new challenges and sustainability goals.



With the global aviation industry committed to achieving net-zero emissions by 2050, significant changes are required in how aircraft are designed, fueled, and operated.

At Air Arabia, we are fully aligned with this ambition and recognize the vital role we play in helping achieve this target.

By investing in sustainability today, we are actively contributing to the innovations that will shape the future of aviation, reduce emissions, and support a cleaner, greener planet for generations to come.





CONTINUOUS IMPROVEMENT IN ENVIRONMENTAL PERFORMANCE

Air Arabia has established a robust Environmental Management System (EMS) to align with its environmental policy and drive sustainable practices.

The EMS outlines key organizational elements and high-level commitments, ensuring accountability and continuous improvement in environmental performance.

The EMS at Air Arabia is governed by the Board of Directors and Executive Management, who carry oversight and management responsibility for climate-related issues. Their leadership ensures the effective implementation of the environmental management policy and a strong commitment to improving environmental performance.



Integrated into the company's multi-disciplinary risk management processes, climate change risks and opportunities are embedded within the centralized enterprise risk management program, covering all types and sources of risks and opportunities.

Air Arabia adheres strictly to all relevant environmental laws and regulations, maintaining compliance as a core priority. The company has not incurred significant fines or violations related to ecological issues, reinforcing its commitment to responsible operations.

Continuous improvement is a key pillar of Air Arabia's EMS, driving

sustainability initiatives and promoting awareness among internal and external stakeholders about the importance of minimizing environmental impacts.

To support these efforts, comprehensive training programs are provided to employees, ensuring they understand the environmental impact of their work and fostering a culture of responsibility to help achieve the company's environmental goals.

Through its EMS, Air Arabia integrates environmental considerations into its decision-making processes, reflecting its dedication to sustainable operations and environmental stewardship.

“

The journey toward sustainable aviation is not just about reducing carbon footprints but about reimagining the way we fly, from energy-efficient aircraft to responsible resource management.

—

ENERGY CONSUMPTION



Operating a
Modern Fleet
with energy-efficient
aircraft

Air Arabia remains committed to optimizing energy consumption and enhancing operational efficiency as part of our sustainability strategy.

In 2024, we have achieved significant milestones in energy management, reflecting our dedication to reducing our environmental impact while maintaining high standards of service.

ENERGY CONSUMPTION OVERVIEW

In 2024, our total energy consumption was recorded at 24,246.95 GJ, a decrease from 32,564.15 GJ in 2023.

This reduction is attributed to our ongoing efforts to enhance fuel efficiency and optimize energy use across all operations. Below is a summary of our energy consumption metrics:

Energy Consumption (GJ)*	Fuel Consumption		2023*	2024**
		Petrol	46.55	38.75
		Diesel	814.33	1,262.06
		Gas	-	0.32
	Electricity Consumption		31,703.27	22,945.82
Total Direct Energy Consumption (GJ)			860.88	1,300.81
Total Indirect Energy Consumption (GJ)			31,703.27	21,653.96
Total Energy Consumption (GJ)			32,564.15	24,246.95

*Data for electricity, petrol, diesel, and gas consumption covers Air Arabia's headquarters, offices, a Hanger and a Simulator that is located in Sharjah.
**Data for electricity consumption includes Air Arabia's offices and operational buildings across Sharjah, Morocco, Pakistan, and Egypt.

Petrol consumption decreased by 16.8%, reflecting our ongoing efforts to optimize ground operations and transition to more energy-efficient vehicles. Similarly, we achieved a significant 32% reduction in electricity consumption, driven by targeted energy efficiency initiatives, the implementation of advanced energy management systems, and the adoption of energy-saving technologies across our Sharjah facilities.



FUTURE GOALS

Looking ahead, Air Arabia is focused on continuing to improve our energy management practices while exploring innovative solutions that align with global sustainability goals.

We recognize the importance of reducing our carbon footprint and are committed to developing strategies that will further enhance our operational efficiencies.

As we progress on this journey, we remain dedicated to transparency and accountability in our sustainability efforts, ensuring that we create value for all stakeholders while minimizing our environmental impact.



GHG EMISSIONS

The aviation industry plays a significant role in global connectivity, but it is also a notable contributor to greenhouse gas (GHG) emissions.

As environmental concerns grow, there is increasing pressure on airlines to mitigate their carbon footprint and adopt sustainable practices. At Air Arabia, we recognize the urgency of this challenge and are committed to managing our GHG emissions effectively.

By addressing our emissions, we not only demonstrate our commitment to sustainability but also enhance our reputation as a responsible airline, appealing to environmentally conscious consumers. Furthermore, with regulatory bodies worldwide

implementing stricter emissions reduction targets and carbon pricing mechanisms, proactive management of GHG emissions is essential to ensure compliance and pre-empt future regulations.

Managing GHG emissions also presents an opportunity for operational optimization and cost savings. By improving fuel efficiency and adopting innovative technologies, we can reduce our environmental impact while enhancing our operational performance.



AIR ARABIA'S GHG EMISSIONS PERFORMANCE IN 2024

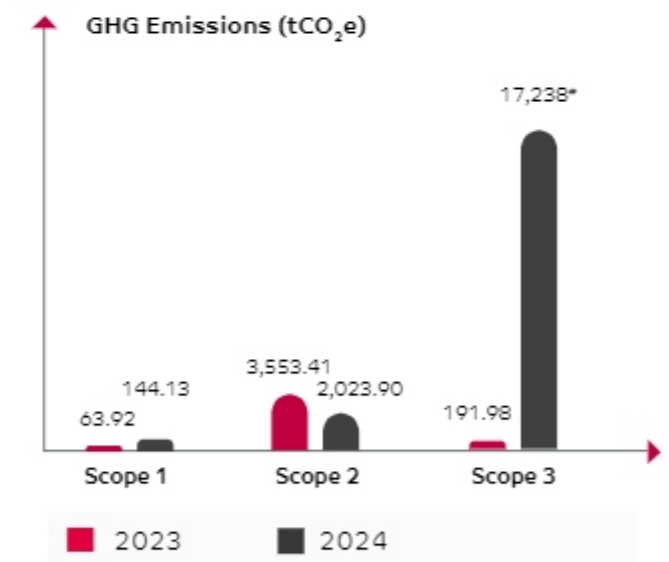
In 2024, Air Arabia made significant progress in managing its greenhouse gas (GHG) emissions, reflecting our commitment to sustainability and operational excellence. Despite the challenges of fleet expansion and rising passenger demand, we achieved notable reductions in our overall carbon footprint.

Scope 2 emissions saw a remarkable 43% reduction, driven by energy efficiency initiatives across our facilities. These efforts highlight our focus on minimizing our environmental impact while optimizing resource use.

Scope 3 emissions increased as we expanded our reporting to include a broader range of indirect emissions, ensuring greater transparency and accountability.

Despite operational growth, we achieved a 11% reduction in total GHG emissions, from 3,809.31 tCO₂e in 2023 to 3,377.62 tCO₂e in 2024.

This reduction underscores our commitment to sustainability and our ability to balance growth with environmental responsibility.



*Data covers Air Arabia's offices and operational buildings across Sharjah, Morocco, Egypt, and Pakistan.

#In 2024, we expanded our Scope 3 emissions reporting beyond Water and Waste to include purchased goods and services, capital goods, employee commute, and Fuel and Energy Production (excluding Scope 1 and 2). Scope 3 emissions from Jet Fuel Consumption 723,620 tCO₂e.

FLEET OPTIMIZATION

In response to the urgent global challenge of climate change, Air Arabia has integrated climate change goals into our operational framework.

This commitment is most evident in our strategic acquisition approach aimed at increasing operational efficiency and maintaining a modern fleet. We are continuing to add both modern Airbus 320 and Airbus 321 neo LR models.

This strategic move is aimed at mitigating unwanted emissions and fostering environmental responsibility.

We continually seek opportunities to enhance operational practices that can significantly reduce fuel consumption and, consequently, emissions throughout the lifecycle of our aircraft.

By adopting a fleet strategy focused on newer aircraft, we not only prioritize emissions reduction but also benefit from enhanced fuel efficiency and reduced maintenance costs, leading to overall greater efficiency and sustainability.

Air Arabia's operation has been rapidly expanding in recent years, with new aircraft added to the fleet and many new routes added to our network. As a result, total jet fuel consumption and emissions have risen in lockstep with our expansion.

Jet Fuel Consumption (Gj)

Year/ Hubs	Sharjah	Abu Dhabi	Pakistan	Morocco	Cairo	Total
2024	28,701,363.82	6,180,420.58	2,902,246.06	7,682.64	1,786,416.92	39,578,130.02
2023	22,315,366.47	5,179,067.80	840,758.57	3,652,694.20	1,818,995.43	34,610,811.55
2022	19,824,456.63	2,051,556.23	105,090.92	3,379,937.48	1,823,422.92	27,391,118.68
2021	12,233,176.39	994,506.03	-	2,490,808.45	1,168,734.24	16,887,225.11



Jet Fuel Emissions (tCO₂e)*

Year/ Hubs	Sharjah	Abu Dhabi	Pakistan	Morocco	Cairo	Total
2024	2,100,245.66	452,372.83	212,467.65	562.37	130,765.72	2,896,414.23
2023	1,755,616.00	406,700.00	60,834.99	350,176.00	137,533.00	2,769,030.10
2022	1,453,890.00	273,095.00	7,612.29	277,625.00	93,062.00	2,120,253.37
2021	876,484.00	100,959.00	-	199,479.00	84,270.00	1,261,192.00

*The emissions for Sharjah, Abu Dhabi, and Cairo hubs are derived from CORSIA verified emission reports, whereas for the Morocco, and Pakistan hubs, they are based on jet fuel consumption data.

Operations in Armenia stopped from December 2023.

DRIVING OPERATIONAL EXCELLENCE THROUGH FUEL EFFICIENCY

Air Arabia employs innovative strategies to optimize fuel consumption and enhance operational efficiency. These include reducing aircraft weight, regular engine maintenance, and streamlining arrival and departure procedures, such as taxiing with a single engine and collaborating on 'green departures' with airports and air navigation service providers.



The airline also focuses on minimizing weight onboard, from food service equipment to seats and water loads, contributing to fuel savings.

Advanced navigation technologies are used to optimize flight paths, especially around challenging airports with populated areas.

In partnership with local airports, Air Navigation Service Providers (ANSP), and regional bodies, Air Arabia works under ICAO and Global Air Navigation Plan initiatives to reduce mileage, fuel consumption, and CO2 emissions. These efforts also help reduce noise pollution around airports.

Air Arabia remains committed to sustainability, driving the aviation industry toward a greener future through operational excellence and environmental stewardship.

FUEL EFFICIENCY INITIATIVE

Air Arabia employs a dedicated fuel management solution to monitor fuel consumption on every flight, enhancing efficiency across its entire fleet and hubs.

This system tracks fuel usage and raises flight crew awareness of consumption patterns.

The solution is driven by detailed key performance indicators (KPIs) and an advanced analytics dashboard, enabling continuous monitoring and feedback for all stakeholders, including executives, pilots, and dispatchers.

Pilots can assess their performance against best practices, considering variables such as payload, arrival altitude and speed, flight trajectory, and wind conditions.

The airline maintains a modern and efficient fleet, with an average fleet age of 10.22 years. This ensures that the airline operates with fuel-efficient aircraft, minimizing its environmental impact while providing reliable and comfortable services to passengers.

The fleet management strategy focuses on maintaining high safety standards, improving fuel efficiency, and reducing maintenance costs.



EMBRACING SUSTAINABLE AVIATION FUEL (SAF)

Sustainable Aviation Fuel (SAF) represents a transformative solution for reducing the aviation industry's environmental impact. Derived from renewable feedstocks, SAF closely mirrors traditional fossil jet fuel in its chemical structure but significantly lowers carbon emissions.

However, the widespread adoption of SAF faces several challenges, including limited availability, high costs, and the need for further technological advancements. Currently, SAF is more expensive than conventional jet fuel due to restricted feedstock availability and the nascent stage of production technologies. As production scales up and technology advances, the cost of SAF is expected to decrease, making it more accessible for broader use.

Realizing the full potential of SAF will require collaboration among key stakeholders, including

airlines, aircraft manufacturers, governments, and financial institutions. While Air Arabia is open to adopting SAF as part of its sustainability efforts, the organization acknowledges that its integration depends on overcoming existing barriers related to availability and infrastructure. In the meantime, Air Arabia continues to focus on innovative technologies and fuel efficiency practices to reduce its environmental impact.

Air Arabia remains committed to adopting innovative technologies and fuel efficiency practices, and SAF will play a key role in reducing its GHG emissions as the technology matures.



SUSTAINABLE AVIATION - PERFORMANCE AND PROGRESS

Air Arabia remains steadfast in its commitment to sustainable growth, balancing operational expansion with environmental responsibility. Over the past three years, we have made significant strides in improving efficiency and reducing our environmental impact, as reflected in our key performance metrics.

In 2024, Air Arabia served 18.8 million passengers, a notable increase from 16.7 million in 2023 and 12.8 million in 2022.

This growth reflects the recovery of the aviation sector and the trust our passengers place in us. However, with increased operations, our fleet GHG emissions rose to 2,896,414 tCO₂e in 2024, up from 2,769,030 tCO₂e in 2023 and 2,120,253 tCO₂e in 2022.

Despite this rise, we have made progress in improving efficiency, as evidenced by our GHG intensity ratio, which

decreased to 0.062 kg CO₂e per passenger-kilometer in 2024, down from 0.066 in both 2023 and 2022.

A key driver of this improvement is our focus on fuel efficiency. In 2024, we achieved a remarkable reduction in jet fuel consumption, reaching 0.031 liters per 100 passenger-kilometers, compared to 2.468 liters in 2023 and 2.548 liters in 2022.

This achievement underscores our efforts to optimize operations and adopt innovative technologies to minimize our environmental footprint.

These metrics demonstrate Air Arabia's dedication to sustainable aviation. While growth remains a priority, we are equally committed to ensuring that our operations align with global climate goals and contribute to a greener future.

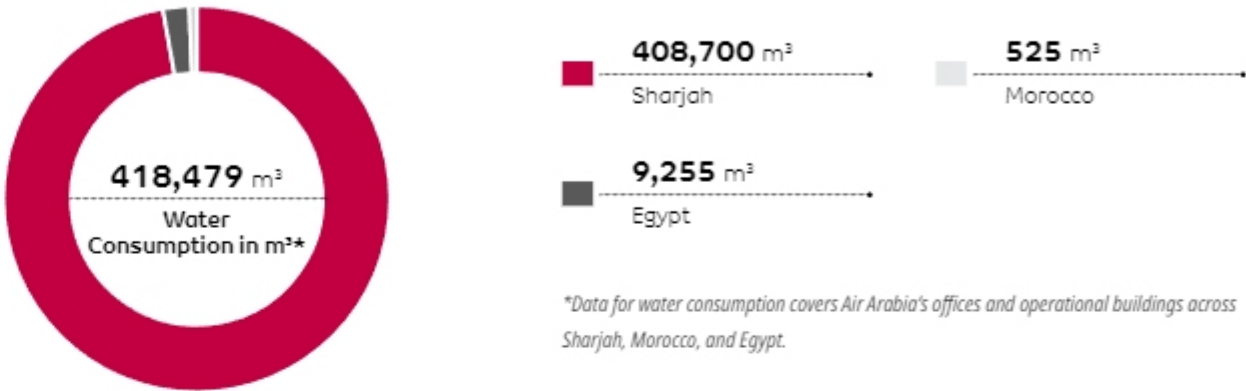
EFFICIENT WATER USAGE



Promoting **Efficient Water** usage in aviation ensures both operational performance and environmental responsibility.

Water is indispensable in the aviation industry, serving critical functions from supporting aircraft systems to providing potable water for passengers and crew.

Effective water management is essential to maintain smooth operations and enhance the passenger experience. Recognizing water usage’s environmental and cost implications, Air Arabia is dedicated to adopting sustainable water management practices to minimize its environmental impact.



The airline emphasizes efficient water use across its facilities, integrating water-saving technologies and conducting regular monitoring to ensure responsible consumption. Air Arabia identifies opportunities to optimize water use and reduce wastage through ongoing assessments and data analysis.

WATER EFFICIENCY MANAGEMENT PROGRAMS

Air Arabia has established water efficiency management programs to improve water use and minimise environmental impact.

These programs include comprehensive assessments to identify opportunities for water efficiency improvements, actions to reduce overall water consumption, and measures to enhance wastewater quality.

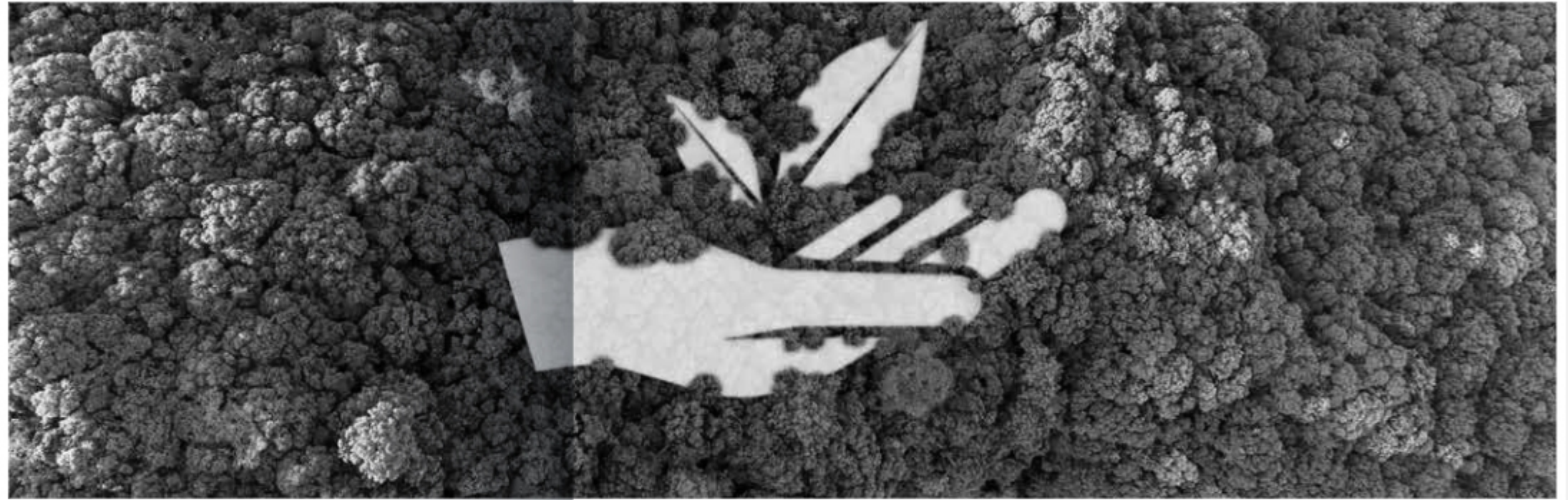
To promote awareness and engagement, Air Arabia provides training to employees on water efficiency management practices. This commitment to sustainable water use reflects the airline’s dedication to environmental stewardship and resource conservation.



SUSTAINABILITY THROUGH CIRCULARITY

In the airline industry, waste generation spans from in-flight disposables to waste produced during ground operations.

At Air Arabia, we recognize the importance of implementing effective waste management strategies to reduce our environmental footprint and reinforce our commitment to sustainability.



Our approach includes waste reduction, segregation, recycling, and responsible disposal initiatives.

By promoting a culture of sustainability and continuously improving our waste management practices, we strive to minimize the environmental impact of our operations and align with global sustainability goals.



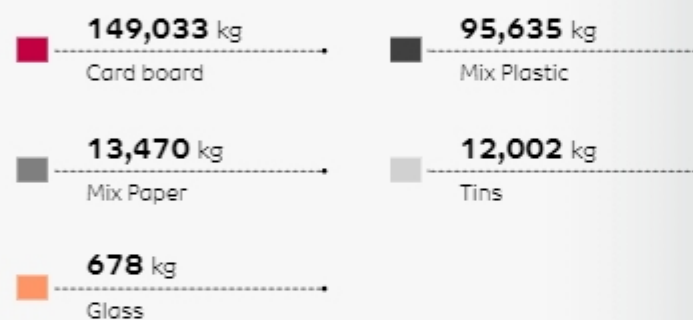
Embracing
Circular Aviation
practices to minimize waste
and maximize resource
efficiency for a sustainable
flight path.

RECYCLING INITIATIVES

Air Arabia strongly emphasizes recycling to reduce waste sent to landfills and conserve valuable resources.

We actively segregate and recycle materials such as cardboard from packaging and operations, mixed paper from the office and onboard waste, plastics like bottles and packaging, aluminium and steel cans, glass from beverage containers, and scrap metal from maintenance operations.

These materials are processed and reused, supporting a circular economy.



Note : Only for UAE (represent majority of the operations)



In addition to these efforts, Air Arabia has introduced measures to recycle materials, including old crew uniforms, cardboard, paper trays, and cooking oil from flights. Sustainability is also supported in our staff restaurant, where reusable cutlery, plates, and cups made from eco-friendly materials are used.

100%

waste collected
by BEEAH

WASTE MANAGEMENT PROGRAMS

Air Arabia has implemented comprehensive waste management programs focused on reducing, segregating, and recycling waste.

These initiatives are critical to minimizing environmental impact and promoting circular economy principles. We collaborate with third-party companies to collect and recycle materials responsibly, conduct waste audits, and train staff on waste reduction.

Air Arabia signed a Memorandum of Understanding (MoU) with Bee'ah, Sharjah's leading environmental management company, to enhance these efforts in 2015.

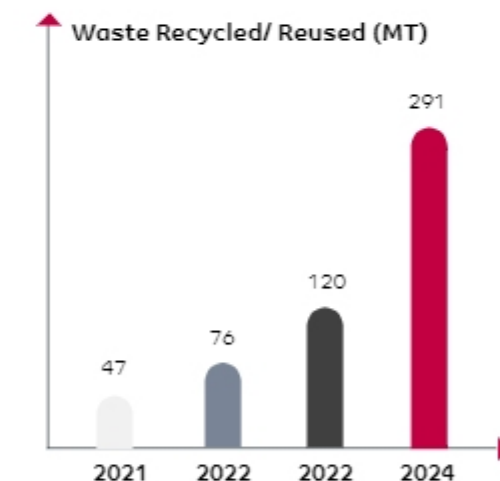
This collaboration focuses on recycling initiatives and includes installing recycling containers at Air Arabia's headquarters to encourage employees to recycle materials such as paper, cardboard, glass, and plastics.

Bee'ah also manages collecting and recycling industrial waste generated at Air Arabia's maintenance hangar, ensuring compliance with

environmental regulations. To further engage employees in recycling efforts, reverse vending machines (RVMs) have been installed at the head office, rewarding staff for returning bottles and cans.

This initiative not only promotes recycling but also raises awareness about waste reduction. Additionally, Air Arabia recycles various materials used in its operations, including old crew uniforms and cooking oil from flights.

Our commitment to sustainability is further reflected in the use of reusable cutlery and plates in our staff restaurant.



SUSTAINABLE PACKAGING AND PLASTIC MANAGEMENT

Air Arabia integrates sustainability into its packaging strategy across the airline, strongly focusing on reducing environmental impact. The airline promotes using biodegradable, recyclable, and reusable materials while gradually phasing out single-use plastics.

As part of this initiative, eco-friendly cutlery and packaging are used on flights, along with 100% recyclable rPET water bottles.

The airline is dedicated to minimizing the volume and weight of packaging and is actively working towards reducing these metrics. A key aspect of this strategy includes the increased use of recycled materials

for packaging, alongside continued research and development into innovative, sustainable packaging solutions.

Air Arabia carefully monitors the impact of its plastic packaging and ensures that 100% of the plastic used contains recycled content. Efforts are also underway to increase the use of recyclable and compostable plastic materials.

FOOD LOSS AND WASTE

Air Arabia is committed to addressing food loss and waste as an integral part of its sustainability strategy.

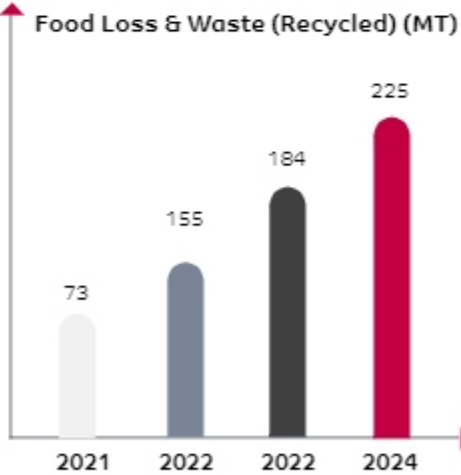
Recognizing the environmental and social impacts of food waste, the airline has implemented comprehensive programs designed to monitor and reduce food waste volumes across its operations. These initiatives include systematic data collection and analysis to measure food loss, which helps identify key areas for improvement and informs targeted actions to minimize waste.

To further enhance our efforts, Air Arabia has established specific programs aimed at reducing the total volume of food loss and waste generated during our in-flight services. Additionally, the airline has set measurable group-wide targets focused on significantly reducing the total weight of food waste produced.

These targets are regularly reviewed and reported in our sustainability initiatives to ensure accountability and transparency.

Through these efforts, Air Arabia aims to contribute positively to environmental sustainability while promoting responsible consumption practices within the aviation industry.

Air Arabia's Commitment to Sustainability and Carbon Footprint Reduction Air Arabia is dedicated to reducing its carbon footprint and enhancing its environmental performance.



DIGITAL TRANSFORMATION IN OPERATIONS

Air Arabia has made significant strides in adopting paperless systems, from maintenance to flight operations, enhancing efficiency, reducing costs, and supporting environmental sustainability.

The shift to digital tools like the Electronic Tech Logbook and Maintenance, Repair, and Overhaul (MRO) system has streamlined maintenance processes, allowing more time to be dedicated to critical tasks while reducing paper consumption.

This transition has also increased operational efficiency, cost savings, and space optimization by eliminating the need for physical document storage.

In addition, the move to digital records management has enhanced compliance and record keeping by ensuring the accuracy, accessibility, and integrity of maintenance records.

With automatic archiving and structured storage, Air Arabia is better positioned to meet regulatory requirements and streamline audit processes, reducing the risk of errors or missing records.

Air Arabia also applied the paperless approach to flight operations, where pilots historically relied on paper documentation for each flight. The flight briefing package alone could be extensive, and the onboard charts and manuals were bulky, requiring complex logistics to keep them up to date.

The airline began transitioning to an Electronic Flight Bag (EFB) system, moving flight charts, manuals, and performance calculations from paper to digital, significantly improving efficiency.

The move also involved rethinking the process, not just replicating paper systems in digital format but enhancing the overall workflow.

Through these digital advancements, Air Arabia continues demonstrating its commitment to sustainability, operational excellence, and compliance, reinforcing its long-term viability in a rapidly evolving industry.



MINIMIZING AIRCRAFT NOISE IMPACT

Excessive aircraft noise poses significant challenges to communities near airports, affecting residents' health and well-being. Prolonged exposure can lead to stress, sleep disturbances, and other health issues, resulting in complaints and potential regulatory restrictions on flight operations.

Airlines must prioritize sound mitigation strategies to minimize these impacts and maintain positive relationships with local communities. This helps prevent regulatory issues and ensures the airline's long-term operational sustainability.

Air Arabia is committed to reducing noise pollution by investing in quieter aircraft technologies, optimizing flight paths, and adhering to noise abatement procedures.



Ensuring quieter, **Cleaner Skies** by minimizing the noise footprint of aviation, while respecting both the environment and local communities.

Air Arabia has placed an order for 240 CFM LEAP-1A engines, which will power 120 Airbus A320 family aircraft joining our fleet soon in 2025.

These advanced engines provide improved fuel efficiency compared to previous models, contributing to more sustainable operations.

In addition to their environmental benefits, the CFM LEAP engines significantly reduce noise levels during the approach and landing phases, further supporting our commitment to minimizing the impact of aircraft noise on surrounding communities.

GRI CONTENT INDEX

Statement of use		[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		[Titles of the applicable GRI Sector Standards]				
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	10-11, 12-13				
	2-2 Entities included in the organization's sustainability reporting	10				
	2-3 Reporting period, frequency and contact point	5				
	2-4 Restatements of information	5				
	2-5 External assurance	-				
	2-6 Activities, value chain and other business relationships	10-11.				
	2-7 Employees	52-55				
	2-8 Workers who are not employees	52-55				
	2-9 Governance structure and composition	26-29				
	2-10 Nomination and selection of the highest governance body	26-29				
	2-11 Chair of the highest governance body	27				
	2-12 Role of the highest governance body in overseeing the management of impacts	30-37				
	2-13 Delegation of responsibility for managing impacts	30-37				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	6-9				
	2-15 Conflicts of interest	24-25				
	2-16 Communication of critical concerns	22,53				
	2-17 Collective knowledge of the highest governance body	26-27				
	2-18 Evaluation of the performance of the highest governance body	28				
	2-19 Remuneration policies	28				
	2-20 Process to determine remuneration	28				
	2-21 Annual total compensation ratio	69				
	2-22 Statement on sustainable development strategy	6-9.				
	2-23 Policy commitments	22-23				
	2-24 Embedding policy commitments	22-23, 34-37				
	2-25 Processes to remediate negative impacts	53				
	2-26 Mechanisms for seeking advice and raising concerns	22-25,53				
	2-27 Compliance with laws and regulations	22-25,30-33,36-37				
	2-28 Membership associations	5				
	2-29 Approach to stakeholder engagement	42-47				
	2-30 Collective bargaining agreements	Legal prohibitions				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	90, 94				
	302-2 Energy consumption outside of the organization	90, 94				
	302-3 Energy intensity	90, 94				
	302-4 Reduction of energy consumption	90, 94				
	302-5 Reductions in energy requirements of products and services	90, 94				
Water and Effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	100-101				
	303-2 Management of water discharge-related impacts	100-101				
	303-3 Water withdrawal	100-101				
	303-4 Water discharge	100-101				
	303-5 Water consumption	100-101				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 305: Emissions 2018	305-1 Direct (Scope 1) GHG emissions	90-91				
	305-2 Energy indirect (Scope 2) GHG emissions	90-91				
	305-3 Other indirect (Scope 3) GHG emissions	90-91				
	305-4 GHG emissions intensity	90-91				
	305-5 Reduction of GHG emissions	90-91				
	305-6 Emissions of ozone-depleting substances (ODS)	90-91				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	90-91				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	102-107				
	306-2 Management of significant waste-related impacts	102-107				
	306-3 Waste generated	102-107				
	306-4 Waste diverted from disposal	102-107				
	306-5 Waste directed to disposal	102-107				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	60-63				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	64-67				
	401-3 Parental leave	64-67				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	69				
	403-2 Hazard identification, risk assessment, and incident investigation	69				
	403-3 Occupational health services	69				
	403-4 Worker participation, consultation, and communication on occupational health and safety	69				
	403-5 Worker training on occupational health and safety	69				
	403-6 Promotion of worker health	69				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system	69				
	403-9 Work-related injuries	69				
	403-10 Work-related ill health	69				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	72-73				
	404-2 Programs for upgrading employee skills and transition assistance programs	74-75				
	404-3 Percentage of employees receiving regular performance and career development reviews	74-75				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	27, 54-58				
	405-2 Ratio of basic salary and remuneration of women to men	70-71				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	68				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	80-83				
	413-2 Operations with significant actual and potential negative impacts on local communities	80-83				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	69, 76-81				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	69, 76-81				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	79				
	417-2 Incidents of non-compliance concerning product and service information and labeling	79				
	417-3 Incidents of non-compliance concerning marketing communications	79				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	48-49				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	37				
Topics in the applicable GRI Sector Standards determined as not material						
TOPIC				EXPLANATION		
[Title of GRI Sector Standard]						
[Topic]				[Explanation]		
[Topic]				[Explanation]		



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