



**TURKISH  
AIRLINES**

A STAR ALLIANCE MEMBER 

**Tomorrow  
On-Board** 

 **TURKISH AIRLINES**

**SUSTAINABILITY  
REPORT  
2023**





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At Turkish Airlines we connect the world to each other strongly and position sustainability at the core of our business approach. We touch the well-being, prosperity, and future of the people at all flight destinations, and we are working tirelessly for a sustainable world.

In light of our sustainability strategy focusing on people, the earth, development and management, we aim to create value everywhere we reach, and we grow as we create value. We see sustainability as an awareness journey which needs to be internalized by every individual, starting with the stakeholder community of Turkish Airlines.

As we celebrate the 100<sup>th</sup> anniversary of our republic and 90<sup>th</sup> year of our establishment, we promise to work hard to continue our operations for centuries to come, carry our flag to every point on earth, move our earth into the future, and raise our name to the top.





# To the future with environmentally friendly products

Under the umbrella of "Combating Climate Change" which is one of the fundamental steps of our sustainability strategy, we closely monitor global developments and integrate industry best practices into our processes. Our new comfort sets, offered to our guests for a more sustainable travel experience and containing more recycled products and less plastics, are just one of these developments.

**Prevent plastic packaging  
626.7 tons**



# To the future with global partnerships

We expanded the boundaries of our efforts to increase the use of Sustainable Aviation Fuels (SAF) and became a signatory to the Global SAF Declaration. Thanks to our comprehensive Fuel Efficiency Policy which includes the use of Sustainable Aviation Fuels, we prevent tons of carbon emissions each year. Further, we solidified our support for the Sustainable Development Goals (SDG) as a supporting member of the Task Force on Climate-related Financial Disclosure (TCFD).

**Prevented CO<sub>2</sub> emissions through our fuel conservation practices in 2023**

**226,265 tons**







# To the future with volunteering awareness

We carry out broad partnerships and responsibility initiatives which include our aviation industry stakeholders as well as our passengers. Our Voluntary Carbon Offset Program CO<sub>2</sub>mission which we launched in 2022 is among the best examples of this. As part of this program, we offer passengers the opportunity to offset their carbon emissions from their flights with all airlines.

**CO<sub>2</sub> emissions offset via the CO<sub>2</sub>mission Program in 2023:**

**4,377,876 kg**

**Number of SDGs supported via the CO<sub>2</sub>mission**

**9**





# To the future with next generation aircraft

Pursuant to our commitment to innovation, operational excellence, and a sustainable future, we invest in "Fleet Modernization and Improvement" as one of the core elements of our Sustainability Strategy. We add advanced Airbus aircraft to our fleet, thereby raising our operational capabilities as well as our environmental goals. We also set an example in our industry with our next-generation aircraft investments.

**Total fuel conservation**  
**71,830 tons**





# To the future with elating awards

APEX (Airline Passenger Experience Association) assesses airline companies in three subcategories including sustainability. We received the "World Class" award for the third time as well as an "A-" score based on the assessments of the Carbon Disclosure Project (CDP) Climate Change Program, which is accepted as the gold standard in climate change and environmental reporting, from APEX. We won the "Most Sustainable Flag Carrier Airline" award from World Finance, a prestigious finance industry publication, and an award in the "Silver" category from EcoVadis.





# INTRODUCTION

With the Turkish Airlines 2023 Sustainability Report, which we have published for the 10<sup>th</sup> time this year, we present the policies and strategies we have established on our sustainability journey, the social, environmental, and economic impacts of our operations, and our future vision in this respect for the consideration of our stakeholders.

- 09 About the Report
- 10 Message from the Chairman
- 13 Our Strong Performance in 2023 and Future Goals





## ABOUT THE REPORT



This report is the 10<sup>th</sup> sustainability report published by Turkish Airlines Inc. ("Turkish Airlines," "THY A.O." or "the Incorporation"). Turkish Airlines Sustainability Report is the main source of information where we present to our stakeholders the policies and strategies followed by Turkish Airlines to create a sustainable future, the social, environmental, and economic impacts resulting from the activities carried out in this context, and the future vision. This report has been prepared by our Incorporation in accordance with the GRI Standards for the period between January 1, 2023 and December 31, 2023. The report also includes the TCFD (Task Force on Climate-related Financial Disclosure), SASB (Sustainability Accounting Standards Board) Indices. The content of the report consists of the data on the activities carried out by our Incorporation between the specified dates. Except for the consolidated financial data, the information of the subsidiaries of our Incorporation is not included in the scope of this report, unless otherwise stated. Since our Incorporation's R&D activities are carried out within its subsidiaries, Turkish Airlines Technology Inc. and Turkish Technic Inc., data of these subsidiaries were included in the announced R&D data.

The main content of our report has been developed through materiality studies aligned with international standards. This includes identified aspects stemming from these efforts, alongside subjects required by corporate commitments and legal framework, as well as stakeholder expectations.

For the year 2023, the greenhouse gas declarations, as stated in the report, have been independently verified in accordance with the Greenhouse Gas (GHG) Protocol. The Greenhouse Gas Verification Statement can be found on page 208 of the report.

Selected indicators in this report have undergone a limited external audit by PwC Türkiye in accordance with the "ISAE 3000" and "ISAE 3410" standards. The Independent Assurance Report, which details the list and scope of the indicators under assurance, can be found on pages 206 and 207 of the report.

You can send your comments and feedback on the report to [sustainability@thy.com](mailto:sustainability@thy.com).



**You can access the sustainability reports published by Turkish Airlines by scanning the QR code.**



## MESSAGE FROM THE CHAIRMAN

### Carbon Neutrality Goal: 2050

We declared our goal of becoming a "Carbon Neutral Airline" by 2050. We created an effective communication bridge under the "Tomorrow On-Board" motto for relaying our sustainability-oriented initiatives and messages to our stakeholders and ecosystem.



**226.2**

**THOUSAND TONS OF CO<sub>2</sub> CARBON EMISSIONS PREVENTED BY FUEL CONSERVATION**



Esteemed Stakeholders,

In the past year the world had to deal with multiple crises which concerned the entire humanity including the climate disaster, constantly growing inequalities and injustices, and conflicts which turned into humanitarian disasters. For our country, 2023 was marked by the disaster centered in Kahramanmaraş which left deep impressions on us which will never be forgotten. As a nation, we found strength in our solidarity and togetherness. At Turkish Airlines, we have also done everything in our power to support the great sense of solidarity from day one, and we continue to do so.

The year 2023 will also never be erased from our memories as the year in which we proudly celebrated the 100<sup>th</sup> anniversary of our Republic, which is the greatest work created by our sense of unity and solidarity. As a company which has witnessed 90 years of our century-old Republic and which always grows on the back of the love and trust of our people, we continue to move forward while appreciating the values of these lands. Continuing to work with the responsibility of being Türkiye's flag carrier, we finished the year by generating a number of contributions

which made this special year even more meaningful from the perspective of our corporate history. Our Company, which connects many locations in the world with each other with a flight network of 129 countries, 340 cities, and 345 destinations and a fleet of 440 aircraft with an average age of 9.3 years, reached an all-time record 83.4 million passengers and 234.8 billion ASK (Available Seat Kilometers). In the new century of our Republic, we will increase our support for the high-quality development of our country while continuing our march to the top on the global scale with even greater determination.

While devising our 10-year strategy which we shared with the public at the beginning of 2023, we evaluated all risks and opportunities related to sustainability, which has the potential to affect our business conduct and our future competitiveness. In an effort to be part of the solution, we took steps to strengthen the tie between our priorities in this area, the initiatives which we carry out with a sense of responsibility, and our long-term goals.

## MESSAGE FROM THE CHAIRMAN

### Fuel Efficiency



**24.7%**

**INCREASE IN FUEL CONSERVATION IN 2023**



**71.8 THOUSAND TONS**

**TOTAL FUEL CONSERVATION IN 2023**

As a result of this approach, we declared our goal of becoming a "Carbon Neutral Airline" by 2050, which demonstrates our desired path and destination in the coming years. As part of the roadmap which we put together to attain this goal, we combined our comprehensive fuel policy, which we have been carrying out since 2008 with the goal of increasing jet fuel efficiency, with our operational excellence actions, our aircraft modification projects aimed at increasing fleet modernization and fuel efficiency, our SAF usage, and our renewable energy and carbon offset projects. We created an effective communication bridge under the "Tomorrow On-Board" motto for relaying our sustainability-oriented initiatives and messages to our stakeholders and ecosystem.

We are feeling the destructive effects of increasing climate risks more and more each day. The aviation industry stands out as one of the industries affected the most by the climate crisis. At Turkish Airlines, we cooperate with national and international institutions and civil initiatives, and we actively support initiatives aimed at a low-carbon future. In 2023 we joined the ranks of global companies supporting the Task Force on Climate-related Financial Disclosures (TCFD) and we



demonstrated our determination in combating this major problem once again. During the reporting period in which we prevented the emission of 226.2 thousand tons of CO<sub>2</sub> equivalent greenhouse gases, we raised our score in the assessment of the Carbon Disclosure Project Climate Change Program to "A-," which is above the air transport industry average. In the same year, we had the honor of being selected as the "Most Sustainable Flag Carrier Airline" for the second straight year by the World Finance magazine.

Our efforts aimed at reducing our carbon footprint are centered on Sustainable Aviation Fuels (SAF), which we believe will play the largest role in the sustainable transition of our area of operations. Thanks to our investments in this area as well as our fuel efficiency-driven fleet modernization and

optimization initiatives, we increased our fuel conservation by 24.7% on the previous year to 71.8 tons. With our CO<sub>2</sub> mission program which went live last year, our passengers also contributed to our fight against climate change by offsetting 4,377,876 kg of CO<sub>2</sub> emissions.

We became a founding member of the Turkish Sustainable Aviation Platform with the goal of researching SAF's potential in our country's transition to sustainable aviation and expanding its utilization. The Platform will deepen our partnerships aimed at knowledge and experience transfer with our ecosystem in line with the industry's sustainability priorities.

We believe that the responsibilities which we have been assuming in social progress for 90 years are another element underlying the global power we have attained. In accordance with



## MESSAGE FROM THE CHAIRMAN



**129**

**COUNTRIES**  
NUMBER OF COUNTRIES IN THE FLIGHT NETWORK IN 2023



**345**

**NUMBER OF DESTINATIONS IN THE FLIGHT NETWORK**

this approach in 2023, we provided humanitarian, financial and in-kind donations right after the February 6<sup>th</sup> earthquakes and developed housing and employment projects to help the people in the earthquake region get back on their feet.

Hundreds of colleagues who are trained in search and rescue operations traveled to the region and supported these activities in coordination with the related institutions. During the period following the earthquake, we transported 430,000 people and 36,000 tons of aid materials to the region. In addition to donating more than USD 300 million, we hired 1,000 disaster survivors and welcomed them to the Turkish Airlines family. We carried out an exemplary recycling project during the period with our Transformation for the Future project, which transformed unused cabin crew bags into children's shoes. We delivered the boots which were produced as part of this project to the children in the earthquake region.

Our Company is also among the most important corporate actors in terms of social sustainability with the size of its human resources, comprised of more than 83,000 individuals including our entire ecosystem. We aim to grow the Turkish Airlines family further in line with

our goal of becoming the world's largest airline company in our 100<sup>th</sup> year.

R&D, innovation, and digitalization are very important for us, as demonstrated by our investments and accomplishments. We accomplished our digital transformation in numerous areas, including pre-flight processes, inflight services, and post-flight feedback. In accordance with our strategy to become a top airline, we aim to be among the top three airline companies in three years in terms of digitalization.

Sustainability will continue to guide our journey in pioneering the future of airline transport in the period ahead. I would like to thank all stakeholders for supporting and trusting us and sharing our hope during this journey. I wish for a more peaceful, prosperous and pleasant future for humanity.

Respectfully yours,

**Prof. Ahmet BOLAT**  
Chairman of the Board and the Executive Committee



GRI 2-22

## OUR STRONG PERFORMANCE IN 2023 AND FUTURE GOALS

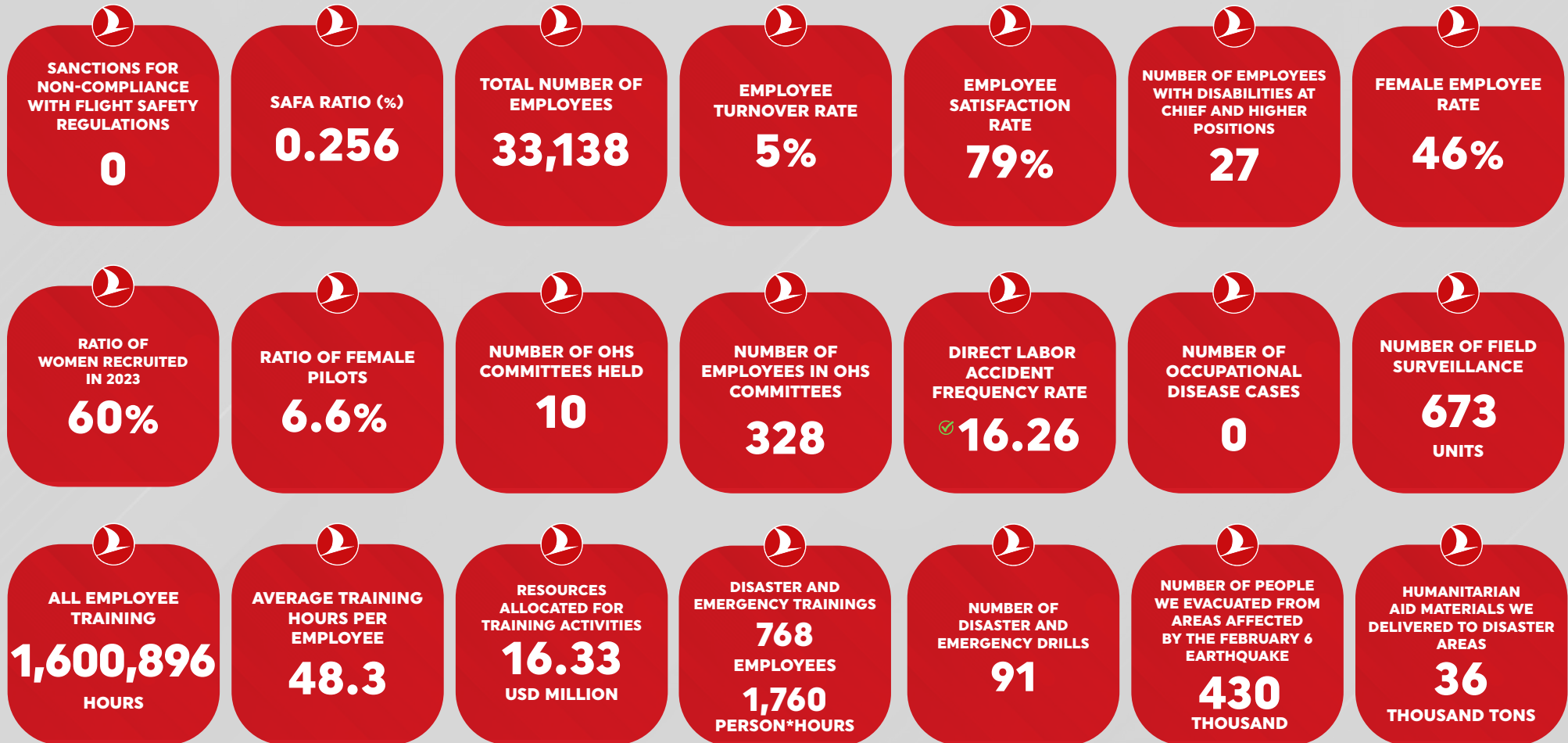
### OUR ENVIRONMENTAL PERFORMANCE





## OUR STRONG PERFORMANCE IN 2023 AND OUR FUTURE GOALS

### OUR SOCIAL PERFORMANCE



## OUR STRONG PERFORMANCE IN 2023 AND OUR FUTURE GOALS

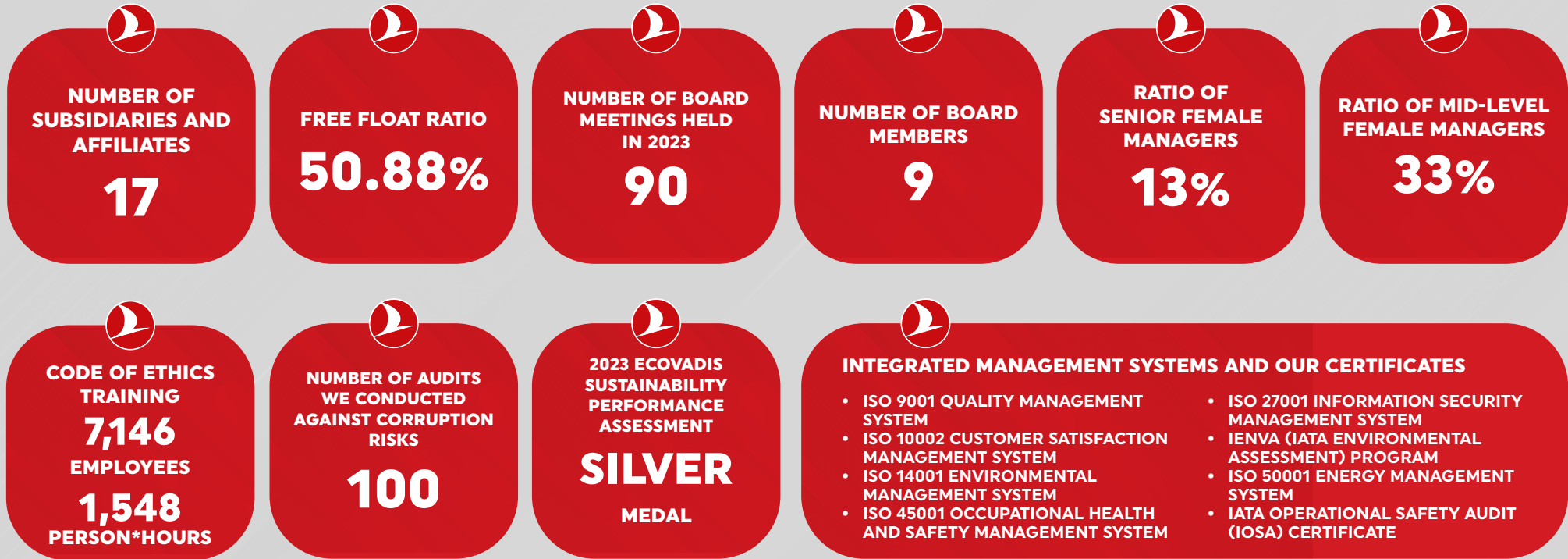
### OUR ECONOMIC PERFORMANCE





## OUR STRONG PERFORMANCE IN 2023 AND OUR FUTURE GOALS

### OUR GOVERNANCE PERFORMANCE



## OUR STRONG PERFORMANCE IN 2023 AND OUR FUTURE GOALS

### OUR FUTURE GOALS

| 2023 Target  | Related SDGs | 2023 Performance  | Realization Level   | 2024 Target   |
|--|--------------|---|---|---|
| No environmental accidents   |              | 100%  | ✓   | No environmental accidents  |
| Reducing water consumption per employee by 5% compared to the previous year  |              | 6.87 m <sup>3</sup> /person   | ✓   | By the end of 2023, a reduction of 49% compared to 2022 and 71% compared to 2021 was realized with the actions taken to reduce water consumption per person. A numerical target for 2024 has not been set, and improvements will continue in this area. |
| 60,000 tons of fuel savings  |              | 71,830 tons   | ✓   | 63,000 tons   |
| Prevention of 189,000 tons of CO <sub>2</sub> emissions  |              | 226,265 tons of CO <sub>2</sub>                                     | ✓   | 198,000 tons of CO <sub>2</sub>   |
| Verification of 2023 GHG emissions   |              | 100%  | ✓   | Monitoring, calculation and verification of Scope 1-2-3 emissions according to the Greenhouse Gas Protocol  |
| Responding to the Carbon Disclosure Project (CDP) Climate Change Program   |              | 100%  | ✓   | Responding to the Carbon Disclosure Project (CDP) Climate Change Program  |
| Being among the organizations supporting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and reporting in this context |              | 100%  | ✓   | Within the recommendations of the TCFD, of which the Incorporation became a supporting member in 2023, publishing the TCFD reporting, for which infrastructure work has started, in the first half of 2024  |
| Ensuring the continuity of the number of routes flown using SAF  |              | 100%  | ✓   | In 2024, increasing the number of weekly flights with SAF compared to 2023  |
| Realization of Solar Power Plant (SPP) projects to be located in the working areas of the Incorporation in various regions of Türkiye                        |              | Since it is a project-based target, no percentage can be specified. | Design processes were carried out with technical consultancy in 2023. | It is aimed to start manufacturing works in 2024.   |
| Ensuring the continuity of meeting at least 5% of energy from renewable sources in our new buildings   |              | 100%  | ✓   | Ensuring the continuity of meeting at least 5% of energy from renewable sources in our new buildings  |



## OUR STRONG PERFORMANCE IN 2023 AND OUR FUTURE GOALS

### OUR FUTURE GOALS

| 2023 Target  | Related SDGs | 2023 Performance | Realization Level | 2024 Target   |
|--|--------------|------------------|-------------------|---|
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Conducting a Climate Risk Adaptation Study  |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Completing the necessary infrastructure works as part of Türkiye Sustainability Reporting Standards (TSRS) S1 and S2  |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Determining short, medium and long-term sustainability goals by analyzing the current situation of our suppliers in sustainability issues   |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Removing plastic cups by increasing sustainable products and services offered on board  |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Becoming a member of the The Business and Sustainable Development Council (BCSD Türkiye)  |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Participating in the Business Plastics Initiative (IPG)   |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Organizing periodic meetings with government agencies and industry representatives in order to evaluate the regulations specific to the aviation industry and their impacts and to determine the relevant actions   |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Having our subsidiaries calculate and verify their emissions and establish human rights policies in order to align them with the sustainability strategy of our Incorporation   |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Offsetting emissions arising from all mission flights of our employees within the scope of CO <sub>2</sub> mission  |
| NEW TARGET   |              | NEW TARGET       | NEW TARGET        | Acquiring the Illegal Wildlife Trade (IWT) certification under the IEnvA Program  |
| Increasing and expanding the number of flights operated with the Green Class concept |              | UPDATED TARGET   | UPDATED TARGET    | Since the practices planned to be implemented within the scope of the Green Class concept were put into service in all our products and services under the Tomorrow On-Board roof in 2023, the Green Class Concept will not be used as of 2024, and a holistic approach will be adopted under the Tomorrow On-Board roof. |

# TURKISH AIRLINES AT A GLANCE

With 17 subsidiaries and affiliates, a capital of TRY 1.38 billion and 84 thousand employees, Turkish Airlines continues to grow with the goal of having the youngest and most modern fleet in Europe.

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## ABOUT TURKISH AIRLINES

### We continue our journey to the top with good outcomes.

Since its foundation in 1933 to carry out domestic and international passenger and cargo transportation activities, Turkish Airlines has taken its place among the world's most valuable airlines with its rapid growth trend.

**440**

**PASSENGER AND CARGO AIRCRAFT**

**83.4**

**MILLION PASSENGERS**

**345**

**DIFFERENT FLIGHT DESTINATIONS**

**1.66**

**MILLION TONS OF CARGO AND MAIL TRANSPORT**

As Turkish Airlines, the flag carrier airline of the Republic of Türkiye, we have taken our place among the world's largest airline companies with the rapid growth trend we have realized since 1933, when we were founded to realize passenger and cargo transportation activities in Türkiye and abroad.

With 17 subsidiaries and affiliates, a capital of TRY 1.38 billion and 84 thousand employees, as Turkish Airlines, we continue to grow with the goal of having the youngest and most modern fleet in Europe. As the airline flying to the most countries in the world, in 2023, we operated flights to 345 different destinations with 416 passenger aircraft (120 wide-body, 296 narrow-body) and 24 cargo aircraft in our fleet. During the reporting period, we carried 83.4 million passengers with 519,734 landings at these points, while our cargo and mail transportation volume reached 1.66 million tons.



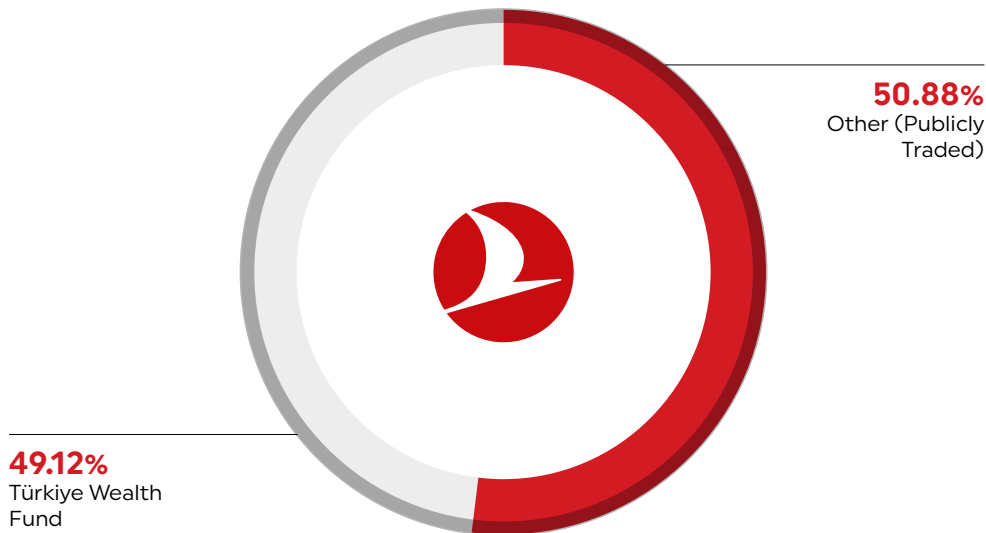
GRI 2-1

## SHAREHOLDING STRUCTURE

The paid-in capital of our Incorporation has been TRY 1.38 billion as of 2023. The paid-in capital is divided into 138,000,000,000 shares with a nominal value of 1 (One) Kurus each. 67,788,484,857 Group A registered shares are transferred to the Türkiye Wealth Fund, 1 Group C registered share belongs to the Privatization Administration of the Turkish Ministry of Treasury and Finance. The remaining 70,211,515,142 Group A shares were

offered to the public and are traded on the Borsa Istanbul. The Incorporation does not have a cross-shareholding structure with different companies. The shares held by foreign shareholders cannot exceed 40% of the total issued capital of the Incorporation. You can find information on Turkish Airlines' shareholding structure and the use of shareholder voting rights in the Investor Relations section of the corporate website.

### Turkish Airlines Ownership Structure





GRI 2-6

## SUBSIDIARIES AND AFFILIATES

As of 2023, our Incorporation has 17 subsidiaries and affiliates operating in various fields. Thanks to these affiliates, our Incorporation diversifies its activities and provides cost advantage, operational flexibility, quality and efficiency.

| Passenger and Cargo Transport Group  | Subsidiary/Affiliate | Business Line                                  | Ownership Structure   |
|--|----------------------|--|---|
| Sun Express Aviation Inc.  | Affiliate            | Passenger and Cargo Transport                  | Turkish Airlines 50%<br>Lufthansa 49%<br>Other 1%   |
| Air Albania SHPK   | Affiliate            | Passenger and Cargo Transport                  | Turkish Airlines 49%<br>MDN Investment 41%<br>Albcontrol 10%                                |
| We World Express Ltd.  | Affiliate            | Cargo and Courier Transport                    | Turkish Airlines 45%<br>ZTO 45%<br>Pal Air 10%  |
| AJet Air Transportation Inc.   | Subsidiary           | Passenger Transport                            | Turkish Airlines 100%   |
| THY Air Cargo Transport Inc. (Widect)  | Subsidiary           | Cargo and Courier Transport                    | Turkish Airlines 100%   |
| Maintenance, Repair, Overhaul (MRO) and Cabin Interior Manufacturing Group         | Subsidiary/Affiliate | Business Line                                  | Ownership Structure   |
| Turkish Technic Inc.   | Subsidiary           | Aircraft Maintenance - MRO                     | Turkish Airlines 100%   |
| Pratt & Whitney Turkish Engine Center Co. Ltd. (TEC)                               | Affiliate            | Aircraft Maintenance - MRO                     | P&W 51%<br>Turkish Technic 49%  |
| Goodrich Turkish Technic Service Center Co. Ltd. (TNC)                             | Affiliate            | Reverse Thrust and Engine Nacelle              | TSA Rina Holdings BV 60%<br>Turkish Technic 40%   |
| Turkish Cabin Interior Systems Inc.<br>TSI Seats INC.                              | Subsidiary           | Aircraft Cabin Interior Manufacturing          | Turkish Airlines 59%<br>Turkish Technic 21%<br>TUSAŞ 17%<br>Havelsan 3%<br>TCI 100%         |
| Support Services and Others Group  | Subsidiary/Affiliate | Business Line                                  | Ownership Structure   |
| Turkish Ground Services Inc.   | Affiliate            | Ground Handling Services                       | Turkish Airlines 50%<br>Havaş 50%   |
| Turkish Do&Co Catering Services Inc.   | Affiliate            | Catering Services                              | Turkish Airlines 50%<br>Do&Co 50%   |
| Turkish Flight Training and Airport Operations Inc.                                | Subsidiary           | Turkish Flight Training and Airport Operations | Turkish Airlines 100%   |
| Turkish Opet Aviation Fuels Inc.<br>Kuzey Tankercilik Inc<br>Güney Tankercilik Inc | Affiliate            | Aviation Fuels                                 | Turkish Airlines 50%<br>Opet 50%<br>THY Opet 100%<br>THY Opet 100%                          |
| Turkish Fuel Services Inc.   | Affiliate            | Fuel Supply                                    | Turkish Airlines 25%<br>Taya Liman İst. 25%<br>Zirve Holding 25%<br>Demirören Akaryakıt 25% |
| Turkish Airlines Technology Inc.   | Subsidiary           | Information and Technology                     | Turkish Airlines 100%   |
| THY Support Services Inc.<br>THY Private Security and Protection Services Inc.     | Subsidiary           | Support Services                               | Turkish Airlines 100%<br>THY Support Services Inc. 100%                                     |
| THY Financial Technologies Inc.  | Subsidiary           | Payment Systems                                | Turkish Airlines 100%   |

## MISSION, VISION AND VALUES

### Our Mission

To become the preferred leading European air carrier with a global network of coverage thanks to its strict compliance with flight safety, reliability, product line, service quality and competitiveness, whilst maintaining its identity as the Flag Carrier of the Republic of Türkiye in the civil air transportation industry.

### Our Vision

To become an air carrier with;

- A continued growth trend over industry average,
- Zero major accidents/crashes,
- Most envied service levels worldwide,
- Unit costs equating with low cost carriers,
- Sales and distribution costs below industry averages,
- Loyal customers, who book and issue tickets and check in by themselves,
- A personnel constantly developing their qualifications with the awareness of the close relationship between the benefits for the company and the added value that they contribute,
- An entrepreneurship that creates business opportunities for fellow members in the Star Alliance and takes advantage of the business potential provided by them,
- A staff well adapted to modern governance principles by observing the best interests of not only shareholders but also stakeholders.

### Values

- Integrity and Fair Behavior
- Customer Satisfaction
- Demonstrating Respect to Individuals
- Innovation
- Teamwork
- Leadership Productivity Confidentiality
- "Open Door" Policy





## STRATEGIES AND STRATEGIC FOCUSES

With the Turkish Airlines 2033 Strategy we introduced in 2023, we clearly demonstrated our potential, expressing our determination to become a prestigious airline brand that everyone wants to experience.



**171**  
**MILLION PASSENGERS+**  
**TARGETED NUMBER OF PASSENGERS IN 2033**

### 1. SUSTAINABLE GROWTH AND PROFITABILITY

In 2023, the year of the 100<sup>th</sup> anniversary of our Republic, we are proud to celebrate our 90<sup>th</sup> anniversary as the National Flag Carrier, and we continue to represent our nation over the world. In this year, in which we carried our one billionth passenger, we build bridges between cultures by carrying our values across continents thanks to the Istanbul Airport-based flight network, and we are recognized as the airline flying to the most international destinations worldwide.

With the Turkish Airlines 2033 Strategy we introduced in 2023, we clearly demonstrated our potential, expressing our determination to become a prestigious airline brand that everyone wants to experience.

As Turkish Airlines, we have succeeded in increasing our market share day by day with growth above industry averages. While global passenger traffic increased by 2.3 times between 2004 and 2019, we managed to increase our passenger traffic by 8.2 times. Carrying 83.4 million passengers in 2023, our Incorporation aims to increase this number to over 171 million by 2033.

AJet, which received its operating license under its new name in early 2024, set its target for 2033 as reaching a fleet of 200 aircraft, all of which have next-generation high seat capacity, within its low-cost business model. Planning to increase its domestic capacity by 1.8 times, the Company aims to increase

its international capacity by 4.4 times and become one of the low-cost airline brands serving in Europe.

Continuing to provide services at SmartIST, its new home at Istanbul Airport, Turkish Cargo ranks fourth in the world in cargo traffic in 2023. As part of its 2033 strategies, Turkish Cargo aims to become one of the top 3 cargo carriers in 2028 with the capacity expansion at SmartIST, digitalization, concentration in the special cargo segment, e-commerce and door-to-door deliveries.

At the same time, as Turkish Airlines, together with our affiliates, we continue our growth adventure as a whole, contributing not only to the aviation ecosystem but also to Türkiye's growth. We have increased our economic contribution to the economy 11-fold to

USD 56 billion in the last 10 years. We aim to increase this 29-fold to USD 144 billion in 2033.

### 2. BRAND RECOGNITION AND PREFERABILITY

As a company moving forward with the goal of becoming the world's most prestigious airline, we carry out extensive efforts to take our brand further and achieve global recognition. We contribute to the strengthening of our brand in many areas through collaborations, sponsorships and global media investments with the most famous celebrities in the world of culture, arts and sports. Our Incorporation, which broke new ground in the world with its UEFA Champions League sponsorship and reached basketball fans with its Euroleague sponsorship, aims to increase its brand recognition to over 75% with this influence.



## STRATEGIES AND STRATEGIC FOCUSES

### 3. CUSTOMER FOCUS

In order to become a preferred brand again and again, we always focus on customer satisfaction and trust. By shaping our business strategies according to the expectations and demands of our customers, we act with the motivation of offering our passengers a unique, enjoyable, effortless and customized experience at all points of contact.

Developing a common customer-centric mindset across the entire organization is at the heart of our strategy in order to achieve our future goals. In this context, we aim to increase customer satisfaction by ensuring standardization in the products and services we offered

through improvements we will make in line with in-cabin design transformation projects such as seat and IFE, expanding the use of internet on board aircraft, and transforming the passenger experience through our investments to increase the number of private lounges.

We continuously improve our product range for different passenger segments, offer privileged experiences and prioritize providing consistent, reliable and accessible services with solution-oriented approaches. In addition, we aim to be the leader of a passenger-centric transformation through in-house trainings to promote standardized service, attitude and attentive behavior for each of our employees who has one-on-one contact with passengers.

We received many awards from reliable and reputable aviation organizations around the world thanks to the studies we carried out based on passenger feedback and projects we implemented. The World Class title we achieved as a 5-star global airline in APEX for 3 years in a row and the international awards we won from Skytrax in many areas in economy and business class concretely confirm our success.

We always aim to do better for our customers, who are the most important focus of all our investments, and we aim to go beyond their expectations with proactive moves.

### 4. SUSTAINABILITY

In line with our aim to create value at every point we reach, we put people and the environment at the top of the value chain. With this understanding, we increase our responsibilities in environmental, social and managerial matters and aim to continuously improve our operational and financial performance. As part of our sustainability focus, we concentrate on minimizing our environmental impact, reducing our carbon footprint and managing natural resources more effectively. Our Incorporation aims to lead the industry in the world with high standards in line with our 2050 carbon-neutral target.

While achieving a 15-20% carbon emission reduction with the introduction of next-generation aircraft to our fleet towards this target, increasing

fuel efficiency through operational improvements, increasing the use of renewable energy in facilities, offset projects and expanding the use of SAF constitute our main focuses. We will continue our target-oriented growth strategy by adding new collaborations to our brand's global collaborations to raise sustainability standards.

### 5. BUSINESS EXCELLENCE AND EFFICIENCY

We will continue to carry out our operations, which expand with our strategic growth moves, in a more efficient and safe manner. In addition to our sensitivity to meet national and international requirements at the highest level, we will continuously increase our business excellence and efficiency by simplifying all our business processes and digitalizing them with infrastructure investments and updates. We will continue to offer superior service quality while continuing our cost-reducing practices with our rejuvenated fleet with next-generation aircraft and new technologies we will use in all our areas of activity.

### 6. DIGITALIZATION AND INNOVATION

Digitalization has become one of the most important tools to increase customer satisfaction in our field of activity. The breakthroughs made in this field not only improve operations, increase revenues and reduce costs, but also minimize the negative impacts caused by the human factor.





## STRATEGIES AND STRATEGIC FOCUSES

Accelerating its digitalization process with the pandemic as in the whole world, our Incorporation aims to be in the "Leader" category as one of the top three airlines offering the best digital experience within three years.

In this context, we are planning comprehensive digitalization steps and continue to develop pioneering projects in areas such as mobile-focused seamless experiences, cybersecurity measures, financial technologies, new distribution channels, ONE Order transformation, new passenger revenue management technologies, CRM, process optimizations, artificial intelligence and robotic process automation.

### 7. ADDING VALUE TO EMPLOYEES

We see our employees as the source of our strength at every stage of our successful journey to the top in line with our strategic goals. In parallel with our goal of reaching a total of about 148 thousand employees in 2033, including our affiliates, we wish to improve the quality of life of our employees and increase productivity, motivation and competencies. Our Incorporation builds on continuously improving the employee experience with the aim of increasing the value of the employer brand equipped with digitalization. In this context, we adopt a human resources strategy supported by recruitment, training, career and performance values. In line

with our principles and sustainability focus, we continue our activities with the goal of being among the five most desired companies to work for in the aviation industry.

### 8. ADDING VALUE TO STAKEHOLDERS

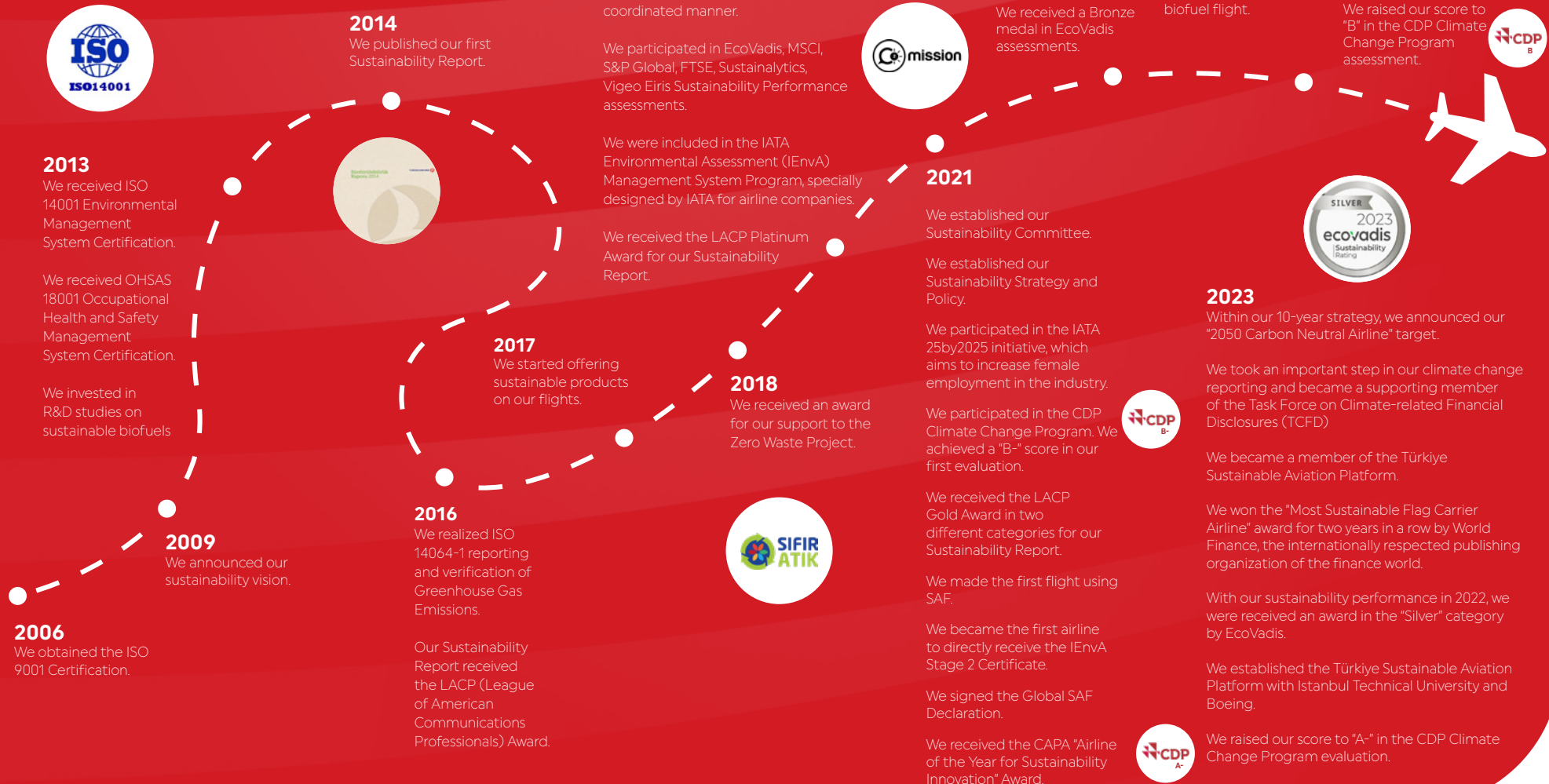
As Turkish Airlines, we are committed to ensuring that our goals and values are embraced by our stakeholders and that we meet stakeholder expectations without compromising the principles of transparency, fairness, responsibility, and accountability in all of our activities, in cooperation with our stakeholders and by communicating effectively with them.

As a business strategy, we maintain a strong financial position for our stakeholders and prefer to be environmentally, socially, and economically sustainable with our stakeholders. We perform training, inspection, and research activities in order to increase the awareness of our stakeholders on occupational health and safety, data security, technological competence and to improve business processes. Thanks to the feedback we receive from our stakeholders with whom we collaborate, we resolutely pursue our vision of adding value to them.



## OUR JOURNEY OF SUSTAINABLE SUCCESS

With our 90-year success story, we continue to build bridges between countries, continents and cultures in line with our mission.





## 2023 AWARDS



**WORLD FINANCE 2023**  
Most Sustainable Flag Carrier Airline



**ECOVADIS**  
Silver Medal in Sustainability Performance Assessment



**LACP**  
Sustainability Report Platinum & Technical Achievement Award



**HAPPY WORKPLACE**  
Outstanding Employee Experience Award



**STEVIE AWARDS**  
"Upcycling for the Future" Project Bronze Award



**BRAND FINANCE**  
8<sup>th</sup> Most Strongest Airline  
Türkiye's Most Valuable Brand  
Leadership in Türkiye Sustainability Perception Value Ranking



**FASTCOMPANY**  
Sustainability Leaders 50



**SKYTRAX 2023**  
Best Airline in Europe  
World's Best Business Class Catering  
World's Best Economy Class Catering  
Europe's Best Economy Class Seat  
Best Airline in Southern Europe



**APEX 2023**  
World Class Airline  
5 Star Global Airline  
Europe's Best Inflight Entertainment Award  
Europe's Best Food and Beverage Award



**THE DESIGN AIR**  
Design Airline of the Year Europe 2023  
Silver Award for Design Airline of the Year 2023



**FREIGHTWEEK SUSTAINABILITY AWARDS-EUROPE 2023**  
Sustainable Air Cargo Brand of the Year



**AIR CARGO INDIA 2024**  
Innovative International Air Cargo Brand of the Year



## BRAND MANAGEMENT AND CORPORATE REPUTATION

### PASSENGER AND CARGO TRANSPORT GROUP



**SUNEXPRESS**

**Sun Express Aviation Inc**

SunExpress conducts tourism transport activities as the market leader in flights between Türkiye and Central Europe. Established in 1989 as a 50-50% partnership between our Incorporation and Lufthansa A.G., SunExpress is headquartered in Antalya. With its employees and fleet based in Antalya, Frankfurt, Izmir and Ankara, SunExpress carried nearly 13 million passengers in 2023.



**AIR ALBANIA**

**Air Albania Shpk**

Air Albania Shpk was established in 2018 and is jointly owned by Turkish Airlines (49%), MDN Investment (41%), and Albcontrol (10%). Air Albania has three dry lease aircraft in its fleet. The Tirana-based airline started operating daily flights between Tirana-Istanbul in April 2019 and between Tirana-Rome, -Milan and -Bologna in September 2019. By 2023, it organizes flights to and from Tirana, Istanbul, Milan, Bologna, Pisa, and Verona destinations.



**WE WORLD EXPRESS**

**We World Express Limited**

We World Express Limited is a Hong Kong headquartered joint venture company founded in January 2019. Commencing operations in April, the world cargo/courier company provides door-to-door logistics services with a focus on the global e-commerce market. Turkish Airlines International Investment and Transport, a 100%-owned subsidiary of Turkish Airlines, holds a 45% stake, Hong Kong headquartered ZTO Express Limited owns a 45% stake and PAL Air Limited has a 10% stake in the company. As of year-end 2023, the Company reached a total of 5 offices in Istanbul, Shanghai, Hong Kong, Maastricht, and Shenzhen. Today, it is one of the major players in the market of cross-border e-commerce from China to Türkiye.



**AJET**

**AJet Air Transportation Inc.**

Established on August 7, 2023, as a wholly owned subsidiary of Turkish Airlines, AJET Air Transportation Inc. aims to maintain the AnadoluJet brand's operations as a low-cost airline meeting global standards and to enhance its competitive edge in the market. AJET brand is planned to start its operations as of the summer season of 2024, based out at Istanbul Sabiha Gökçen Airport and Ankara Esenboğa Airports.



**WIDECT**

**THY Air Cargo Transport Inc.**

"THY Air Cargo Transport Inc." was established on March 25, 2021, as a wholly owned subsidiary of Turkish Airlines. In September 2023, it commenced operations under the WIDECT sub-brand, restructured to adhere to a door-to-door delivery business model. The end-to-end integrated services to be provided to customers include door-to-door collection, delivery and return processes, export and import customs clearance, air cargo, storage services and all logistics requirements required by the e-commerce industry. By creating a fast, reliable, agile and sustainable e-commerce logistics ecosystem with its strong IT infrastructure, the Company aims to generate added value for our country and the Incorporation and to increase the volume of e-commerce.



## BRAND MANAGEMENT AND CORPORATE REPUTATION

### MAINTENANCE, REPAIR, OVERHAUL (MRO) AND CABIN INTERIOR MANUFACTURING GROUP



#### **TURKISH TECHNIC** **Turkish Technic Inc..**

Turkish Technic was established in 2006 as a 100%-owned subsidiary of Turkish Airlines, and merged with Turkish Airlines HABOM Inc. in June 2015. With 10,522 employees and various affiliate companies as of December 31, 2023, Turkish Technic is among the world's largest aircraft maintenance, repair and Overhaul (MRO) centers in the air transport industry. After moving to Istanbul Airport in 2019, Turkish Technic became the first and only company to offer all MRO services from a single point to many domestic and foreign airlines, especially our Incorporation. In order to increase the number of foreign airlines it serves and its market share, it continues its activities in its hangars located at a total of 5 different airports in Ankara, Aydın and Istanbul (Atatürk, Istanbul and Sabiha Gökçen Airports).



#### **TEC** **Pratt & Whitney Turkish Engine Center Co. Ltd.**

Turkish Engine Center delivers engine maintenance, repair and overhaul services to customers located in Türkiye and neighboring regions. It was founded in 2008 as a 49%-51% partnership between Turkish Technic Inc. and Pratt & Whitney, a subsidiary of United Technologies. Established over a 25 thousand m<sup>2</sup> area at Istanbul Sabiha Gökçen Airport, Turkish Engine Center's advanced technology, eco-friendly facility has the capability to provide maintenance to around 200 aircraft engines per year at full capacity.



#### **TURKISH NACELLE CENTER (TNC)** **Goodrich Turkish Technic Service Center Co. Ltd.**

Established in 2010, the Company is a joint venture with 40% stake of Turkish Technic Inc. and 60% stake of TSA Rina Holdings B.V. It provides maintenance and repair services regarding aircraft engine nacelles and thrust reverser systems to domestic and international airline companies, especially our Incorporation. Having completed the maintenance of 305 nacelles in 2023, the Company has been serving under the brand "Turkish Nacelle Center" since 2019.



#### **TCI** **Turkish Cabin Interior Systems Inc.**

TSI Aviation Seats Inc. ("TSI") and Cornea Aviation Systems Industry and Commerce Inc. ("Cornea") were consolidated under the Turkish Cabin Interior Systems Inc. ("TCI") on 15.02.2023. The merger resulted in a shareholding structure comprising 59.25% Turkish Airlines, 20.84% Turkish Technic Inc., 17% TUSAŞ and 2.91% Havelsan. The Company, which primarily meets the needs of our Incorporation with its inflight entertainment and cabin systems, mainly seats, provides services to international companies for different aircraft types with its design, engineering, manufacturing and R&D capabilities at its facilities in Istanbul and Seattle.

## BRAND MANAGEMENT AND CORPORATE REPUTATION

### SUPPORT SERVICES AND OTHERS GROUP



**TGS**  
**Turkish Ground Services Inc.**  
 Turkish Ground Services (TGS) operates with a market share of over 70% at a total of 10 stations: Istanbul, Istanbul Atatürk, Istanbul Sabiha Gökçen, Ankara Esenboğa, Izmir Adnan Menderes, Antalya, Adana, Milas-Bodrum, Dalaman, and Eskişehir Hasan Polatkan Airports. Established as a 50%-50% partnership between Turkish Airlines and Havaş Havaalanları Yer Hizmetleri A.Ş., TGS has been operational in the industry since January 1, 2010. TGS, which has more than 200 airlines in its service network, primarily our Incorporation and Sun Express, provided services at world-class standards in 783 thousand flights with an average of 17 thousand employees in 2023.



**TURKISH DO&CO**  
**Turkish DO & CO Catering Services Ltd.**  
 Turkish Do & Co, which was established in 2006 as a 50%-50% partnership between Turkish Airlines and Do & Co AG based in Austria, delivers catering services to over 50 domestic and international air carriers, particularly our Incorporation. As of year-end 2023, it operates across Türkiye at 31 airports, with 9 production units, a workforce of 5,448 employees and a market share of 95%.



**TAFA**  
**Turkish Flight Training and Airport Operations Inc.**  
 Turkish Airlines Flight Academy (TAFA) was established as a sub-brand of Turkish Airlines in order to deliver general aviation and pilotage training as required by our Incorporation and other airlines. The Company has been continuing its training programs at the academy facilities located at Aydın Çıldır Airport since 2013 and started flight operations at Efes Airport by the end of 2022. Since its establishment, the Company has graduated a total of 1,329 students and currently provides training to 424 students with 36 training aircraft, 4 flight simulators and 82 instructors in its current fleet.



**THY OPET**  
**Turkish Opet Aviation Fuels Inc.**  
 The Company was established in 2009 with 50%-50% partnership of Turkish Airlines and OPET Fuel Inc. The Company commenced operations on July 1, 2010 and now boasts the largest integrated jet fuel facility in Türkiye. Providing fuel supply to our Incorporation at more than 50 Anatolian airports as of year-end 2023, the Company provides aircraft fuel loading ("ITP") services at Istanbul Airport and storage and aircraft refueling services at Sabiha Gökçen Airport with its experienced staff.



## BRAND MANAGEMENT AND CORPORATE REPUTATION

### SUPPORT SERVICES AND OTHERS GROUP



**TFS**  
**Turkish Fuel Services Inc**

Turkish Fuel Services was established with the equal partnership of Turkish Airlines, Zirve Holding, Taya Real Estate and Demirören fuel companies in order to provide services in the fields of transportation, storage and supply of fuel needed by aircraft. The Company, which operates at Istanbul Airport, ranks among the country's leading enterprises with 3.5 million tons of jet fuel sales in 2023.



**THY TECHNOLOGY**  
**Turkish Airlines Technology Inc.**

THY Technology serves as an R&D company that directs the technological needs of Turkish Airlines and its affiliates and that closely follows and works on trend technologies such as innovative artificial intelligence, analytics, fintech, cybersecurity and data-driven transformation projects in the field of software for the aviation and air cargo industries. The company aims to provide end-to-end solutions and support to all technological needs of the aviation industry, especially our Incorporation and its affiliates in the Turkish market and to export the technologies developed with its R&D power to the world by productizing them. With 1,454 employees, the company operates from its head office in Istanbul and offices in different locations including Ankara and Izmir.



**TSS**  
**THY Support Services Inc.**

The Company was established on March 6, 2023 with 100% capital of Turkish Airlines in order to provide all kinds of support services needs out of its core business including cleaning, safety, facility management, financial affairs, flight and ground handling services, operational and organizational affairs and related processes of our Incorporation and its affiliates. On May 12, 2023, THY Private Security and Protection Services Inc. was established with 100% capital of THY Support Services Inc. to provide private security and protection services and private security consultancy services to our Incorporation, its affiliates and other entities.



**TKPAY**  
**THY Financial Technologies Inc.**

The Company was established on August 2023 as a wholly owned subsidiary of Turkish Airlines with the aims to provide collection infrastructure as a digital wallet for individual customers and a payment institution for commercial customers. Building on our Incorporation's experience in the airline industry, brand strength and financial credibility, the Company aimed to create a business model that creates revenue and value in the field of payment systems for our country and all our stakeholders in the travel ecosystem.

# SUSTAINABILITY GOVERNANCE

As Turkish Airlines, we have gathered our sustainability efforts under a single roof with the motto "Tomorrow On-Board" to ensure that sustainability management processes are managed with a common corporate understanding in 2023.

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## SUSTAINABILITY STRATEGY AND ORGANIZATION

We are proud to carry forward our sustainability vision, which we announced in 2009, with the motto "Tomorrow On-Board" in 2023. This motto represents the path we have walked from past to present and our determination for the future.

### Tomorrow On-Board

As Turkish Airlines, we continue our sustainability journey without slowing down. We are proud to carry forward our sustainability vision, which we announced in 2009, with the motto "Tomorrow On-Board" in 2023. This motto represents the path we have walked from past to present and our determination for the future.

### Our Focus is Always on People and Nature

As Turkish Airlines, we put people and nature at the center of our every step. We create value, grow with this value and leave no one behind while developing. We support sustainable development by striving to minimize our environmental impact.

### Our Holistic Sustainability Approaches

We created our "Tomorrow On-Board" brand and logo, which brings our sustainability efforts under a single roof. This new identity is the core of our sustainability communication. With our internal launch in the last quarter of 2023, we aimed to create awareness by using our logo in our inflight sustainable products, in our sustainability-themed promotional films and on our sustainability web page.

### We Build the Future Today

We are working tirelessly to create the world we dream of. We carry out all our activities with the knowledge that development would not be possible without people and nature. We work for the future today and look to the future with hope.

We take big steps because we have a great duty to the future. As Turkish Airlines, we're going to keep connecting the world and making this connection stronger via sustainability. We are here with "Tomorrow On-Board" to create a more sustainable future.



## SUSTAINABILITY STRATEGY AND ORGANIZATION

### Sustainability Management Structure

While the responsibility for Turkish Airlines' impacts on the economy, environment and society rests with the Board of Directors and the Executive Committee, a Sustainability Committee was established in 2021, whose members are Turkish Airlines Senior Executives. Turkish Airlines continued to direct its sustainability strategy under the Sustainability Committee established in 2021, which convenes under the chairmanship of the CEO with the participation of the Chief Officers and the SVP (Senior Vice President) of Subsidiaries at least once every quarter. In addition to regular meetings, committee meetings can also be held as needed without waiting for the meeting period.

The Sustainability Committee carries out its activities in order to determine, review and continuously improve the sustainability management strategy, sustainability policy, short, medium and long-term sustainability targets, and to decide on improvement projects that will increase the sustainability performance of Turkish Airlines. The Sustainability Committee reports to the Board of Directors the risks and opportunities regarding material sustainability issues, evaluations regarding the performance results obtained as a result of the organization's activities, feedback from internal and external stakeholders and the practices decided to increase the sustainability performance of the Incorporation in the light of this information.



### DUTIES AND RESPONSIBILITIES OF THE SUSTAINABILITY COMMITTEE

The Sustainability Committee, regarding Turkish Airlines activities, is responsible for:

- Ensuring that the necessary steps are taken to determine the sustainability strategy, policy, short-, medium-, and long-term goals of the Incorporation,
- Monitoring, reviewing and, if necessary, rearranging the status of short-, medium-, and long-term objectives and improvement projects regarding our Sustainability Policy,
- Securing that sustainability risks and opportunities in environmental, social and governance issues are managed and integrated into the sustainability strategy of the Incorporation,
- Ensuring that necessary studies are carried out within the Incorporation in order to comply with national and international legislation, standards, rules, contracts, procedures and requirements in the field of sustainability,
- Evaluating the expectations of the parties concerned with the current national and international developments in sustainability, ensuring that the best practices are projected within the Incorporation and monitoring the progress of the projects,
- Analyzing the results by monitoring the status of sustainability performance indicators and ensuring that improvement actions are taken, when necessary,
- Ensuring that employees are informed in line with the sustainability strategy and studies are carried out to adopt this strategy as a company culture,
- Assuring that the sustainability strategy, policy, and practices are adopted by all stakeholders of the Incorporation,
- Evaluating the requests regarding the Sustainability Performance Evaluations that the Incorporation will participate in and deciding whether to participate or not,
- Evaluating the issues that will affect the activities of the Incorporation, which are addressed in the national and international committees, technical teams and working groups of which the Incorporation is a member,
- Evaluating the project and decision proposals submitted by the Sustainability Sub-Working Committees,
- Authorizing Sustainability Sub-Working Committees to be formed within the Incorporation, if necessary.

## SUSTAINABILITY STRATEGY AND ORGANIZATION

The Corporate Sustainability Management Department is responsible for the follow-up of the decisions taken by the Sustainability Committee, and the relevant units of the Incorporation are responsible for the planning and realization of the necessary activities. The Corporate Sustainability Management Department reports to the Sustainability Committee the projects and practices implemented by the units of the Incorporation.

In addition to the strategic targets set by the Sustainability Committee, the Incorporation also sets annual targets to improve its sustainability performance. These targets are determined by the senior management in consultation with the relevant units of the Incorporation, published and assigned to the responsible unit managers. The determined annual targets are reviewed at regular intervals in the Management Review Meetings organized with the participation of senior management.

In addition to the Sustainability Committee, which has been formed with the participation of senior management, Turkish Airlines established Sustainability Subcommittees in 2022 in order to identify projects that can be implemented in the Incorporation, to submit decision proposals to the Sustainability Committee for the implementation of the determined projects, to implement and monitor the project in line with the decision of

the Sustainability Committee, and to report the results to the Sustainability Committee, taking into account the industry trends, best practices, legal and other conditions, as well as stakeholder expectations about sustainable practices that can be implemented in flight and office activities. This step, which would accelerate the stage of deciding on improvement projects to increase the sustainability performance of the Incorporation, also reinforced the sustainability culture among the Directorates.

The Incorporation has 4 different sub-working committees to submit projects to the Sustainability Committee within the scope of sustainability activities. Sustainability Sub-Working Committees were determined by taking into account the Incorporation's sustainability material issues, the issues prioritized by the industry, successful industry practices, trends in the industry, and legal and other conditions in order to carry out activities in line with the sustainability strategy of our Incorporation.

**Sustainability Strategy Sub-Working Committee:** This committee was established to determine short-, medium-, and long term goals of the Incorporation's the sustainability strategy and the necessary work to achieve these goals, to present them to the Sustainability Committee, to carry out and monitor the necessary work in line with the decision of the Sustainability Committee, and to report the results to the Sustainability Committee.





## SUSTAINABILITY STRATEGY AND ORGANIZATION



Sustainability Sub-Working Committees convene at least 4 times a year, at least 1 month before the Sustainability Committee meetings held quarterly. In cases where an issue related to sustainability needs to be discussed urgently, it convenes without waiting for the meeting date. Different units may be invited to the Sustainability Sub-Working Committee meetings by the Sustainability Secretariat if deemed necessary according to the meeting agenda items. The Sustainability Committee Secretariat ensures the coordination between the meeting organization and the Sustainability Sub-Working Committee Members.

### Emission Management Sub-Working Committee:

This committee was established to identify projects that can be implemented in the Incorporation, to submit decision proposals to the Sustainability Committee for the implementation of the determined projects, to implement and monitor the project in line with the decision of the Sustainability Committee, and to report the results to the Sustainability Committee, taking into account the industry trends, best practices, legal and other conditions, as well as stakeholder expectations on the management of emissions from the activities of the Incorporation.

### Sustainable Practices Sub-Working Committee:

This committee was established to identify projects that can be implemented in the Incorporation, to submit decision proposals to the Sustainability Committee for the implementation of the determined projects, to implement and monitor the project in line with the decision of the Sustainability Committee, and to report the results to the Sustainability Committee, taking into account the industry trends, best practices, legal and other conditions, as well as stakeholder expectations about sustainable practices that can be implemented in flight and office activities.

### Corporate Social Responsibility and Communication Projects Sub-Working Committee:

This committee was established to identify projects that can be implemented in the Incorporation, to submit decision proposals to the Sustainability Committee for the implementation of the determined projects, to implement and monitor the project in line with the decision of the Sustainability Committee, and to report the results to the Sustainability Committee, taking into account the industry trends, best practices, legal and other conditions, as well as stakeholder expectations on corporate social responsibility.

### Sustainability Indices

The Incorporation participates voluntarily in the performance evaluations of national and international indices and sustainability rating agencies, which support meeting the expectations of the stakeholders by providing a transparent communication network with all the relevant parties. This participation both enables the analysis of current situation in the industry and the monitoring of global trends. The Incorporation aims to increase performance by ensuring the continuity of participation in the performance evaluations of national and international indices and sustainability rating agencies, such as S&P Global, FTSE Russell (FTSE4Good), MSCI, EcoVadis, Sustainalytics, TPI and Borsa İstanbul Sustainability Index, which were also voluntarily participated in the previous years. As a result of these evaluations made by the world's leading rating agencies, both company-based and sector-specific scores were raised to higher levels compared to the previous year. With the 2022 Sustainalytics ESG Risk Rating Score, Turkish Airlines ranked 1<sup>st</sup> in the "lowest risk" ranking among 69 participants in the airline sub-sector, and succeeded in being in the "lowest 1% risk segment" in its sector. The evaluation, which will be carried out with our 2023 data and sustainability performance, is expected to be announced in mid-2024. The Incorporation received an award in

## SUSTAINABILITY STRATEGY AND ORGANIZATION

the "Silver" category by EcoVadis in 2022 and managed to maintain its "Silver" award with its performance in 2023. Our Incorporation achieved a score above the industry average with its sustainability performance in the FTSE ESG Ratings assessment in 2023.

Turkish Airlines has been included in the Sustainability Index and BIST Participation Sustainability Index, which includes companies traded on Borsa Istanbul with high corporate sustainability performances and aims to increase knowledge and practices on sustainability, in 2023 as well. Our Incorporation continued its first place among 124 global organizations in the passenger transportation category in LSEG Data& Analytic (Refinitiv) evaluations, in which it was included to maintain its presence in the index, throughout the year and maintained its top position.

### Sustainability Strategy

The sustainability strategy of the Incorporation is defined as "creating value in the future by going beyond today's gains with our understanding of business excellence and innovation in the light of global trends and the expectations of employees, customers, suppliers, subsidiaries, affiliates, all business partners and shareholders through holistic consideration

of all environmental, social and economic impacts and effective risk management."

In line with the mission, vision and core values of the Incorporation, a road map for the sustainability strategy of the Incorporation is created by evaluating the long-term goals and the risks and opportunities in achieving these goals within the framework of sustainability priorities determined by taking into account the sector and competitor practices, the contents of reporting frameworks such as WEF Global Risk Reports, GRI, SASB, TCFD, etc., as well as the 17 Sustainable Development Goals of the United Nations and stakeholder expectations. The Incorporation's sustainability strategy, which is managed dynamically, is reviewed on a regular basis in light of the materiality study results, new legislation that come up throughout the period, and stakeholder feedback. Our sustainability priorities approved by the Senior Management will continue to be updated to reflect global developments and feedback from our stakeholders in the coming years, just as they were in 2023.

### Sustainability Policy

**Turkish Airlines Sustainability Policy**, which is based on its sustainability strategy, is available to all stakeholders on the corporate website.








## STAKEHOLDER MAP AND RELATIONS WITH STAKEHOLDERS

In line with the principle of transparent and accountable management, Turkish Airlines evaluates stakeholder feedback and dialogue in decision-making processes. The aim is to meet stakeholder expectations through mutual communication activities and implemented practices.

Stakeholder expectations and opinions are received through various communication channels, the type and frequency of which vary according to the expectations and needs of the stakeholder group, an open, fair and constructive dialogue is established, and collaborations created in line with common benefits are strengthened.

| STAKEHOLDER GROUPS  | COMMUNICATION METHODS   | ISSUES COMMUNICATED  |
|---|---|--|
|  <b>EMPLOYEES</b>                    | <p>Annual Reports (Annual), Sustainability Reports (Annual), Recruitment/Exit Interviews (Instant), Announcement Posters (Continuous), E-mail Messages (Continuous), Social Media (Continuous), Collective Agreements (Periodic), Corporate Website (Continuous), Corporate Policies (Continuous), Trainings (Continuous), Ethics Hotline (Continuous), One-to-One Interviews (Periodic), Empathy Intranet (Continuous), "HR Gaste" Employee Bulletin (Monthly), Individual Suggestion System (Continuous), Badge Ceremonies (Instant), Surveys and Research (Instant), Internal Reports (Monthly/Quarterly), Office Visits (Continuous), Onboarding - Retention Interviews (Instant), Employee Support Line (Continuous), Orientations (Continuous), Online Workshops (Instant), Videowall (Instant)</p> | <p>Our HR Business Partners, who will act as a strategic bridge between the units and HR in line with our vision of creating a communication oriented culture, listen to the questions and demands of our employees and managers in the units they are responsible for. The feedback collected as a result of the interviews is transformed into an action plan, and solution partnerships are established with the relevant units. We continue our Employee Support efforts to support all notifications of our employees in the most comprehensive way possible.</p> <p>In order to ensure work-life balance, practices such as academic leave, companion leave, hourly compassionate leave, athlete leave, and advance leave were implemented. Requests from our employees regarding fringe benefits and wages were evaluated, and improvements were made in social aid fees. In order to increase the motivation and engagement of our employees, we implemented the title diversification project this year.</p> <p>Instead of the structure where our employees use the same title for all years of seniority within the same business group, we have started to use a new title structure that reflects their experience. With the new title structure, we reduced the transition time between levels from 2.5 years to 2 years at the first recruitment. We supported the development of our employees by providing feedback to them through our in-house application "Feedy," which enables feedback to be given instantly and easily. We presented Certificates of Appreciation to our employees who added value to our Incorporation with their achievements.</p> <p>In 2023, improvements were made in wages and fringe benefits, employment opportunities, employee health, career management, rewarding tools, transportation networks and physical conditions, and new programs were put into practice. In this scope, while the flexible working hours practice continued, the employment of vocational students and the wing project, which was created to facilitate the adaptation of newly recruited employees, continued.</p> <p>Domestic ground handling employees of the Incorporation who wished to make a unit change within the organization were provided with areas where they could submit their requests. 936 of our employees applied to the chief postings opened to work in overseas units and participated in our processes. We included our colleagues whose processes were evaluated positively in the 6-8 month on-the-job training and development program. By contributing to the training and development of our employees, we assigned 64 colleagues who were successful as a result of this program to work abroad.</p> <p>Actions were taken to improve the physical conditions of the campuses and transportation networks. Picnic, trekking and campus-based breakfast events were organized in response to employee requests to organize motivational activities. In addition, we closed the summer season with TK FEST 2023, our internal communication festival with global participation. TKFEST, an event where our employees came together to take a break from their busy work schedule and spend time socializing with their colleagues, was held at all three campuses on October 5-6. While our colleagues enjoyed themselves with music performances and fun games, workshops and contests added color to the event.</p> |
|  <b>AGENCIES</b>                   | <p>Annual Reports (Annual), Sustainability Reports (Annual), Agency Visits (Monthly), Phone Calls (Daily), E-Mail Communication (Daily), Agency Contracts (Continuous), TÜRSAB Demand and Complaint Notifications (Instant), Meetings and Interviews (Instant), Agency Portal and Notifications (Continuous), Official Notifications (In Case of Need)</p>  | <p>During the period, improvements were made in response to agency requests regarding system infrastructure and commercial applications, and system trainings were organized for agency employees.</p> <p>We completed the transition to the new group reservation system Group Sales Optimizer (GSO), which can offer dynamic fares for the desired route, flight and date instantly to users with the direct access of agencies. With GSO, we automated group processes with digital transformation realized in group passenger management, gaining the ability to instantly offer group rates to offices and agencies.</p> <p>Our digitalization efforts continued non-stop with various projects in all processes. For example, the 'Digital Agencies' project enables digital reservation and key customers to track shipments through their own operating systems and make direct reservations from Turkish Cargo.</p>   |
|  <b>SHAREHOLDERS AND INVESTORS</b> | <p>Annual Reports (Annual), Sustainability Reports (Annual), General Assembly Meeting (Annual), Financial Reports (Quarterly), Investor Conferences and Roadshows (Continuous), E-mail Messages (Continuous), Phone Calls (Continuous), Corporate Website (Continuous), Face-to-Face or Online Interviews (Upon Request), PDP/Material Disclosures (Periodic/Instant)</p>   | <p>We come together with our shareholders and investors at the Ordinary General Assembly Meetings we hold every year and organize investor conferences following the financial results announced at the end of each quarter. Furthermore, we maintain effective communication with our shareholders and investors by e-mail, phone, online and face-to-face meetings whenever they wish.</p> <p>During the reporting period, our shareholders and investors requested meetings to receive information about our Incorporation's financials, operations and strategy. Necessary information was provided to our shareholders and investors by paying attention to equal and transparent information distribution in line with their expectations. These information requests were met through 3 investor conferences and roadshows at home and abroad, as well as 141 investor meetings with 70 institutions and funds during the reporting period. In addition, 4 teleconferences were held on the results of the financial statements.</p>  |



## STAKEHOLDER MAP AND RELATIONS WITH STAKEHOLDERS

| STAKEHOLDER GROUPS   | COMMUNICATION METHODS   | ISSUES COMMUNICATED   |
|--|---|---|
| <b>BANK AND FINANCIAL INSTITUTIONS</b>   | Annual Reports (Annual), Sustainability Reports (Annual), Financial Reports (Quarterly), E-mail Messages (Continuous), Phone Calls (Continuous), Corporate Website (Continuous), Face-to-Face or Online Interviews (Upon Request), Financing Tenders and Contracts (Upon Need)  | The requests of banks and financial institutions are mainly focused on the financial and operational status of the Incorporation, future projections, fleet planning for the coming years and information needs regarding the financial transactions they conduct.<br><br>Up-to-date information on the financial and operational status of our Incorporation, as well as its future expectations and plans are available on the Incorporation's Investor Relations website. Banks and financing institutions are primarily directed to this area, and data/information is obtained from the relevant internal unit of the Incorporation for issues that cannot be answered here and/or require detailed information specific to the transaction.   |
| <b>CUSTOMERS</b>   | Annual Reports (Annual), Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), Customer and Market Research (Continuous), Email Notifications and Phone Calls (Continuous), Mobile Applications (Continuous), Customer Portals and Digital Integration Applications (Continuous), Loyalty Program (Continuous), Corporate Loyalty Program (Continuous), Call Center (Continuous), Complaint and Suggestion Forms (Continuous), Advertising and Promotional Films (Continuous), Meetings and Interviews (Continuous), Videoconferences and Phone Calls (On Demand), Exhibitions (Annual), Meetings and Exhibitions (Continuous), Inflight Entertainment System-IFE (Continuous), Complaint and Suggestion Forms (Continuous), Advertising and Promotional Films (Continuous), Cabin Chief Reports (Continuous) | Our customers contact us to convey their complaints, requests, suggestions and thanks regarding flight planning, ticketing, airport services, online channels, applications such as Miles&Smiles and many more. During the reporting period, our customers' expectations regarding their feedback can be listed as receiving a quick response, obtaining a solution at the first contact, being able to make urgent transactions when there is little time left before their flight, and being able to perform their transactions through online channels or without going to the sales office/call center.<br><br>Various actions and projects were implemented to meet the expectations and needs of our customers conveyed to us through their feedback. In this scope, we have implemented system improvements to prioritize feedbacks with urgent status (72 hours or less before the flight), projects that enable online student discount definitions, and applications such as Payment Automation that enables customers to receive payments quickly without being directed to sales offices. In order to meet the expectations of customers who expect a much faster response to their feedback, turnaround times were improved. Miles&Smiles digitalization project was launched. We launched WhatsApp as a digital, fast and written communication channel and TK Assistant chatbot on our website. In order to increase the resolution rate at the first contact, we started the design of the "smart feedback form," which guides customers with dynamic questions and thus prevents opening feedback with missing information and documents.  |
| <b>SUPPLIERS AND SUBCONTRACTORS</b>  | Annual Reports (Annual), Sustainability Reports (Annual), Social Media (Continuous), Corporate Website (Continuous), E-mail Notifications (Continuous), Purchasing Contracts (Continuous), Meetings and Interviews (Continuous), Videoconferences and Phone Calls (Upon Request), Fairs (Annual)  | Expectations regarding technical issues that will affect the operational processes and improvement of the physical conditions of the working environments were submitted to our Incorporation by suppliers and subcontractors. In order to ensure the continuity of the operations, mutual meetings were held and necessary actions were taken by our Incorporation.  |
| <b>INDUSTRIAL ASSOCIATIONS, INTERNATIONAL ORGANIZATIONS and REGULATORY AUTHORITIES</b> | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), E-mail Notifications (Continuous), Meetings and Interviews (Regular), Working Groups and Joint Projects (Continuous), Videoconferences and Phone Calls (Upon Request), Audits (Annual), Presentations, Reports and Publications (Continuous), Events and Summit Meetings (Regularly), Electronic Document Management System - EBYS (If deemed necessary/as needed), Surveys (Upon Request)  | The main expectations of industry associations focus on issues related to company practices and policies on climate change and environmental sustainability, as well as industrial practices. Reduction of carbon emissions, prevention of single-use plastic consumption, compliance with the Paris Agreement and related regulations, and the use of sustainable aviation fuels are among the main areas of implementation where these expectations are met.<br><br>The legal regulations of national and international authorities and rule-makers that will have an impact on the industry are closely monitored, and our opinions and assessments regarding the possible impacts of these regulations on the industry are submitted to the relevant authorities. Notifications and requests of the Directorate General of Civil Aviation (DGCA) were closely monitored during the reporting period, and necessary actions were taken immediately to ensure compliance with national and international regulations.<br><br>Actions were taken in line with the information, coordination and cooperation requests of sector authorities, particularly the International Air Transport Association (IATA), during the reporting period. In order to be able to closely follow the requirements under the IEnvA Program, Environmental Oversight Council (EOC) meetings were attended, and voluntary participation in new projects to be implemented was requested.<br><br>Within the scope of sectoral developments, information was shared with IATA, as well as international aviation institutions such as Arab Air Carriers Organization (AACO), Airlines International Representation in Europe (AIRE), etc. In case of need, our Incorporation requests our views to be conveyed to international platforms through these institutions.<br><br>The Incorporation became a member of the "Global Compact Signatories Association" established in 2023 in order to give legal personality to the "UN Global Compact Türkiye" network, one of the local networks of the UN Global Compact (UNGC), of which the Incorporation became a member in 2022. |
| <b>TRADE UNIONS</b>  | Annual Reports (Annual), Sustainability Reports (Annual), Collective Agreements (Periodic), Corporate Website (Continuous), Corporate Policies (Continuous), Meetings and Interviews (Daily), Working Groups (Continuous), E-mail Notifications and Phone Calls (Continuous)  | Healthy communication with trade unions was maintained throughout the reporting period. In line with the demands for improving the social and economic welfare of the employees and improving the systems used in the execution of the work, protocols were concluded with the authorized union in order to make improvements in favor of the employees regarding the personal rights of our employees. Improvements were made in favor of the employees in the systems used by our Incorporation during the execution of the work.   |
| <b>UNIVERSITIES AND RESEARCH INSTITUTIONS</b>  | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), E-mail Notifications (Continuous), Phone Calls (Continuous), Training Programs (Continuous), Videoconferences and Meetings (Monthly)  | During the period, master's degree and certificate programs were coordinated with state and foundation universities. Turkish Airlines participated in more than 20 career events organized by target universities to attract young talents to the organization and launched the Tech Part-Time project.<br><br>In addition, a master's program designed specifically for civil aviation, the Air Transport Master's Program, was carried out this year with Ibn Haldun University under the sponsorship of the Airbus company, and it has become a program with a predominance of international students, with nearly 140 graduates in the last 7 years.<br><br>In addition, our Incorporation, together with Boeing and Istanbul Technical University, established Türkiye's first sustainable aviation platform in 2023 and became a founding member of this platform.  |








## STAKEHOLDER MAP AND RELATIONS WITH STAKEHOLDERS

| STAKEHOLDER GROUPS                              | COMMUNICATION METHODS   | ISSUES COMMUNICATED   |
|---|---|---|
| <b>MEDIA</b>                                    | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), E-mail Notifications, Phone Calls and Meetings (As Needed), Press Releases, Filming (Continuous), Interviews and Announcements (Continuous)   | During the reporting period, information requests received from members of the media were mostly related to line openings, press trips, fleet planning, sustainability-oriented activities and awards. Requests for information regarding the Incorporation were responded positively, taking into consideration the interests and sensitivities of the Incorporation.  |
| <b>CIVIL SOCIETY ORGANIZATIONS</b>              | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), Meetings and Interviews (As Needed)   | The most common request received from non-governmental organizations during the period is transportation support for field studies. Our Incorporation provides transportation support to the activities of non-governmental organizations that are in line with the company's goals and values.<br><br>As part of corporate social responsibility, transportation support was provided for foundation-association activities through brand cooperation with nearly 50 non-governmental organizations without any profit motive.   |
| <b>LOCAL ADMINISTRATION</b>                     | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), Meetings and Interviews (As Needed)   | During the reporting period, the Incorporation actively communicated with local administrations mostly on issues related to waste management and zero waste practices.  |
| <b>INDEPENDENT AUDITING AND RATING AGENCIES</b> | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), E-mail and Phone Calls (Upon Request), Videoconferences and Meetings (Upon Request), Audits (Semi-Annual/Annual)  | <p>During the reporting period, the Incorporation actively communicated with local administrations mostly on issues related to waste management and zero waste practices.</p> <p>The processes of the Incorporation were audited during the year in accordance with the standards complied with in line with financial and operational parameters, and certification processes were carried out. For these studies, meetings were held with 8-10 independent audit and rating agencies during the year, and information and document requests were responded to in a timely manner.</p> <p>Selected performance indicators included in our sustainability reports are subject to limited external audits by independent audit agencies every year in accordance with the relevant standards.</p> <p>We are also subject to independent audits conducted by an independent third-party organization authorized by IATA as part of the IATA Environmental Assessment Management System Program, which is specially designed by the International Air Transport Association for airline companies.</p> <p>In order to reduce the impact of greenhouse gas emissions arising from our Incorporation's operations, our emissions are verified within the scope of mandatory and voluntary schemes and projects, and fuel consumption and greenhouse gas emissions are subject to internal control and independent audit processes. In this scope, greenhouse gas emissions arising from fuel consumption are being reported within the scope of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) implemented by the International Civil Aviation Organization (ICAO), the European Union Emissions Trading System (EU-ETS) and the United Kingdom Emissions Trading System (UKETS), and they are verified through audits conducted by authorized third-party independent organizations.</p> <p>The Incorporation participates voluntarily in the performance evaluations of national and international indices and sustainability rating agencies, which support meeting the expectations of the stakeholders by providing a transparent communication network with all the relevant parties. This participation both enables the analysis of current situation in the industry and the monitoring of global trends.</p> |
| <b>SOCIETY</b>                                  | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), Meetings (As Needed), Social Responsibility Projects (Continuous)   | <p>Within the scope of our extensive flight network, the most common expectation directed to our Incorporation is to support education-oriented activities at the flight points. For the projects developed in this context, the Incorporation provides transportation support to social responsibility projects in line with the company's goals and values, within the limits of its capabilities.</p> <p>In the reporting period, some of the projects carried out for the benefit of the society as part of corporate social responsibility are listed below:</p> <ul style="list-style-type: none"> <li><b>-Upcycling for the Future Project:</b> Cabin crew bags are being transformed into children's shoes and distributed in areas in need.</li> <li><b>-90 Thousand Saplings in the 90<sup>th</sup> Year Project:</b> It involves planting fruit saplings and transferring the proceeds to local farmers.</li> <li><b>-Aviation Training for Children:</b> Every month, gifted children are being hosted at our Incorporation's facilities and given one-day training.</li> <li><b>-Science Workshops in the Earthquake Region:</b> Science workshops are being organized in coordination with NGOs working in the region.</li> <li><b>-Plastic Cap Collection Project:</b> Plastic caps are being collected at all campuses of the Incorporation and delivered to TOFD.</li> </ul>   |
| <b>SUBSIDIARIES AND AFFILIATES</b>              | Annual Reports (Annual), Sustainability Reports (Annual), Corporate Website (Continuous), E-mail Notifications (Continuous), Meetings and Interviews (Regular), Joint Projects (Continuous), Videoconferences and Phone Calls (Monthly), Audit Reports (in line with the Audit Calendar), Face-to-Face or Online Interviews (Upon Request), Feasibility and Valuation Reports (As Needed) | Our affiliates, which have a direct impact on the products and services we provide to our customers, are also our critical suppliers. Accordingly, we regularly organize stakeholder meetings with our affiliates in order to bring their sustainability performance to the same level as our Incorporation. The agenda of these meetings includes the best practices implemented by our Incorporation and our affiliates within the scope of sustainability, industrial trends, regulatory developments, our targets and the realization of these targets, and new project proposals for continuous improvement.   |



## CORPORATE MEMBERSHIPS AND INITIATIVES WE SUPPORT

As Turkish Airlines, we develop collaborations, participate in international organizations and initiatives, and play an active role in setting industrial standards in order to develop industrial activities and achieve common goals on sustainability priorities.

|   | Membership Organizations and Initiatives   | Level of Engagement                                    |
|---|--|--|
|    | AACO - The Arab Air Carriers' Organization   | Partner Membership                                     |
|   | AACO DTF - AACO Digital Transformation Task Force  | Representation   |
|   | AACO AWG - AACO Aeropolitical Watch Group  | Representation   |
|   | AACO SAFTF - AACO Sustainable Aviation Fuel Task Force   | Representation   |
|    | AIRE - Airlines International Representation in Europe   | Member - Vice Presidency                               |
|   | AIRE Social Media, Communication, PR and Marketing Task  | Member   |
|   | AIRE ASTF - AIRE Slots Task Force  | Member   |
|   | AIRE Ground Handling Task Force  | Member   |
|   | AIRE STF - AIRE Sustainability Task Force  | Member   |
|   | AIRE EASA Task Force   | Member   |
|   | AIRE Passenger Rights Task Force   | Member   |
|    | ALTA - Latin American & Caribbean Air Transport Association                                    | Business Partner Membership - Committee Representation |
|   | ATA - Animal Transportation Association  | Member   |
|  | CORSIA   | Participant  |
|  | Greenhouse Gas Protocol  | Participant  |
|   | Global SAF Declaration   | Signatory  |
|  | HIB - Service Exporters' Association - Freight Transportation and Logistics Services Committee | Board Membership/Member                                |



## CORPORATE MEMBERSHIPS AND INITIATIVES WE SUPPORT

|  | Membership Organizations and Initiatives   | Level of Engagement   |        |
|--|--|---|--------|
|  | IATA - International Air Transport Association   | Member/BoG - Board Membership   |        |
|  | IATA 25by2025 Initiative   | Signatory   |        |
|  | IATA CARGO   | Advisory Board Membership   |        |
|  | IATA CAC - IATA Cargo Advisory Council   | Member  |        |
|  | IATA PSC - IATA Passenger Services Conference, Plan Standards Board, Shop-Order-Pay Standards Board, Travel Standards Board, Settlement and Accounting Standards Board, Architecture and Technology Strategy Board   | Participant, Observer Member  |        |
|  | IATA CSC - IATA Cargo Services Conference, Dangerous Goods Board, Dangerous Goods Training Working Group, Live Animals and Perishables Board, Perishable Cargo Working Group, Cargo Operations and Technology Board, Air Mail Board, Cargo Border Management Board, Interactive Cargo Task Force, Cargo Procedures Conferences Management Group, IATA/Cargo Handling Consultative Council, Digital Cargo Working Group, Cargo Messaging Working Group, Healthcare Cargo Working Group, Cargo Customs Working Group, Cargo Security Working Group | Participant, Observer Member  |        |
|  | IATA DTAC - IATA Digital Transformation Advisory Council<br>- Cybersecurity Resilience & Management Working Group<br>- Digital Identity Passenger Journey Task Force<br>- Digital Identity B2B Task Force<br>- Data & Analytics Task Force   | Representation  |        |
|  | IATA IAAC- IATA Industry Affairs Advisory Council - Accessibility Working Group  | Representation  |        |
|  | IATA LAC - IATA Legal Advisory Council   | Representation  |        |
|  | IATA EOC - Environmental (IEnvA) Oversight Council   | Member  |        |
|  | IATA Industry Taxation Working Group, Industry Financial Services Working Group  | Member  |        |
|  | IATA Air Traffic Management Working Group, Flight Operations Group, Regional Coordination Group  | Member  |        |
|  | IATA SEAC SUPWG - Sustainability Environmental Advisory Council, Single-Use Plastics Working Group   | Member  |        |
|  |  | IGA (Istanbul Grand Airport) Noise Working Committee                              | Member |
|  |  | ICAO Ad Hoc Working Group on Combatting Trafficking in Supply Chain Working Group | Member |
|  | IPATA - The International Pet and Animal Association   | Member  |        |

## CORPORATE MEMBERSHIPS AND INITIATIVES WE SUPPORT

| Membership Organizations and Initiatives |  | Level of Engagement                 |
|--|--|-------------------------------------|
|  | Task Force on Climate-related Financial Disclosures (TCFD)     | Participant                         |
|  | Carbon Disclosure Project (CDP) Climate Change Program         | Participant                         |
|  | Leadership in Energy and Environmental Design (LEED)           | Participant                         |
|  | Pharma.Aero  | Member Airline                      |
|  | Zero Waste   | Participant                         |
|  | Star Alliance  | Full Member & Committee Memberships |
|  | Star Alliance Chief Executive Board (CEB)                      | Member                              |
|  | Star Alliance Management Board (AMB)                           | Member                              |
|  | Star Alliance Membership Liaison and Quality Committee (MEMCO) | Member                              |
|  | Star Alliance Customer Experience Committee (CUSCO)            | Member                              |
|  | Star Alliance Loyalty Committee (LOYCO)                        | Member                              |
|  | Star Alliance IT Committee (ITCO)                              | Member                              |
|  | Star Alliance Legal Committee                                  | Member                              |
|  | Star Alliance Emergency Committee                              | Member                              |
|  | Star Alliance Safety Committee                                 | Member                              |
|  | Star Alliance Sustainability Committee                         | Member                              |
|  | Star Alliance Sustainability Strategy Team                     | Member                              |
|  | Star Alliance Loyalty Strategy Team                            | Member                              |
| Star Alliance IT Strategy Team           | Member   |                                     |

## CORPORATE MEMBERSHIPS AND INITIATIVES WE SUPPORT

|  | Membership Organizations and Initiatives   | Level of Engagement          |
|--|--|------------------------------|
|  | TIACA - The International Air Cargo Association                                  | Board Membership/ Member     |
|  | TIACA SW - The International Air Cargo Association, Sustainability Working Group | Member                       |
|  | Türkiye Sustainable Aviation Platform  | Participant                  |
|  | TUYID - Turkish Investor Relations Society                                       | Member                       |
|  | TUYID Sustainability Working Group   | Member                       |
|  | TUYID Emission Management Sub-Working Group                                      | Sub-Working Group Presidency |
|  | UN Global Compact  | Participant                  |
|  | UN Global Compact, Global Compact Signatories Association                        | Member                       |
|  | UNGC SDG Innovation Accelerator for Young Professionals Programme                | Participant                  |
|  | UNGC Business & Human Rights Accelerator Programme                               | Participant                  |
|  | United for Wildlife  | Signatory                    |
|  | Turkish Forwarding and Logistics Association (UTIKAD)                            | Member                       |



## MATERIAL ISSUES AND MATERIALITY MATRIX

### Sustainability Priorities

Aviation industry activities are closely related to a wide range of social, economic and environmental issues. However, not all of these issues may have the same priority in the sustainability strategy for each company. Turkish Airlines' sustainability strategy has been formulated within the framework social, economic, and environmental issues that may arise from or affect the Incorporation's activities, goods and services. These issues are prioritized and classified through a systematic process designed in line with international standards and involving the opinions and suggestions of related parties and constitute the sustainability strategy of the Incorporation.

We take the Sustainable Development Goals as a basis when setting our goals regarding sustainability issues. Accordingly, the determining factors are the SDGs lined up according to their importance for the Incorporation, material issues and stakeholder ranking, which are determined by referencing 17 Sustainable Development Goals and considering environmental, social and economic factors. We determine our material issues within the scope of sustainability with a consideration of national and international trends, regulations and the expectations of our stakeholders. In this scope, we carried out a comprehensive study to identify material issues during the preparation of the 2021 Sustainability Report. At the outset of the study, a framework was established consisting of the issues which might be important to the aviation

sector. In the framework in which the expectations of sector and competitor practices, World Economic Forum (WEF) Global Risk Reports, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD) were taken into account, the priority of 17 Sustainable Development Goals for Turkish Airlines' sustainability perspective was evaluated in the study. The important issues identified as a result of the assessments were communicated to our executives and employees and our external stakeholders, including investors and shareholders, customers, financial institutions, subsidiaries, suppliers, insurance and brokerage companies, through online surveys to obtain the opinions and expectations of all stakeholders. The outputs of the survey were evaluated according to their level of importance at a workshop held with the participation of nearly 100 employees, including members of the Sustainability Working Group and managers from various business units, then submitted to the senior management for approval, and material issues were identified.

A total of 1,434 Turkish Airlines employees, including 98 managers, 857 office employees and 479 flight crew, participated in the materiality study. On the other hand, in order to evaluate the opinions of stakeholders during the prioritization process, 281 external stakeholders, including investors and shareholders, customers, financial institutions, subsidiaries, suppliers, insurance and brokerage companies, provided feedback. The results obtained from these studies were re-evaluated in a workshop with a wide participation of company executives, and then submitted to senior management for approval, and sustainability priorities were determined.

Taking into account new developments in the sustainability ecosystem, sustainability-related risks, opportunities, trends and new regulations, we revised our sustainability priorities, which we determined in 2023 through a stakeholder analysis study we conducted two years ago. Accordingly, we identified 28 topics as our material issues and included them in our materiality matrix, while 4 topics, which are the unchangeable elements of our management approach for us, were included among the "Unchangeable Principles of Turkish Airlines Management Approach." We rated 9 issues as "The Most Material," 9 issues as "Highly Material" and 6 issues as "Material," and we submitted them to the approval of our Senior Management at our Sustainability Committee. We will continue our sustainability efforts and investments in line with our sustainability priorities and focus areas.



## MATERIAL ISSUES AND MATERIALITY MATRIX



### Unchangeable Principles of Turkish Airlines Management Approach

1. Flight Safety and Security
2. Customer Satisfaction and Experience
3. Financial Sustainability and Resilience
4. Business Ethics, Legal Compliance and Fair Competition

### The Most Material Issues

5. Combating Climate Change
6. Employee Health and Safety
7. Fleet Modernization and Development
8. Being a Preferred Employer
9. Digitalization
10. Operational Excellence and Sustainable Service Quality
11. Talent Management
12. Proactive Risk and Crisis Management
13. Brand Management and Reputation

### Highly Material Issues

14. Changes in Customer Expectations and Behavior
15. Energy and Fuel Efficiency
16. Sustainable Catering
17. Waste Management
18. Corporate Citizenship
19. Innovation
20. Responsible Supply Chain Management
21. Inclusion and Equal Opportunity
22. Human Rights

### Material Issues

23. Stakeholder Communication and Interaction
24. Water Management
25. Noise Management
26. Cybersecurity and Data Privacy
27. Global Crises
28. Biodiversity and Animal Welfare

## SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO


























| 2023 Material Issues  | How Turkish Airlines Manages the Material Issue   | Related Topic   | Supported SDGs |
|---|---|---|----------------|
| <b>To the Top with Corporate Values</b>                       |   |   |                |
| <b>Business Ethics, Legal Compliance and Fair Competition</b> | We promote ethical culture by making our Code of Business Conduct and Ethics Manual binding for all our employees, and we ensure the detection and prevention of situations that violate ethical principles through the Ethics Hotline. We fully comply with the laws and regulations we are subject to, increase the knowledge and awareness of our employees on these issues through ethics, legal compliance and fair competition trainings, and integrate ethical principles and codes of conduct into our employee performance evaluation systems. | Business Ethics, Legal Compliance and Fair Competition, pages 77-80   |                |
| <b>Proactive Risk and Crisis Management</b>                   | We identify and manage various risks such as security, information security and financial risks with a proactive approach through comprehensive risk management strategies. We use various analysis methods to ensure operational continuity by continuously assessing threats and determining risk mitigation and management strategies.   | Sustainability Risks, Trends and Opportunities Management, pages 52-68<br>Proactive Risk and Crisis Management, pages 83-88       |                |
| <b>Brand Management and Reputation</b>                        | Together with each of our affiliates, we act with the goal of leadership in our field of activity and increase our brand value with our focus on customer satisfaction. We also use innovative marketing and communication strategies to strengthen our brand and reputation.   | Brand Management and Corporate Reputation, pages 29-32  |                |
| <b>Stakeholder Communication and Interaction</b>              | We believe that stakeholder communication and interaction should be given strategic importance in order for a very broad stakeholder-based structure to take firm steps into the future, and we see the principles of responsibility and transparency as the focal point.   | Stakeholder Map and Relations with Stakeholders, pages 39-41<br>Our Corporate Memberships and Initiatives We Support, pages 42-45 |                |
| <b>Global Crises</b>  | We keep our strategy and business plans ready for different future scenarios by continuous risk assessment and crisis planning. We take the necessary measures to ensure business continuity and operational safety by evaluating the potential impacts of global crises on our field of activity and our Incorporation from multiple perspectives.   | Sustainability Risks, Trends and Opportunities Management, pages 52-68  |                |



## SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

| 2023 Material Issues  | How Turkish Airlines Manages the Material Issue   | Related Topic  | Supported SDGs |
|---|---|--|----------------|
| <b>To the Top with Sustainable Development</b>                |   |  |                |
| <b>Customer Satisfaction and Experience</b>                   | In order to continuously improve customer experience, we continuously collect and analyze feedback and develop customer-oriented solutions with an experience design approach. We keep customer satisfaction at the highest level as well as quality management through compliance with quality standards and continuous improvement efforts.   | Customer Satisfaction and Experience, pages 99-107   |                |
| <b>Financial Sustainability and Resilience</b>                | We maintain our financial resilience and stability in generating income and profitability through our approaches based on sustainable growth and value generation.  | Our Contribution to the Turkish Economy, pages 91-95<br>Our Financial and Operational Indicators, pages 96-98                |                |
| <b>Fleet Modernization and Development</b>                    | We adopt a sustainability-oriented approach with the strategy of adding environmentally friendly, fuel-efficient and low-emission aircraft to our fleet. We both reduce operational costs and mitigate environmental impact through steps such as the sale of older aircraft in our fleet and the conversion of wide/narrow body aircraft into cargo aircraft to increase efficiency in cargo operations. | Fleet Modernization and Development, pages 110-111   |                |
| <b>Digitalization</b>   | We take our digitalization steps on the axes of enriching the customer experience by increasing operational efficiency, creating new revenue sources and raising environmental awareness.   | Innovation and Digitalization Studies, pages 112-114   |                |
| <b>Operational Excellence and Sustainable Service Quality</b> | We put business continuity and risk management at the center while managing our operations in accordance with internationally recognized standards.   | Operational Excellence and Sustainable Service Quality, pages 108-109  |                |
| <b>Changes in Customer Expectations and Behavior</b>          | We aim to personalize and continuously improve the experience by analyzing customer feedback and creating solutions that address expectations. We improve the customer experience by integrating the insights we obtain using digital technologies and analytical models, with customized services and proactive communication.   | Sustainability Risks, Trends and Opportunities Management, pages 52-68<br>Customer Satisfaction and Experience, pages 99-107 |                |
| <b>Sustainable Catering</b>                                   | We focus on the use of local and seasonal products in our catering, high hygiene and quality standards in the supply chain and waste management. We also strive to reduce our environmental impact through the use of lightweight catering materials.   | Sustainable Catering, pages 115-116  |                |
| <b>Innovation</b>   | We implement innovative solutions obtained from a wide ecosystem through platforms and competitions that encourage innovative ideas from both internal and external stakeholders.   | Innovation and Digitalization Studies, pages 112-114   |                |
| <b>Responsible Supply Chain Management</b>                    | We follow sustainable procurement processes, such as local supplier preference and evaluation of our suppliers according to environmental, social and ethical criteria.   | Responsible Supply Chain Management, pages 117-119   |                |
| <b>Cybersecurity and Data Privacy</b>                         | We ensure information security by continuously updating our information infrastructure and through tests conducted by independent and accredited organizations. We create an effective framework for the protection of personal data and minimize risks through continuous audits, training and controls.   | Cybersecurity and Data Privacy, pages 120-122  |                |

## SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

| 2023 Material Issues                   | How Turkish Airlines Manages the Material Issue   | Related Topic   | Supported SDGs   |
|--|---|---|--|
| <b>To the Top with Social Welfare</b>  |   |   |  |
| <b>Flight Safety and Security</b>      | We strengthen flight safety and security with a continuous improvement perspective and risk management-oriented strategies in line with international standards. We meticulously handle every stage from employee training to operational procedures and evaluate the effectiveness of the system through regular audits.         | Flight Safety and Security, pages 144-150   |    |
| <b>Employee Health and Safety</b>      | We strive to keep the health and safety of our employees and all our stakeholders at the highest level with our exemplary practices on an international scale by taking an approach beyond legal requirements. We maintain our operations in a safe and healthy manner through continuous training and effective risk management. | Occupational Health and Safety, pages 140-143   |    |
| <b>Being a Preferred Employer</b>      | Prioritizing the rights of our employees lies behind our qualified workforce. We strengthen our employees' loyalty to our Incorporation through fair remuneration, our objective performance evaluation system and practices that enable them to balance their work and private lives.  | Human Rights, page 126<br>Being a Preferred Employer, pages 127-129<br>Inclusion and Equal Opportunity, pages 130-132<br>Talent Management, pages 133-139 |      |
| <b>Talent Management</b>               | We implement a customized HR Development Journey Program for the career development of our employees. We carry out a wide range of activities to support their individual and professional development as well as their psychological well-being.   | Talent Management, pages 133-139  |    |
| <b>Corporate Citizenship</b>           | In order to increase the value we generate, we undertake high-impact responsibility projects and social solidarity initiatives by considering the basic needs of society. In addition, we contribute to society through our sponsorship investments in sports and employee volunteering.  | Our Contribution to the Turkish Economy, pages 91-95<br>Corporate Citizenship, pages 153-155  |    <br>    |
| <b>Inclusion and Equal Opportunity</b> | In addition to strengthening the principle of fairness and equality in business life, we support women and disabled employment with our focus on contributing to sustainable development.   | Inclusion and Equal Opportunity, pages 130-132  |      |
| <b>Human Rights</b>                    | We support our employees' freedom of association and collectively bargaining right and strictly reject the use of child labor. We adhere to ethical values with a human rights policy that covers all our stakeholders.   | Human Rights, page 126  |     |

## SUSTAINABLE DEVELOPMENT GOALS WE CONTRIBUTE TO

| 2023 Material Issues                   | How Turkish Airlines Manages the Material Issue  | Related Topic   | Supported SDGs |
|--|--|---|----------------|
| <b>To the Top with a Livable World</b> |  |   |                |
| <b>Combating Climate Change</b>        | Adopting combating climate change as a key focus area, we implement industry best practices in areas such as energy and emission management, Sustainable Aviation Fuel (SAF) efforts, fleet modernization and resource efficiency. We also prioritize managing and transparently reporting climate-related risks by collaborating with international organizations.  | Combating Climate Change and Environmental Compliance, pages 157-163<br>Sustainable Carbon Management, pages 164-169    |                |
| <b>Energy and Fuel Efficiency</b>      | We increase our energy efficiency through innovative approaches and operational improvements to reduce aircraft fuel consumption and lower carbon emissions. We reduce our environmental impact through renewable energy investments, modernization of the aircraft fleet and energy saving projects in ground operations.   | Effective Energy Management, pages 170-173  |                |
| <b>Waste Management</b>                | We manage waste management processes in accordance with the principles of waste hierarchy by adopting the "Zero Waste" principle. Another pillar of our sustainable approach to waste management is to raise awareness of our employees through trainings and awareness activities.  | Waste Management, pages 174-177<br>Chemical Management and Environmentally Friendly Material Preferences, pages 180-186 |                |
| <b>Water Management</b>                | Focusing on the efficient and responsible use of water in our operations, we carry out projects to reduce water consumption and encourage its reuse. We aim to reduce the amount of wastewater by increasing water efficiency through the use of new technologies and the improvement of existing practices.   | Water Management, pages 178-179   |                |
| <b>Noise Management</b>                | We aim to improve our environmental performance by reducing our noise levels at airports through fleet modernization and new technologies and by managing the acoustic impacts of our operations.  | Noise Management, page 187  |                |
| <b>Biodiversity and Animal Welfare</b> | In line with our Biodiversity Policy, we take responsible steps to protect the diversity of species, habitats and ecosystems in our operations. We work with the awareness of responsible transportation to prevent illegal wildlife trade and support biodiversity conservation projects. In this scope, by signing the "United for Wildlife Buckingham Palace Declaration" (UFW), we support the goal of preventing illegal trade of wild animals and raising awareness in the industry, which is also supported by IATA, thus contributing to the prevention of illegal trade of wild animal parts such as ivory, rhino horn, tortoise shell. | Biodiversity and Animal Welfare, page 188   |                |





## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | PHYSICAL RISKS                                   | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK   |
|---------------|--|---|--|
| Environmental | Climate Change and Weather Events                | Events associated with climate change, such as increased temperature, extreme precipitation, drought, hurricanes, and flooding, can pose physical risks to organizations. For example, the risk of facilities being exposed to flooding or fires. | We develop various strategies and adaptation plans to manage the physical risks associated with climate change. We strengthen our infrastructures and conduct risk analyses to increase the resilience of our facilities. We aim for effective response in emergencies by creating disaster plans. In this framework, we focus on ensuring business continuity and operational safety by being aware of the risks associated with climate change and taking appropriate measures.  |
| Environmental | Weather Conditions and Climate Change Adaptation | Factors associated with climate change such as increasing temperature, extreme weather events, sea level rise can affect the business processes, infrastructure and supply chains of organizations.   | <p>We are aware that climate change may affect our business processes, infrastructure and supply chains, and we develop various strategies to manage these risks. We create plans to adapt to climate change, strengthen our infrastructure, diversify our supply chains, invest in low-carbon technologies and adopt sustainability practices. We ensure preparedness against sudden changes by continuous risk assessment and crisis planning. We thus aim to become more resilient to climate change-related risks by maintaining business continuity and operational safety.</p> <p>In our Climate Transition Plan, which we prepared with reference to TCFD Recommendations, we assessed the physical and transition risks related to the increase in average temperatures and extreme weather events. We discussed the impact of these risks on our operations, as well as our adaptation strategies and actions. Details on climate-related risks and opportunities are included in the Strategy section of our Climate Transition Report.</p>  |
| Environmental | Environmental Pollution and Chemical Risks       | Industrial waste, chemical leaks and environmental pollution can harm ecosystems and human health by affecting water, air and soil quality.   | <p>We carry out our waste management activities in line with our Environmental Policy and relevant legal regulations. Our waste management processes are determined by the Waste Management Procedure, and we aim to prevent waste generation by adopting the principles of "Zero Waste" and waste hierarchy. We minimize the amount of waste that cannot be prevented and bring it into the economy through recycling or recovery methods. We dispose of non-recoverable waste through licensed companies and regularly report all waste to the Ministry of Environment, Urbanization and Climate Change.</p> <p>We send organic, paper and packaging waste to licensed recycling companies in catering production and distribution areas. We make efforts to reduce the use of plastic in packaging materials and waste from packaging and prioritize reusable and recyclable products in material selection. We aim to provide sustainable products and services while ensuring customer satisfaction. We evaluate the environmental, economic and legal impacts of single-use plastics and take steps to reduce their use. We prefer reusable equipment, especially in the catering offered to customers on international flights. We have taken important steps to reduce single-use plastics in 2023, and we continue to work on this issue. We work on alternative solutions to replace single-use plastics in products provided on board the aircraft. In addition, since 2018, we have been using compostable raw materials in headset and passenger blanket packaging and offering wooden mixers. We prioritize the control and reduction of chemical substances in our operations and ensure efficiency in anti-icing and aircraft painting processes.</p> <p>Furthermore, we take necessary actions to inform our employees about hazardous substances and create awareness about their effects and general precautions.</p> |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | PHYSICAL RISKS                     | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|---------------|------------------------------------|---|---|
| Environmental | Desertification                    | Desertification may occur due to overgrazing, deforestation and climate change and may affect agricultural lands. | <p>We have added a new dimension to our fight against climate change with the CO<sub>2</sub>mission Program. With this program, we offer our passengers the opportunity to offset emissions on their own flights and offer 3 different portfolio options: "Renewable Energy," "Social Benefit" and "Green Earth." Our Green World portfolio consists of afforestation projects that are effective in combating deforestation.</p> <p>Instead of plastic toys, we offer our child passengers "Play Natural" concept wooden toys made from "Forest Stewardship Council (FSC)" certified forest products. In addition to children's toys, we started to use FSC-certified materials in many of our inflight products as well.</p> <p>In our 90<sup>th</sup> anniversary, we planted 90 thousand saplings. The pistachio and olive trees, which we have given to both nature and our farmers, will yield crops for nearly a thousand farmers in Şanlıurfa and neighboring provinces.</p>  |
| Environmental | Air Quality Issues - Air Pollution | Activities that cause energy production and consumption may affect air quality in the atmosphere.                 | <p>We are implementing pioneering fuel efficiency practices to reduce the use of aviation fuel, which accounts for 99.8% of greenhouse gas emissions. We aim to reduce our environmental impact by increasing fuel efficiency through our fleet modernization efforts and aircraft modification projects, in which we add next-generation aircraft with high fuel efficiency and low emission values to our fleet. Our practices in this field include optimizing operations, investing in new technologies and improving infrastructure. With more than 100 operational optimization projects and aircraft configuration projects successfully implemented since 2008, we saved a total of 743,263 tons of fuel and prevented the emission of 2,341,278 tons of carbon emissions into the atmosphere by the end of 2023.</p> <p>In addition to flight activities, energy consumption explicitly occurs also in our buildings and is caused by the use of electricity and natural gas. We work to reduce electricity and natural gas consumption by prioritizing energy and resource efficiency. We are also working to realize the targets we have set for meeting the energy used in our buildings from renewable sources. In 2023, we supplied all electrical energy in our buildings at Atatürk Airport from renewable sources and used 57,369.6 GJ of renewable electricity, which we documented with the I-REC certificate. Moreover, we develop action plans to reduce environmental impacts in all our operations and implement management systems with a focus on improvement.</p> <p>We contribute to the sustainable economy and support local resources by working with local suppliers. This endeavor contributes to efforts such as climate change and the protection of local resources. While supporting the sustainable economy by collaborating with local suppliers, we also help reduce emissions from transportation in logistics.</p> |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | PHYSICAL RISKS                         | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|---------------|--|---|---|
| Environmental | High Temperatures and Heat Waves       | High temperatures and heat waves may increase the cooling needs of facilities and have an impact on energy efficiency, especially in energy-consuming industries. | <p>Increased temperatures in summer cause cooling systems to work more, leading to higher energy consumption. To mitigate these effects, we regulate office temperatures and maintain equipment on an ongoing basis.</p> <p>The development of heating, ventilation and air conditioning technology significantly influences building designs. However, these developments may increase energy consumption and environmental pollution. Therefore, energy efficiency and environmental sustainability are at the center of our design processes.</p> <p>With the energy crises, the effective use of resources and energy efficiency has become a global concern. In the last 15 years, zero energy and self-sufficient design approaches have gained importance. We too prioritize sustainability principles by adopting this approach in our new construction investments.</p> <p>We have registered our 9 buildings at Istanbul Airport with the lean LEED (Leadership in Energy and Environmental Design) v4 BD+C certification by the U.S. Green Building Council. In addition to our ongoing projects, we aim to initiate the green building certification process in more projects for the 2024 period.</p>  |
| Environmental | Unsustainable Use of Natural Resources | Factors such as over-cutting of forests, unsustainable use of natural resources and overfishing may lead to biodiversity loss and ecosystem degradation.          | <p>Our CO<sub>2</sub>mission Program, which we launched in 2022, has 3 different portfolios, namely "Renewable Energy," "Social Benefit" and "Green World," which are offered to the preferences of our passengers and have internationally valid certifications in various regions of the world. Most of the projects within the scope of the Green World portfolio consist of afforestation projects, aiming to contribute to the fight against deforestation.</p> <p>In addition to our CO<sub>2</sub>mission Program and high impact projects such as planting saplings, we renew the toys we offer to children with Forest Stewardship Council (FSC) certified wooden toys. Besides, we started to use FSC-certified materials in many of our inflight products as well.</p>   |
| Environmental | Energy Efficiency of Buildings         | High energy consumption may affect sustainability goals by reducing the energy efficiency of buildings.   | <p>We carry out our work in the field of energy efficiency within the framework of certain standards and regulations. We act in line with ISO 50001 Energy Management System and similar references and take steps in accordance with the requirements of our energy policy.</p> <p>ISO 50001 Energy Management System installations in our Incorporation's buildings are progressing within the framework of energy efficiency and legal compliance, and we are implementing projects to increase efficiency through energy audits conducted in our high energy consuming facilities. In addition, we realize energy audits and building energy consumption declarations requested by the Ministry of Energy and Natural Resources in accordance with legal compliance. Our facilities are operated by EKAT and engineers with High Voltage Operation Responsibility in accordance with the Electrical High Current Facilities Regulation.</p> <p>We aim for LEED certification in our new building and facility projects and use environmentally friendly and sustainable materials starting from the design phase. We choose our product in such a way to minimize environmental impacts, and we prioritize environmentally friendly and energy efficient products.</p> <p>Especially in our buildings at Istanbul Airport, we build environmentally friendly and energy efficient structures with LEED certificates. We attach importance to green building certification processes also in our future projects and strengthen our commitment to sustainability with environmentally sensitive designs.</p> |



## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | PHYSICAL RISKS                           | DEFINITION   | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|---------------|--|--|---|
| Environmental | Carbon Footprint and Carbon Market Risks | Factors such as regulations arising from carbon emissions, carbon trading, and carbon pricing may affect an organization's carbon footprint management and financial conditions. | We comply with global regulations for monitoring and reducing carbon emissions. While regulatory risks arising from carbon emissions bring compliance and financial risks, we manage them through internal and external verification audits and achieve the compliance targets set in previous years. We evaluate the financial aspect of the risk according to the level of exposure and the probability of encountering the risk. We take necessary actions by considering hedging and other options as well.   |
| Social        | Social and Communal Risks                | In relation to sustainability, factors such as the expectations and demands of communities and employees, social media engagement, and public pressure may impact organizations. | As the Human Resources Directorate, we implement the HR Business Partner model, which will serve as a strategic bridge between HR and units in line with our vision of creating a communication-oriented culture. Our HR Business Partners, which are formed by representatives from our employees affiliated to the Human Resources Department, act as a bridge in Human Resources practices by actively communicating with the responsible units assigned to them.<br>With this practice, we aim: <ul style="list-style-type: none"> <li>• To be a solution partner with a proactive approach as HR,</li> <li>• To convey the HR practices in our Incorporation more closely to the employees and to improve the processes by conveying the feedback of the employees to the relevant HR units,</li> <li>• To ensure that permanent solutions are produced to the problems encountered in the field of HR and to follow the solutions produced,</li> <li>• To ensure that the HR Business Partner coordinates the HR processes related to the units for which he/she is responsible,</li> <li>• To increase employee engagement and provide a better employee experience.</li> </ul>  |
| Social        | Epidemic Diseases                        | The rapid spread of infectious diseases may strain health systems and cause the spread of epidemics.   | In order to reduce the risks to occupational health and safety in our operations, we work to prevent injury and deterioration of health, to provide safe and healthy working conditions, and we continue the surveillance of the working environment and preventive medicine activities.<br><br>We work to be prepared for emergency scenarios and check the physical and medical suitability of employees in critical functions for operations.<br><br>We determine the risk of infectious diseases in a proportionate and limited manner and determine control measures in collaboration with national and international authorities to prevent and protect against the spread.<br><br>We monitor infectious disease threats during national and international travels and work in collaboration with official health authorities and stakeholders. We define and present the rules that employees must follow in our procedures.<br><br>We prepare announcements, information notes and briefings for flights in risky areas and ensure they are current. We take protective measures for our teams, as well as make the necessary announcements and notifications.<br><br>By protecting employees against the risk of infectious diseases, we prevent loss of workforce and working days and ensure the continuation of critical tasks without interruption. In this scope, we implement and follow the Infectious Disease Prevention and Control Practices Procedure, Infectious Diseases Surveillance and Control Principles Regulation, and Occupational Health and Safety Law and Policy. |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY | PHYSICAL RISKS                      | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|----------|-------------------------------------|---|---|
| Social   | Zoonotic Diseases and Animal Health | Problems in animal health may lead to the emergence and spread of zoonotic diseases (diseases that can be transmitted to humans). | <p>We have created internal documents on malaria as well as infectious diseases in the internal documents of the Incorporation. Due to the prevalence of malaria risk especially in the regions where flights are operated, we follow the Malaria Prevention and Control Measures Procedure, Malaria Case Management Guide and World Malaria Report and publish the list of countries with malaria risk. With this procedure, we have determined the procedures and principles regarding the control measures to be taken in close collaboration with national and international authorities.</p> <p>We prepare announcements, bulletins, information notes, presentations, route information forms and station briefings for flight crews regarding flights in risky areas. In this regard:</p> <ul style="list-style-type: none"> <li>• We provide consultancy on malaria disease by the workplace physician to employees who will go to risky areas on duty.</li> <li>• We provide training on malaria disease within the scope of occupational health and safety during recruitment and periodic examinations.</li> <li>• We ensure the supply and distribution of protective materials (protective medicine, malaria kit, fly repellent mat device, fly repellent mat device tablet, malaria information card, fly repellent spray, hand sanitizer) to employees.</li> <li>• We provide over-bed mosquito nets for overnight hotels in risky areas where employees will stay and send them to the relevant station authority.</li> <li>• We provide drug information (duration of use, possible side effects, etc.) to employees who want to use preventive medication by the workplace physician.</li> <li>• We refer employees with suspected malaria to the appropriate health unit.</li> <li>• We ensure that hygiene is at the highest level in the hotels where employees will stay, and we check that the over-bed mosquito nets sent by the Health Services Management are prepared, missing mosquito net requests are met, fly repellent room sprays are available and air conditioners are working.</li> </ul> |
| Social   | Security-Related Risks              | Regional security-related events may pose a physical security risk in the regions where organizations operate.                    | <p>We conduct flight security activities in line with the principles set out in our Security Policy. We implement national and international security requirements and additional security measures to protect our passengers and aircraft against illegal acts.</p> <p>We identify risky stations and take additional security measures at these points. We make risk assessments within the scope of threats to flight security and take our actions. We regularly review security management and issues affecting operational security, and we monitor improvement activities. We report to senior management within the scope of IOSA requirements.</p> <p>We conduct security inspections at domestic and international airports, hotels and city offices with the Security Risk Assessment Supervisor's Office. We determine the security risk score and level by identifying threat levels, vulnerabilities and impacts. In this process, we consider attacks targeting the aviation industry, technological threats and potential hazards. We evaluate human casualties, financial losses, operational losses and reputational losses.</p> <p>We determine the measures required to be taken according to the determined risk levels and ensure coordination with the relevant units. We regularly check the effectiveness of the measures taken. We conduct risk assessments for security notifications as well. We determine the severity of the risk and define management strategies. We have established a "Secure Flight Passenger Tracking System" to prevent passengers with anomalous behavior from being admitted to our flights for a certain period of time. With this system, we ensure flight security by limiting anomalous passenger behavior on our aircraft according to risk assessment.</p>   |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY | PHYSICAL RISKS                             | DEFINITION   | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|----------|--|--|---|
| Economic | High Energy Costs and Resource Constraints | Fluctuations in energy costs, energy resource constraints and energy supply reliability may affect the operational costs of organizations. | <p>We implement risk management for jet fuel. As the price of fuel is one of the largest components of our operational costs, price changes may significantly impact our cash flow and profitability. In order to keep this impact at a reasonable and manageable level, we have developed a "Fuel Price Hedging Strategy."</p> <p>Within the scope of this strategy, we hedge up to 60% of the next month's forecasted fuel consumption for a maximum period of 24 months, taking into account market prices and expectations. During these transactions, we may use swap and option based derivative instruments with or without premium. In cases where prices rise excessively and market forecasts deteriorate, we may suspend transactions.</p> <p>Moreover, the fuel surcharge, which is a component of ticket prices and is determined by taking into account international market factors and the competitive environment, is an important factor for the management of fuel price risk. We are working on SAF (Sustainable Aviation Fuel) off-take agreements to ensure reliability of energy supply and control price fluctuations. These agreements will allow us to hedge against and adapt to sudden supply disruptions in the fuel market by securing SAF supply in terms of quantity and cost for a given period.</p> |
| Economic | Technological Issues and Data Security     | Information systems issues, cyber-attacks or data security breaches may threaten the efficiency and security of the supply chain.          | <p>Our Information Security Policy applies to departments, third-party users and technical support providers using all Turkish Airlines IT systems. We have our systems tested annually by independent organizations and conduct regular scans with our own internal resources. We monitor all our systems to detect and analyze unusual activities, and our cyber security teams working 24/7 monitor these alarms.</p> <p>We identify problems through annual internal audits and make improvements. Developing our Information Security Management System with a systematic risk approach, we classify information assets and implement necessary controls by conducting risk analyses. We manage access authorizations and transactions according to risk value.</p> <p>We report information security breaches (real or suspected) to the Cyber Incident Management Team (CIMT) and respond to all incidents. The "Data Protection Board" and the "Data Protection Commission" continue their work to protect personal data. We raise awareness of all our personnel through awareness activities and trainings. We define our security measures and policies in our document management system and ensure their continuity.</p>   |



## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | TRANSITION RISKS  | DEFINITION   | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|---------------|---|--|---|
| Environmental | Change of Sustainability Reporting Standard                   | Changing or updating international sustainability reporting standards may cause organizations to have difficulty in ensuring reporting compliance.   | In 2023, the Public Oversight Authority (POA) published the Turkish Sustainability Reporting Standards (TSRS), which are in line with international standards (IFRS), under two titles, together with the amendment in the Turkish Commercial Code. Prior to the publication of the standard, we followed the regulatory developments and evaluated the possible impacts for our Incorporation from the draft stage. In the 2024 reporting period, although there is no legal obligation under TSRS, we aim to complete the necessary infrastructure works to ensure compliance with the standard.  |
| Social        | Human Resources and Talent Shortage                           | Finding staff with sustainability-related expertise and skills and having sufficient human resources to implement sustainability strategies may be challenging.                                      | <p>At Turkish Airlines, we established the Corporate Sustainability Management Department in 2020 to manage our sustainability strategy. This department continuously improves the sustainability structure with more than 20 employees graduated from various branches.</p> <p>We submit sustainability projects to the Sustainability Committee and implement the approved projects. We develop new projects by following industry trends in environmental, social and governance areas.</p> <p>We make plans for our climate change strategy and emission reduction targets. We operate and improve ISO 14001 and IATA Environmental Assessment Program Environmental Management Systems. We manage emission monitoring, calculation and reporting processes.</p> <p>We monitor and analyze our performance and identify areas for improvement. In this scope, we work to improve our scores and strive to be among the leading companies in the national and international arena.</p> |
| Social        | Low Employee Participation                                    | Low employee participation in sustainability goals may complicate the process of achieving them.   | <p>The Sustainability Sub-Working Committees we have established carry out their activities to implement, monitor and report the results of projects in line with the decisions taken by our Sustainability Committee. This step, which would accelerate the stage of deciding on improvement projects to increase the sustainability performance of our Incorporation, also reinforced the sustainability culture among our departments.</p> <p>We have demonstrated the importance we attach to the management of risks and opportunities in sustainability issues through the active work of the Sustainability Committee led by the senior management and the Sub-Working Committees held with the participation of manager-level participants from all units of our Incorporation that affect sustainability.</p>  |
| Economic      | Political and Economic Uncertainties in International Markets | When organizations decide to expand their sustainability strategy to international markets, they may face the challenge of dealing with political and economic uncertainties in different countries. | We prevent political uncertainties from turning into risks by participating in sectoral organizations and collaborating with authorities in different countries. In this context, we obtain information about decisions that may affect our sustainability strategy and closely monitor the decisions being worked on. We keep the situation under control by taking quick actions when necessary.  |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY | TRANSITION RISKS                  | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK   |
|----------|-----------------------------------|---|--|
| Economic | Financial Market Fluctuations     | Financial market fluctuations and economic uncertainties may affect financing and investments for sustainability projects.      | <p>We manage sustainability risks through the Early Detection of Risk Committee. This committee meticulously evaluates various events occurring in our country and around the world and identifies potential risks in advance. In particular, we examine the potential impacts of factors such as earthquake disasters, international conflicts and economic fluctuations on the aviation industry and our company in a multidimensional manner.</p> <p>Our financial risk management strategy focuses on identifying and controlling potential risks to cash flow and financial stability and maintaining the sustainability of competitiveness and profitability. We develop and implement hedging strategies specifically for each financial risk. If natural hedging methods are not sufficient, we manage our risks through financial transactions. In this scope, we use derivative instruments to hedge against fluctuations in commodity prices, foreign exchange rates and interest rates.</p> <p>In addition, we regularly monitor our financial risk management strategy by the Treasury and Risk Management Commission. We evaluate current financial conditions, macroeconomic outlook, sectoral dynamics and geopolitical developments and take the necessary decisions to manage potential financial risks.</p> <p>On the other hand, cash flow risk management is ensured through an effective cash management policy. We regularly conduct medium/long-term cash flow forecasting studies in major currencies every month to provide forecasts on the cash position in future maturities and positions in currencies. Thus, we are able to fulfill our financial obligations on time and secure our operational continuity.</p> |
| Economic | Lack of Investment and Innovation | Lack of adequate funding and innovation may limit the sustainability transition and leave organizations behind in the industry. | <p>As Turkish Airlines, we focus primarily on digitalization efforts to ensure business continuity and make our operations sustainable. Digitalization makes our operations more efficient and flexible, allowing us to improve our business processes and reduce costs. Besides, we focus on R&amp;D and innovation activities to continuously improve our operational infrastructure. These activities focus on exploring new technologies, improving existing systems and developing innovative solutions for the future.</p> <p>As an organization, we collaborate with next-generation technology companies by adopting an open innovation strategy. These collaborations enable us to stay up-to-date with the latest developments in the aviation industry and adopt the best practices in the industry. In addition, as part of our open innovation strategy, we collaborate with business partners from various industries to benefit from different perspectives and generate creative solutions. We thus discover new opportunities in sustainability and increase the competitiveness of our organization.</p> <p>However, there are several obstacles that limit our sustainability efforts. Foremost among them is a lack of adequate funding and innovation. These deficiencies could constrain our sustainability transition and leave our organization behind in the industry. Therefore, we aim to strengthen our sustainability efforts by focusing on more resources and innovation in this area.</p>  |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY | TRANSITION RISKS  | DEFINITION   | HOW TURKISH AIRLINES MANAGES THIS RISK   |
|----------|---|--|--|
| Economic | Investor and Shareholder Pressure and Expectations              | Investors' or shareholders' expectations regarding sustainability may put organizations under pressure and force them to act quickly in this regard. Investors and shareholders may care about sustainability commitments and performance. There is a risk of opposing or failing to comply with these expectations. | In line with our sustainability strategy, while determining our material issues, we take into account legal regulations, global trends, stakeholders' opinions and expectations, broader social expectations and their impact on the supply chain, in addition to our main mission. We transparently communicate our sustainability performance, commitments and strategy to our stakeholders. Again in this scope, we participate in performance evaluations of national and international sustainability rating agencies by monitoring global trends and industry status and providing a transparent communication network with stakeholders. We aim to meet investor and shareholder expectations at the highest level by reviewing our strategies based on performance results.  |
| Economic | Difficulties in Obtaining Financing from Financial Institutions | Financing sustainable projects may cause financial institutions to experience difficulties in meeting sustainability criteria.   | <p>We focus on long-term financing by structuring our financing policy to provide the most favorable borrowing costs. Our financing team provides flexibility to support aircraft purchases by evaluating alternative options offered by international credit markets. In the future, we aim to diversify our sources of funding with more innovative borrowing instruments and financiers.</p> <p>We collaborate closely with financial institutions to support sustainability oriented projects. Furthermore, we adopt ESG criteria to encourage environmental, social and corporate governance-based investments and transparently document our sustainability efforts. With this approach, we aim to make the process of securing financing for sustainable projects more efficient.</p> <p>While having orders for fuel-efficient next-generation aircraft provides an advantage to our Incorporation in terms of financing, we negotiate with SAF manufacturers and financiers to further reduce the emission rate of our growing fleet.</p> |
| Economic | Stakeholder Expectations  | Different stakeholder groups (investors, customers, employees, society) may have different expectations and demands. Balancing and meeting these expectations may be risky.  | We develop strategies by being in constant communication with our stakeholders and understanding their expectations and demands. We maintain an open dialog with them, ensuring trust and transparency. We meet investors' expectations and demands by implementing sustainable practices to increase fuel efficiency and reduce operational costs. We increase employee satisfaction by offering fair labor practices and development opportunities and maximize customer satisfaction by providing quality, innovative and sustainable service to our customers. We strengthen our relations with society by supporting social responsibility projects to contribute to society and aim to create a positive brand image. With these strategies, we aim to meet the expectations and demands of different stakeholder groups in a balanced manner.   |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | TRENDS                                      | DEFINITION   | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|---------------|---|--|---|
| Environmental | Green Energy and Carbon Footprint Reduction | Companies are turning to various strategies to increase the use of renewable energy and reduce their carbon footprint. They tend to invest in green energy projects and promote the use of sustainable energy.             | <p>We embrace the fight against climate change as one of the key priorities of our business strategy, and in this scope, we incorporate industrial best practices into our strategy by improving our performance in areas such as energy and emission management, resource efficiency, fleet modernization and sustainable aviation fuels throughout our operations. We have set sub-targets to increase the use of renewable energy and reduce our carbon footprint in order to achieve our goal of becoming a Carbon Neutral Airline by 2050.</p> <p>We continue to reduce the use of aviation fuel, which constitutes the majority of our energy consumption, through saving and efficiency projects. We focus on energy efficiency practices in our ground handling operations. We continuously implement projects that will increase energy efficiency. In 2023, we saved 30,728.7 GJ of energy through the energy efficiency studies we conducted at our campuses. In addition, we will increase energy efficiency with our 9 LEED-certified buildings.</p> <p>As part of the Operations Center Parking Garage Project, we are planning charging stations for electric vehicles and bicycle parking areas. We will construct bicycle paths and pedestrian walkways to reduce vehicle circulation. With these practices, we aim to encourage the use of electric vehicles and reduce air pollutant emissions.</p> <p>In accordance with our long-term strategy, we evaluate renewable energy options in operational areas and plan solar energy investments. We aim to meet at least 5% of energy in new buildings from renewable sources. We are implementing various solar electricity system projects to increase renewable electricity consumption in operations as of 2023.</p> |
| Environmental | Circular Economy and Waste Reduction        | Circular economy principles are increasingly being used to more efficiently improve resources and reduce waste. Strategies focusing on recycling, reuse, and waste reduction are becoming widespread.                      | In Waste Management, we follow a roadmap such as preventing waste from occurring, promoting the use of circular resources and preferring sustainable products. We encourage the reuse of products and then direct them to recycling, energy recovery or disposal processes. We monitor and implement our waste management through national and international legislation and environmental management systems such as ISO 14001 Environmental Management System and IEnvA. We provide waste management and zero waste trainings to all our employees to raise awareness on waste management and manage our resource use with digital solutions. We develop projects to reduce waste generation both on our campuses and on aircraft board and aim to expand our in-cabin sorting practices. We work to separate our waste and bring it back into the economy, and we follow an environmentally friendly policy by using recyclable plastic packaging. We aim to increase the percentage of recycled nylon with our improvements.  |
| Environmental | Carbon Footprint                            | Companies assess their carbon impact from a broad perspective, taking into account not only the carbon footprint of the business, but also the carbon emissions generated during the supply chain and the use of products. | We focus on increasing the quality of our catering service in line with our growth targets. Our innovative solutions not only improve our service quality, but also contribute to sustainable catering practices. Working with local suppliers helps us take important steps in areas such as climate change, while supporting the sustainable economy by facilitating the supply of fresh ingredients and helping us reduce logistics emissions.   |



## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY      | TRENDS   | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|---------------|--|---|---|
| Environmental | Plastic Alternatives and Packaging Innovations             | The packaging industry is focusing on innovations to reduce the use of single-use plastics and develop environmentally friendly packaging alternatives.   | We are scaling up our efforts to reduce the use of single-use plastics by using more sustainable products. In this scope, we fulfill our environmental responsibility through our membership in aviation industry associations and participation in national initiatives. By prioritizing human and environmental health in material choices, we minimize the use of plastics and evaluate plastic alternatives. In 2023, we took important steps to reduce single-use plastics. Especially in our on board services, we reduce our environmental impact by using compostable materials instead of plastic and offering FSC-certified wooden toys. Furthermore, we collaborate with authorized companies for the recycling of our plastic packaging.  |
| Environmental | "Zero Carbon" Company Targets                              | Companies, industries, and countries are focusing on reducing their carbon footprint by setting zero net carbon targets. Efforts to reduce carbon emissions are an important trend to increase sustainability.  | Our Incorporation determined a strategy that includes elements such as next-generation aircraft, operational optimization projects, SAF (Sustainable Aviation Fuel), carbon offsetting and renewable energy in order to achieve its carbon-neutral target, and it shared this roadmap with the public under the name of "Carbon Neutral Airline by 2050" Strategy. In this scope, we continue our efforts to achieve sustainable targets by developing new projects and evaluating existing opportunities in the most efficient way. We proceed transparently by sharing these efforts with the public through our Sustainability Report as well.   |
| Environmental | Waste Electrical and Electronic Equipment (EEE) Management | Rapidly changing technological developments may make it difficult to manage waste electrical and electronic equipment. Proper recycling of electronic waste and removal of components supports sustainability efforts in this field.  | We develop projects based on the Zero Waste principle and waste management hierarchy in waste management practices and support sustainable products and services. While striving to increase the reusability of the products we use in our operations, we repair and reuse defective headphones in order to reduce the amount of waste, as well as deliver defective and broken headphones that cannot be used to recycling companies. We prefer energy-efficient products when using electronic materials and deliver end-of-life materials to licensed companies as waste. These efforts support the proper recycling of electronic waste and the removal of components, taking into account the fact that rapidly changing technological developments may complicate the management of waste electrical and electronic equipment. In this way, we are rapidly adapting to sustainability trends in waste management. |
| Social        | Forest Conservation and Reforestation                      | Forest conservation and reforestation projects carried out under corporate social responsibility projects contribute to combating climate change by increasing carbon storage capacity. This is also important in terms of conserving biodiversity and preventing soil erosion. | In November 2023, a total of 90,000 saplings were planted, 30 thousand of which were olives and 60 thousand of which were pistachios, as part of the 90 Thousand Saplings in 90 <sup>th</sup> Year Project. The selection of saplings was based on their compatibility with the climate and soil of the region and their ability to generate income for farmers. When the saplings planted within this project begin to bear fruit, they will provide an important source of income for farmers and revitalize the economy in the region. In addition, the income-generating trees are important for environmental sustainability and will contribute to the reforestation of the region. In this way, sustainable agriculture and income generating plants will improve the quality of life in the region.   |
| Social        | Employee Health and Wellbeing                              | Companies are implementing programs and policies that support employees' physical and mental wellbeing and are focusing on ensuring employees' work-life balance. Healthy working conditions, ergonomic office arrangements and mental health supports are part of this trend.  | Helping our employees adopt a better, happier and healthier life balance and supporting their well-being are among our priorities. Accordingly, TK Well, a corporate well-being program that aims to be with employees with physical health, mental health, nutrition, privileges and assistant services, was launched.   |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY | TRENDS                                   | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK  |
|----------|--|---|---|
| Social   | Flexible Working Models                  | Flexible working hours, remote working and flexible work arrangements help employees better balance their work and private lives. Such models may also contribute to environmental sustainability by reducing traffic and energy consumption. | <p>We offer our employees modern, dynamic and comfortable next-generation working environments. In 2023, flexible workspaces decorated with a human-oriented design approach were established, taking into account the individual working needs of employees.</p> <p>New leave practices were launched for employees' work-private life balance. In order to support their academic development, "Academic Leave" for 14 days a year was introduced. A 5-day "Welcome Leave" practice was introduced for new employees, who are not entitled to annual leave, after they complete a 3-month trial period. A 90-day "Accompaniment Leave" was defined for employees in case of illness of their first-degree relatives. Female employees with children are given the opportunity to work part-time when their children are between the ages of 2-3. Working hours are flexible and employees can start work at any time between 07:00-09:00.</p>   |
| Social   | Training and Awareness Raising           | Training programs and campaigns are gaining importance to raise awareness on sustainability topics. Companies are increasing their efforts to raise awareness in both employees and consumers on sustainability topics.                       | We offer Corporate Sustainability Training online to raise awareness of our employees on sustainability issues. This training aims to raise awareness of our employees by explaining the basic issues related to sustainability, its history, Sustainable Development Goals (SDGs), the sustainability strategy of our Incorporation, as well as important projects and practices within the framework of SDGs.   |
| Social   | Entrepreneurship and Social Innovation   | Sustainability-focused entrepreneurship and social innovation enable the emergence of new models and solutions in the business world. This contributes to the creation of business models that consider environmental and social impacts.     | We evaluate the opportunities offered by external stakeholders and entrepreneurs through the Terminal Platform, and the innovative ideas put forward by our employees through internal innovation systems. Rejected ideas are evaluated by the innovation unit and then re-examined by an innovation board consisting of managers from different functions. In this way, we always keep the door open for projects that may be overlooked or require high coordination. High-budget innovation projects, on the other hand, are evaluated directly by a board led by our CEO. In addition, we organize solution competitions to find solutions to current problems faced by some business units and transfer the experience of employees to business units. Furthermore, we ensure that new ideas are realized more quickly through innovation delegates assigned to the units.   |
| Economic | Environmental Taxonomy and Green Finance | The financial sector aims to reduce environmental impact by promoting sustainable investments through environmental taxonomy and green finance instruments.   | <p>We support efforts to reduce environmental impact by evaluating various green financing instruments. By closely following innovations and regulations in the finance industry, we adopt a proactive approach in evaluating appropriate financial instruments and opportunities. We support both environmental and economic sustainability by collaborating with climate-focused coalitions in areas such as sustainable aviation, innovation, green financing and employment creation.</p> <p>Sustainability-linked credit structures are gaining importance in aircraft financing, and our Incorporation conducts negotiations with existing and potential financiers about the relevant financing structures to add sustainable financing structures compatible with the strategies of the Incorporation to its portfolio.</p> <p>Thanks to the fuel savings achieved by the next-generation aircraft in our fleet compared to the old generation models, 1,189,349 tons of carbon emissions were reduced in 2023.</p> |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| CATEGORY | TRENDS  | DEFINITION  | HOW TURKISH AIRLINES MANAGES THIS RISK   |
|----------|---|---|--|
| Economic | Sustainable Construction and Green Buildings    | The construction industry is moving towards reducing its environmental impact by using energy efficient green building designs and sustainable construction materials.  | We move forward with the goal of LEED certification in all new facility/building projects of our Incorporation. We aim to develop buildings in a way that prioritizes energy efficiency and uses environmentally friendly and sustainable resources from the design stage to the time they are put into use.   |
| Economic | Carbon Markets and Trade                        | Companies are publishing public reports in digital environment to provide more transparency about their sustainability performance.   | <p>We share our sustainability performance with our stakeholders in a transparent and clear manner. We periodically publicly report the actions we take in line with our sustainability strategy. Our past and current reports can be accessed at <a href="https://investor.turkishairlines.com">investor.turkishairlines.com</a> and <a href="https://turkishairlines.com">turkishairlines.com</a>.</p> <p>On our CO<sub>2</sub>mission platform, we instantly update offset emissions. The platform shows the amount of offset emissions, number of offset flights and distance traveled.</p>  |
| Economic | Global Collaboration and Stakeholder Engagement | Solutions to global challenges require global collaboration and stakeholder engagement for sustainability. Greater collaboration and stakeholder engagement between businesses, governments, civil society and academia underpins this trend. | <p>As Turkish Airlines, we emphasize global collaboration and stakeholder engagement to develop sustainable solutions. We carry out various projects in this direction:</p> <p><b>Türkiye Sustainable Aviation Platform</b><br/>In 2023, we established the Türkiye Sustainable Aviation Platform with Istanbul Technical University and Boeing Türkiye. We collaborate with local administrations, NGOs, universities and industry leaders to promote sustainable aviation fuels (SAF).</p> <p><b>Corporate SAF Program</b><br/>We offer our corporate customers the opportunity to reduce their carbon footprint when shipping cargo and traveling on business. We certify our customers' contributions and report the reduced emissions.</p> <p><b>AIRE Sustainability Task Force</b><br/>In the sustainability business group of the AIRE organization, we evaluate sustainability regulations and solutions and share them with the relevant authorities.</p> <p><b>CO<sub>2</sub>mission Corporate Collaboration</b><br/>We are working on a project to offer our corporate customers a platform where they can track and offset their emissions. We share the stories of our stakeholders who offset their emissions through CO<sub>2</sub>mission with the public.</p> |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| SUBJECT                             | DESCRIPTION  | OPPORTUNITY  | HOW TURKISH AIRLINES MANAGES THIS OPPORTUNITY   |
|-------------------------------------|--|--|---|
| Use of Renewable Energy             | Meeting the company's energy needs from renewable energy sources such as solar, wind, hydroelectricity | Low carbon footprint, savings in energy costs, increased reputation for environmental sustainability | <p>As of 2022, we started using biofuels, known as sustainable aviation fuels. These fuels can reduce greenhouse gas emissions by up to 87% compared to conventional kerosene and reduce harmful particulates of SOx and NOx emissions. We also plan to increase the use of biofuels according to destinations and frequency of use. In addition, we contribute to collaborations for the development of these fuels.</p> <p>Furthermore, we are among the founding members of Türkiye's first sustainable aviation platform. This platform was established to advance the decarbonization process of the Turkish aviation industry and support sustainable transformation. We are working with other stakeholders to develop a SAF Roadmap for Türkiye.</p> <p>In order to achieve our "2050 Carbon-Neutral Airline" target, we aim to meet our energy needs in buildings from renewable energy sources and invest in Solar Power Plant (SPP) projects. In this context, we are planning solar energy investments and realizing our projects. With these projects, which we will realize with an investment cost of USD 3 million, we aim to reduce 4,558.7 tCO<sub>2</sub> emissions annually. We aim to meet at least 5% of our energy needs from renewable sources in our new buildings as well.</p>  |
| Social Innovation and Social Impact | Social responsibility projects and efforts to create social impact                                     | Strengthening brand reputation, connecting with communities, customer loyalty                        | <p>Our Sustainability Sub-Working Committees were determined by taking into account the material issues of our Incorporation and sustainability trends. One of these is the Corporate Social Responsibility and Communication Projects Sub-Working Committee, which has been established to identify projects that we can implement, to submit decision proposals to the Sustainability Committee for the implementation of the determined projects, to implement the project in line with the decision of the Sustainability Committee, to monitor and report the results to the Sustainability Committee, taking into account the industry trends, best practices, legal and other conditions and stakeholder expectations on corporate social responsibility.</p> <p>The social responsibility projects we have carried out can be accessed at the following web address: <a href="https://www.turkishairlines.com/en-us/press-room/our-social-responsibility-projects/index.html">https://www.turkishairlines.com/en-us/press-room/our-social-responsibility-projects/index.html</a></p>  |
| Green Finance and Investment        | Green financing and sustainable investment opportunities   | Financial sustainability, opportunity to invest in green projects, green loan advantages             | <p>We incorporate industry best practices into our business strategy by improving our performance in areas such as energy and emission management, resource efficiency, fleet modernization and sustainable aviation fuel. We reduce carbon emissions and operational costs by investing in next-generation aircraft. We aim to update at least 95% of our fleet with next-generation aircraft until 2033.</p> <p>We also plan to enter into long-term SAF purchase agreements that aim to support local producers and products, to increase the use of SAF, which we use regularly. Through coalitions such as the Türkiye Sustainable Aviation Platform, we collaborate with industry and non-industry stakeholders to exchange knowledge and experience.</p> <p>To achieve our sustainability goals, we are reviewing renewable energy options that can be implemented in the operational area and planning solar energy investments. We are also evaluating options to utilize Sustainability-Linked Credit and keeping innovative and green debt instruments on our agenda with environmental, social and corporate governance-based investments.</p> <p>We evaluated climate-related opportunities in our strategic planning in detail in our first report based on the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and integrated them into our strategic plans (Climate Transition Plan, pp. 36- 40.). <a href="https://investorturkishairlines.com/documents/sustainability/turkish-airlines-climate-transition-plan_v2.pdf">https://investorturkishairlines.com/documents/sustainability/turkish-airlines-climate-transition-plan_v2.pdf</a></p> |



## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| SUBJECT                                  | DESCRIPTION  | OPPORTUNITY   | HOW TURKISH AIRLINES MANAGES THIS OPPORTUNITY   |
|--|--|---|---|
| Sustainable Supply Chain Management      | Making supply chain processes more sustainable                       | Reducing supply chain risks, supply chain transparency, strengthening supplier relations      | <p>In order to ensure quality standards in our supply chain and to audit the compliance of suppliers with standards, we continue the on-site inspection program of the products offered to passengers by receiving services from independent and expert SGS Supervise: Monitoring, Surveillance and Control Services and Bureau Veritas companies. We thus aim to obtain a general overview of our supply chain, reduce potential risks, and intervene at an early stage.</p> <p>In 2023, we came together with our affiliates in regular meetings to improve their sustainability performance. We planned to carry out this process also with our suppliers within the scope of "Sustainable Supply Chain Management." In order to analyze the status of our suppliers on sustainability issues, we will create a set of questions to be sent to them and analyze their responses. Based on the results, we will create a roadmap for a sustainable supply chain and identify short-, medium- and long-term improvement actions for our suppliers.</p>   |
| Social Equality and Social Participation | Equality-oriented projects and policies                              | Increased employee satisfaction, increased reputation in the society, expanding customer base | <p>We adopt the principle of equality in our recruitment processes and make a fair evaluation by giving the same value to each candidate. We strive to ensure equality in recruitment by considering the gender balance, and we take care to employ people from different cultures.</p> <p>We include important principles on equality and gender balance in our Human Rights Policy, Code of Business Conduct and Ethics Manual, Human Resources Procedure and Collective Labor Agreement.</p> <p>We prioritize our employees' well-being and achieving their business goals by creating a working environment where they can unleash their potential. We create action plans for improvements by analyzing the needs and expectations of employees, and we design and implement long-term training programs to help them develop their competencies. We support employees' professional and behavioral development through mentoring practices and competency development programs.</p>   |
| Sustainable Finance Management           | Managing financial strategies in line with sustainability principles | Long-term profitability, financial transparency, risk management                              | <p>We work for increasing operational efficiency and strategic planning for long-term profitability. At the same time, we continuously assess risks and develop appropriate policies and procedures for risk management. Our sustainability approach focuses on a holistic approach to our growth plans, transparency and risk management. Our sustainability performance and goals in the 10-year strategy plan we have announced for 2033 consist of our strategic focuses that are set to generate high value for all our stakeholders.</p> <p>We are transparently reporting our governance structure, strategy, risk and opportunity management methods, our budget for relevant actions and our metrics for carbon emissions in respect to climate change to institutional investors and to the public. Accordingly, we raised our score to "A-" in the Carbon Disclosure Project, the world's most respected reporting platform on climate change, in 2023.</p> <p>We established the Treasury and Risk Management Commission to determine our financial risk management strategy and manage financial risks effectively.</p> <p>We use a mechanism, which we have integrated into the Company's overall risk management process, to evaluate, manage, identify and respond to climate-related risks and opportunities. Risks and opportunities with significant strategic impact are assessed by considering the stage of our value chain at which they have an impact, the time-frame in which they will occur, the probability of occurrence, the magnitude of the impact if they occur, and their financial implications.</p> <p>Resource efficiency practices provide a critical advantage in terms of fulfilling our environmental responsibilities. These practices significantly reduce environmental impact through environmentally friendly approaches that we implement in various operational areas. In particular, they make a significant contribution to achieving our sustainability goals by reducing our carbon footprint. In addition, they provide long-term cost savings.</p> |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| SUBJECT                                      | DESCRIPTION   | OPPORTUNITY   | HOW TURKISH AIRLINES MANAGES THIS OPPORTUNITY   |
|--|---|---|---|
| Training and Awareness Raising Programs      | Training programs on sustainability for employees, suppliers and customers        | Raising awareness and consciousness on sustainability and providing information on stakeholders' environmental responsibilities | <p>As of 2023, we started holding regular meetings with all our affiliates to ensure that our affiliate companies progress in line with our sustainability strategy and to share current practices and projects on sustainability. With these periodic meetings, we aim to establish a continuous communication system with our affiliates and strengthen collaboration on sustainability.</p> <p>We offer online "Corporate Sustainability Training" to increase our employees' awareness on sustainability issues. This training covers the basic concepts related to sustainability, important points in the history of sustainability, Sustainable Development Goals (SDGs), and our Incorporation's sustainability strategy, as well as important projects and practices we have realized within the scope of SDGs.</p>  |
| Green Innovation and Start-Up Collaborations | Start-up collaborations and innovation projects for innovative and green projects | Supporting innovative solutions, bringing innovation to the industry, competitive advantage                                     | <p>As a large organization serving millions of customers every year, we know that any improvement may have far-reaching impacts. The size of our field of activity and customer contact points offers many opportunities for sustainability-oriented projects.</p> <p>In line with the importance we attach to corporate innovation efforts, we further developed our suggestion system with suggestions from cross-units. We consider collaborations with start-ups to realize innovative and environmentally friendly projects. We generate solutions to the problems we face at the corporate level through solution challenges that we organize periodically.</p> <p>Within the scope of university-industry collaboration projects, we develop joint projects with universities and carry out joint prototype studies with graduating students by carrying the challenges we face within the organization to universities. We also organize Hackathon events for young people and organize open innovation competitions throughout the world under the Idealist brand.</p> |
| Flexible Working Opportunities for Employees | Policies to offer flexible working conditions to employees                        | The advantage of increasing employee satisfaction and productivity, attracting and retaining talent                             | <p>We offer our employees modern and dynamic next-generation working environments. In 2023, we aimed to meet the individual working needs of employees by creating flexible workspaces decorated with a human-oriented design approach.</p> <p>We introduced new leave practices to support work-life balance. We encourage our employees to continue their academic development with 14 days of "Academic Leave" in a year. In addition, we provide advantages such as "Welcome Leave" of up to 5 days for our new employees who have not yet completed one year of service, and "Accompaniment Leave" for all employees in case of illness of their first-degree relatives. We offer female employees the opportunity to work part-time when they have children between ages of 2-3. By making working hours flexible between 07:00-09:00, we ensure that our employees can start working at any time they wish.</p> <p>Furthermore, we brought dynamism to career paths with the "title study" we realized in 2023.</p>  |
| Social Justice and Equality Projects         | Supporting egalitarian working conditions that respect human rights               | Employee satisfaction, equality and inclusion, the Company's social responsibility profile                                      | <p>We aim to increase the quality of life of our employees and to improve their productivity, motivation and competencies. We prioritize continuously improving the employee experience with the goal of increasing the value of the employer brand equipped with digitalization. Our human resources strategy is based on principles that support recruitment, training, career and performance.</p> <p>As the Incorporation, our priority is the respect for human rights and compliance with international labor standards. The health, safety, reputation and well-being of all our stakeholders is our top priority in every area in which we operate. This commitment extends to our employees, customers, suppliers and business partners.</p>   |

## MANAGEMENT OF SUSTAINABILITY RISKS, TRENDS, AND OPPORTUNITIES

| SUBJECT                                       | DESCRIPTION   | OPPORTUNITY   | HOW TURKISH AIRLINES MANAGES THIS OPPORTUNITY  |
|---|---|---|--|
| Social Innovation and Social Entrepreneurship | Finding solutions to social problems through innovative solutions and entrepreneurship                        | Positive social impact, increased brand reputation, customer loyalty, new market opportunities        | <p>We continue to receive the opinions of our internal and external stakeholders to improve our innovation processes. Internally, we collect the ideas of our employees and include them in the innovation process through a platform called Ideaport. Externally, we run various programs to discover new ideas and projects and implement them at an early stage through the Terminal platform. We also adopt design thinking with a customer-oriented approach.</p> <p>Our senior management pays special attention to the realization of ideas from employees, external competitions and passengers. In addition to our innovation platform, we solve big problems through solution challenges and hackathons. Furthermore, we organize brand workshops to help different industries create solutions for the aviation industry.</p> <p>To support startups, we ensure startups to be introduced to investors under the Invest On Board program. We also support entrepreneurs through programs such as TÜBİTAK BIGG. We laid the foundations of important collaborations and projects for the future in 2023 as well.</p> <p>With the implementation of ideas from both internal and external sources, more than USD 320 million in financial benefits were realized since the launch of the Corporate Innovation Platform.</p> <p>Through digital maturity determination studies, we identify digital transformation opportunities and accelerate transformation with next-generation solutions.</p>   |
| Recyclable Packaging Design                   | Practices and studies on designing product packaging to be recyclable, low-waste and environmentally friendly | Biodegradable packaging, packaging made from recycled materials, packaging waste reduction strategies | <p>In line with our goal of offering our passengers a comprehensive, privileged and also sustainable travel experience that meets all their needs, sustainable products and services are of critical importance to us.</p> <p>Our efforts to reduce plastic use include reducing the use of plastic in packaging materials and the amount of waste from packaging. At the planning stage, we take care to select materials according to the principles of "reusability" and "recycling." For example, we use washable materials in the majority of our international services. In addition, we prefer materials made from sugar cane or corn starch instead of single-use plastics.</p> <p>We have reduced the amount of plastic by approximately 20 tons annually by replacing the stirring sticks of welcome drinks especially for our business class passengers with PLA-based materials produced from sugar cane. Furthermore, we reduced plastic consumption by 18 tons annually by using wooden mixers instead of plastic mixers in the sugar mixer sets used in our flights.</p> <p>While we continue to be sensitive to waste management, in line with our Sustainability Policy, our Sustainability Committee decided to replace the products used on board with sustainable ones, and we started to implement this in all our flights. Moreover, we have developed the content of our travel sets in line with sustainability principles.</p> <p>The toy sets in the children's kits were also specially prepared to raise environmental awareness and sensitivity. In line with our Sustainability Policy, we implement practices such as cleaning and re-serving used products in order to reduce the amount of waste and extend the service life of products.</p> |

## TO THE TOP WITH CORPORATE VALUES

As the leading organization of the Turkish aviation industry, Turkish Airlines aims to set a good example for the industry on an international scale with its management culture and principles and governance model in compliance with international norms.

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## CORPORATE GOVERNANCE

Our Incorporation complies with all mandatory Corporate Governance Principles determined by the Capital Markets Board while paying utmost attention to compliance with non-mandatory ones.



**50.88%**

**TURKISH AIRLINES  
FREE FLOAT RATE**

After it was included in the privatization program in 1990, Turkish Airlines has continued its transformation, becoming a joint-stock company with 50.88% of its shares publicly traded as of today. The 49.12% shares of the Incorporation held by the Republic of Türkiye Ministry of Treasury and Finance Privatization Administration were transferred to the Türkiye Wealth Fund in 2017. Today, Republic of Türkiye Ministry of Treasury and Finance Privatization Administration holds 1 Group C share. Our Incorporation, the publicly-traded shares of which are listed on the Borsa Istanbul (BIST), carries out its operations under the provisions of the Turkish Commercial Code and the regulations of the Capital Markets Board (CMB).

As the leading organization of the Turkish aviation industry, Turkish Airlines aims to set a good example for the industry on an international scale with its management culture and principles and governance model in compliance with international norms. Having adopted the principles of transparency, accountability, fairness, and responsibility as fundamental principles in its work culture, our Incorporation complies with all mandatory Corporate Governance Principles determined by the Capital Markets Board, while paying utmost attention to compliance with non-mandatory ones.

### Structure and Operating Principles of the Board of Directors

The Board of Directors, which serves as the main representative and administrative body of the Incorporation, consists of 9 members, three of whom are independent members who meet the independence criteria specified by the Capital Markets Board in its regulations on corporate governance. As of the reporting period, one female member serves on the Board of Directors.

Members of the Board of Directors are elected for two-year terms of office from among professionals who meet the conditions specified within the framework of the Turkish Code of Commerce (TCC) and Capital Markets legislation and stand out with their professional competence and experience, especially in fields such as aviation, finance and business. The General assembly elects 8 members of the Board of Directors amongst the candidates nominated by the Group A shareholders having highest votes, and one member amongst the candidates nominated by the Group C shareholder. Although there is no classified or staggered Board of Directors membership structure, Board Members whose terms of office have expired may be re-elected. As stated in Article 364/1 of the TCC, "Even if they are appointed by the articles of association, the members of the board of directors may be dismissed at any time by a resolution of the general assembly, if there is a relevant item on the agenda, or if there is a just cause even in the absence of an item on the agenda."



## CORPORATE GOVERNANCE

Ordinary General Assembly meetings are held at least once a year and in accordance with the legislation, while Extraordinary General Assembly meetings can be held at any time when necessary. According to the Turkish Commercial Code, one-twentieth of the shareholders of publicly traded companies may request the Board of Directors to call the General Assembly for a meeting by stating the reasons and agenda in writing or to include in the agenda the items they wish to be resolved at the General Assembly to be convened. The request for an additional agenda item should be submitted to the Board of Directors prior to depositing the announcement fee of the Turkish Trade Registry Gazette with respect to the call. If the Board of Directors accepts the call, the General Assembly shall be called for a meeting to be held within 45 days at the latest; otherwise, the call shall be made by the requesters.

Shareholders or their proxies present at the General Assembly meetings have one vote for each share. There is no practice of imposing upper or lower share limits restricting voting rights. Although the voting process is carried out by open voting, secret ballot voting may also be conducted upon the request of shareholders representing 10% of the shares present at the meetings.

The Board of Directors convenes with the participation of at least 6 members and makes decisions with the affirmative votes of at least 5 members. Any member, who fails to attend 4 consecutive meetings or 6 meetings in total within a period of one

year, without being deemed to be on leave by the Board of Directors or without any justified reason, shall be considered to have resigned. The decision to make proposals to the General Assembly on significant issues such as amendments to the Articles of Association, capital increases, mergers and acquisitions, approval of the transfer of registered shares is conditional upon the attendance and affirmative vote of the member of the Board of Directors representing the Group C shareholder at the meeting where these decisions are made. Group C shares may be transferred to another Turkish public institution, which substantially possesses the powers granted to the Privatization Administration by the relevant laws, without the need for a resolution of the Board of Directors.

Although there is no restriction on the members of the Board of Directors taking on other duties outside the company, the duties of the members of the Board of Directors outside the company are disclosed to the shareholders at the General Assembly meeting and on the Public Disclosure Platform (KAP).

The members of the Board of Directors are responsible for all duties and authorities other than those assigned to the General Assembly by the relevant legal regulations and the Articles of Association of the Incorporation, without any further limitation, and they have all the authorities required by these duties. In order to fulfill these duties and to increase efficiency in the representation and administrative processes of the Company, the Board of Directors may delegate some or all of its

management and representation powers to one or more of the members, to senior and mid-level managers, who are not members of the Board of Directors but are in charge of execution, to executive committees to be formed with the participation of members from within or outside the Board of Directors, or to Committees established in accordance with the provisions of the Capital Markets Law and relevant regulations.\*

*\*The Board of Directors may not delegate authority regarding the privileges granted to Group C shares by the provisions of the Articles of Association of the Incorporation.*

In 2023, Turkish Airlines Board of Directors held 90 meetings, which were attended by all members.

According to Turkish Airlines Remuneration Policy, which is also available on the corporate website, a fixed remuneration is determined for the members of the Board of Directors at the Ordinary General Assembly meeting each year. In addition to the fixed remuneration determined by the General Assembly, the members of the Board of Directors and the Executive Committee can be paid additionally or



## CORPORATE GOVERNANCE

provided with fringe benefits in the amount determined by the Board of Directors in consultation with the Corporate Governance Committee, in accordance with the criteria specified in the Remuneration Policy. The wages for Independent Board Members shall be at a level reasonable for them to sustain their independence.

The Remuneration Policy of our Incorporation does not include any payment plans based on stock options, dividends or the company performance for the Independent Members of the Board of Directors. Remuneration and all other benefits provided to the members of the Board of Directors and senior executives during the year are disclosed to the public through the annual report and presented to the shareholders at the General Assembly meeting held for the year in question.

### Prevention of Conflicts of Interest

Our Incorporation has a Corporate Governance Committee, the duties of which are determined in accordance with the Corporate Governance Communiqué No. II-171 of the Capital Markets Board. The Committee determines whether Turkish Airlines complies with the Corporate Governance Principles and, if not, to identify the reasons thereof and the conflicts of interest caused by such incompliance, to give advice to the Board of Directors on improving the Corporate Governance Practices, and to oversee the activities carried out by the Investor Relations department.

### Communication with Shareholders

Turkish Airlines maintains close communication with its stakeholders such as shareholders, investors, and investment analysts in line with the principles of transparency, accountability, and equality. The Investor Relations Department, reporting to the CFO (Chief Financial Officer), is responsible for ensuring that this communication is carried out efficiently, that accurate, consistent, and timely information about the Incorporation is provided, and that these activities are carried out systematically.

In line with the Public Disclosure Policy, the Investor Relations Department is responsible for ensuring and monitoring communication and information exchange between the Board of Directors and capital market regulators and participants. In this context, presentations are made at investor conferences, teleconference calls and corporate and individual investor meetings are held to share financial, operational, and strategic developments regarding the Incorporation with investors and analysts.

All announcements made on the Public Disclosure Platform are published on the Investor Relations website of the Incorporation one business day after the announcement at the latest.

General Assembly meetings are the most fundamental channel where shareholders can ask questions about the company and directly convey their opinions, suggestions, and complaints to the Board of Directors. At the General Assembly meeting of 2023, 10 of our shareholders conveyed their demands, complaints, and suggestions to the Board of Directors.

| General Assembly Meetings   | Fiscal Year 2020                                 | Fiscal Year 2021                                 | Fiscal Year 2022                                 | Fiscal Year 2023  |
|---|--|--|--|---|
| <b>General Assembly Dates</b>   | <b>26.03.2021</b>                                | <b>29.03.2022</b>                                | <b>25.07.2023</b>                                | <b>24.05.2024</b>                                       |
| Number of shareholders present, represented, granting power of attorney to the chairman, or casting vote by email | 367 shareholders representing 879,352,441 shares | 301 shareholders representing 842,423,123 shares | 660 shareholders representing 877,232,093 shares | <b>658 shareholders representing 817,447,228 shares</b> |
| Attendance Rate   | 63.72%   | 61.05%   | 63.57%   | <b>59.24%</b>   |



## BOARD OF DIRECTORS, SENIOR MANAGEMENT AND COMMITTEES

### BOARD OF DIRECTORS

The Board of Directors is comprised of 9 members, including 3 independent members, elected by the General Assembly. The Board of Directors shall approve the strategic targets, continuously and effectively monitor these targets, as well as the activities of the Incorporation and its past performance. In doing so, the Board shall strive to ensure compliance with international standards, and whenever necessary, take preemptive action for potential problems.

Members of the Board who were on duty and committees as of December 31, 2023 are listed below:

|                             |  |
|-----------------------------|--|
| Prof. Ahmet BOLAT           | Chairman of the Board of Directors and the Executive Committee                         |
| Prof. Mecit EŞ              | Deputy Chairman of the Board of Directors and the Executive Committee                  |
| Bilal EKŞİ                  | Member of the Board of Directors and CEO   |
| Assoc. Prof. Murat ŞEKER    | Member of the Board of Directors and the Executive Committee / Chief Financial Officer |
| Ramazan SARI                | Member of the Board of Directors and the Executive Committee                           |
| Dr. Hüseyin KESKİN          | Member of the Board of Directors   |
| Dr. Melih Şükrü ECERTAŞ     | Independent Member of the Board of Directors   |
| Assoc. Prof. Fatmanur ALTUN | Independent Member of the Board of Directors   |
| Şekib AVDAGIÇ               | Independent Member of the Board of Directors and the Executive Committee Member        |

Members of the Board who are on duty and committees as of June 10, 2024 are listed below:

|                             |   |
|-----------------------------|---|
| Prof. Ahmet BOLAT           | Chairman of the Board of Directors and the Executive Committee  |
| Şekib AVDAGIÇ               | Deputy Chairman of the Board of Directors and the Executive Committee / Independent Board Member                                |
| Bilal EKŞİ                  | Member of the Board of Directors / Chief Executive Officer  |
| Assoc. Prof. Murat ŞEKER    | Member of the Board of Directors and the Executive Committee / Chief Financial Officer  |
| Dr. Melih Şükrü ECERTAŞ     | Independent Member of the Board of Directors and the Executive Committee  |
| Ramazan SARI                | Member of the Board of Directors and the Executive Committee / Senior Vice President General Aviation (VIP Aircraft) Operations |
| Prof. Mecit EŞ              | Member of the Board of Directors  |
| Dr. Hüseyin KESKİN          | Member of the Board of Directors  |
| Assoc. Prof. Fatmanur ALTUN | Independent Member of the Board of Directors  |

You can find the resumes of the members of the Board of Directors [here](#) and the Declarations of Independence of the Independent Board Members in 2023 Annual Report.



## BOARD OF DIRECTORS, SENIOR MANAGEMENT AND COMMITTEES

### SENIOR MANAGEMENT

Information about the Senior Management of the Incorporation is presented below as of December 31, 2023:

| Name                     | Position                                   | Start of Office | Profession                              |
|--------------------------|--|-----------------|---|
| Bilal EKŞİ               | CEO  | 24.10.2016      | Electronics and Communications Engineer |
| Assoc. Prof. Murat ŞEKER | Chief Financial Officer                    | 26.07.2016      | Economist                               |
| Ahmet OLMUŞTUR           | Chief Marketing Officer                    | 30.04.2014      | Manager                                 |
| Kerem SARP               | Chief Commercial Officer                   | 28.01.2022      | Manager                                 |
| Levent KONUKCU           | Chief Investment & Technology Officer      | 28.01.2022      | Aeronautical Engineer                   |
| Abdulkerim ÇAY           | Chief Human Resources Officer              | 21.04.2015      | Manager                                 |
| Dr. Kerem KIZILTUNÇ      | Chief Corporate Development and IT Officer | 17.02.2022      | Computer Engineer                       |
| Mehmet KADAİFÇİLER       | Chief Flight Operations Officer            | 28.01.2022      | Pilot                                   |
| Turhan ÖZEN              | Chief Cargo Officer                        | 12.12.2016      | Manager                                 |

You can find the resumes of the Senior Management [here](#).

Information about the Senior Management of the Incorporation is presented below as of January 29, 2024:

| Name                     | Position                             | Start of Office | Profession                              |
|--------------------------|--------------------------------------|-----------------|---|
| Bilal EKŞİ               | CEO                                  | 24.10.2016      | Electronics and Communications Engineer |
| Assoc. Prof. Murat ŞEKER | Chief Financial Officer              | 26.07.2016      | Economist                               |
| Ahmet OLMUŞTUR           | Chief Marketing Officer              | 30.04.2014      | Manager                                 |
| M. Akif KONAR            | Chief Operations Officer             | 01.01.2024      | Management Engineer                     |
| Levent KONUKCU           | Chief Investment & Strategy Officer  | 28.01.2022      | Aeronautical Engineer                   |
| Abdulkerim ÇAY           | Chief Human Resources Officer        | 21.04.2015      | Manager                                 |
| Dr. Kerem KIZILTUNÇ      | Chief Information Technology Officer | 17.02.2022      | Computer Engineer                       |
| Mehmet KADAİFÇİLER       | Chief Flight Operations Officer      | 28.01.2022      | Pilot                                   |
| Ali TÜRK                 | Chief Cargo Officer                  | 01.01.2024      | Industrial Engineer                     |

## BOARD OF DIRECTORS, SENIOR MANAGEMENT AND COMMITTEES

### COMMITTEES

In line with the Turkish Commercial Code and CMB regulations, the Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee were established in order to increase the efficiency of activities and governance quality of the Board of Directors. All members of the Audit Committee and the chairpersons of the other committees are elected among the independent Board Members. Since no separate Nomination Committee and Remuneration Committee have been established in our Incorporation, the Corporate Governance Committee also fulfills the duties of these committees in accordance with principle no. 4.5.1 of the Corporate Governance Principles.

The duties of the committees are set out in the Corporate Governance Communiqué No: II-171 of the Capital Markets Board. In our Incorporation, the Corporate Governance Committee determines whether the Incorporation complies with the Corporate Governance Principles and, if not, to identify the reasons thereof and the conflicts of interest caused by such incompliance, to give advice to the Board of Directors on improving the Corporate Governance Practices, and to oversee the activities carried out by the Investor Relations department. Additionally, within the framework of activities of the Nomination Committee, the Corporate Governance Committee is responsible for establishing a transparent system for the identification, evaluation, and training of suitable candidates for the Board of Directors and executive positions with administrative responsibilities, determining policies and strategies in this regard, conducting regular evaluations on the structure and efficiency of the Board of Directors, and presenting its recommendations to the Board of Directors regarding changes that may be made in these issues. Within the framework of activities of the Remuneration Committee, it is responsible for determining and overseeing the principles, criteria, and practices to be used in the remuneration of the Members of the Board of Directors and executives with administrative responsibility, taking into account the long-term goals of the company.

The Early Detection of Risk Committee makes studies for the detection measurement, and evaluation of the potential risks that may pose a threat to the activities and continuity of the Incorporation; and takes the necessary actions for the establishment of the risk management systems against the identified risks and the assurance of the functionality of such systems.

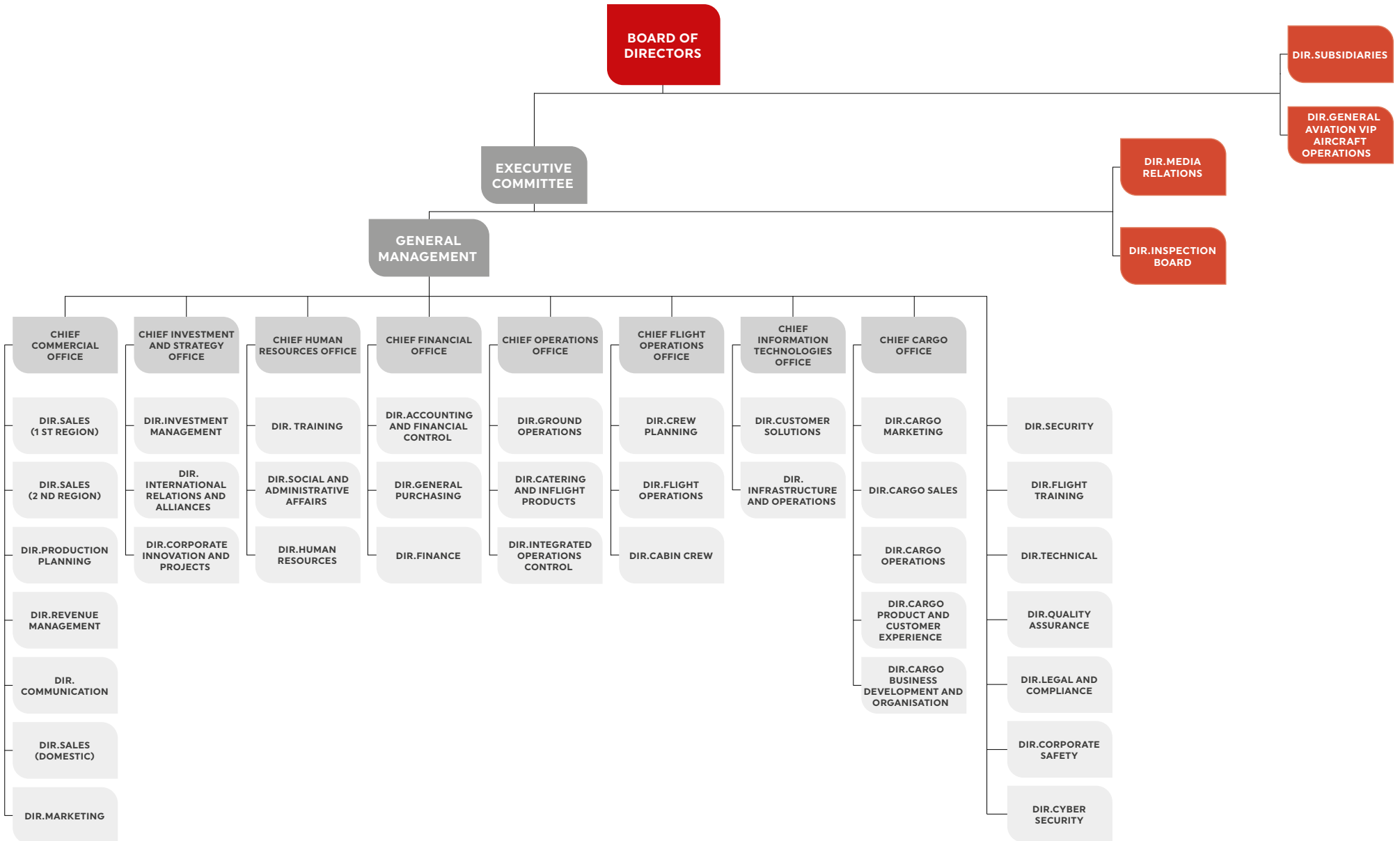
The Audit Committee oversees the company's accounting system, public disclosure of financial information, independent auditing, and the operation and effectiveness of the company's internal control and internal audit system. The Audit Committee monitors the selection of independent audit companies, the preparation of independent audit contracts, the launch of the independent audit process, and all activities of independent audit companies at any phase.

The aforementioned committees continued to work in their areas of responsibility in 2023 and contributed to the effective management of the Board of Directors by informing the Board of their activities.

If they require so, the Committees of the Board of Directors consult independent experts about certain issues related to their activities as specified in the Corporate Governance Communiqué. The fees of the consulting services required by the Committees are covered by the Company. However, information on the persons/entities providing such services and/or whether such persons/entities have a relation with the Incorporation is explained in the annual report.

Comprehensive information on the duties and responsibilities of the Committees of the Board of Directors and their activities during the reporting period is provided on page 188 of our Annual Report 2023.

# ORGANIZATION CHART





## BUSINESS ETHICS, LEGAL COMPLIANCE, AND FAIR COMPETITION

In 2023, we conducted benchmark studies on "Ethics Committee Processes" with other institutions and organizations in order to accelerate the processes of dissemination and development of ethical culture and informed our Board Members about these studies.



**7,146**

**NUMBER OF PEOPLE PARTICIPATING IN CODE OF ETHICS TRAINING IN 2023**

### Our Approach to Business Ethics

At Turkish Airlines, we follow internationally accepted principles of business conduct and ethics in all our operations and decisions. In order to present these principles to our managers, employees, and stakeholders in a systematic manner as guidance, the Board of Directors has established the "Code of Business Conduct and Ethics." The principles outlined in the Turkish Airlines Code of Business Conduct and Ethics Manual are binding for all executives and employees. Published in 2023 with improved content, the [Code of Business Conduct and Ethics Manual](#) can be accessed through the Sustainability section of our corporate website.

The drafting process of the procedures, particularly "Anti-Bribery and Corruption," "Prevention of Money Laundering and Financing of Terrorism," and "Gift Exchange" procedures, which explain in detail the topics covered in the Code of Business Conduct and Ethics Manual, is currently underway. After our relevant procedures are published, employee trainings and compliance audits shall be carried out in order to increase employee awareness.

The principles defined in the Code of Business Conduct and Ethics Manual cover various issues such as our corporate values, compliance with legislation, anti-bribery and anti-corruption, and prevention of anti-competitive behavior. Every employee joining the Incorporation is informed about the Code of Business Conduct and Ethics as well as the Ethics Committee Procedure.

In 2023, we conducted benchmark studies on "Ethics Committee Processes" with other institutions and organizations in order to accelerate the processes of dissemination and development of ethical culture and informed our Board Members about these studies. In this context, ethics was also included in the visuals of all communication channels within the Incorporation in March and November.

We became a member of the Ethics & Reputation Society (TEID) during the reporting period in order to play a more active role in the processes and activities related to business ethics in cooperation with the leading companies of our country.





## BUSINESS ETHICS, LEGAL COMPLIANCE, AND FAIR COMPETITION

### Code of Ethics Trainings

To increase the awareness of our executives and employees on the corporate ethical culture, a Code of Ethics Training program was created. This program aims to train them with the expected attitudes aligned with Turkish Airlines' Ethical Values and with the desired approach in potential suspicious situations. The training consists of "Code of Ethics, Violations of Code of Ethics, Ethical Line, Ethics Committee" and the program covers topics such as legal compliance, anti-corruption and anti-bribery, and fair competition in addition to general business ethics principles. Delivered through an on-line training platform in both Turkish and English, this program ensures the participation of all employees and executives. Each employee is required to re-attends this training every three years. In 2023, a total of 7,146 employees and executives participated in 1,548 person\*hours of training.

In addition to training activities, presentations are prepared, internal communication tools such as e-mail notifications, corporate publications and posters are used and on-line workshops are conducted in order to keep alive the knowledge and awareness of executives and employees on business ethics.

### Reporting Abuses

An essential aspect of the ethics management process is identifying and preventing situations that contradict ethical principles or raise suspicions, with a primary focus on human rights, discrimination, bribery and corruption, conflicts of interest, and anti-competitive practices. In this context, we have an Ethics Line, a whistle-blowing system established to enable our employees to anonymously report any behavior contrary to our corporate principles on issues such as discrimination, bribery, conflict of interest, and anti-competitive practices. All reports received through the Ethics Line, whose management process is undertaken by a completely independent third-party company, are evaluated by our Ethics Committee. Based on its evaluation, the Ethics Committee determines the necessary measures to address the reported situations. Internal audit activities are carried out upon the reports made to the Ethics Line. The internal audits are carried out by the Inspection Board, which reports at the Executive Committee level.

| Code of Ethics Trainings                       | 2019  | 2020  | 2021  | 2022  | 2023         |
|--|-------|-------|-------|-------|--------------|
| Total number of training participants (person) | 4,320 | 2,420 | 6,207 | 9,463 | <b>7,146</b> |
| Total training hours (person*hour)             | 2,160 | 1,210 | 3,103 | 4,416 | <b>1,548</b> |



## BUSINESS ETHICS, LEGAL COMPLIANCE, AND FAIR COMPETITION

The Ethics Committee consists of four board members and a board chairman appointed by our CEO. The Ethics Committee aims to create a positive, diverse, open, and inclusive working environment where employees and other persons can ask questions, raise concerns about work-related ethical issues, request an investigation, or report violations without fear of retaliation. The success of our Incorporation is characterized by our commitment to integrity. In addition to compliance with laws and regulations, we aim to do the right thing every day. We believe that we can realize our corporate actions by making them compatible with our ethical values. We work to ensure that all employees adopt ethical principles and values, display an ethical approach in parallel with the corporate culture and that these gains become the identity and behavior of Turkish Airlines employees in the long term. We encourage our employees to habitually question whether their discourse and conduct in the work environment is "ethical." We aim to resolve disputes arising from elements that are contrary to ethical principles by providing guidance in cases of hesitation in distinguishing between right and wrong.

In 2023, 335 applications made through the Ethics Line were handled by the Ethics Committee or its sub-committees, and 328 of them were resolved within the period. It was



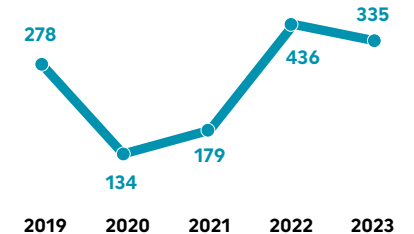
observed that the majority of the reports were related to suspicions of violations of work discipline, labor peace, or corporate culture rather than violations of ethical rules.

Due to the need to evaluate more cases and develop attitudes towards diverse situations resulting from the increase in the number of reports, the opportunity to identify the areas of improvement of the Incorporation, to develop corrective-preventive actions, and to make observations and produce solutions on many issues was gained.

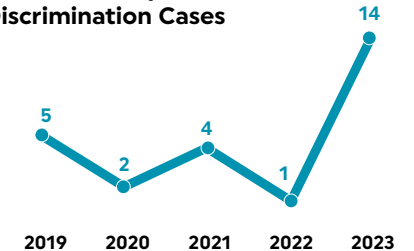
An important principle of the ethical culture of the Incorporation is not to allow discriminatory attitudes and behaviors in activities and dispositions.

Therefore, we encourage our employees to report any suspicion that they have been subjected to discriminatory behavior through the Ethics Line or other channels. In 2023, 14 applications were filed to the Ethics Line on suspicion of discriminatory behavior. The submitted applications were examined, and it was determined that the majority of the received reports pertained to administrative issues. The reports were examined by the Ethics Committee and final decisions were rendered at the Committee meetings within the scope of the Ethics Committee Procedure.

**Number of Ethics Line Applications**



**Number of Reported Discrimination Cases**



## BUSINESS ETHICS, LEGAL COMPLIANCE, AND FAIR COMPETITION

### Legal Compliance and Fair Competition

The aviation industry is subject to numerous legal regulations both locally and internationally, where the compliance is closely monitored. For civil aviation companies, legal compliance is a prerequisite for conducting operations. Given the diversity and rapidly evolving nature of the laws and regulations involved, Turkish Airlines adopts a proactive approach to its compliance processes. To this end, we restructured the Directorate of Legal as the "Directorate of Legal and Compliance" and established the Compliance Department within the Directorate. Therefore, with the establishment of the compliance unit in our Incorporation, we have implemented the activities we had initiated in the previous periods in this period. The responsibilities of the Compliance Department encompass ensuring compliance with the regulations imposed by international organizations and/or states and taking necessary steps to prevent money laundering, combat bribery and corruption, promote fair competition, manage conflicts of interest, and ensure alignment with said legal regulations.

Turkish Airlines conducts its operations with numerous licenses and certifications. The continuity of these documents is ensured by continuously monitoring the required compliance standards, and the compliance index is calculated and reported based on the findings obtained. In 2023, there were no administrative or judicial sanctions imposed on our Incorporation and the Board Members due to practices in violation of legislative provisions.

As a company highly ranking internationally in terms of operational scale and maintaining continuous growth, upholding compliance with the Competition Act and relevant regulations holds significant importance for us. To instill this awareness throughout the organization, fair competition training is provided to managers and employees at all levels. These training sessions offer participants insights into situations that may breach fair competition conditions, introduce tools and methods that can be employed to detect and prevent non-compliance instances. In 2023, no evidence of a violation of competition rules was found against Turkish Airlines and no administrative or legal sanctions related to the Competition Act were imposed on our Incorporation.





## INTERNAL CONTROL AND AUDIT ACTIVITIES

### Internal Control

It is primarily the responsibility of Audit Committee, which operates within the Board of Directors, to ensure the efficient functioning of the internal control and audit systems throughout the Incorporation and to evaluate their effectiveness. The Committee convenes before the announcement of the quarterly financial results and assures that the consolidated financial results to be announced to the public are transparent and accessible and that all necessary measures have been taken for the independent external audit work to be carried out in a transparent and efficient manner. In this context, Audit Committee submitted 7 reports to the Board of Directors in 2023.

The Directorate of Inspection Board operating under the Executive Committee, is responsible for supervising the activities of the Incorporation, the effectiveness of corporate governance, risk and control processes, providing consultancy and assurance services, and making opinions and suggestions on the efficient and effective operation of these processes. The Directorate of Inspection Board;

- Carries out all activity, unit, and process audits that may be necessary for the Incorporation to achieve its goals and objectives soundly and effectively. Monitors that the legal responsibilities of the Incorporation are fulfilled in a timely and complete manner and that the activities and practices of the Incorporation are determined in compliance with the legislation and in a

manner that shall provide advantages to the Incorporation; and makes recommendations in this regard.

- Assesses whether internal controls are adequate against predictable financial, commercial, operational, administrative, and legal risks; monitors and makes recommendations on whether the detective and preventive measures have been established and implemented to eliminate or mitigate the identified risks or to keep them under control and monitor them.

- Evaluates the effectiveness and efficiency of the management and internal control processes of the Incorporation.

In addition to the planned audits carried out throughout the year, the Inspection Board also carries out unplanned or ad hoc audits against suspicious situations or misconducts at the request of the Executive Committee. In its reports periodically submitted to the senior management, the Board makes

recommendations on the errors, frauds, and misconducts that may lead to losses in the Incorporation's income and assets, and on the precautions and risk mitigation measures to be taken. Then, it follows up on whether the measures decided in light of the findings and recommendations are taken.

In 2023, a total of 100 audit activities, including 2 examinations, 25 investigations, and 73 inspections, were carried out to eliminate, minimize, or control corruption risks.





## ANTI-BRIBERY AND ANTI-CORRUPTION

One of the cornerstones of the Incorporation's compliance efforts with business ethics principles revolves around combating bribery and corruption. Within our operations, we adhere to the Turkish Airlines Code of Business Conduct and Ethics, which encompasses our established principles for anti-bribery and anti-corruption measures. In addition to these principles, we also ensure compliance with the legal regulations of the countries in which we operate and work

in alignment with the guiding principles of the aviation sector.

Within the framework of our anti-corruption principles, we detect and prevent corruption and non-compliant behaviors. In addition, we adopt a well-established approach for monitoring and enhancing anti-corruption systems. The roles of business units and employees, including senior management, Inspection Board, Audit Committee, Ethics Committee,

Disciplinary Committee, and Human Resources, have been assigned. We developed internal control measures for monitoring anti-bribery and anti-corruption matters, ensuring compliance with regulations, and eliminating or minimizing associated risks.

As part of the internal audit programs, bribery and corruption audits are conducted to identify, investigate, and take necessary measures in case of

potential abuses. As part of the annual audit plan, which follows a risk-based approach, we audited 20% of business units for corruption risks in 2023. During the reporting period, we conducted a total of 100 audits. In 2023, no violation of our anti-bribery and anti-corruption policy was detected and no administrative or monetary penalties or criminal sanctions were imposed against the Incorporation or its employees in this regard.





## PROACTIVE RISK AND CRISIS MANAGEMENT

Turkish Airlines aims to sustain its operational and financial success, differentiate itself positively from its competitors, and enhance its position in the international aviation sector. To this end, we pursue a comprehensive and multidimensional risk management strategy.

Aviation is a sector where different dynamics are effective and competition is intense. In this challenging environment, Turkish Airlines aims to sustain its operational and financial success, differentiate itself positively from its competitors, and enhance its position in the international aviation sector. To this end, we pursue a comprehensive and multidimensional risk management strategy.

We have a Process Risk and Opportunity Assessment Procedure that defines the standard method required to identify, define, analyze, and prioritize the risks and opportunities, determine the actions that can be taken to minimize the risks and realize the opportunities by identifying the existing controls for the processes of the units of the Incorporation.

We carry out studies for the detection, measurement and evaluation of the potential risks that may pose a threat to the activities and continuity of the Incorporation and take the necessary actions for the establishment of the risk management systems against the identified risks and the assurance of the functionality of such systems. The Risk and Crisis Management encompasses the activities that involve identifying and analyzing the risks/opportunities for the processes of the Incorporation units, as well as determining and monitoring

the corresponding actions. Risks and opportunities are assessed by the units for their processes.

This assessment is made by taking into account the following criteria.

- Problems/hazards/threats/uncertainties/non-conformities experienced,
- Activities that are critical, complex, and likely to cause failure/cost increase,
- Situations that may cause loss of reputation/internal-external customer complaints,
- Issues that may hinder the achievement of the objective of the process,
- Situations that can be caused by critical information sources,
- Issues that may cause administrative / financial/criminal sanctions,
- Situations that may arise as a result of critical decisions/approvals,
- Situations that may arise from lack / excess of authorization,
- Situations that may arise from new product/service development,
- Situations that may affect market share, productivity, and customer satisfaction,
- Activities that may affect product/service non-compliance/compliance and costs,
- Activities, inputs, outputs, suppliers, and customers of the process.

Preventive measures for the identified risk factors are considered according to the accepted risk limits and determined by using internationally recognized reliable methods and tools. Hedging strategies are developed and implemented for each defined risk factor.

The highest level executive body responsible for ensuring the reliable and efficient functioning of the risk management systems and processes that the Incorporation follows is the Early Detection of Risk Committee established at the level of the Board of Directors.



## PROACTIVE RISK AND CRISIS MANAGEMENT

The Early Detection of Risk Committee convened six times in 2023 and analyzed the humanitarian and economic impacts of the earthquake disaster in our country, the developments arising from the ongoing Russia-Ukraine war, the course of the war between Israel and Palestine and the rising tensions in the Middle East, the current effects of interest rate hikes on global economic activity and global recession expectations, the effects of the cuts in oil supply by the Organization of the Petroleum Exporting Countries (OPEC) and Russia on the fuel market, the possible problems that may arise from aircraft and engine manufacturers, the negative effects on our strategic targets and the disruptions that may be caused by the service inadequacies at the airports where operations are performed, and evaluated the potential effects of these developments on the aviation industry and the Incorporation in a multidimensional manner. In addition, the Committee also identified the potential financial risk factors by analyzing the data on cash projection, status of financial ratios, current indebtedness, financing requirements and budget performance.

The Committee, which also evaluated the effectiveness of current risk management systems, reported its studies six times to the Board of Directors in 2023.

### Security Risk Management

Our risk management model focuses on ensuring security through the process of identifying threats and calculating risk scores. This process includes security risk assessments, trend and capacity analysis, identification of vulnerabilities subject to risk, and scoring these vulnerabilities with awareness and exploitability analysis. It is finalized with the analysis of the impacts and consequences that shall arise if the threat is realized and the calculation of risk scores by using the risk assessment matrix.

When identifying threats, we take into account previous attacks (bombings, hijackings, etc.), potential dangers that may arise as a result of technological developments (drones, etc.), and threats that may target our city offices and hotels where our personnel stay. While analyzing vulnerabilities, we evaluate factors such as airport security measures, risks that may arise as a result of technological developments, security vulnerabilities in our city offices, and security vulnerabilities in team transfers and hotels. We also take into account threat source actors (internal and external threats, passengers, etc.) and means of attack (explosives, weapons, prohibited items, etc.). While determining the impacts, we evaluate human casualties, financial losses, operational losses, and reputation/prestige losses.

Depending on the risk level determined as a result of the assessment, we identify the situations where necessary measures need to be taken and establish coordination with the relevant units and authorities. We regularly review the effectiveness of the measures taken.

We also carry out risk assessments for security reports submitted by our personnel.

- In the first step, the risk and probability levels of security incidents are determined separately. "Probability Scoring" is used to determine the probability value and "Impact Scoring" is used to determine the severity value.
- In the second step, the degree of importance of the risk is determined by using the "Risk Assessment Matrix" based on the formula Risk=Probability×Effect. Thus, the degree of importance of each risk is determined and how it shall be managed is defined.





## PROACTIVE RISK AND CRISIS MANAGEMENT

### Management of Environmental and Climate-Related Risks

We address climate-related risks and opportunities with a risk assessment approach in order for our Environmental Management System to achieve its targeted outputs. We define and manage the risks within this context according to the Procedure for the Management of Environmental Risks and Opportunities. In the environmental SWOT analysis, our climate-related strengths and weaknesses, opportunities and risks are meticulously identified. In the process of assessing risks and opportunities, we identify existing measures and determine risk/opportunity importance level,

probability level, and risk/opportunity covering actions. We conduct this assessment at least once a year along the entire value chain of our Incorporation, including its upstream, downstream, and direct operations. We consider short-, medium-, and long-term climate risks and opportunities.

We use a mechanism integrated into our overall risk management process to assess, manage, identify, and respond to climate-related risks and opportunities. There are various departments within the company to address risks and opportunities. We assess all risks and opportunities, including climate-related ones, along the value chain of our Incorporation at least once a year.

Environmental risks and opportunities that we have identified as Unacceptable/High Priority, High/Priority, and Acceptable/Assessable are presented at the Meetings of the Compliance Review Board and Sustainability Committee according to their priorities. Senior management decides whether these risks and opportunities are Acceptable/Applicable for us according to our Risk and Opportunity Assessment Matrix. When we decide to reduce an identified risk to an acceptable level or to implement an identified opportunity, the unit that creates the risk/opportunity is determined by the unit that assesses

Risks and Opportunities. Environmental risks and opportunities are reviewed at least once a year and updated when necessary. We also share the elements identified as environmental risks with all our employees.

Reducing the level of risks or eliminating them is applied by considering the methods of Accepting the Risk, Reducing the Level of Risk, and Transferring the Risk:

- **Accepting the Risk:** If we have taken the necessary risk measures and determined the current risk level as acceptable as a result of the assessment, we accept the risk in its current form.
- **Reducing the Level of Risk ("Risk Avoidance"):** Establishing additional controls to reduce the severity and/or probability of risk is recognized as reducing the level of risk. These controls may include new investments, process redesign, termination of the relevant activity, and similar measures.
- **Transfer of Risk:** We transfer risk to reduce or eliminate the impact of risk. We transfer risk through financial instruments, third-party companies, or outsourcing and service procurement contracts.





## PROACTIVE RISK AND CRISIS MANAGEMENT



### Financial Risk Management

The financial risk management strategy of our Incorporation is based on identifying and controlling the factors that may pose risks to cash flow and financial stability, thus ensuring the sustainability of our competitiveness and profitability. We have a Financial Risk Management Procedure that defines the procedures and principles of minimizing the possible negative impacts of financial risks on our profitability.

We develop and implement hedging strategies for each risk specific to the management of identified financial risks. In order to keep financial risks at a controllable level, we prefer primarily natural hedging methods. In cases where these methods are not sufficient, we manage risks by making financial transactions. For example, we hedge against fluctuations in commodity prices, foreign exchange rates, and interest rates by using derivative instruments. In this way, we aim to increase predictability and reduce the financial impact of fluctuations to reasonable and manageable levels.

At Turkish Airlines, we established the Treasury and Risk Management Commission to determine our financial risk management strategy and manage financial risks effectively. The functionality and efficiency of our

financial risk management strategy is regularly monitored by the Treasury and Risk Management Commission, which consists of relevant executives. The Commission holds periodic meetings chaired by the Chief Financial Officer with the participation of the Head of Finance, the Head of Accounting and Financial Control, and other relevant executives. We evaluate current financial conditions, macroeconomic outlook, sector dynamics, and geopolitical developments at the Commission's periodic meetings and make the necessary decisions. In addition, the Early Detection of Risk Committee carries out activities to identify, measure, evaluate and, when necessary, mitigate or transfer financial risks that may pose a threat to the Incorporation's operations and continuity. We establish risk management systems against the risks identified in this process, operate these systems effectively, and ultimately monitor and report them.

#### KEY FINANCIAL RISK ELEMENTS

- Cash flow risk
- Fuel price risk
- Interest rate risk
- Foreign exchange risk
- Counterparty risk
- Cash flow risk management

## PROACTIVE RISK AND CRISIS MANAGEMENT

### Information Security Risk Management

Within the context of the Information Security Management System, we have a Risk Management Procedure that defines the probability of the risk, its impact on confidentiality, integrity, and accessibility, the ease of abuse of threats through vulnerabilities, and existing controls, taking into account the processes, assets, and parties affected by the risks and opportunities identified by our management.

We follow international risk management frameworks (NIST, ISACA, ISO 31000) as our risk management model. After our cyber security teams identify the vulnerabilities and shortcomings that pose a risk, we create a plan to minimize or eliminate the risk together with the risk owner and operate the risk monitoring process. Risks arising from cyber security are regularly reported to the management.

We monitor risks arising from regulatory compliance and employees' lack of information security awareness and implement programs to minimize these risks. In addition, there are risks arising from the failure to eliminate cyber security risks in a timely manner. In order to minimize these risks, we regularly assess and report risks together with the management.

### Management of Risks Related to Flight Safety and Ground Operations

The risk management of our Incorporation is carried out with a comprehensive model covering flight safety and ground operations. The Safety Management System we implement functions as an operational risk management system that eliminates or minimizes these risks by identifying the hazards and risk factors that have arisen or may arise. Within the framework of the system approach, we constantly evaluate the factors affecting operational areas and address them with a dynamic approach to keep the risks at an acceptable level. We have determined all our methods and principles regarding the identification, assessment, and control of hazards and risks related to safety in flight operations through procedures. We include these procedures in detail in the Safety Management System Manual.

Using pilot reports, Safety Performance Indicators (SPI), meeting decisions, and other sources, we identify potential threats that may have an impact on flight safety. We determine the risk level by calculating the probability of these threats and their severity if they occur, and we plan mitigating actions for unacceptable risks. We take measures to

keep these risks at an acceptable level, and establish safety programs specific to flight, cabin, maintenance, catering, ground, and cargo operations.

We use a 6x7 matrix to identify, assess, and mitigate the risks to flight safety (airport challenges, weather conditions, geographical threats, navigation threats, crew competencies) and analyze the risks with methods such as Bow-Tie and Root Cause Analysis. We monitor the effectiveness of these measures with the feedback received through AQD (Aviation Quality Database) and take additional measures when deemed necessary. In ground operations, risks such as cargo manifest errors, FOD (Foreign Object Damage), wet surfaces, and improper use of de/anti-icing liquid are monitored. All these processes are carried out in accordance with the Safety Hazard Identification and Risk Management Procedure.



### **SAFETY HAZARD IDENTIFICATION AND RISK MANAGEMENT PROCEDURE:**

This defines the methods of identifying, evaluating, and controlling the hazards and risks related to safety in all our activities and operations. This procedure covers all the elements that affect our operations, such as people, machinery, the environment, and the working ambiance.

## PROACTIVE RISK AND CRISIS MANAGEMENT

### Flight Security Risk Management

Success in flight security practices is achieved thanks to a proactive risk management approach. In this context, planned or incident-based unplanned security inspections are carried out for the facilities where our flight personnel shall accommodate and the offices of the Incorporation. The measures to be taken are decided and put into practice by the relevant units according to the security risk score and level determined based on the threat levels, vulnerabilities, and possible effects depending on the evaluation results obtained.

Pursuant to the Safe Flight Passenger Tracking System, measures are taken to refuse to provide travel services on flights of the Incorporation to passengers who behave in a manner that threatens the safety of passengers and employees, commit crimes or misdemeanors on board or at the airport, damage the aircraft or endanger its safety, or commit acts that cause material or moral damage to the employees of the Incorporation and service providers, or disobey the rules of the airport or inflight rules and the instructions of the officers, and act in a manner that disrupts discipline and order.

### Fatigue Risk Management

Due to its acute and chronic effects on cockpit and cabin crews, fatigue risks have an important place in flight safety risk management. Therefore, we carry out activities to measure, assess, and prevent fatigue risks in line with the standards and legal requirements set by national and international civil aviation authorities.

Within the scope of the Fatigue Risk Management System, which is integrated into our Safety Management System, the processes detailed for cockpit and cabin crews, fleet, and operational structure are supported by the bio-mathematical model created through international scientific research and operational experiences. In 2023, we continued our efforts to integrate the most up-to-date version of Boeing's Alertness Model (BAM) into our crew planning software in order to effectively manage flight crew planning in terms of managing fatigue-related risks.





## OUR INTEGRATED MANAGEMENT SYSTEMS AND CERTIFICATES

At Turkish Airlines, we conduct our activities in accordance with the following management system standards and have been audited and certified by independent certification companies in compliance with these standards.

- ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction and Complaints Handling
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 27001 Information Security Management System
- IEnvA (IATA Environmental Assessment) Program
- ISO 50001 Energy Management System
- IATA Operational Safety Audit (IOSA) Certificate

IATA Operational Safety Audit (IOSA) Certificate that has been obtained by our Incorporation in 2005 for the first time and is renewed every two years indicates that IATA registers

Turkish Airlines as a safe airline in the international arena. Within the framework of this certification, our Incorporation has been audited every two years by international audit organizations authorized by IATA.

Within the framework of IOSA, our Incorporation is audited in 8 disciplines. At the end of the current audits, the rate of compliance with IOSA standards is over 99%. Beyond holding the IOSA Certificate, the fact that Turkish Airlines

carries out safe and secure operations capable of meeting the requirements of IOSA is one of the most important anchor points underlying its sustainable success.

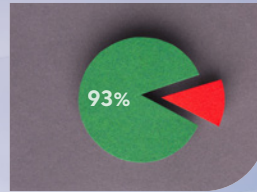




# TO THE TOP WITH SUSTAINABLE DEVELOPMENT

Turkish Airlines has been contributing directly and indirectly to the welfare of the world in many areas, especially the economic development of our country for 90 years. Our contribution to our country's economy has increased 11-fold in the last 10 years, reaching USD 56 billion in 2023.

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The revenue we generate outside Türkiye accounts for **93%** of our total revenues.



Our operating profit margin was **13.7%**, above the sector average.



We won the **"Best Airline in Europe"** trophy awarded by Skytrax for the **eighth** time.



Thanks to Idealist, the corporate innovation platform where internal and external ideas are implemented, we have achieved more than **USD 320 million** in financial benefits to date.





## OUR CONTRIBUTION TO THE COUNTRY'S ECONOMY

We fly to more countries than any other airline and increase the sustainable value we create every day with our extensive flight network and ever-growing human capital.

The aviation sector, which accelerates travel, trade, tourism, and cultural interaction, is one of the key elements of the local and global economy. Turkish Airlines has also been contributing directly and indirectly to the welfare of the world in many areas, especially the economic development of our country for 90 years. We fly to more countries than any other airline and increase the sustainable value we create every day with our extensive flight network and ever-growing human capital. In this reporting period, we continued to support our journey to the top with strategic investments and to increase our global strength.

### Contribution to Türkiye's GDP

The contribution of Turkish Airlines, the flag carrier airline of our country, to the national economy has increased 11-fold in the last 10 years, reaching USD 56 billion in 2023. Despite the challenging operating environment during the period, our Incorporation reached an all-time high passenger number and carried 83.4 million passengers in total, offering faster capacity than its peers thanks to its operational agility, extensive flight network, and highly qualified workforce that it maintained during the pandemic period. In a strong

demand environment, our passenger operations came to the fore, increasing our passenger revenue by 24%. With the contribution of passenger revenue, our total revenue increased by 13.7% to USD 20.9 billion compared to 2022.

We continue our investments, which we believe shall carry us to the top and our country to the future, without slowing down. The value of our investments during the period was USD 5.6 billion, while 32 new aircraft with a total value of USD 2,632 million were added to our fleet.



**83.4**  
**MILLION**  
**NUMBER OF PASSENGERS CARRIED IN 2023**



## OUR CONTRIBUTION TO THE COUNTRY'S ECONOMY

### We Contributed to the Earthquake Relief Efforts with All Our Strength

Following the earthquakes that struck Kahramanmaraş on 6 February 2023 and caused massive destruction in 11 provinces, we transported 430 thousand citizens and delivered 36 thousand tons of aid material to the region. We donated TRY 2 billion in cash for the requirements in the region. In addition, we are working in coordination with the authorized institutions and organizations of our country for the Turkish Airlines Neighborhood project of 1,000 houses costing USD 100 million. Thus, we have made a total of over USD 300 million in aid and donations to the earthquake zone. In addition, we employed 1,000 disaster victims and made them part of the Turkish Airlines family to support the economic development of the earthquake region.

| Direct Economic Impact Breakdown (USD million)                    | 2019   | 2020  | 2021   | 2022   | 2023          |
|---|--------|-------|--------|--------|---------------|
| Direct Economic Value Generated - Net Sales Revenue               | 13,229 | 6,734 | 10,686 | 18,426 | <b>20,942</b> |
| Direct Economic Value Distributed                                 | 12,644 | 7,264 | 9,411  | 15,710 | <b>18,269</b> |
| Activity Costs  | 10,477 | 6,103 | 8,051  | 13,473 | <b>14,885</b> |
| Wages and Benefits Paid to Employees                              | 2,067  | 1,097 | 1,298  | 2,140  | <b>3,256</b>  |
| Dividends Paid  | 0      | 0     | 0      | 0      | <b>0</b>      |
| State Taxes and Similar Payments                                  | 52     | 41    | 37     | 57     | <b>53</b>     |
| Donations, Sponsorship, and Corporate Responsibility Expenditures | 48     | 23    | 25     | 40     | <b>75</b>     |

| Investments (USD million) | 2019  | 2020  | 2021  | 2022  | 2023         |
|---------------------------|-------|-------|-------|-------|--------------|
| Investments               | 4,315 | 4,903 | 4,193 | 5,499 | <b>5,570</b> |
| Fleet Investments         | 2,402 | 2,926 | 2,061 | 2,879 | <b>3,306</b> |
| Financial Lease Refunds   | 974   | 1,541 | 1,786 | 1,655 | <b>1,667</b> |
| Other                     | 939   | 436   | 346   | 965   | <b>597</b>   |

## OUR CONTRIBUTION TO THE COUNTRY'S ECONOMY

### Contribution to Public Finance

Aviation industry provides a substantial contribution to public finance directly through tax payments or indirectly through fringe benefits, airport fees, etc. Turkish Airlines continued to grow its financial benefit for public financing through indirect taxes and charges amounting to USD 1,846 million in 2023.

| Taxes Paid                    | 2019          | 2020        | 2021          | 2022          | 2023                 |
|-------------------------------|---------------|-------------|---------------|---------------|----------------------|
| The Republic of Türkiye (TRY) | 1,441,302,581 | 898,893,051 | 1,472,755,988 | 4,139,375,929 | <b>7,964,087,175</b> |
| Other States (TRY)            | 66,849,176    | 59,912,800  | 54,248,048    | 241,316,083   | <b>336,444,057</b>   |
| Airports (USD)                | 1,120,050,112 | 425,535,737 | 740,139,335   | 1,310,017,369 | <b>1,561,402,280</b> |



### TAX POLICIES

With its "full tax resident" status, our Incorporation is a taxable entity with respect to its domestic and foreign revenues, and in this context, it calculates and pays corporate tax on its revenues. The main element of Corporate Income Tax is capital and the changes that may occur in capital, and this type of tax is an objective, direct, and single-rate tariff structure for "taxation on revenues." In addition, Value Added Tax, which is an indirect tax applied on the delivery of goods and services, stamp tax due to the signed contracts, income tax on employee wages, GEKAP (recycling participation share to be paid for the products supplied to the market by the sales points for plastic bags and by the marketers/importers for other products), Tourism Share (a share taken from the net sales and rental income obtained as a result of the activities determined in the legislation), etc. taxes and participation contributions are paid.

In this context, our Incorporation fulfills all its tax-related responsibilities in line with the legislation and acts ethically in tax payments. In this process, the accounting records that are the basis of tax are examined and reported by the independent auditor. The latest legislation on tax calculations is meticulously followed, services are obtained from expert tax consultants in this regard, and when deemed necessary, an advance ruling (a written opinion given by the competent authorities upon the request of the taxpayers for clarification in writing on matters, which are not clear for them and on which they have hesitations) is requested.

In addition, our Incorporation is subject to corporate tax and similar taxes in many countries abroad and receives services from experienced consultancy firms in order to ensure maximum tax compliance.



## OUR CONTRIBUTION TO THE COUNTRY'S ECONOMY

Being more accessible makes Türkiye a more attractive tourism destination for visitors who want to see the unique historical and natural beauties of our country. Turkish Airlines supports our country in the provision of a significant foreign currency inflow with the value it generates through tourism.



### TÜRKİYE'S LARGEST EXPORTER WITH

**USD**  
**15.7**  
**BILLION**

### Contribution to Employment Generation

The aviation sector assumes a leverage function in the national economy with the employment opportunities it creates. Providing direct employment opportunities for 55,884\* people as of year-end 2023, Turkish Airlines, together with its subsidiaries, represents a significant portion of the direct employment opportunities provided by the aviation sector in Türkiye with approximately 84 thousand direct employment opportunities.

### Contribution to Türkiye's Exports and Tourism

Turkish Airlines not only provides a direct contribution to the country's exports as Türkiye's largest exporter with a service export figure of USD 15.7 billion in 2023 but also makes an indirect contribution by increasing the country's connectivity thanks to its identity as the airline flying to more countries than any other airline in the world. In 2023, our Incorporation's revenues generated outside Türkiye accounted for 93% of our total revenues.

Turkish Cargo continued to be a part of the logistics solutions of our exporters by cooperating with the Turkish Exporters Assembly (TEA) in order to add value to exports and our country.

*\* Includes the figures of Turkish Technic Inc., Turkish Airlines Technology Inc., Turkish Flight Training and Airport Operations Inc., AJet Air Transportation Inc., THY Air Cargo Transport Inc., THY Support Services Inc., Turkish Cabin Interior Systems Inc.*

Being more accessible makes Türkiye a more attractive tourism destination for visitors who want to see the unique historical and natural beauties of our country. Turkish Airlines supports our country in the provision of a significant foreign currency inflow with the value it generates through tourism. Our Incorporation has an important role in achieving the tourism revenue of USD 54 billion in 2023, as announced by the Republic of Türkiye Ministry of Culture and Tourism.

While our country, as the shining star of the world, had a very successful tourism season, as one of the biggest stakeholders of our smokeless industry, we took an active role in promoting Türkiye's tourism richness globally in a wide range of areas from health to gastronomy, cultural tourism to congress tourism, beyond the transportation of passengers. Throughout 2023, we organized promotional events in our strategic markets in North America, Central America, and the Far East, conveying the richness, beauty, deep history, and civilization of our country to tourism, travel and aviation authorities, agencies, press, opinion leaders, and influencers. Through these events, which we organized in coordination with the Republic of Türkiye Ministry of Culture and Tourism. and other public institutions, we not only brought

direct tourists to our country but also had the opportunity to demonstrate our award-winning service quality. We believe that these efforts also played a role in ensuring that Istanbul ranks first in the list of "World's Most Visited Cities" in 2023 and that Istanbul Airport stands out as the airport offering the most flights in Europe.



In 2023, we were once again deemed worthy of the "Export Champion" award by maintaining our success in service exports as the National Flag Carrier of Türkiye, which is a monument of stability with its export-oriented sustainable growth. We were proud to receive the award presented by our President Recep Tayyip Erdoğan at the 30<sup>th</sup> Ordinary General Assembly and Export Champions Award Ceremony of the Türkiye Exporters Assembly (TEA).

## OUR CONTRIBUTION TO THE COUNTRY'S ECONOMY

### Contribution to Destination Economies

Our Incorporation covers approximately 50% of the total number of passengers traveling by air in Türkiye. In 2023, we expanded our flight network by adding 3 new destinations (Krakow-Poland, Palermo-Italy, Detroit-USA) to a total of 340 cities and 345 destinations in 129 countries and maintained our position as the airline flying to more international destinations than any other airline in the world.

In addition to Istanbul Airport, our main hub, we create job opportunities in other hubs and contribute to local economic and social development in the destinations we operate to across the country and around the world. In 2023, Turkish Airlines conducted flights to 25 out of the 46 least-developed countries recognized by the United Nations. During the year, in these 25 countries, approximately 1 million 335 thousand passengers traveled with Turkish Airlines. Through the global connectivity we offer, our Incorporation creates opportunities for these regions to enhance their economic and social relationships with the world.

|  | 2019 | 2020 | 2021 | 2022 | 2023       |
|--|------|------|------|------|------------|
| Turkish Airlines-Only International Routes                                       | 154  | 155  | 142  | 152  | <b>188</b> |
| Turkish Airlines-Only International Routes within Top 20 Airline Companies       | 219  | 216  | 203  | 223  | <b>352</b> |
| Turkish Airlines-Only International Destinations within Top 20 Airline Companies | 30   | 24   | 22   | 21   | <b>23</b>  |

### SMARTIST

Turkish Cargo commissioned SmartIST, the largest air cargo facility in Europe and the third largest in the world, designed to meet the market requirements in anticipation of an increase in air cargo traffic in the world, in 2022.

SmartIST, which was built on an area of 205,000 m<sup>2</sup> at Istanbul Airport and has an annual cargo handling capacity of 2 million tons, shall reach an area of 340,000 m<sup>2</sup> and a cargo handling capacity of 4 million tons upon completion of the second phase expansion project. In addition to its operational capacity, this high-tech facility has taken its place among the most modern facilities in the world by incorporating systems such as Work Order, ULD Utilization, AR, RPA, ASRS&PCHS. Together with its infrastructure, SmartIST supports Turkish Cargo in achieving its goals of becoming the world's 3<sup>rd</sup> largest air cargo carrier and making Istanbul the world's most important logistics center. In addition, we continue various infrastructure projects and facility investments in order to modernize cargo activities at our Anatolian stations.

Turkish Cargo was also named the most admired air cargo brand in the "Innovative Logistics Solutions in Air Cargo" category with its SmartIST facility.

In addition to its digitalization and logistics ecosystem steps, Turkish Cargo also takes important steps in sustainability for a more sustainable business model and a more livable future. Offering a sustainable working environment at SmartIST, a facility equipped with state-of-the-art autonomous systems, Turkish Cargo also draws attention with its sustainability solutions for air cargo logistics processes.

The e-commerce ecosystem created by focusing on air cargo aims to go beyond the transportation from airport to airport, as well as to become a global e-commerce distribution center with the technology, warehouse, and infrastructure investments in Istanbul and SmartIST by taking advantage of the rapidly growing e-commerce market opportunity in recent years.



## OUR FINANCIAL AND OPERATIONAL INDICATORS

In 2023, we reached an all-time high passenger number with 82.6% load factor and 83.4 million passengers. Passenger revenues increased by 24% to USD 17.7 billion and total revenues by 13.7% to USD 20.9 billion.



**35.7**  
USD BILLION  
TOTAL ASSETS

Turkish Airlines, which has grown above the aviation industry average in capacity, passenger numbers, and profitability over the past 20 years, has concluded another very successful year. Responding quickly and effectively to the increasing passenger demand following the pandemic, the Incorporation continued to increase its international market share.

In 2023, we reached an all-time high passenger number with 82.6% load factor and 83.4 million passengers. Passenger revenues increased by 24% to USD 17.7 billion and total revenues by 13.7% to USD 20.9 billion. Our cargo revenues of USD 2.6 billion decreased by 30% in line with the global decline but were still 43% above the pre-pandemic level.

During the reporting period, the total passenger load factor increased by 1.9 percentage points to 82.6% compared to the previous year, while international and domestic passenger load factors were 82.4% and 84.3%, respectively.

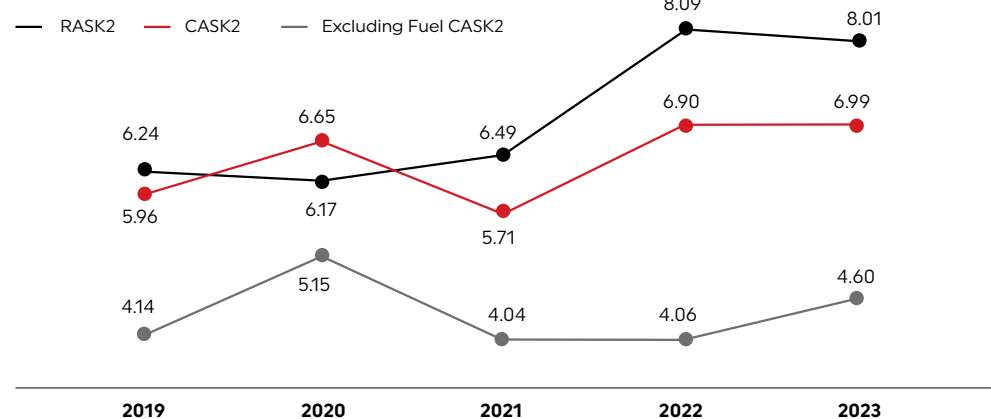
After the pandemic, we accelerated our sustainable profitable growth through our strategic moves and dynamic capacity management. In the reporting period, our operating profit reached USD 2.9 billion, while our operating profit margin was 13.7%, above the sector average.

As of 2023, we shared with the public our long-term goals for the 100<sup>th</sup> anniversary of our organization. In 2033, we aim to fly to 400 destinations around the world with a fleet of more than 800 aircraft, carry 171 million passengers, reach a consolidated turnover of USD 50 billion,

and most importantly, continue to proudly carry our flag as an industry-leading brand. These operational and financial outcomes we achieved during the period demonstrate that we are taking firm steps towards the targets we have set for our 100<sup>th</sup> anniversary.

| Financial Indicators (USD million) | 2019   | 2020   | 2021   | 2022   | 2023          |
|------------------------------------|--------|--------|--------|--------|---------------|
| Operating Profit                   | 876    | -255   | 1,414  | 2,779  | <b>2,859</b>  |
| EBITDA                             | 2,589  | 1,481  | 3,416  | 4,947  | <b>5,525</b>  |
| Net Debt                           | 10,107 | 14,120 | 11,596 | 8,714  | <b>7,330</b>  |
| Return on Equity (ROE)             | 11%    | -16%   | 14%    | 32.87% | <b>47.6%</b>  |
| Total Assets                       | 24,724 | 25,530 | 26,537 | 30,944 | <b>35,671</b> |
| Total Investment Amount            | 4,315  | 4,903  | 4,193  | 5,499  | <b>5,570</b>  |

### Unit Revenues and Costs (USD - Cent "USC")

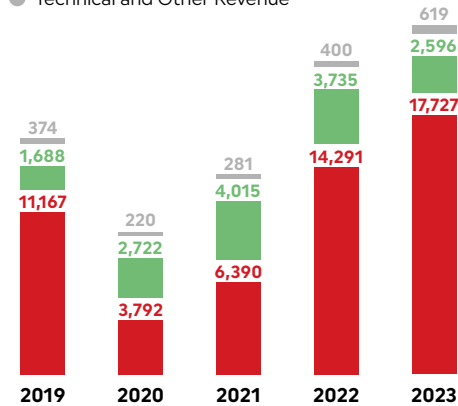


RASK2 (Incl. Cargo ACTK)\*: Total Revenue / ASK2 (Cargo Aircraft Capacity Including Available Cargo Ton KM)  
 CASK2 (Incl. Cargo ACTK)\*: Total Cost / ASK2 (Cargo Aircraft Capacity Including Available Cargo Ton KM)

## OUR FINANCIAL AND OPERATIONAL INDICATORS

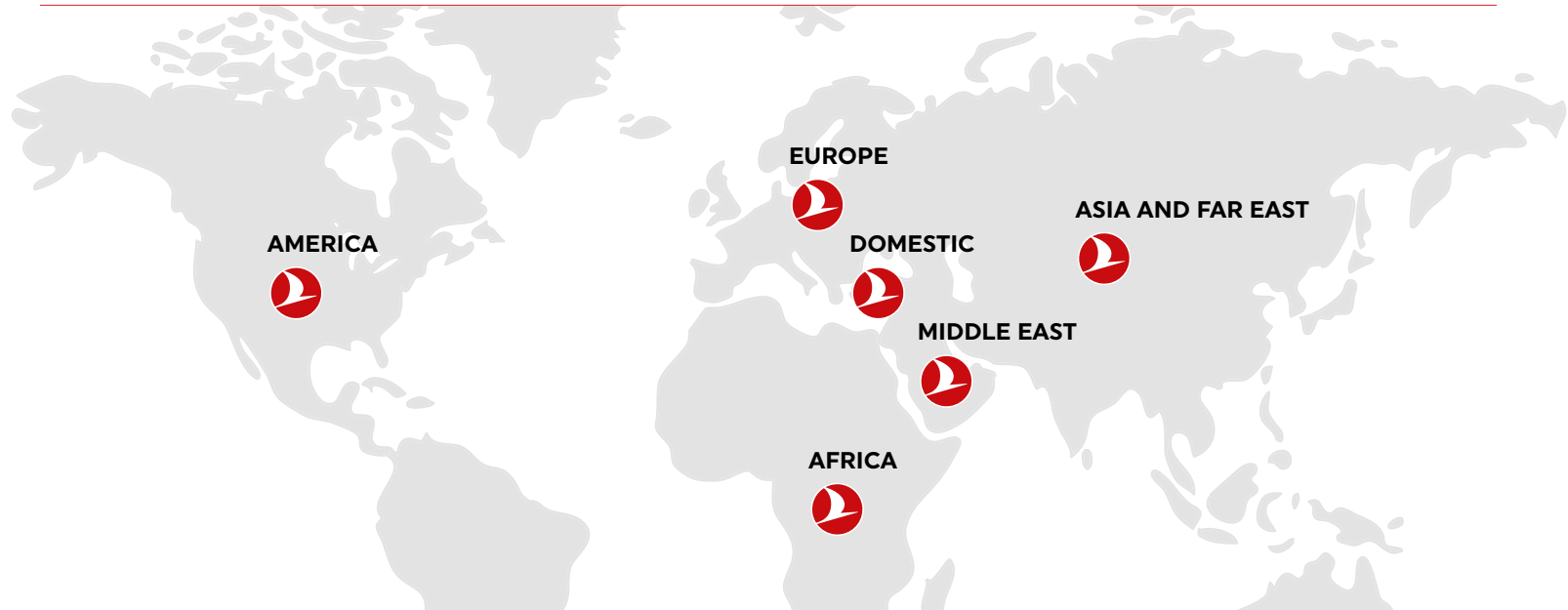
### Revenue Breakdown by Categories (USD million)

● Passenger Revenue ● Cargo Revenue  
● Technical and Other Revenue

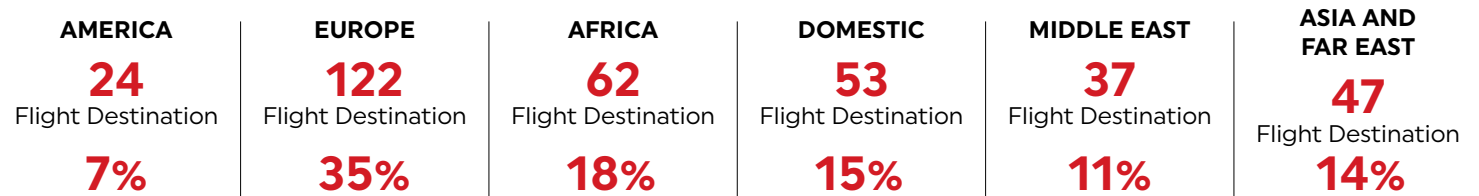


You can find more information about our financial and operational performance in the [THY 2023 Annual Report](#).

### Cargo and Passenger Revenue Breakdown by Geography (USD million)



### Flight Destination Distribution By Geography

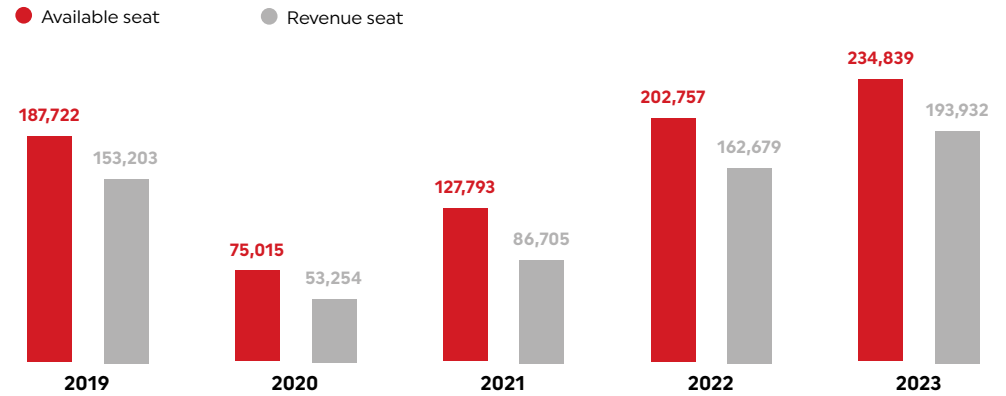




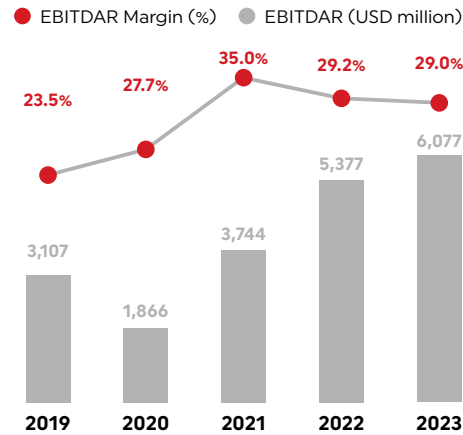
## OUR FINANCIAL AND OPERATIONAL INDICATORS

| Total Traffic Figures          | 2019      | 2020      | 2021      | 2022      | 2023             |
|--------------------------------|-----------|-----------|-----------|-----------|------------------|
| Revenue Passengers (thousand)  | 74,282    | 27,951    | 44,791    | 71,821    | <b>83,378</b>    |
| Available Seat (million km)    | 187,722   | 75,015    | 127,793   | 201,757   | <b>234,839</b>   |
| Revenue Passenger (million km) | 153,203   | 53,254    | 86,705    | 162,679   | <b>193,932</b>   |
| Passenger Load Factor (%)      | 81.6      | 71.0      | 67.8      | 80.6      | <b>82.6</b>      |
| Flight Destinations            | 321       | 324       | 333       | 342       | <b>345</b>       |
| Number of Landings             | 507,352   | 240,354   | 357,207   | 472,724   | <b>539,743</b>   |
| Distance Flown (thousand km)   | 925,918   | 472,032   | 703,265   | 953,902   | <b>1,079,523</b> |
| Cargo and Mail (tons)          | 1,544,341 | 1,494,276 | 1,880,989 | 1,679,393 | <b>1,658,686</b> |
| Excess Luggage (tons)          | 11,848    | 7,513     | 22,190    | 32,034    | <b>35,747</b>    |

### ASK and RPK Breakdown (million km)



### EBITDAR





## CUSTOMER SATISFACTION AND EXPERIENCE

We carry out activities under the responsibility of the Directorate of Marketing to continuously improve customer experience and maximize customer satisfaction. These activities are subject to internal audits conducted by the Directorate of Quality Assurance and periodic independent external audits.



**2.8 DAYS ON AVERAGE**

**RESPONSE TIME TO CUSTOMER FEEDBACK THROUGH VARIOUS CHANNELS IN 2023**

At Turkish Airlines, we aim to maximize customer experience and loyalty and carry out activities with an experience design approach in line with our Customer Satisfaction Policy and Quality Policy. We follow ISO 10002 Customer Satisfaction Management System Standard and ISO 9001 Quality Management System Standard. The compliance with the standard is certified through periodic audits. As of 2023, 92% of our operations were covered by ISO 9001 certification. In addition, we have been holding the ISO 10002 Customer Satisfaction Management System Standard certificate since 2015.

Efforts to improve Customer Satisfaction are carried out in line with the processes specified in the Customer Relations Handbook, Ground Handbook, Flight and Service Disruptions Procedure, DGCA SHY Passenger Legislation, and European Union EC-241/04 Regulation. These activities, which help us continuously improve customer experience and maximize customer satisfaction, are carried out under the responsibility of the Directorate of Marketing and are subject to internal audits conducted by the Directorate of Quality Assurance and periodically independent external audits.



## CUSTOMER SATISFACTION AND EXPERIENCE

### CUSTOMER EXPECTATIONS AND BEHAVIORAL CHANGES

As concepts such as digital technologies, new economy, and sustainability continue to transform consumer behavior at a very fast pace, it is becoming more and more decisive for companies to know their customers and establish a more personalized relationship with them. At Turkish Airlines, we consider our customer-oriented approach the most important factor that distinguishes us in the sector. We collect feedback on all our customer contact moments and try to transform the information and insights we obtain from this data that we process with analytical models into smoother experiences.

Turkish Airlines aims to provide its passengers with a privileged and memorable experience during their travels. With the awareness that traveling is not just about the time spent on board, we strive to make their travels enjoyable from start to finish by combining comfort, taste, and entertainment areas with the services we offer in our private lounges before the flight. Our passengers can enjoy a quiet environment in the study rooms we have created in our special passenger lounge in Istanbul. Our

passengers who wish can have fun in the experience areas we have specially designed for them. We also offer our passengers a selection of tastes from Turkish and international cuisine in our award-winning lounge.

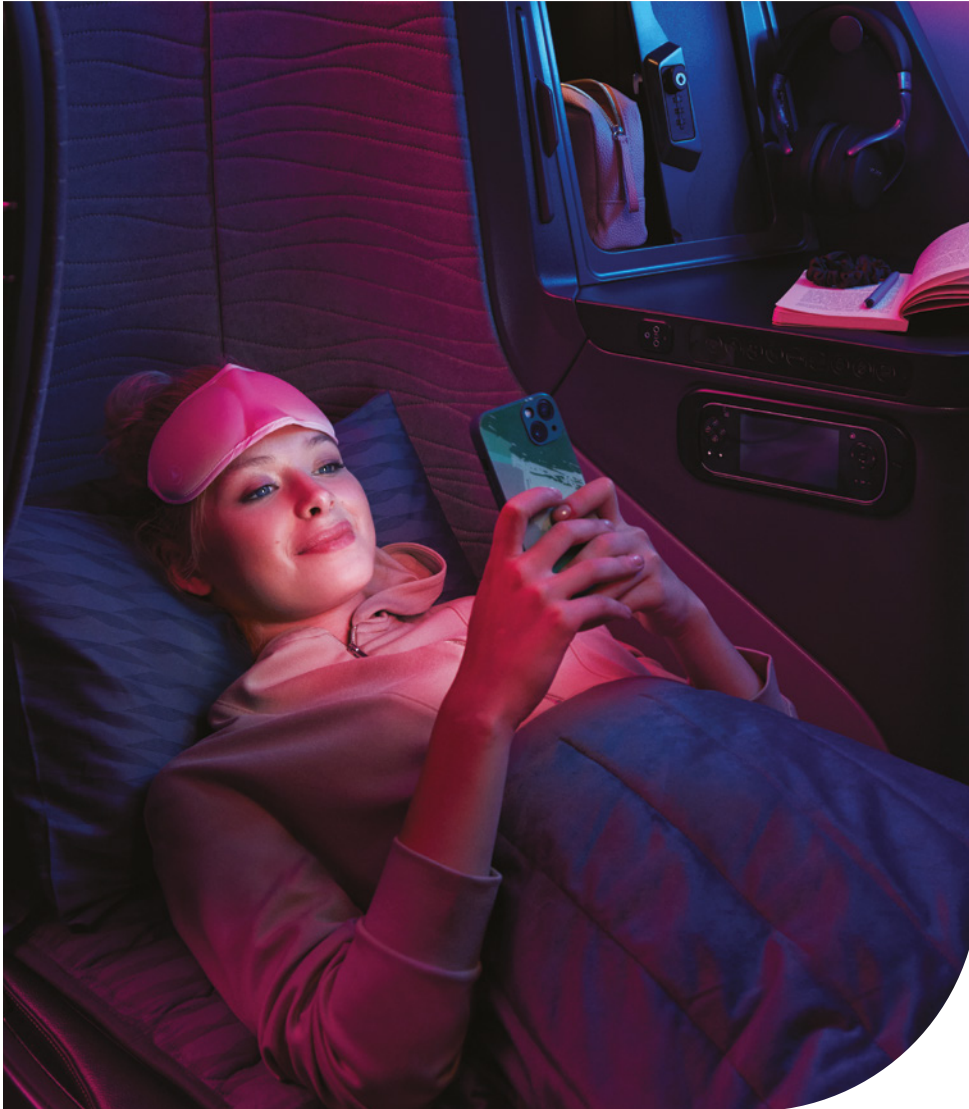
We use various communication channels to learn about the problems experienced by our customers in service processes. We aim to continuously improve the customer experience with the measures we develop through this learning process. In 2023, we responded to the feedbacks of our customers communicated to us through various channels in an average of 2.8 days, and responded to customers in an average of 5.1 days in response to the disruptions experienced.

### COMPENSATION PAYMENTS

We make compensation payments to our customers in accordance with the Regulation on the Rights of Passengers Traveling by Air (SHY-Passenger) and various international regulations (such as GACA, APPR, US DOT, ASL), especially the European Union EC-241/04 Regulation. If the situation experienced by our passenger falls under multiple regulations, we adhere to the regulation that is most favorable to the passenger. We calculate compensation payments based on IATA rules in the damage, late delivery, loss, and extra expense categories. For claims that are refused within the framework of the rules or not paid within the scope of limited liability, we offer our valued customers offers such as additional payment, discounted transport, or passenger tickets in order to ensure customer satisfaction.



## CUSTOMER SATISFACTION AND EXPERIENCE



In 2023, we launched the BRS (Baggage Reconciliation System), which we developed with our internal resources, under the brand name THY BagGlobe at all our domestic stations and the Cyprus Ercan (ECN) station. In 2024, we aim to start its implementation in at least 10 of our overseas stations. With the baggage problems and status reporting project, we plan to provide more transparent information to our passengers by the end of September 2024, to ensure that passengers are informed whether the baggage is loaded on the aircraft, when and by which flight the baggage that has not been loaded shall be sent, every time the status of the problem files changes. Furthermore, after May 2024, as part of the BagStar Program, we shall start sending service satisfaction measurement surveys for passenger feedback files for which action has been taken.

As part of the goals of increasing customer satisfaction, we address and respond to complaints received through communication channels with sensitivity. In addition, in order to provide our passengers with the information and confidence they need, we have reorganized the "Cockpit

Announcements," one of the most important communication tools, in line with the feedback received from passengers and scientific studies, and created a friendly, understandable, and informative guide. In this way, all our pilots contribute to our Incorporation's customer satisfaction goals by delivering the necessary information to our passengers in a timely and complete manner.

We took our responsibility for sustainability even further with CO<sub>2</sub>mission, our voluntary carbon offsetting platform we launched in 2023. CO<sub>2</sub>mission offers our passengers the opportunity to calculate the carbon footprint of their flights and offset their carbon footprint by supporting various sustainable development projects. Our passengers can share the carbon offset certificates they receive for the globally certified projects they have contributed to on social media or give them as gifts to their loved ones.



## CUSTOMER SATISFACTION AND EXPERIENCE

### MORE COMPREHENSIVE AND INNOVATIVE EXPERIENCES

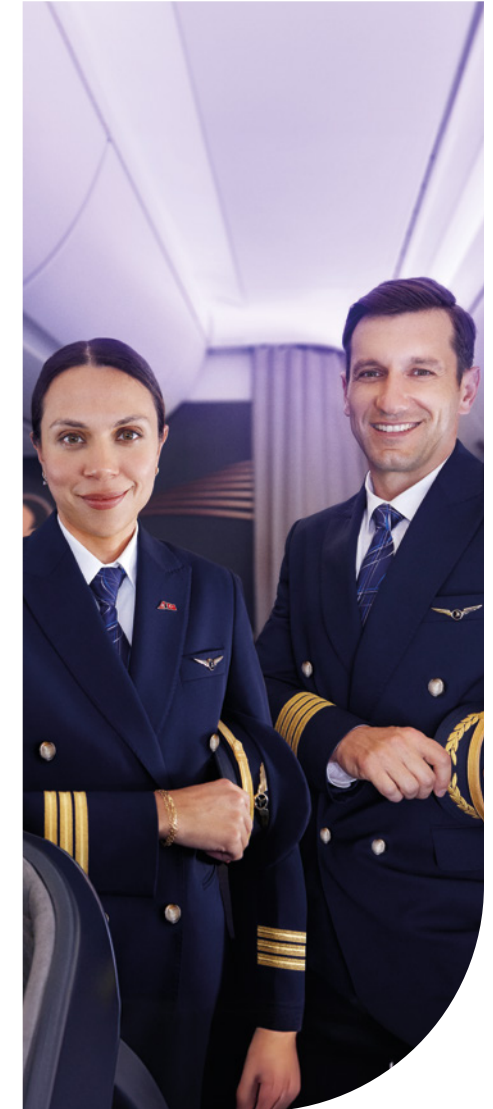
- We have renewed all of our domestic and international menus and started to offer new recipes to our passengers. We have started to serve our Business Class passengers their catering at any time during their transoceanic journeys.
- We have developed "Exclusive Drive," a complimentary private chauffeur-driven car service for our Business Class passengers, aiming at ensuring the continuation of their travel comfort.
- We started to provide inflight internet service to our Miles&Smiles member Business Class passengers.
- We continued to provide our Stopover service, which offers our passengers traveling with connecting flights free accommodation in our contracted hotels and adds value to their travels by helping them discover Istanbul's history and cultural life.
- We developed the Payment Automation application, which enables our customers to receive payments quickly and to automatically calculate their compensation arising from flight disruptions.
- We have completed the development that allows student discount definitions to be made on-line
- We have finalized system enhancements to prioritize feedback with urgent statuses (with 72 hours or less remaining until the flight).
- We added German as a third language to the feedback response process.
- We have carried out awareness-raising activities for our cabin crews on issues that require a special approach, such as cultural differences and disabled people.
- We have made it available for passengers to charge their electronic devices, wired or wirelessly, in our Istanbul Airport special passenger lounges and business counters.
- We provided our passengers with the opportunity to make reservations for their pets through our digital channels

### Experience Ambassadors

We ensure that new ideas and improvement suggestions from our Experience Ambassadors are communicated to the relevant units and turned into action. We have collected more than 400 feedback responses to date, giving importance to the insights of our passengers who fly with us regularly and know us best. In addition, we include our Experience Ambassadors in our new product and service choices to shape our preferences for the products we shall offer to passengers in line with customer satisfaction.

### Turkish Hospitality Training Project

As part of the Customer Focused Culture Transformation project, Turkish Hospitality Training, which we prepared together with the Turkish Airlines Training Department, TGS, and Air Clinic for the personnel working at airport passenger contact points, started to be delivered in May. We aim for approximately 4,000 personnel from TGS, 1,000 personnel from Air Clinic, and 200 personnel from Turkish Airlines to receive the Turkish Hospitality Training. Later on, we are planning to provide this training for the employees of Do & Co. and the Directorate of Cabin Crew and the personnel working at the overseas stations. We are also working on its distance education version in order to provide this training quickly to all personnel in direct or indirect contact with our passengers.



## CUSTOMER SATISFACTION AND EXPERIENCE



### *Routehappy*

Routehappy is a digital platform that goes beyond the "fare" for airfare searches and keeps a flight-based inventory of factors that affect the travel experience. Thanks to our Routehappy collaboration, the services we wish to highlight are published in the flight inquiry feeds of fare distributors contracted by Routehappy. Instead of an ordinary display on on-line channels, we offer our passengers a platform with richer content, where they can prefer us by seeing our products and services.

### *We Touch Hearts with WOW Experiences*

In addition to complaints submitted to our Incorporation, our passengers sometimes send their suggestions and thanks, and sometimes share their feelings and thoughts with us. Sometimes, even if our passengers do not make a post or a notification, their status can reach us. With our WOW Experiences project, we endeavor to touch the hearts of our passengers by responding to their feedback other than complaints, social media posts, or statuses that reach us beyond their expectations.

We have realized 14 WOW Experiences in 2023 and 63 WOW Experiences since the project started. With WOW Experiences, we celebrated wedding anniversaries, made honeymoon surprises, made our child passengers fulfill their dreams, made students happy, and helped our sick passengers. While realizing the WOW Experiences, we received the support and assistance of the relevant units, stations, and departments.

Additionally, we enable aviation influencers to experience traveling with Turkish Airlines and contribute to the improvement of the experience we offer by receiving their feedback.

### *Accessibility*

#### *Differences Add Value*

Turkish Airlines launched the "Differences Add Value" programme to facilitate access to aviation services for individuals with disadvantages or special service requirements.

Within the scope of the program, the Incorporation carries out various social responsibility activities as well as efforts to improve internal and external processes. The practices implemented within the scope of the program are planned based on the feedback obtained from consultation with NGOs and organizations representing special passenger groups.

#### *Customized Service for Passengers with Special Conditions*

Privileged services offered to passengers with special conditions start before the flight. For example, passengers with disabilities can buy discounted tickets for their companions traveling with them, provided that they show the document issued by the Ministry of Family and Social Policies indicating that they have the "right to be accompanied." In order to facilitate the traveling process of disabled passengers, "Priority" stickers are attached to their baggage and they are provided to receive their baggage with priority at the destination.

In 2022, as part of the improvements carried out at Istanbul Airport, two special service points were designed in the check-in area for the waiting and pre-check-in preparation requirements of disabled and mobility-impaired passengers, and the PRM waiting areas on the departure floor were also revised in accordance with the requirements of disabled and mobility-impaired passengers. A similar arrangement was made in the baggage claim area, special areas for disabled and pregnant passengers were created around each carousel, and these areas continue to serve.



## CUSTOMER SATISFACTION AND EXPERIENCE

In order to measure our service quality in terms of disabled passengers and to improve the experience within the scope of the "Accessible Turkish Airlines" concept, we operated 16 domestic and international flights in economy and business classes to Istanbul, Ankara, Antalya, Van, Ercan, Frankfurt, and Skopje stations.



**577**

**NUMBER OF CABIN CREW WITH SIGN LANGUAGE SKILLS**

In 2022, Istanbul Airport started to receive service from a private organization for the area where passengers with stretchers wait at the airport during the pre-travel period. Thus, passengers with stretchers wait for their flights in a spacious and sterile area under the supervision of a doctor.

Passengers in need of special services can contact the ticket sales offices, by phone or via the website before the flight and request accompaniment, transport and wheelchair services for transfers between the aircraft and the terminal building during take-off and landing. In order to better communicate with hearing-impaired passengers, cabin crews receive sign language training. As a result of the trainings continued in 2023, the number of cabin crew members who know sign language reached 577 and the number of TGS personnel reached 163.

In order for hearing-impaired passengers to understand the inflight safety films without the need for assistance, the films are broadcast with animated sign language translations.

In order to measure our service quality in terms of disabled passengers and to improve the experience within the scope of the "Accessible Turkish Airlines" concept, we operated 16 domestic and international flights in economy and business classes to Istanbul, Ankara, Antalya, Van, Ercan, Frankfurt, and Skopje stations.



## CUSTOMER SATISFACTION AND EXPERIENCE

During the reporting period, we conducted disabled people mystery shopper research on 4 different disability groups; visually impaired, hearing impaired, orthopedically impaired, and autistic. We shared the outputs of the disabled mystery shopper research with the relevant stations and coordination units at the end of each research and requested that actions be taken to address the issues we identified. In addition, the Customer Experience Executive Committee was established to present the outputs of the entire research process to our senior management. In this context, improvement items were decided with the support of our senior management to take actions for the improvement process. Improvements are expected to be put into practice in 2024.

We send an SMS notification to our disabled passengers, who become members of our Miles&Smiles program with their disability reports, informing them that they can also purchase tickets through our web and mobile channels without coming to the sales office. In order for our passengers to have a more effortless ticket purchase experience, we informed approximately 10,000 passengers by sending SMS.

### *Sunflower Badge Project*

Differences such as autism, dementia, anxiety disorders, speech difficulties, reading difficulties, visual difficulties, etc., which make life difficult for individuals in their daily processes, can cause individuals to experience difficulties in their travel experiences and to experience a more challenging airport and flight process. Thanks to the Sunflower badge application, which we have been implemented to minimize these difficulties that passengers may experience during their travels, ground operation staff and cabin crew who

see the specially designed badge can directly understand that the passenger may need more help, support or more time in some processes. Passengers can obtain their badges free of charge from the Special Service Counters at Istanbul Airport without presenting any medical report and can use them throughout their travels. In addition, passengers can continue to use the same card on their next journeys and at points where the Sunflower badge is valid. We started to offer this service in Antalya, Bari, and Tallinn in the reporting period.

### *We Help Our Passengers Overcome Their Fear of Flying*

For the first time in Türkiye, the Turkish Airlines Aviation Academy has developed a special programme to help passengers with flight phobia overcome this problem. Within the scope of the programme, firstly, the participants are informed about the structure of the aircraft and atmospheric conditions by pilots and technical trainers. Then, flight simulation is performed in the simulator cabin. In this way, it is aimed to eliminate the feelings of fear and anxiety experienced under normal and severe turbulence conditions. In the last step, the participants take off with the crew to a destination.

In 2023, 48 people participated in the "Overcoming Fear of Flying Programme," which has been continuing since 2007, and we contributed to a total of 1,048 people overcoming their fear of flying.





## CUSTOMER SATISFACTION AND EXPERIENCE

In 2023, our customer satisfaction rate was 81% and we accelerated to design projects and practices to improve customer experience with the feedback we obtained.

### Customer Satisfaction Assessments

In order to better understand passengers, to identify their requirements more accurately and to produce more accurate solutions for these requirements, Turkish Airlines regularly receives feedback from its customers through surveys on a weekly, monthly, and quarterly basis. Our customers provide their feedback via the website feedback form, Call Center, social media (Instagram, Twitter, LinkedIn, Facebook), IFE survey, Cabin Crew Reports, Star Alliance, Consumer Arbitration Committee, Legal Counsel, and national civil aviation authorities. We conduct customer satisfaction surveys through the Inflight Entertainment System (IFE) and evaluate the results of the surveys monthly. These evaluations are shared with our relevant business units, particularly the Directorate of Cabin Crew and the Directorate of Ground Operations, through the Voice of the Customer Reports. It is also presented to our Senior Management at the Customer Experience Executive Committee meetings held every two months. In order to improve our service processes, we create detailed reports on many topics such as check-in, boarding, catering, seat type, in-cabin products, sustainability, and internet speed.

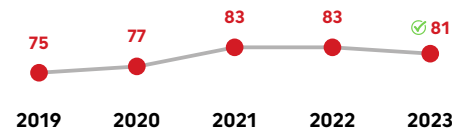
In 2023, our customer satisfaction rate was 81% and we accelerated to design projects and practices to improve customer experience with the feedback we obtained. Every year, we measure the

customer satisfaction target set by our CEO through regular surveys and monitor whether this target is met or not.

In addition to the feedback we obtain from our passengers, we periodically conduct surveys to increase customer satisfaction in cargo transport activities. We take the necessary actions by using the results of these surveys in areas that need improvement and enhancement.

In order to maximize customer experience in cargo transport, we have adopted a Customer Experience-oriented organization. We have mapped the services offered to our customers under the privilege of Turkish Cargo and have been monitoring customer experience improvement activities within this framework. We hold regular meetings with the headquarters and regional offices of our key customers to learn about the changing expectations first-hand and organize meetings with our relevant units to respond quickly to these expectations.

### Customer Satisfaction Rate (%)



## CUSTOMER SATISFACTION AND EXPERIENCE



The awards we have won prove our customer focus and excellent service quality. In 2023, we won the "Best Airline in Europe" award by Skytrax, the international air transport rating agency, for the eighth time. In addition, we were awarded the "World's Best Business Catering Service," "World's Best Economy Catering Service," "Best Airline in Southern Europe," and "Best Economy Seat in Europe." In addition, we were awarded the "World Class" award for the third time by the Association for Passenger Experience (APEX), as well as Europe's "Best Inflight Entertainment" and Europe's "Best Food & Beverage" awards by the same organization.

### RESPONSIBLE MARKETING PRACTICES

In our marketing activities, we pay attention to carrying out a responsible practice by following the principles of business ethics and fair competition. We carry out all our advertising activities through our contracted advertising agencies and fully comply with the rules set by official institutions. Taking into account the advertising ethics rules of each country, we arrange our advertising content appropriately.

We provide honest and clear information in the messages we send to our customers. We post accurate and informative updates regarding our company's products. We avoid deceptive content and do not use discriminatory elements. In addition, we take care to minimize the environmental impacts of the materials used and observe our social responsibility approach by considering each region's cultural and socio-economic differences.

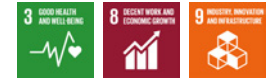
We launched the "Tomorrow On-Board" sustainability concept to strengthen our responsible marketing policies and present our brand's sustainability activities more effectively. With this concept, we emphasize to our passengers our sensitivity to sustainability and our responsibility for the future. We continue to support

various humanitarian aid programs at home and abroad in cooperation with approximately 30 different local and international non-governmental organizations. In addition to our aviation services, we support these efforts through donations, sponsorships, and various practices.

We communicate the social benefits and environmental impacts of our services to our customers through an honest information process. We evaluate the sustainability and responsible business criteria of our Corporate Club customers and B2B customers and support practices in line with our policies.

Within the scope of responsible marketing practices, we contribute to local economies, support social development, and provide social benefits.

We observe sensitive market segment characteristics with our sales strategies and use honest and responsive communication channels in media operations. We use a communication language that respects our competitors in our advertising and communication activities. We demonstrate sensitivity to competition rules in the messages we convey to our customers and in our advertising activities.



## OPERATIONAL EXCELLENCE AND SUSTAINABLE SERVICE QUALITY

With our understanding of continuous development and innovation in the aviation industry, we work meticulously to ensure operational excellence and sustainable service quality.



**22,301**

**NUMBER OF GAP ANALYSES CARRIED OUT AS PART OF INFORMATION TECHNOLOGIES BUSINESS CONTINUITY STUDIES**



In the aviation industry, ensuring operational excellence and sustainable service quality is crucial for us to provide uninterrupted and safe service to our customers. Accordingly, we position business continuity and risk management at the heart of all our business processes.

Business continuity plays a critical role in all areas from fleet planning to technical integrity, flight safety to employee health, and legal compliance to information security. We carry out our operations in accordance with nationally and internationally recognized system standards. In this context, we follow standards, such as ISO 9001 Quality Management System, ISO 10002 Customer Satisfaction Management System, ISO 14001

Environmental Management System, ISO 45001 Occupational Health and Safety Management System, ISO 27001 Information Security Management System, ISO 50001 Energy Management System, IEnvA (IATA Environmental Assessment), and the GHG Protocol. We secure system continuity through periodic internal and external audits.

In addition, we apply the standards established by IATA in 8 different disciplines within the framework of the IOSA certification issued by IATA. Our Incorporation is audited every two years by international audit organizations authorized by IATA. As a result of the audits conducted in 2022, it was determined that our compliance rate with IOSA standards was above 99%. We aim to maintain our success in the IOSA

audit to be repeated in 2024. We are certified as a Continuous Airworthiness and Maintenance Organization with the approval of the Directorate General of Civil Aviation. This made us the first company in Türkiye to receive airworthiness review authorization for the aircraft in our commercial fleet.

With our understanding of continuous development and innovation in the aviation industry, we work meticulously to ensure operational excellence and sustainable service quality. We digitize our operations to a high extent and develop our data-driven business processes. In this context, the measures we take in business continuity and risk management are critical for us to provide uninterrupted and safe service to our customers.



## OPERATIONAL EXCELLENCE AND SUSTAINABLE SERVICE QUALITY

In order to ensure business continuity, we hold periodic meetings with the offices and take measures against the risks that may be faced in line with the requirements and targets. We identify hazards and risks separately for each process, such as safety, security, information security, the environment, and occupational health, and we take the necessary actions through periodic reviews conducted by the process owners. We started working to establish the ISO 22301 Business Continuity Management System and ISO 22361 Security and Resilience-Crisis Management System. In the first step, we conduct a GAP analysis with a consulting firm to assess the risks related to the managerial and operational processes of Turkish Airlines. During the period, 22,301 GAP analyses were performed as part of information technologies business continuity activities, a business continuity delegate structure was created, and business continuity training was provided to a group of 80 people. We plan to finalize these activities in the second quarter of 2024.

We conduct comprehensive crisis management practices to ensure service continuity in crises. As stated in the Crisis Management Manual, we coordinate the transmission of operational details to the Crisis Management Center in crises. In addition, crisis management processes and procedures were documented, and the working principles and distribution

of duties of the member executives of the Crisis Management Center were determined.

We carry out various projects and practices to increase operational reliability and ensure business continuity. Our employees can report any safety issues they encounter through our AQD (Aviation Quality Database) System. Within the framework of fair culture, we review hazard reports sent via AQD to spread the reporting culture and present certificates of appreciation to employees who contribute to the improvement of safety.

In 2023, our projects include Station Information System (SIS) Development and Management and Excellence Ground to Sky Awards. The Station Information System (SIS) is positioned as a hub that enables information exchange between the stations at home and abroad and the central units. During the operation, we transfer operational data such as the availability of necessary equipment, permits, and health information. We organize the Excellence Ground to Sky Awards in order to increase service quality and customer satisfaction by scoring stations in 10 different categories. The Ground Time Prediction Project aims to predict the ground time of future flights by establishing a relationship between past flight information and ground time.







## FLEET MODERNIZATION AND DEVELOPMENT

Committed to continuously expanding and rejuvenating its fleet, our Incorporation moves forward with confidence towards its goal of operating the youngest and the most modern fleet in Europe.



**440**

**TOTAL NUMBER OF AIRCRAFT IN THE FLEET AS OF 2023**

Turkish Airlines has made a great leap forward in this journey, which it embarked on in 1933 with a small fleet of five aircraft, through the fleet modernization investments we have made over the years. Thanks to these efforts, which gained momentum in the 2000s, we have significantly expanded our fleet both in terms of the number of aircraft and aircraft diversity. We have increased our fleet from 65 aircraft at the beginning of 2004 to a total of 440 aircraft by the end of 2023 with 296 narrow-body, 120 wide-body and 24 cargo aircraft. We are taking firm steps towards our goal of a fleet structuring exceeding 800 aircraft in 2033.

Our Incorporation, which is rapidly progressing by going from strength to strength towards having the youngest and the most modern fleet in Europe with the aim of expanding and rejuvenating its fleet, is taking important steps to strengthen its brand by acquiring new technology-equipped, fuel-efficient, and eco-friendly aircraft that meet the evolving passenger traffic and changing customer requirements by taking into account cost analyses and prioritize passenger comfort and safety.

In line with our 10-year strategic plan and 2023-2033 fleet plan, we have started negotiations with aircraft and engine manufacturers for the procurement of a total of 600 aircraft, including approximately 200 wide-body and 400 narrow-body aircraft, with aircraft options in the second half of 2023.

### OUR FLEET MODERNIZATION PRINCIPLES

#### Reducing Aircraft Noise Impacts

In line with our fleet expansion and rejuvenation targets, we aim to reduce the acoustic impacts of flight operations by adding new aircraft to our fleet.

#### Reducing Carbon Emission

We aim to increase our noise reduction performance with the introduction of new technology in aircraft and aircraft engines and incorporating new-generation aircraft into our fleet. In parallel with these values, we aim to reduce our greenhouse gas emissions from our flight operations.

#### Fuel Saving with New-Generation Aircraft

Our priority is to remove old aircraft from the fleet and replace them with new-generation narrow- and wide-body aircraft in order to provide both cost advantage and fuel savings.

#### Keeping the Fleet Young

We aim to be one of the airlines with a young fleet age average in terms of both narrow-body and wide-body aircraft fleets.

#### Risk Management

In the aircraft procurement process and fleet plan preparation process, in line with the Strategy Document and senior management requests, financial risks, operational risks, and unpredictable risks cover all of the relevant Directorates involved in the fleet procurement process in line with their areas of expertise. The Purchasing and Selling Special Committee and the Board of Directors are the final authority for risk assessment.

## FLEET MODERNIZATION AND DEVELOPMENT

We shall add 355 new-generation aircraft to our fleet in the coming years with the historic order we placed with the European manufacturer Airbus in December 2023. Our goal is to reach a fleet of more than 800 aircraft by our 100<sup>th</sup> anniversary. With our ever-young fleet, we not only reduce our operational costs, but also emphasize that we remain committed to our environmental targets thanks to low fuel consumption and low emission values provided by new-generation aircraft.

In our cargo operations, we continue to use our A330-200F and B777-200LRF aircraft effectively and support our cargo operations with fleet modernization and expansion.

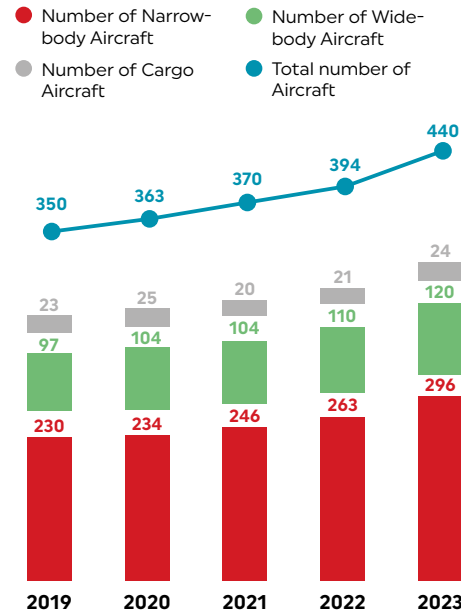
In 2023, 16 aircraft were added to the Turkish Airlines fleet, and 4 aircraft were added to its cargo fleet. By the end of 2023, the ratio of new-generation aircraft in the fleet reached 31%.

We consider our fleet modernization projects within the scope of greenhouse gas emission reduction and climate strategies and update them in line with the emission reduction targets in the

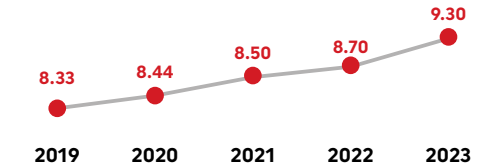
Kyoto Protocol, Paris Agreement, and IPCC reports. In this context, we review our fleet every year and accelerate our steps for the future with our dynamic capacity planning and flight network expansion strategies. With the lightweight and durable aircraft seats produced by our subsidiary companies, we achieve both fuel savings and reduced CO<sub>2</sub> emissions. In addition, we are working to contribute to the development of the domestic aviation ecosystem with our new aircraft and engine purchases.

We sell out old aircraft, especially those over 20 years old, to remove them from the fleet. We conduct part-based evaluations of aircraft, engines, and simulators to ensure that they are removed from the fleet at the right time. In addition, we manage investment projects for the conversion of wide/narrow-body aircraft over a certain age into cargo aircraft to increase the cargo volume and the competencies of our subsidiaries.

### Number of Aircraft



### Fleet Average Age





## INNOVATION AND DIGITALIZATION ACTIVITIES

By continuously improving our business processes and developing innovative solutions, we enhance customer experience, increase operational efficiency, and create new sources of revenue.



**82**

**USD MILLION+**

**FINANCIAL BENEFIT PROVIDED BY EMPLOYEE SUGGESTIONS IMPLEMENTED IN 2023**

Given the size reached, our operations touch the lives of millions of passengers and cargo customers every year. Even the slightest improvement in any process of this complex operation means making a difference in the lives of thousands of people.

We have shaped our innovation and digitization strategies with a vision that both minimizes existing risks and creates new opportunities. Our innovative approaches and guiding steps in this field shape the competitive dynamics in the global aviation industry, enabling us to take a leading position in the sector.

By continuously improving our business processes and developing innovative solutions, we enhance customer experience, increase operational efficiency, and create new sources of revenue. With our open innovation strategy, which has gained importance especially after the pandemic, we continue to carry out pioneering projects in the fields of contactless technologies, mobile and web applications, and artificial intelligence.

### Our Innovation Processes Involving All Stakeholders

Our corporate innovation system operates on the principle of evaluating internal and open innovation sources and transforming them into outputs. With our corporate innovation platform Ideaport, one of the important components of the system, we provide every employee and ecosystem stakeholder with the opportunity to develop innovative ideas and collaborate, thus effectively using innovative perspectives in all our business processes. This integrated structure supports corporate and open innovation by keeping information, trends, and technology accessible.

In 2023, our employees shared 2,454 new ideas via Ideaport. In addition, in order to benefit from the expertise of our employees in different fields, we organized idea competitions titled "We are Safe with Your Ideas," "My Ideal Seat," "Solution Suggestions for Pallet (ULD) Contour Errors," "Data-Oriented Transformation Idea Competition," and "We Dress Our Wounds Together" during the year. With the implementation of ideas obtained from both internal and external sources, 562 employees have submitted 2,051 suggestions since the launch of the corporate innovation platform, while the suggestions we have



## INNOVATION AND DIGITALIZATION ACTIVITIES

put into practice have enabled us to generate more than USD 320 million in financial benefits.

Last year, we also created a new platform under the Idealist brand. Through this platform, we aim to identify new processes that shall add value to the Incorporation by organizing external competitions with mileage awards, to enrich our services with innovative contributions, and to systematically collect the opinions of both our customers and stakeholders outside the Incorporation. In the 90<sup>th</sup> Anniversary Idea Contest, organized under this platform for the 90<sup>th</sup> anniversary of the Incorporation, 12,065 individuals from 141 countries shared a total of 15,349 ideas, contributing to innovative development.

In addition, we carry out joint projects with universities within the scope of university-industry cooperation activities and organize Hackathons. We develop brand workshops with external stakeholders and support new-generation initiatives with our open innovation strategy and technology-oriented approach. We have an aviation- and technology-oriented Terminal Initiative Programme to identify innovative products and services

that meet our requirements, develop potential collaborations with universities, technocities, technology transfer offices, and venture centers, and contribute to the venture ecosystem. We connect startups with investors through the programme and organize Demodays. Within the scope of the programme, we established connections with more than 600 technology companies and carried out various projects on topics such as Web3, NFTs, contactless systems, sustainability and environmental management, efficient use of energy, gamification techniques, data analysis, and artificial intelligence.

With the Invest On Board programme, we uploaded videos of more than 120 ventures to the inflight displays as of 2023 in order to introduce the ventures to investors and broadcast them on IFE screens. Organized within the scope of Teknofest 2023, Travel Hackathon 2023 was successfully held as an event where projects were developed to enhance the digital passenger experience. We also organized an innovative idea competition called "Wings of the Future" in which the children of our employees participated and regularly published technology and innovation bulletins to raise awareness of digital transformation.

| Suggestion System Data                                     | 2019   | 2020   | 2021   | 2022  | 2023         |
|--|--------|--------|--------|-------|--------------|
| Number of Employees Sharing Suggestions (person)           | 4,316  | 7,144  | 507    | 1,560 | <b>562</b>   |
| Number of employee suggestions                             | 21,995 | 24,259 | 25,129 | 3,548 | <b>2,051</b> |
| Number of Implemented Suggestions                          | 1,100  | 1,225  | 1,227  | 713   | <b>102</b>   |
| Financial Benefits From Employee Suggestions (USD million) | 132    | 163    | 185    | 250   | <b>82</b>    |

R&D activities are carried out within THY Teknik A.Ş. and at the R&D Center established within THY Teknoloji ve Bilişim A.Ş. In 2023, 785 personnel took part in the R&D activities, and 88 R&D activities were carried out.

| R&D Activity Data                 | 2019      | 2020      | 2021      | 2022      | 2023              |
|-----------------------------------|-----------|-----------|-----------|-----------|-------------------|
| Number of R&D Employees (persons) | 752       | 719       | 829       | 442       | <b>785</b>        |
| R&D Expenditures (USD)            | 7,691,853 | 8,857,844 | 4,254,596 | 8,611,503 | <b>10,903,014</b> |
| Number of R&D Projects            | 49        | 40        | 20        | 92        | <b>88</b>         |



## INNOVATION AND DIGITALIZATION ACTIVITIES

### Digital Transformation

We carry out digital transformation efforts to transfer many business processes carried out by human beings within the operations to robotic systems and to direct the existing workforce to processes where they can generate more added value. In 2023, we continued to develop many projects in this respect. In 2023, our prominent projects include Digital Sales Channels, Digital Agencies, Digital Payment Channels, RPA, and Cargy.

With the Flight Tracker digital globe, our guests shall be able to track the instant location of Turkish Airlines aircraft, their destinations, and instant weather conditions and experience the use of many different features such as flight information and Miles&Smiles membership.

This technology, identified as a result of intensive market researches and offered to the passengers, was equipped with destination and live flight information and went live with an interface design specific to Turkish Airlines.

We became a stakeholder of the Accelerate@IATA Venture Acceleration Programme launched by IATA and started to evaluate cooperation potentials with ventures offering solutions in aviation. We supported early-stage technology ventures by contributing to the entrepreneurship ecosystem through collaborations with universities, technocities, technology transfer offices, and venture centers. We supported entrepreneurs by providing sponsorship, jury, and mentoring support to TÜBİTAK BIGG, acceleration and incubation programs, and hackathons.

- **Digital Sales Channels:** We went live in 65 countries with the CargoAi platform and our agencies can now receive online reservations from Turkish Cargo
- **Digital Payment Channels:** On-line platforms that enable non-CASS agents to pay freight charges with credit card or wallet accounts have been connected to COMIS via API. Pilot studies are ongoing in 4 countries (USA, Canada, Iraq, and Uganda).
- **RPA:** By digitizing high-volume and repetitive tasks in cargo operations, we transferred our workforce to more productive jobs. In 2023, we saved 4.3 man/month by bringing 7 processes live.
- **Cargy:** Cargy, the WhatsApp chatbot among Turkish Cargo's digital solutions developed with a focus on customer satisfaction, provides 24/7 and easy access to the right information with Live Support services as an additional communication channel to the call center. In 2023, an average of 3,000 monthly conversations took place on Cargy, reaching 800 customers. Users made an average of 2,500 AWB (airline waybill) status queries and 400 flight queries per month. In 2023, push notification feature was introduced to Cargy. Thanks to this feature, customers can be instantly informed about changes in the status of their cargo.





## VALUE CHAIN MANAGEMENT

The satisfaction and feedback of our passengers once again earned us the "World's Best Business Class Catering" award at the Skytrax Awards and the "Best Food and Beverage Service in Europe" award at the APEX Awards in 2023.



**85.5**

**MILLION  
NUMBER OF  
MENUS SERVED  
IN 2023**

### SUSTAINABLE CATERING

Turkish Airlines has always managed to keep the perception of quality and customer satisfaction at the top with the unique travel experience that it has offered to passengers since its foundation. Our inflight catering services are among the key factors underlying this success.

Our catering services are prepared in accordance with the highest level of health and hygiene requirements through creative solutions realized by Turkish Airlines and our partner Turkish DO & CO, and are offered in a quality and variety that shall appeal to passenger tastes. In 2023, we served 85.5 million menus to our passengers. Of these menus, 65.2 million were served on international flights and 20.3 million on domestic flights. In total, the weight of our catering reached 5.7 million tons.

Our expert chefs serve our passengers with the menus they prepare daily, while the food served is produced boutique style using always fresh and the highest quality ingredients, without any additives. The composition of the catering is planned on a wide scale in accordance with the preferences of the passengers, considering the flight destinations. In 2023, we provided 22,009 menus in line with the personal preferences of our passengers.



As of May 2023, we started to offer our passengers domestic and international menus renewed with new recipes. We now include local and seasonal products such as Rize tea, Afyon clotted cream, and Erzincan honey in the comb in our menus. In line with healthy nutrition trends, our menus are designed with more protein, vegetables, and fruits, and fewer carbohydrates.

The satisfaction and feedback of our passengers once again earned us the "World's Best Business Class Catering" award at the Skytrax Awards and the "Best Food and Beverage Service in Europe" award at the APEX Awards in 2023.

With the Dine on Demand service we developed during the reporting period, we started to serve the catering we offer to our Business Class passengers on our transoceanic overnight flights from/to Istanbul whenever they wish. In this way, we aim both to prevent the waste of the catering offered to our passengers when they do not need it and to enrich the experience.

## VALUE CHAIN MANAGEMENT

It is a fundamental priority for us that our catering services are carried out at the highest health and hygiene standards. Each catering menu is prepared in accordance with high hygiene rules under the supervision of our expert food engineers. Achieving quality standards in the supply chain and auditing the compliance of suppliers with standards are crucial for strengthening our brand image. For this reason, we procure the raw materials we use in the preparation of our meals from ISO 22000 certified suppliers. We

evaluate the delivered samples for food safety, quality, taste, texture, and operational suitability. Also, with this awareness, we continue to audit our suppliers on-site by receiving services from internationally independent, accredited, and expert companies such as Supervise Gözetme Etüd Kontrol Servisleri (SGS) and Bureau Veritas. Thus, we evaluate the status of our supply chain worldwide and aim to minimize risks by responding to potential problems early.

In addition, we manage our catering operations in line with our holistic sustainability approach. By sourcing 80.19% of our food from domestic suppliers, we both support local production and reduce the environmental impact of logistics processes.

We carry out the necessary work at every stage to recycle the wastes generated in the production, distribution, and post-consumption processes of catering products. We sort packaging,

oil, and other organic waste generated during the production and distribution processes and recycle them through licensed companies. In order to recycle the catering waste generated in the cabin properly, we carry out inflight waste sorting practices at suitable destinations. We continued this practice on 118 lines in 2023.

With the new flight concept we introduced in 2013, we renewed our catering materials with products that are lightweight and have superior design features. Preferring lightweight materials is very important in terms of fuel saving and reducing carbon emissions. We aim to further lighten our catering materials with innovative solutions.



### Domestic Supply Ratio in Catering (%)





## VALUE CHAIN MANAGEMENT

Turkish Airlines positions social, environmental, and economic development at the heart of its business strategies and strives to ensure that its sustainability perspective is adopted throughout the value chain.



**60.88%**

**DOMESTIC SUPPLY RATIO IN 2023**

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Carrying out a wide range of operations in various countries of the world, our Incorporation procures products and services from approximately 3,000 suppliers and business partners in order to continue its operations. We prefer to carry out our supply operations using local resources as much as possible considering both cost factors and social and environmental impacts. In this context, in 2023, we met 53.23% of our procurement operations on an expenditure basis and 60.88% on a supplier basis by using local suppliers.

Our Incorporation aims to disseminate its corporate approach in environmental and social areas through its commercial partners. In order to increase efficiency and ensure standardization in procurement processes, we provided "Procurement Planning and Management" training to 67 procurement officials in 2023.

Turkish Airlines positions social, environmental, and economic development at the heart of its business strategies and strives to ensure that its sustainability perspective is adopted throughout the value chain. For this reason, we attach great importance to criteria such as sustainability, environmental management, and occupational health and safety in our supplier selection. Therefore, we aim to create a sustainable and responsible supply chain and act in line with our corporate sustainability goals.

The Directorate of General Purchasing carries out the following purchases in the product, service and information technology categories:

Procurement of training, consultancy, HR assessment services, vehicle fleet, catering, consumables, fuel, health, textile products, furniture, printed documents, cargo equipment, inflight products, promotional products, software, hardware, outsourcing, simulator parts, construction services, and catering services.





## VALUE CHAIN MANAGEMENT

Within this framework, we regularly evaluate the environmental and social compliance of our suppliers through the Supplier Evaluation System established by the Directorate of General Purchasing and incorporate the scores obtained into the supplier selection.

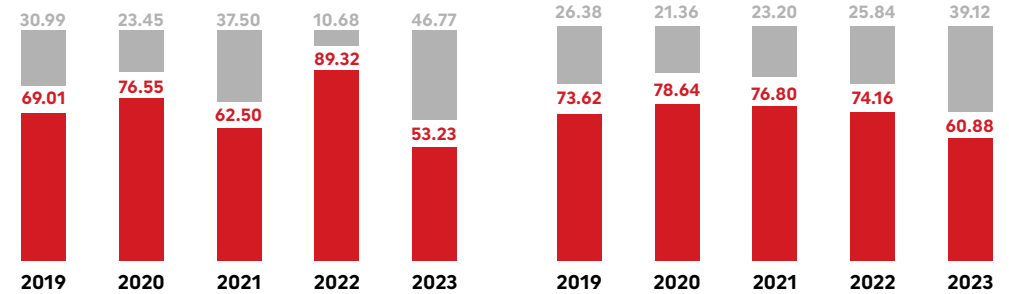
In the contracts we sign with suppliers during the procurement process, we include articles on human and worker rights, occupational health and safety, ethical standards, and protection of the environment. We expect our suppliers to comply with our corporate approach and policies on waste management, greenhouse gas emissions, and general environmental management and to have certificates such as ISO 14001 Environmental Management System or EMAS (Eco-Management and Audit Scheme). These policies include the [Code of Business Conduct and Ethics Manual](#), [Supplier Code of Conduct Policy](#), and [Sustainable Procurement Policy](#), also

published on the Incorporation website. We constantly review our procurement practices for our suppliers to ensure compliance with our Supplier Code of Conduct and to avoid potential conflicts with ESG requirements.

Within the scope of Qualiteam audits, our new audit model, compliance with environmental management principles is also monitored in audits carried out for our business partners, such as ground service companies, fuel providers, and terminal operators within the scope of management systems standards, legal provisions, and contracts. In addition, companies from which call centers, catering, cleaning, and transportation services are outsourced are audited periodically and their compliance with contractual and legal requirement levels are evaluated. A total of 244 planned and unplanned operational and management system audits, including 138 internal and 106 external audits, were carried out in 2023, covering all operational and management system areas. In 2023, supplier audit rate was 43.44%.

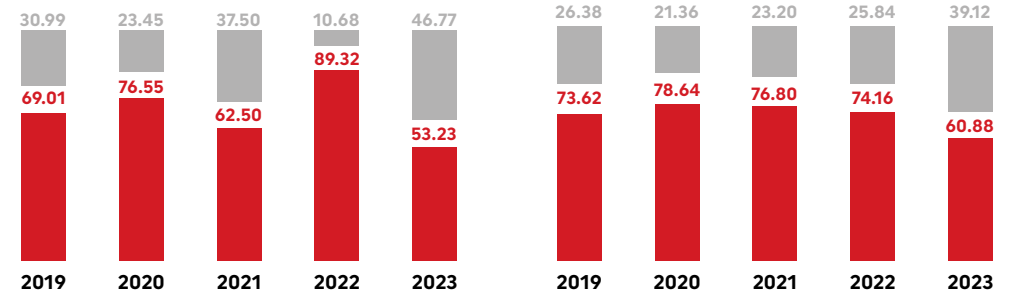
### Local Procurement Rate By Expenditure (%)

- Local Supply
- International Supply



### Local Procurement Rate By Number Of Suppliers (%)

- Local Supply
- International Supply



\*Our reports in previous years covered supplier data within the scope of the general procurement program. In 2023, since this data was expanded to cover all purchases, the figures show a significant difference compared to previous years.



## VALUE CHAIN MANAGEMENT

### Supplier Analysis Study

At Turkish Airlines, we constantly monitor sectoral and global developments that have the potential to affect the supply chain, identify factors that may pose risks, and develop various strategies to manage these risks. Some elements of this strategy include the creation of climate change adaptation plans, strengthening infrastructure, integrating environmental, social, and governance factors into the Partnership's supply chain, diversifying the supply chain, and considering low-carbon technologies. These elements ensure the maintenance of business continuity and operational security, creating a business strategy that is resilient to sustainability risks.

At the Sustainability Committee meeting held during the reporting period within the scope of sustainable supply chain management, it was resolved to analyze the current situation of our suppliers in relation to sustainability issues, to set short, medium, and long term sustainability targets for our suppliers according to the results of the analysis, and to monitor the achievement of these targets.

In this context, a sustainability question set was prepared and communicated to our critical suppliers in order to understand the level of development of our suppliers on sustainability and to increase the sustainability performance of our suppliers.

In our Incorporation, all kinds of domestic and foreign purchase, sale, and leasing transactions for goods and services that require a Board decision are carried out by the Purchasing and Selling Committees. In addition, we take into account the compatibility with the work performed in the screening processes we carry out for these suppliers. According to the results of our baseline analyses, we shall start to follow up with our suppliers within this scope by setting short-, medium-, and long-term targets.

### Sustainability in Our Subsidiaries

Our subsidiaries, which have a direct impact on the products and services we provide to our customers, are also our critical suppliers. To this end, we periodically organize stakeholder meetings with our subsidiaries in order to bring the sustainability performance of our subsidiaries to the same level as our Incorporation. The agenda of these meetings includes the best practices implemented by our Incorporation and our subsidiaries within the scope of sustainability, sectoral trends, regulatory developments, our targets and the achievement status of these targets, and new project proposals for continuous improvement.



The first of the project steps in the road map that we have created to improve the sustainability performance of our subsidiaries, namely the stage of monitoring and calculation of emissions and verification of emission reports by an independent verification institution and transmission of verified emission data to our Incorporation, has been completed, and the amount of this emission has been included in the Incorporation's emission data.



## CYBER SECURITY AND DATA PRIVACY

Increasing the role of innovative digital systems in our operations is a fundamental component of our future strategies. In this context, it is crucial to maintain information security and continuously improve our security processes.



**200**

**NUMBER OF EMPLOYEES ASSIGNED FOR CONFIDENTIALITY AND DATA PROTECTION ISSUES IN THE CORPORATION**

As the digitalization journey of the aviation industry accelerates, a significant part of the activities of w Incorporation consists of digital systems and data-driven business processes. Increasing the role of innovative digital systems in our operations is a fundamental component of our future strategies. In this context, it is crucial to maintain information security and continuously improve our security processes.

### Scope of Our Privacy Policy

All operations and data processing processes throughout the Incorporation are carried out in accordance with the Privacy Policy prepared in compliance with national and international legislation. In addition, privacy notices specific to the relevant subject are prepared and made available to the relevant person for each data processing activity in any medium where personal data is collected. Privacy notices for passengers, customers, loyalty card members, and visitors coming to our buildings and campuses can be found [here](#), and privacy notices for job candidates can be found [here](#). Privacy notices for our employees and suppliers are available on our internal web portal.



### Data Privacy Management

The administrative unit responsible for carrying out the necessary activities regarding the compliance of our Incorporation with the legislation on the protection of personal data is the "Personal Data Protection Board" consisting of three members: Head of Legal and Compliance, Head of Cyber Security, and Head of Marketing, authorized by the Executive Committee. The activities regarding the confidentiality and protection of the data processing processes of our Incorporation are carried out by the Personal Data Protection Board. In the meantime, all our employees are equally responsible for ensuring the confidentiality of data and are

obliged to act in consultation with the Directorate of Legal and Compliance in order to secure the necessary legal basis in processes where personal data are processed. A Personal Data Coordination Office was established under the Directorate of Legal and Compliance. The Data Protection Board fulfills its tasks through the Data Protection Commission. In addition, Data Protection Delegates selected from among the employees, who are familiar with the personal data processing processes and the software/ systems used by their department, were appointed from each department of our Incorporation at the presidential level to represent the responsibility of the Directorates.

## CYBER SECURITY AND DATA PRIVACY



The delegates work under the chairmanship of the Data Protection Commission reporting to the Data Protection Board in order to establish the necessary communication between the units of the Incorporation. The Directorate of Cyber Security also carries out activities in the field of information security and privacy. We also have a data protection officer ("DPO") functioning in Germany within the framework of the requirements of the European Union General Data Protection Regulation ("GDPR") and the German Personal Data Protection Legislation. Nearly 200 Incorporation employees at various levels were assigned to privacy and data protection issues.

In addition, the Incorporation has included the processes regarding the applications of the data subjects in the privacy notices in accordance with the legislation. The details regarding the management of the matter within the company are included in the Data Subject Applications Procedure circulated within the Incorporation.

### Measures to Ensure the Confidentiality of Inside Information

As a general principle, the employees of Turkish Airlines and its wholly-owned subsidiaries may not disclose to third parties any information that is not publicly available and that may

constitute material event disclosures. If it is determined that inside information is disclosed to third parties in breach of the "Public Disclosure Policy" and it is concluded that the confidentiality of the information cannot be protected within the scope of the CMB, a material event disclosure shall immediately be made in relation to the inside information. The Management of Investor Relations keeps the "List of Insiders" (persons who have regular access to inside information about our Incorporation) up-to-date in accordance with the provisions of the CMB's Communiqué on Material Events Disclosure. The persons listed in the "Insiders List" are informed by a written notice about the obligations regarding the protection of "Inside Information" and the sanctions that may be imposed due to the misuse or improper disclosure of this information until disclosure is made by the Management of Investor Relations. Our Incorporation takes necessary measures to protect the confidentiality of inside information that may be obtained by third parties, including independent auditors, sworn financial advisors and other consultants acting on behalf and account of our Incorporation.

Our company complies with ISO 27001 and PCI DSS. Also, we have an ongoing project for ISO 27701 compliance.

### Disciplinary Penalties for Violations (Zero Tolerance Policy)

In employment contracts, employees are required to sign an additional undertaking that they shall comply with their obligations regarding the processing of personal data. Periodic trainings are assigned to employees as regards the prevention of access to personal data by third parties, unlawful disclosure of personal data, and the importance of information security, and awareness-raising activities are carried out. In the event that personal data is unlawfully transferred to third parties or seized, disciplinary procedures are initiated against the employee if this is proven. As indicated in our Incorporation's Personal Data Breach Management and Response Plan Procedure, our employees are expected to immediately notify the Data Breach Officer in the event that personal data processed by the Incorporation are obtained by others through unlawful means, and in terms of GDPR, if they notice a security breach that leads to accidental or unlawful destruction, loss, alteration, unauthorized disclosure, or access to all kinds of personal data.



## CYBER SECURITY AND DATA PRIVACY

### OUR PROCEDURES FOR THE PROTECTION OF PERSONAL DATA

- Personnel Confidentiality Procedure for the confidentiality standards applicable to employees who may exchange information as per their job description
- Personal Data Breach Management and Response Plan Procedure for the method to be followed and actions to be taken in case of personal data breach
- Personal Data Storage and Destruction Procedure and Procedure for Processing and Protection of Special Categories of Personal Data for the methods to be followed in the storage and destruction of personal data
- Data Subject Applications Procedure for the methods to be followed for handling the applications of data subjects within the scope of the Personal Data Protection Law and the GDPR
- Turkish Airlines Procedure for Acceptable Use of Information Systems for the usage conditions of company devices and e-mails

### Our Information Security Policy

Turkish Airlines announced the Information Security Policy in order to ensure the security of all kinds of information assets (electronic records, video footage, pictures, printed documents, verbal information, etc.) that it is obliged to protect in accordance with national and international legislation, laws, regulations, contracts, standards, and ethical rules, and to destroy or anonymize this information when necessary. Our Information Security Policy is also published on our website in the section titled Information Security Policy. This Policy covers all our units that use our IT systems, users who have access to our IT systems as third parties, and service, software, or hardware providers who provide technical support to our IT systems.

Turkish Airlines and its employees and stakeholders must comply with the rules and requirements set out in the documents, including sanctions, established to manage relations between them.

Turkish Airlines Information Security Policy sets out that

- Confidentiality, integrity, and accessibility are the principles of information security in the processing, transmission, and storage of information.
- All Turkish Airlines employees and stakeholders protect the information and access information entrusted to

them in accordance with written rules and commitments and act per Turkish Airlines policies when information requirements to be shared.

- Neither on-site nor remote access is authorized for any facility, resource, or information for which no direct right has been granted. Access authorization is checked and tested when necessary or periodically and re-arranged when necessary.
- All of Turkish Airlines' information systems are securely monitored, recorded, and tested when necessary by Turkish Airlines in accordance with legal regulations.
- Appropriate cryptographic methods are employed in the transmission and storage of all critical information that must be protected by law or that carries risk for Turkish Airlines.
- Turkish Airlines has developed its Information Security Management System with a systematic risk approach methodology. Each type of information asset is classified based on the determined methodology and subjected to risk analysis, and controls are applied to reduce the risks to an acceptable level.
- The management of all access authorizations and all kinds of processes performed on these information assets are carried out by taking into account its class rating and risk rating.
- All information security breaches (actual or suspected) are reported to Turkish Airlines Cyber Incident

Management Team (CIMT). Turkish Airlines CIMT shall respond to all reported incidents.

- All Turkish Airlines employees act according to the "need-to-know" principle and make a written commitment to comply with confidentiality rules.
- Turkish Airlines ensures information and access security in its relations with third parties through written agreements and commitments received from third parties.
- Turkish Airlines Information Security Policy and Information Security Management System are periodically reviewed at Compliance Review Board meetings and revised in line with the principle of continuous improvement.

### Third Party Audits and Internal Audits

In cases where third parties, especially suppliers, act as data processors, the provisions on ensuring the security of personal data to be transferred and that we have the right to audit the data processing processes of the third party are regulated by the agreements and additional protocols to be concluded with third parties.

Internal audits on how the processes for the protection of personal data are conducted are carried out at least once a year by the Directorate of Quality and Assurance. The results of this audit are shared with the relevant business teams and remedial steps are prepared based on the findings.

## TO THE TOP WITH SOCIAL WELFARE

We act with the awareness that our most important strength in our journey to the top is our young, dynamic, and qualified workforce. Therefore, one of our main priorities is to provide a working environment where development and team spirit are supported and equality is observed.

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- 151 Emergency Action Plan
- 153 Corporate Citizenship



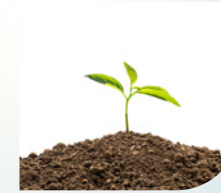
In line with our commitment to "25by2025- Advancing Gender Balance by 2025," we stand out in the sector with **46%** female employees.



We are among the **"Happiest Workplaces in Türkiye"** within the scope of Happy Place to Work Türkiye Survey.



We launched the **"Athlete Leave"** application for our employees who are licensed athletes.



As part of our 90<sup>th</sup> anniversary activities, we distributed **90 thousand saplings** in the earthquake region.



We launched the **"Academic Leave"** practice for our employees.



GRI 2-7, 2-8, 3-3, 401-1, 401-3, 405-1

## HUMAN RESOURCES

We believe that at the center of our success is our ability to bring together differences into a whole and direct them towards a common goal.

As the airline that flies to more countries than any other airline in the world, we have a wide range of employee resources from different countries and cultures. Therefore, we emphasize inclusiveness as a core value within our corporate culture. We believe that at the center of our success is our ability to bring together differences into a whole and direct them towards a common goal. The fundamental principles in the [Turkish Airlines Code of Business Conduct and Ethics Manual](#) demonstrate our sensitivity in creating an inclusive employer identity.

### EMPLOYEE PROFILE

We act with the awareness that our most important strength in our journey to the top is our young, dynamic, and qualified workforce. Therefore, one of our main priorities is to provide a working environment where development and team spirit are supported and equality is observed.

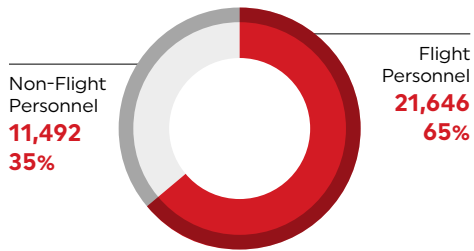


**33,138**

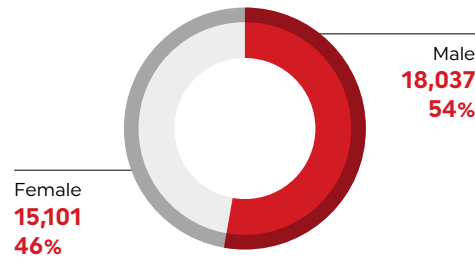
**TOTAL NUMBER OF EMPLOYEES**

## HUMAN RESOURCES

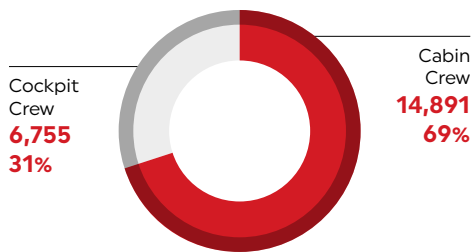
### Employees by Category



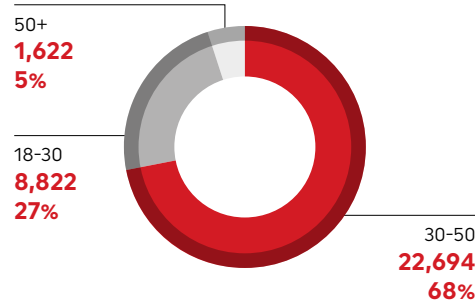
### Employees by Gender



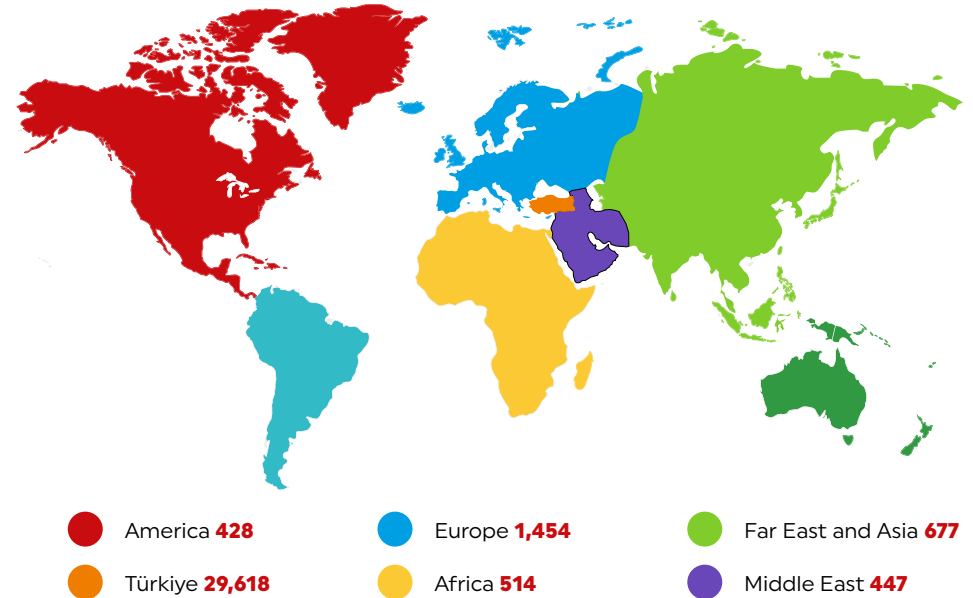
### Flight Personnel by Category



### Employees by Age Groups



### Geographical Breakdown of Employees



As of year-end 2023, our total number of employees is **33,138**.\*

Cockpit Crew  
**20%**

Cabin Crew  
**45%**

Non-Flight Personnel  
**35%**

Employee Turnover Rate  
**5%**

Recruitments in 2023  
**5,135**

Number of Employees on Maternity / Paternity Leave  
**998**

Number of Contractor/ Subcontractor Employees  
**1,875**

Total Number of Employees with Disabilities  
**226**

Number of Employees Covered by Collective Bargaining Agreement  
**28,692**

\*The relevant data covers our directly employed employees.





## HUMAN RESOURCES

Our commitment to operate with respect for human rights extends to all our internal and external stakeholders, including our employees, customers, suppliers, contractors, and business partners.



**79.2%**

**RATE OF UNIONIZED EMPLOYEES**

### HUMAN RIGHTS

At Turkish Airlines, we prioritize the dignity and well-being of all our stakeholders, especially our employees, customers, and business partners. We share our approaches and principles on human and employee rights in our **Human Rights and Employee Rights Policy**. In this Policy, we are committed to operating in compliance with the international principles and standards set out in the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the United Nations Women's Empowerment Principles (WEPs), the Worst Forms of Child Labour Convention (ILO/No.182), as well as national legislation.

The use of child labor is strictly prohibited throughout the operations of the Incorporation, and no one may be forced or coerced to work without their consent or in violation of their legal rights. Our commitment to operate with respect for human rights extends to all our internal and external stakeholders, including our employees, customers, suppliers, contractors, and business partners.

We respect the freedom of association and the right to collective bargaining of our employees. Accordingly, 79.2% of our employees are union members. The Collective Labor Agreement contains general employment procedures and rules as well as employee benefits, remuneration rules, and basic occupational safety rules.





## HUMAN RESOURCES



### BEING A PREFERRED EMPLOYER

#### Work and Life Balance

In the aviation industry, the well-being of employees and their mental and physical health are top priorities. We recognize that a good balance between work and life is crucial in maintaining this integrity. Therefore, at Turkish Airlines, we offer flexible working hours, extended statutory leave periods, part-time working opportunities, unpaid spousal leave, academic leave, paternity leave, and companionship leave to help our employees balance their work and personal lives. In addition, each employee who starts to work in our Incorporation is entitled to 20 days of annual leave instead of the minimum entitlement of 14 days and is entitled to 7 days of compassionate leave.

At Turkish Airlines, we believe that our flexible working hours are of great importance in ensuring a work-life balance. Our employees can enter

their offices between 07.00-09.00 in the morning and leave between 16.00-18.00 in the evening. In this way, our employees who are parents can plan their working hours depending on their children's school hours, and in cases where they have a business in the evening, they can come in early and leave early. Our employees pursuing their master's degree can plan their transportation to the university where they are studying thanks to this flexibility.

In 2023, we implemented many projects under the coordination of the Directorate of Human Resources to maintain and increase employee loyalty. The main focus of these efforts was to improve the employee experience, create a culture of continuous development within the company, and make this sustainable. We have tried to create opportunities and make time for our employees to improve themselves through practices such as academic leave and athlete leave.

### 2023 PROJECTS FOR INCREASING EMPLOYEE LOYALTY

#### Licensed Athlete Rights

At Turkish Airlines, we care about the work-life balance of our employees and we implement projects to ensure the continuity of their physical and mental well-being. In this context, we have initiated an important practice for our licensed athlete employees. We have introduced the "Athlete Leave" practice in order to support our employees in achieving new successes in their fields by participating in national and international sports competitions. Our licensed athlete employees can receive administrative leave for up to 5 days a year for national or international sports competitions they shall participate in, a seat-secured ticket, and an extra baggage allowance of up to 50+ kg if they have equipment to be carried, after sharing their license certificates obtained from the relevant federations with our relevant HR departments. We are attentive to support our employees in continuing their sports activities, just as we do in every other aspect.

#### Academic Leave

We care that our employees continue their academic development while continuing their working lives. In order to support our colleagues to continue their master's and doctoral studies, we grant them "Academic Leave" for 14 days a year. We aimed to contribute to the academic development of numerous employees as a result of this practice, which we implemented as part of our employee experience improvement efforts.

#### Companionship Leave

In case of illness of the first-degree relatives of our employees, we grant them "Companionship Leave" that they can use for 90 days during their working life at Turkish Airlines.

#### Natural Disaster Leave

The type of leave that we grant upon the request of the employee in case of natural disasters occurring in the regions where the employee himself/herself, his/her spouse or his/her and his/her spouse's first degree relatives are residing. The duration of leave is between 5-12 days depending on the nature of the natural disaster and its distance from the workplace.

#### TK Well

We launched TK Well, our corporate well-being program, with the aim of supporting the physical, mental, and spiritual well-being of our employees and helping them adopt a better, happier, and healthier life balance.

TK Well offers healthy living practices such as a 24/7 assistant program, psychological support, dietitian service, informative training and publications on physical and mental health, exercise programs, brand agreements for healthy living, and establishing stands where healthy foods are available in canteens.

We provide mental health support to our employees through the TK Well Corporate Wellbeing Programme. Our pilot students can also benefit from this support. We establish contact with the head of aviation psychology when necessary.

## HUMAN RESOURCES

At Turkish Airlines, we attach great importance to our employees' career development and adopt a transparent approach to ensure that our employees better understand our promotion processes based on objective criteria.



**5,135**

**NUMBER OF NEW EMPLOYEES JOINING TURKISH AIRLINES IN 2023**

### Fair Remuneration

Turkish Airlines adheres to the principle of equal pay for equal work principle in line with the conditions set out in the Collective Bargaining Agreement when determining employee wages. In our Incorporation, wage differences are determined only based on seniority and rank; no gender-based discrimination is made. Therefore, the basic wages of male and female employees performing the same task are equal. Wage increases are applied equally to female employees on maternity leave. In addition, considering the competitive conditions in the sector, we aim to develop practices that encourage the retention of successful and talented employees.

We have prepared our Remuneration Policy to determine the principles of remuneration of the Board Members and senior executives in accordance with the Corporate Governance Principles of the Capital Markets Board. Unless a Remuneration Committee is established, these duties are assumed by the Corporate Governance Committee.

In determining wages, we take into account the required knowledge, skills, competence, experience level, and area of responsibility of the employee and the long-term goals of the organization as well as wage policies and Human Resources policies in the market. With this approach, we endeavor to increase the motivation and loyalty of our employees by implementing a fair and competitive remuneration policy.



### Fair and Transparent Promotion Processes

At Turkish Airlines, we attach great importance to our employees' career development and adopt a transparent approach to ensure that our employees better understand our promotion processes based on objective criteria. In this way, we also aim to strengthen our HR brand perception.

At the end of 2022, we initiated a promotion process for 13 supervisory and 3 director positions as part of a pilot scheme. In the reporting period, we expanded the scope of this process and realized 139 position changes across the entire Incorporation.

In 2023, we started to implement our promotion processes, which we started only in the Cargo line of business as a pilot scheme, in other departments as well. In this context, we have expanded

our processes, which were continuing with 2 directors and 12 supervisors, to 5 directors, 2 vice presidents, and 19 supervisors in 7 different directorates. In addition to our ongoing processes, we made the necessary promotions to 8 positions through our promotion processes.

In order to objectively evaluate our candidates, we measure their competencies and skills through common stages with the support of the Human Resources Assessment Center. After ascertaining the competencies of the candidates, we try to get maximum benefit by evaluating not only the position they apply for but also other positions that are suitable for their competencies. We aim to generalize this practice, which we have started as a pilot schema, across the entire Incorporation with the results and improvements we achieve.



## HUMAN RESOURCES

### Employee Performance Evaluation Systems

Our Performance Management System ensures that the goals of the Incorporation are converted into department and employee goals and monitored through sub-processes of employee-based goal setting, orientation, feedback, evaluation, and development planning. Through this system, we evaluate the performance of our employees, contributing to their development and supporting them to unlock their potential. We evaluate their performance in terms of targets, competencies, and compliance with corporate values.

As of 2024, we shall implement the ROTA performance management system for all our ground employees in the Incorporation. Our performance management system consists of four components: Goals, competencies, compliance with corporate values, and employee loyalty. We expect our employees to set business, organizational, and personal development goals. We determine the competencies specific to the position depending on the work performed by the employees. We apply the Employee Loyalty Survey for supervisors and higher executive positions, and the Values Compliance Survey, which is a stakeholder assessment of the values of the Incorporation, for positions other than supervisors and executives.

### Main Stages of the ROTA Process

- 1 Determination of targets and their weights with the manager
- 2 Manager-employee interim feedback meetings
- 3 Employee self-assessment
- 4 Manager's assessment
- 5 Year-end feedback meeting
- 6 Rewarding and development actions according to the result of ROTA

We measure the compliance of our employees with the corporate values of the Incorporation through ROTA components of competencies and questionnaires. We hold periodic feedback meetings with our managers so that they can follow the development of our employees. At the end of the year, we determine the scores of our employees in line with the target and competency evaluations made by the managers and the survey results. According to these results, as part of our reward system, our domestic employees who show superior performance for two consecutive years receive +1 grade advancement. This grade advancement directly affects the basic wage of the employee.

We use a performance evaluation system called "Flight Based Evaluation System (FES)" to identify and evaluate the level of success achieved by our cabin crew for each flight. In order to categorize the corporate success levels of cabin crew, FES forms are filled in by cabin supervisors/pursers for each cabin crew. We include criteria in the evaluation system to evaluate the employee on representation, behavior in compliance with the corporate culture, and adoption of ethical principles and culture. We ensure that a certain number of these forms are available for each team member in order to determine the level of organizational success in an unbiased manner and free from assessment errors.

We inform our cabin crews by organizing e-trainings and seminars in order to ensure that FES forms are filled in objectively and transparently.







## HUMAN RESOURCES

Turkish Airlines supports the "25by2025 - Advancing Gender Balance by 2025" Women's Empowerment Initiative, a voluntary commitment initiated by IATA to improve women's representation in the aviation industry and joined by IATA member airlines.



**60%**

**WOMEN'S RATE IN RECRUITMENTS IN 2023**

### INCLUSION AND EQUAL OPPORTUNITY

#### Support for Women Employment

We consider the women's empowerment in the socio-economic field as one of the most important components of sustainable development. With this approach, we position female-male employee balance at the center of our human resources strategies and develop practices that aim to facilitate women's participation in working life, enhance their business life, and increase their career opportunities. We consider these activities an aspect of our business strategy, encourage the performance of our managers in this respect, periodically report our results to the senior management, and receive their evaluations.

Turkish Airlines supports the "25by2025 - Advancing Gender Balance by 2025" Women's Empowerment Initiative, a voluntary commitment initiated by IATA to improve women's representation in the aviation industry and joined by IATA member airlines and takes part in the Commission for Improving Gender Balance at the Directorate General of Civil Aviation (DGCA). With 46% female employees, we demonstrate our sensitivity to women's employment. In order to strengthen the weight of women in our employee demographic, 60% of our recruits in the reporting period were women.

In the evaluation of candidates for technical job fields in the sector, we focus only on individual competencies and qualifications and increase the number of our female employees in these fields from year to year. In the reporting period, we increased the number of female engineers by 43% year-on-year, reaching 316. With a 27%

female manager ratio, we support increasing the representation of female employees in management and technical roles and aim to further increase the ratio of female representatives. Moreover, the ratio of women in pilot positions in our Incorporation, which has risen to 6.6%, is above the world average.

Rate of Female Employees  
**46%**

Ratio of Female Executives in Mid-Level Management  
**33%**

Ratio of Female Executives in Senior Management  
**13%**

Women Flight Crew  
**46%**

Women Cabin Personnel  
**64%**



## HUMAN RESOURCES

In 2023, 36% of the employees promoted in domestic operations and 31% in international operations were women. Among employees promoted to executive positions for the first time, 40% in domestic operations and 38% in international operations were female managers. In this context, 138 supervisory and higher-level managerial positions were filled by female employees.

Professional continuity is of great importance in aviation, which is a dynamic sector. Pregnancy and childbirth also take women away from their professions for a while, and this may cause them to experience difficulties in returning to their working life. At Turkish Airlines, we provide many opportunities to our female employees in order to prevent the loss of qualified female employees. In this context, we offer physician and psychologist support to promote the physical and mental health of our pregnant employees. We grant 20 weeks of paid maternity leave to our female employees, which is legally 16 weeks, and in addition to this period, we offer 6 months of unpaid leave for each child.

In addition to these opportunities, elderly care service support is also provided for the care of family elders under the responsibility of our employees. We provide financial support to all mothers whose children have not yet started school, to be used either for nursery expenses or for different care requirements of the child. In 2023, 3,554 employees benefited from nursery

support. We also offer the opportunity to work 15 days a month (part-time) for our female cabin crew employees with children between the ages of 0-6. All our mother employees are entitled to work partially until their children reach primary school age in order to support them in balancing their work-family life. During the year, 5 employees benefited from the right to part-time work after childbirth and 142 employees benefited from the right to partial work.

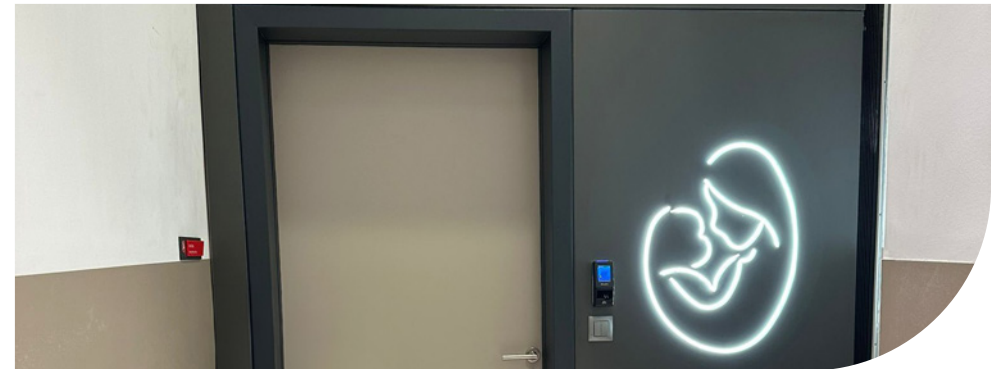
We offer various flexibilities to our female flight crew before and after childbirth. For example, female flight personnel may be considered to be on administrative leave during their pregnancy or may prefer to work in the office. During the reporting period, 571 female employees used administrative leave for pregnancy.

Pregnant cabin crew members are not scheduled to travel to countries that are not recommended for travel by the World Health Organization. In order to ensure that cabin crew members who are breastfeeding their babies are not separated from their children at night, no overnight assignments are planned for two years.

In 2023, our 452 female employees went on maternity leave. Including those who took leave in the previous period, 171 female employees returned from maternity leave. Of the employees returning from maternity leave, 98.4% did not quit their jobs in the last 12 months.

### MATERNAL ROOMS

Our Incorporation places great importance on maternal and child health. We have designed a hygienic and special breastfeeding room for our working mothers, which we call maternal rooms, where they can feel the comfort of home. Our maternal room has a relaxing decoration in pastel tones and includes separate compartments where our employees can meet all their requirements. We plan to extend this practice to our other offices. The ratio of facilities with maternal rooms, which was 55% in the previous year, reached 66% in 2023. In addition, we are endeavoring on our project for the nursery that shall operate 24/7 at Istanbul Airport for the benefit of our flight crews.



## HUMAN RESOURCES

### Support for Disabled Employment

In terms of equal participation in employment, our other focal points are the presence of disabled employees in business life and the provision of appropriate working conditions for them.

In this context, we continued to organize periodic workshops to listen to the experiences and suggestions of disabled employees. We have informed the relevant units in order to take remedial actions in line with the requests and feedbacks received at the workshop.

Within the scope of the Differences Add Value Program, which was voluntarily established by our disabled employees, we continued to come together at regular intervals to evaluate the feedback received from the employees and to present remedial action suggestions to the relevant units.

We grant our disabled employees who have a long-term illness the right to paid leave for up to 2 years and then offer them the opportunity to work remotely if they need to. In addition, our employees whose children are disabled at a certain rate have the opportunity to work remotely. In case of an administrative leave decision taken due to weather conditions by the governors of the provinces where they work, our disabled colleagues are also considered to be on paid leave.

As of year-end 2023, our Incorporation has 226 disabled employees, 67 of whom are women, and 27 of whom are in supervisory and higher managerial positions.

Total Number of Employees with Disabilities

**226**

Number of Woman Employees with Disabilities

**67**

Number of Disabled Employees in Supervisory and Higher Positions

**27**







## HUMAN RESOURCES

As a company that aims to be a preferred workplace for the most qualified professionals in the sector, we implement pioneering practices to keep the motivation and creativity of our employees alive.

### TALENT MANAGEMENT

Human capital is one of the most important factors determining service quality in the aviation industry. As a company that aims to be a preferred workplace for the most qualified professionals in the sector, we implement pioneering practices to keep the motivation and creativity of our employees alive. We aim to create a strong employee experience, increase their loyalty, and ensure the continuity of a qualified workforce by supporting the individual and professional development of our employees.

### Career Development

We recognize that the development of our employees and preparing them for the future plays a critical role in our long-term sustainable success. With this understanding, we implement a customized HR Development Journey Programme to help our employees discover their potential, develop their talents, plan their career journeys, and help them identify their development goals. This programme includes an assessment process created with feedback to determine the competencies of employees and

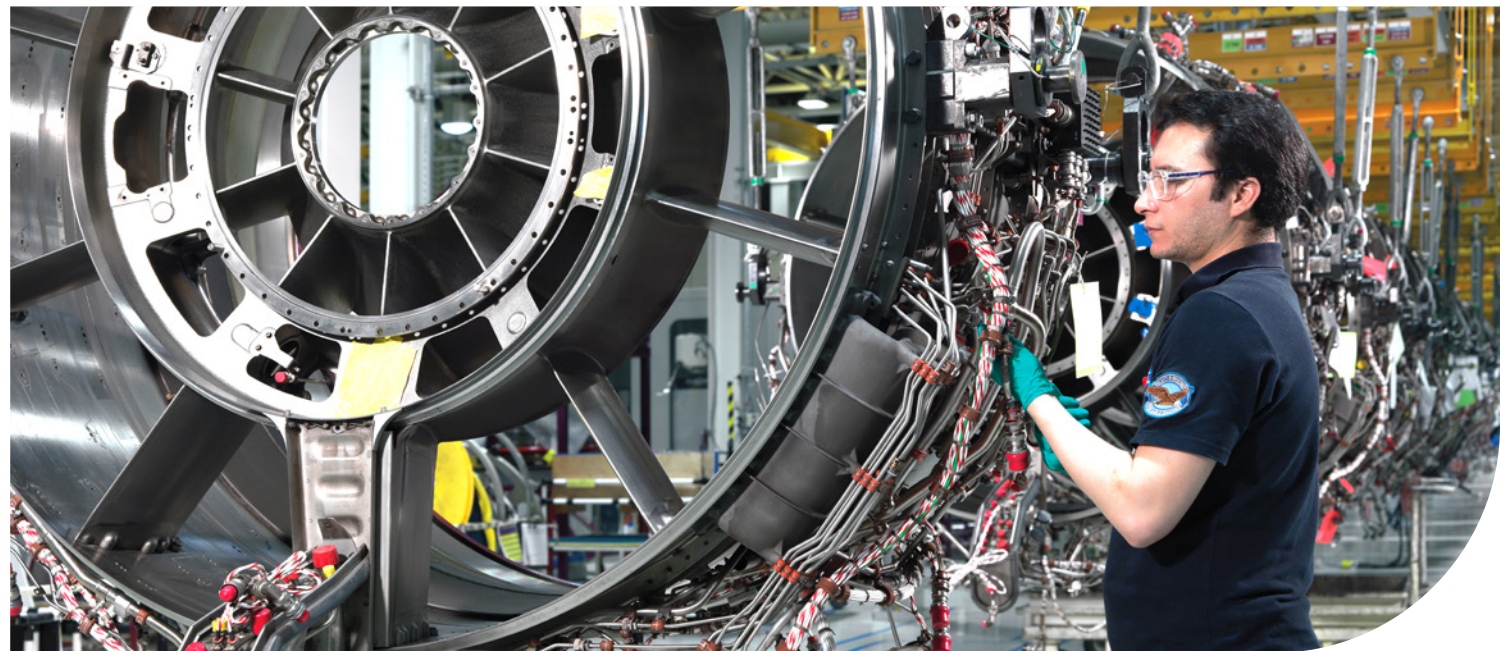
support their development. This process plans the training activities needed. Our talent development efforts serve as a strategic tool for cultivating the future leaders of the Incorporation.

The opportunities we offer to support the professional and personal development of our employees include Situational Leadership Trainings, LinkedIn Learning, and Harvard Business Review memberships.



**79%**

**EMPLOYEE SATISFACTION RATE IN 2023**





## HUMAN RESOURCES

We provide vocational trainings to our employees according to operational requirements within the framework of national and international rules and the regulations of the Incorporation. We organize behavioral and organizational development trainings to support their personal and career development.

Within the scope of employee development, we also organize unit-specific or general certificate programs on topics such as Project Management, Micro Finance MBA, Overseas Executive Development Programme, Business English, Quality Management and Sustainability, and Human Resources Development Programme.

In order to support the professional specialization of our employees and facilitate their access to education, we cooperate with various universities and encourage them to enroll in Master's Degree Programs. During the year, numerous certificate programs were developed, including a master's degree program with İbn Haldun University. On the other hand, we support the personal development of our employees through certificate development programs, personal and professional development trainings, and professional English trainings.

In the reporting period, we continued the Take-Off Project, which was launched in 2021 in order to recruit talented young people suitable for our corporate culture. We aim to bring new graduates into the sector through the Take-Off Junior project and 3<sup>rd</sup> and 4<sup>th</sup>-year students of universities through the Take-Off 101 project. We include the young people we employ within the scope of the program in corporate culture-oriented training programs through the Take-Off Academy program in addition to the orientation program. We also reach out to prospective employees through university career days and various events.

Following the great earthquake disaster that struck on 6 February, we mobilized quickly to provide employment support to students affected by the disaster. In addition to our "Take-Off 101 Part-Time Student" programme, which is our young talent programme and offers full-time employment opportunities, we launched the "Take-Off 101 Anatolia Part-Time Disaster Victim Students" programme for disaster victims.



## HUMAN RESOURCES

In addition to the general catalog trainings planned by considering the development requirements of our employees, different training programs specific to the requirements are also offered within the scope of the Turkish Airlines Aviation Academy.



**16.33**

**USD MILLION  
RESOURCES ALLOCATED  
TO TRAINING  
ACTIVITIES IN 2023**

### Turkish Airlines Aviation Academy

Under the Turkish Airlines Aviation Academy, we provide training and consultancy services to airline and cargo companies, travel agencies, universities, airport operators, and other companies and individuals in the civil aviation sector, especially our employees. Operating since 2011 as IATA's Regional Training Partner and Authorised Training School, Turkish Airlines Aviation Academy holds various national and international accreditations and approvals. With its expert staff, the Academy provides in-class and online training to its trainees in a wide range of courses under three categories: Corporate Solutions, Organizational Development, and Language Skills. During the year, USD 16.33 million was allocated to training activities.

We organize trainings under national and international legislation in line with the duties of our employees. In addition to the general catalog trainings planned by considering the development requirements of our employees, different training programs specific to the requirements are also offered within the scope of the Academy. Training activities are carried out through various channels such as classroom trainings, virtual trainings, digital trainings, distance trainings, and YouTube broadcasts.

### NATIONAL AND INTERNATIONAL APPROVALS AND PARTNERSHIPS

General Directorate of Civil Aviation Authorized Training Institution

- Passenger Services
- Load Control and Communication
- Ramp
- Cargo and Mail
  - Monitoring and Management
  - Safety Management System
  - Aviation Security
  - Hazardous Substances

Language Proficiency Service Provider and Authorized Exam Center  
 Aviation Training Course Authorized by the Ministry of National Education  
 IATA Regional Training Partner Certificate  
 IATA Certificate of Accreditation for Air Transportation of Dangerous Goods Training  
 (IATA Certificate of Accreditation)  
 IATA Competency Based Training and Assessment Provider Accreditation  
 (IATA CBTA Provider Certificate of Accreditation)



## HUMAN RESOURCES

### PSYCHOLOGICAL SUPPORT AND TRAININGS FOR CABIN AND COCKPIT CREWS

- Our 2023 research topic was "Examination of Professional Motivation Sources and Most Preferred Training Methods of Pilots in the Context of Generational Differences." In this context, we conducted a survey with the participation of 445 pilots.
- We provided training to 546 new pilots by offering psycho-information content on "Pilot Attitudes and Behaviors."
- We provided the psycho-training on "Instructor Attitudes and Behaviors/ Emotional Resilience/Generational Differences" specially prepared for our Ground Training and Cabin Training Instructors to 418 people.
- We provided one-to-one psycho-information on "Emotional Resilience" to 20 cabin and cockpit crew members.
- We developed the program contents prepared for Interviewer Standardization. In 2024, efforts shall be accelerated to develop core interviewer cadres and to ensure standardization among assessors.
- Through Behavioral Observation Interviews, we aimed to support the psychological well-being of our pilots and cabin crew and increase their emotional resilience. We also aimed to raise awareness of behavioral development areas.
- We conducted interviews with a total of 99 cabin and cockpit crew members. Of these interviews, 6 were conducted with cabin crew and 93 with cockpit crew members.
- We have made the digital form we use in the selection process of instructor pilots more functional.
- We clarified the competency sets of Cabin Training Instructors and prepared a digital form to be used in interviews.
- We created an infrastructure for the digitization of psycho-information content. We aim to digitize all of it in 2024.
- We performed the analyses of the data in the digital form for the Behavioral Observation Interviews. The outputs shall be used to guide the identification of new research questions and interview analyses shall be conducted at least once a year.
- The research topic was determined as "Analyzing the hazard risk perceptions of cockpit and cabin crews in the context of age, experience, and status variables" and the methodology was clarified.
- The surveys conducted include the Flight Training and Aviation Academy Processes Survey and the Stabilized Approach Concept Survey.



### Improving Employee Experience

In order to support employees throughout their work life and to improve their experience, several practices are carried out in our Incorporation throughout the process from recruitment to retirement. These activities carried out by the Employee Experience Department are designed in line with the feedback obtained from on-boarding and retention interviews.

The employee satisfaction level is monitored through surveys conducted at periodic intervals. As a result of the employee satisfaction measuring study covering the 2022 and 2023 period, the employee satisfaction rate was measured as 79%.

Our employees are provided with a wide range of benefits such as a comprehensive service network, catering, private health insurance, private health

insurance discounts for employee families, maternity, breastfeeding, funeral service and marriage leave and allowances, extended maternity leave, nursery care benefits, discounted travel opportunities and contracted institutions. Also, transportation, nutrition, and office ergonomics practices are designed with an employee-oriented approach. The Recognition and Appreciation Platform enables employees to interact with and support each other.

The intra-company mobile application, through which employees can share their work priorities and development plans with their managers, aims to increase collaboration within the organization and make talents visible. In addition, through this mobile application, employees can be informed about brand agreements, surprise gifts, club activities, and internal announcements.



## HUMAN RESOURCES

### TKFEST 2023

The second event, which we organized for the first time last year in order to get together as a Turkish Airlines family, take a break from the busy work pace, and socialize with each other, was held in three different campuses (our General Management Building, Istanbul Airport OC Building, and Sabiha Gökçen E Gate) with increased participation in 2023. While our colleagues had a pleasant time with music performances and fun games, workshops and competitions added color to the event. We also interacted with each other by sharing the shots taken in our photo booth on social media with the hashtag #TKFEST2023. We had a mini taste tour with a variety of flavors offered in the food and beverage areas and served our employees quick and tasty snacks to keep them energized throughout the day. In addition, at the festival, we watched our new image film for the first time and had a pleasant interview with our advertising face Kerem Bürsin. We met with Prof. Ahmet Bolat, Chairman of the Board of Directors and Executive Committee, at Sabiha Gökçen Airport and shared the joy of the festival. We also met with our athletes who compete in the Sultans League and represent our brand proudly on the volleyball courts.

In 2023, we organized online and in-person events to increase communication and interaction in the workplace and strengthened the bonds between employees through idea competitions. Furthermore, we shared internal communication publications containing human resources and social content with employees monthly. A bulletin especially prepared for managers provided practical information on leadership and inter-team communication.

Thanks to our in-house application called "Feedy," we heard the voice of employees by collecting feedback instantly and easily. In this process, we received approximately 15 thousand feedbacks and contributed positively to the development of our employees by making feedback culture a part of our culture.

Also, we presented special badges to our employees who have completed their 10<sup>th</sup> and 20<sup>th</sup> years in the Incorporation in order to express our gratitude for their efforts. In order to analyze expectations and demands more accurately, we organized Employee Engagement and Experience Workshops and planned actions based on the feedback received.

In 2023, we made people-oriented improvements to maximize employee satisfaction and loyalty. In order to support the development of our employees, we have integrated mentoring practices into the processes they are involved in. We have also added mentor and mentee trainings to the academy catalog in order to disseminate the Mentoring practice across the Incorporation.

We are trying to help our employees to get away from their busy work pace for a moment by saying Bi' Mola (A Break) with Empathy. In this context, we provided our colleagues with small breaks full of surprises via activities such as workshops and competitions that we implemented in 2023.



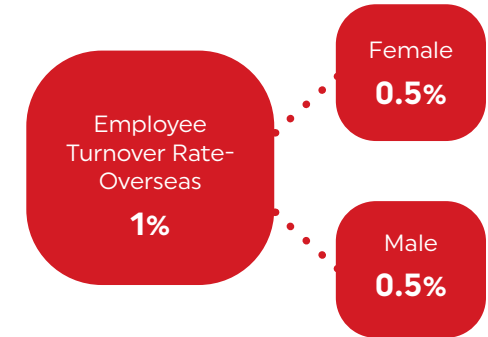
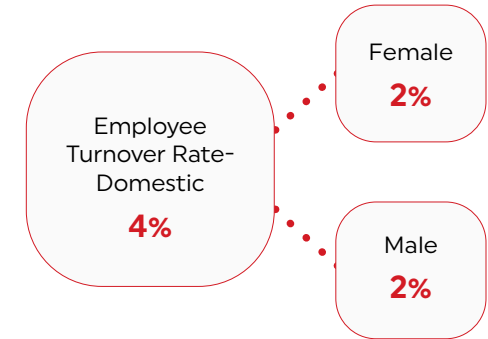
Within the scope of the Happy Place to Work Türkiye Survey, which identifies the happiest companies in Türkiye, thanks to our leading employee experience practices and people-oriented approach, we were awarded the Outstanding Employee Experience Certificate and Award and ranked among "Türkiye's Happiest Workplaces."

### Employee Retention

Turkish Airlines aims to reduce employee turnover rate by keeping employee loyalty high through periodic requirements and expectations analyses, thus retaining the qualified human resources within the company. We follow procedures and policies such as Human Resources Procedure, Employee Experience Procedure, and Employee Experience Map in order to utilize the relations of employees with the Company more effectively and efficiently.

During the reporting period, 5,135 new colleagues joined us and 1,517 employees left their jobs. Of the new recruits, 3,176 were employed as flight crew and 1,959 were employed in non-flight crew roles. In 2023, the employee turnover rate was 5%.

In the reporting period, a new title scale was created by changing the existing job descriptions by reaching an agreement with Hava-İş Trade Union. It was aimed to improve employee motivation by designing salary levels based on the new title scale. In parallel with this, a similar practice was implemented for local employees working in overseas operations.





## HUMAN RESOURCES

Turkish Airlines Flight Training Center provides training services at international standards to domestic and international customers as well as our employees with national and international authorizations obtained as a result of audits conducted by Turkish Civil Aviation and many foreign civil aviation authorities.



**~55 THOUSAND**

**TOTAL NUMBER OF STAKEHOLDERS PARTICIPATING IN TRAININGS IN 2023**

### Flight Training Center

Turkish Airlines Flight Training Center provides training services at international standards to domestic and international customers as well as our employees with national and international authorizations obtained as a result of audits conducted by Turkish Civil Aviation and many foreign civil aviation authorities. In 2023, approximately 55 thousand people were trained under the roof of the Directorate of Flight Training, including the cockpit crew, cabin crew, dispatcher, and load master of the Incorporation, as well as trainees from outside the organization. Within the reporting period,

- 5,500 cockpit personnel received ground training/simulator training. The virtual classroom, classroom, CBT, and E-Learning ground trainings provided are over 186 thousand hours, and simulator trainings are over 130 thousand hours.
- 35,135 cabin crew members received training. In addition, a total of 1,371 hours of training services were provided to cabin and cockpit crew members of foreign airlines and Do & Co Flying Chefs. Furthermore, a total of over 336 thousand hours of training was provided within the scope of e-learning trainings.

At our Flight Training Center, we conduct our trainings at international standards to improve the qualifications of our flight personnel. We aim that our Center, which offers training services to both domestic and foreign customers, becomes one of the most comprehensive training centers in Europe, the Middle East, and Africa. We also cooperate with various institutions and organizations to improve our civil aviation know-how.

Operating in two campuses with 26 simulators (3 of which are rotating), 79 classrooms, and a conference hall in a 41 thousand m<sup>2</sup> closed area, our Flight Training Center can serve 1,913 trainees at the same time with 814 instructors and 417 employees who are experts in their branches.

### FLIGHT TRAINING CENTER EQUIPMENT

#### Cockpit Trainings

- 26 Full Flight Simulators (FFS)
- 8 Flight Training Devices (FTD)
- 2 units 16X2 = 32 trainees-capacity B737/A320/A330 VSIM class
- 6 Computer Based Training (CBT) classes

#### Cabin Trainings

- 3 Cabin Emergency Evacuation Trainer (A320 CEET, B737 CEET, B787 CEET)
- 1 Real Fire Fighting Simulator (RFFT)
- 6 Door and Window Training Devices (B777 DT, A320 DT, B737 DT/OWE, A330 DT, A320 DT/OWE, A321 OWE),
- Evacuation Slide attached to B787, A320 and A320 CEET
- B777 and A320 Slide Evacuation Tower
- 6 Practical Station Areas with emergency supplies
- Ditching Pool
- 6 Cabin Service Training Tools (CST)
- 12 Computer Based Training (CBT) classes
- 1 independent A320 evacuation slide
- 1 independent B777 evacuation slide-raft

## HUMAN RESOURCES

The Center has been authorized by both Turkish Civil Aviation and many foreign civil aviation authorities, indicating our vision of achieving the highest performance standards in aviation safety and security. In line with international authorizations, dispatcher, load master, and SAFA trainings are provided in addition to ground, flight, and practical trainings in order for our employees involved in flight operations to maintain their competencies and gain new competencies. All flight crew trainings aim to increase knowledge, skills, and competencies in areas such as communication, taking responsibility,

leadership and team management, problem-solving, and sound decision-making. Training programs are regularly updated to keep them in line with national and international standards, ensuring the continuity of authorizations.

At the THY First Aid Training Center, first aid identification cards and certificates approved by the Ministry of Health are issued to flight crews as well as employees working in ground units of our Incorporation. In addition to training first aid instructors, the center provides courses for training of

instructors approved by the Ministry of National Education for our employees thanks to the Private Flying Bird Pilot Training Course Workplace Opening and Operation License.

On the other hand, the relevant personnel are also provided with practical trainings to increase fuel efficiency.

In 2023, we continued

- To organize individual psycho-informational interviews to support the psychological well-being

of cockpit and cabin crew and to contribute to their personal and professional development,

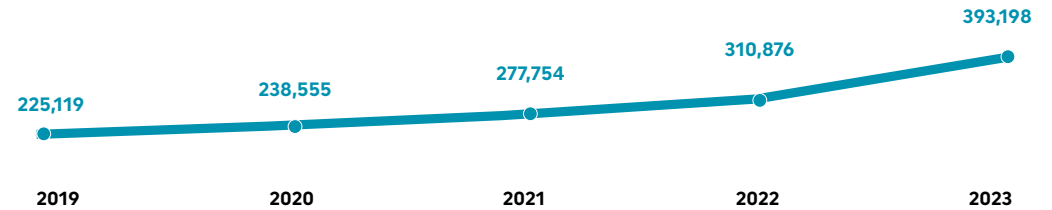
- To provide information about instructors' attitudes and behaviors,
- To give briefings about pilot attitudes and behaviors for the Initial groups.

In addition to meeting the internal training requirements of the Incorporation, the Center continues to provide services to its 100 customers. Thanks to our Flight Training Center, we generated USD 4,574,665 in revenue from training sales in 2023.

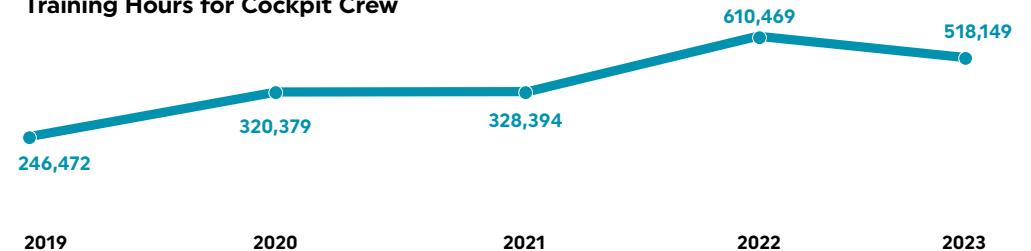
### AUTHORIZATIONS RECEIVED

- ✓ Flight Simulation Training Device (EASA FSTD) Organization authorization
- ✓ Authorization to audit our own simulators on behalf of EASA within the scope of EASA approved EEP (Extended Evaluation Program)
- ✓ European Resuscitation Council approved Defibrillator Training authorization
- ✓ Turkish DGCA-approved ATO Training authorization
- ✓ DGCA-approved CCTO Cabin Crew Initial Training Institution authorization
- ✓ Authorization to provide applied training with DGCA-approved CEET certificate
- ✓ DGCA-approved Dangerous Goods Transport by Air Training Organization Authorization Certificate
- ✓ Authorization to provide DGCA-approved Cabin and Cockpit Safety Training
- ✓ DGCA-approved SAFA Ramp Inspector Training authorization
- ✓ DGCA-approved Dispatcher Training authorization
- ✓ Ministry of Health-approved Initial and Recurrent First Aid Training authorization
- ✓ Ministry of Health-approved First Aid Trainer's Training authorization
- ✓ Ministry of National Education-approved Train-the-Trainer authorization
- ✓ ATO authorization granted by the Civil Aviation Authorities of Iraq, Libya, Kuwait, Rwanda, and Tajikistan

### Training Hours for Cabin Crew



### Training Hours for Cockpit Crew





## OCCUPATIONAL HEALTH AND SAFETY

Turkish Airlines considers employee health and safety as a fundamental operational norm and an integral part of its corporate culture.



**328**

**NUMBER OF PEOPLE EMPLOYED IN OHS COMMITTEES IN 2023**

One of the prerequisites for being a reliable operator is to ensure the health and safety of its employees, business partners, contractors and all stakeholders in its locations of operation. In this context, Turkish Airlines considers employee health and safety as a fundamental operational norm and an integral part of its corporate culture.

### **Our Occupational Health and Safety Approach and Practices**

We take an approach beyond legal requirements when determining employee health and safety practices and implement exemplary practices on an international scale. The Occupational Health and Safety Policy, which includes the Occupational Health and Safety (OHS) principles to be followed throughout our operations, is made available to all relevant stakeholders. The management procedures established in light of the policy principles are included in the Occupational Health and Safety Management Handbook. Also, collective bargaining agreements with trade unions include the basic elements of occupational health and safety and the conditions for compliance with applicable laws and regulations.

ISO 45001 Occupational Health and Safety Management System is referenced in our operations. Certification of the standard is ensured through independent audits. The ratio of business units covered by ISO 45001 certification has reached 92%

as of year-end 2023. Our CEO, who is the highest level executive responsible for occupational health and safety management, works together with employee representatives in the Occupational Health and Safety Board, which ensures the direct participation of our employees in decision-making processes related to health and safety. Occupational health and safety issues are discussed at the Compliance Review Board (CRB) meetings held twice a year. Actual work in the field of occupational health and safety is carried out by occupational physicians, nurses, and occupational safety specialists working within the Directorate of Health.

In 2023, a total of 10 OHS committees were held in 6 hazardous and 4 less hazardous classes, and 328 people, 218 of whom were employee representatives, took part in these committees.

We believe in the importance of everyone working in a healthy and safe manner and recognize this as part of our Incorporation's success. While planning our new investments, expanding our fleet, and upgrading our technological infrastructure, we consider the occupational health and safety of all our stakeholders and prefer the equipment and organizations with the lowest risk. We conduct risk assessments for all our work areas, equipment, and work processes and update these assessments periodically. We carry out field inspections in our workplaces, record near-miss incidents through our online reporting systems, share them with the relevant units, follow up on them, and carry out improvement works.



## OCCUPATIONAL HEALTH AND SAFETY

**Healthy Mobil:** An application prepared by the Chief Human Resources Office (Health), facilitating the reporting of incidents related to occupational health and safety.

**ISGPro:** Portal where Occupational Health and Safety activities are monitored and near-miss reports are facilitated.

**OHS Animation Videos:** Animated content was prepared for our cabin and cockpit crews on the hazards and risks they may face in their work processes, the precautions that can be taken, and the issues to be considered.

**OHS Observation Flights:** On the lines where occupational accidents occur, observation flights are carried out, improvement plans are created based on the findings, and they are shared with the relevant units.

**OHS Volunteer Project:** An awareness and coordination program where certified flight personnel, along with occupational safety experts and occupational physicians, participate in field observations, report incidents they encounter, and inform their teams.

**Ideaport Idea Competition:** In order to improve OHS performance and spread the OHS culture, a suggestion contest with the theme "We are Safe with Your Ideas!" was organized with the participation of employees during OHS Week. While our employees participated in the competition with approximately 200 innovative ideas, work was initiated to realize the evaluated ideas.

**Personal Protective Equipment Master Forms:** For 16 departments, Personal Protective Equipment (PPE) forms were created and the equipment to be used by employees was recorded. Technical specifications for 12 PPE products were prepared and sent to the Purchasing Department. An information note has been prepared to inform users.

**OHS Bulletin and Mailing:** To raise OHS awareness throughout the corporation, 12 OHS bulletins were published—one each month—and 8 mailings were prepared.

We carefully monitor the psychological health of our employees as well as their physical health and well-being. We provide all necessary support to ensure that both flight and ground personnel in critical positions are physically and mentally ready for their missions. We created the "TK Well" program to support the physical, mental, and spiritual well-being of our employees and to enable them to adopt a better, happier, and healthier life balance. The program includes healthy living practices such as an employee support program, psychological support, dietitian service, 24/7 assistant service where employees can receive support from experts in many different fields, informative

trainings and publications on physical and mental health, exercise programs, brand agreements for healthy living, and establishing stands where healthy foods are available in canteens.

### Our Occupational Health and Safety Performance

In 2023, accident frequency rate is calculated as 17.60 and accident severity rate as 203.09 for every 1,000,000 working hours. During the reporting period, while 2,018 near misses were reported, no occupational diseases were reported. The accident frequency rate of the employees employed directly within the Incorporation was calculated as 16.26.

| Occupational Health and Safety Data*  | 2019    | 2020    | 2021    | 2022    | 2023           |
|---------------------------------------|---------|---------|---------|---------|----------------|
| Accident Frequency Rate               | 12.69   | 4.57    | 7.82    | 15.58   | <b>17.60</b>   |
| Accident Severity Rate                | 123     | 37      | 63      | 116.27  | <b>203.09</b>  |
| Number of Occupational Disease Case   | 0       | 0       | 0       | 0       | <b>0</b>       |
| Fatality as a Result of Work Accident | 0       | 0       | 0       | 0       | <b>1**</b>     |
| Number of Field Surveillance          | 426     | 204     | 632     | 460     | <b>673</b>     |
| Number of Physician Activities        | 161,992 | 125,326 | 117,699 | 184,219 | <b>177,048</b> |

*In previous years, Accident Frequency Rate and Accident Severity Rate data were calculated only within the scope of direct employment. Since the employees of contractor companies are also included in these data as of 2022, the figures show a significant difference compared to previous years.*

*\*\* Our personnel working as Captain Pilot in Charge passed away as a result of a heart attack while he/she was abroad due to his/her duty.*



## OCCUPATIONAL HEALTH AND SAFETY

### Occupational Health and Safety Trainings

We organize training activities to increase the awareness of the occupational health and safety among our employees and business partners, to equip each of them with the OHS knowledge they shall need in their own activities, and to develop synergy around occupational health and safety awareness. The training portfolio includes basic topics such as legal rights and responsibilities of employees, principles of OHS culture, occupational safety risks, safe use of work equipment, causes of occupational accidents, emergency plans, occupational health and safety for evacuation and rescue officers.

Considering the hazard class of the workplace, we provide 12 hours of online training every 2 years for the personnel working in workplaces classified as hazardous and 8 hours of online training every 3 years for the personnel working in workplaces classified as less hazardous. Within the scope of legal regulations and obligations, face-to-face OHS trainings are provided to recruits and employees who have been away from work for more than 6 months according to the hazard class.

In 2023, a total of 128,453 person\*hours of occupational health and safety training was organized with the participation of 173,319 employees. In addition, the online ISO 45001 Occupational Health and Safety Management Systems Awareness Training, which was prepared to inform employees about the ISO 45001 Standard and to convey their responsibilities, was completed by 26,859 employees by the end of 2023

| OHS Trainings  | 2019   | 2020   | 2021    | 2022   | 2023           |
|--|--------|--------|---------|--------|----------------|
| Number of OHS Training Participants  | 14,951 | 20,563 | 153,579 | 91,104 | <b>173,319</b> |
| Number of Participants for ISO 45001 Occupational Health and Safety Management Systems Awareness Training* | -      | -      | -       | 21,322 | <b>26,859</b>  |

*\*Since the transition to ISO 45001 Occupational Health and Safety Management System, the current version within the scope of occupational health and safety management systems as of 2021, data on training is given from 2022.*



## OCCUPATIONAL HEALTH AND SAFETY

### Business Continuity

One of the key components of our sustainability strategies is to ensure our business continuity and operational reliability. We identify the occupational health and safety hazards of our activities to ensure our service continuity in emergency and extraordinary situations and develop action plans to eliminate hazards, mitigate risks, and manage opportunities. We carry out activities to prevent injuries and health impairments and to ensure safe and healthy working conditions. We ensure the surveillance of the working environment and the continuity of preventive medicine activities. We provide the necessary infrastructure to ensure a healthy and safe working environment for the employees, subcontractors, and visitors.

We ensure that our employees, who perform critical operational tasks for the safety and security of our flight operations, are physically and medically suitable for their missions. With the

awareness of the human factor in the civil aviation sector, we aim not to compromise on operational safety, minimizing operational risks. We establish and apply selection criteria in relation to the recruitments for operational critical tasks, primarily for the safety and security of our flight operations. We inform our employees who have had a work accident about precautions during the accident investigation process. We carry out periodic examinations of all our employees under legal regulations. We conduct flight safety and fitness-for-flight procedures when there is a reduction in the medical fitness of our flight crews. In case of serious incidents, we carry out the procedures for referrals to hospitals authorized by the Directorate General of Civil Aviation (DGCA). We carry out various projects and practices to ensure our business continuity and operational reliability. With these efforts, we aim to protect the safety and health of both our employees and our customers.

### WE STOOD BY OUR EMPLOYEES AFFECTED BY THE EARTHQUAKE

- We held one-to-one meetings with our employees working in the region and identified and met their requirements.
- Necessary arrangements have been made for the transport and hotel accommodation of our colleagues working in the region and their families to Istanbul, if they wish to leave the region. In order to ensure that our employees working in the disaster region and their first-degree relatives do not worry about accommodation problems during this challenging period, the accommodation expenses of our employees and their first-degree relatives were covered by our Incorporation until the end of March.
- Psychosocial support was provided under the supervision of the Family Support Team members to our employees and their families who came to Istanbul and were accommodated in hotels.
- Our senior management came together with our earthquake victims and their relatives staying at hotels and offered solidarity support.
- Paid natural disaster leave, which can be used up to 12 days according to the Collective Labour Agreement (CBA), has been extended until the end of February for our employees in need. In this challenging period, flexibilities were allowed in the use of natural disaster leaves based on executive approval.
- All managers in the Incorporation were contacted and information about employees in their teams, as well as their relatives, who had suffered damages, was obtained and an inventory covering all earthquake victims in the Incorporation was created.
- The requests received for taking part in the operational processes carried out at the stations in the disaster region were collected and evaluated by our relevant units and temporary assignments have been performed.
- Containers, coats, quilts, pillows, blankets, blankets, power banks, etc. were provided for our employees who continue to carry out operations at the airports in the region.





## FLIGHT SAFETY AND SECURITY

We take measures to ensure the safety and security of our customers and business partners, business continuity, uninterrupted and seamless operations, and a unique travel experience in every area and at every physical location where we operate.

Flight safety and security is the fundamental operating norm that cannot be ignored for any reason and under any circumstances for Turkish Airlines, whose top priority is to continuously strengthen its quality of being a reliable operator for its stakeholders. With this understanding, we take measures to ensure the safety and security of our customers and business partners, business continuity, uninterrupted and seamless operations, and a unique travel experience in every area and at every physical location where we operate. We aim to continuously improve customer satisfaction through processes and practices within this scope and innovation and R&D studies that we have implemented for the purpose of constantly improving service quality.

For these reasons, we address flight safety and security seriously in line with our comprehensive corporate policies beyond legal requirements. Although closely related to each other, flight safety and flight security are two main areas of work with different focuses. While flight safety activities focus on identifying all potential hazards and risks in our flight operations and keeping risks at an acceptable level, flight safety activities cover activities and measures to protect customers, employees, and all stakeholders and to ensure the safety of facilities, aircraft, and other assets.





## FLIGHT SAFETY AND SECURITY

### FLIGHT SAFETY

We consider flight safety as a priority that forms the basis of all our operations, and we take it into consideration as the main element in the development of our strategies and actions. All our activities in this field are shaped in accordance with the regulations of the International Civil Aviation Organization (ICAO), the European Aviation Safety Agency (EASA), and the Directorate General of Civil Aviation (DGCA) of the Republic of Türkiye Ministry of Transport and Infrastructure. In this context, we were awarded the IOSA certificate of the International Air Transport Association (IATA) in 2005.

We conduct our flight safety activities in line with the main principles, processes, and practices defined in our Safety Policy and Safety Management System.

The definitions and implementation principles of all activities carried out to ensure flight safety and to continuously improve implementation and performance are presented to the employees through the Safety Management Manual.

Going beyond traditional approaches, we have created a Safety Management System that covers all levels of our organization and their interactions with the operating environment. We address all risks that may affect flight safety in a reactive, proactive, and predictive manner with up-to-date methods. In order to ensure sustainability, we implement safety programs specific to flight, dispatch, training, cabin, maintenance, catering, ground, and cargo operations with a forward-looking and future-oriented approach. In this way, we carry out effective risk management and ensure the safety of our operations on an ongoing basis.



#### FOR FLIGHT SAFETY:

- We identify and analyze all components and activities of flight operations.
- We identify and analyze potential hazards.
- We evaluate the risks associated with the identified hazards.
- We aim to eliminate or minimize safety risks by providing effective controls.
- We continuously monitor safety performance and review the effectiveness of risk measures.

The activities carried out within the scope of the Safety Management System, which we have structured to cover all levels of organization and interactions with the operational environment, are carried out under the responsibility of the Corporate Safety Department, which reports directly to the CEO. In line with our safety policies and targets, we organize periodic meetings to evaluate our safety performance

and improve our system continuously. At these meetings, the Safety Review Board, Safety Action Group, and Safety Representatives review the effectiveness of the work and the adequacy of risk measures. Through these activities, we enable our employees and business partners to contribute to the development of the Safety Management System.



## FLIGHT SAFETY AND SECURITY

In the medium and long term, we are developing a real-time, data-driven system approach by utilizing the latest technological opportunities, aiming to become the leader in safety management within the sector.

### Our Flight Safety Activities in 2023

As a constantly growing airline, our main priority is to maintain and improve our flight safety performance in proportion to our growth. In the medium and long term, we are developing a real-time, data-driven system approach by utilizing the latest technological opportunities, aiming to become the leader in safety management within the sector. In addition to our leadership target, we have taken decisive steps to ensure the continuity of flight safety, which is one of our indispensable priorities, while meeting the increasing operational demand in parallel with the rapid growth of our fleet in 2023.

During the Safety Week event organized to raise safety awareness and encourage reporting, we distributed awards to our colleagues who made voluntary safety reports identified as having the highest added value. We have made the strategic decision to supply Fire Resistant Containers (FRC) in order to increase safety in hazardous material operations.

To increase safety in mail screening processes, we developed and implemented station risk-based screening procedures for mail at our Istanbul Cargo SmartIST facility. As part of the Pilot Debrief Application Project, which is carried out to enable cockpit crews working in flight operations to make evaluations on the flights they perform and increase/raise their

individual development/awareness, a software that can automatically visualize Flight Data Recorder (FDR) data was researched and its test process was initiated.

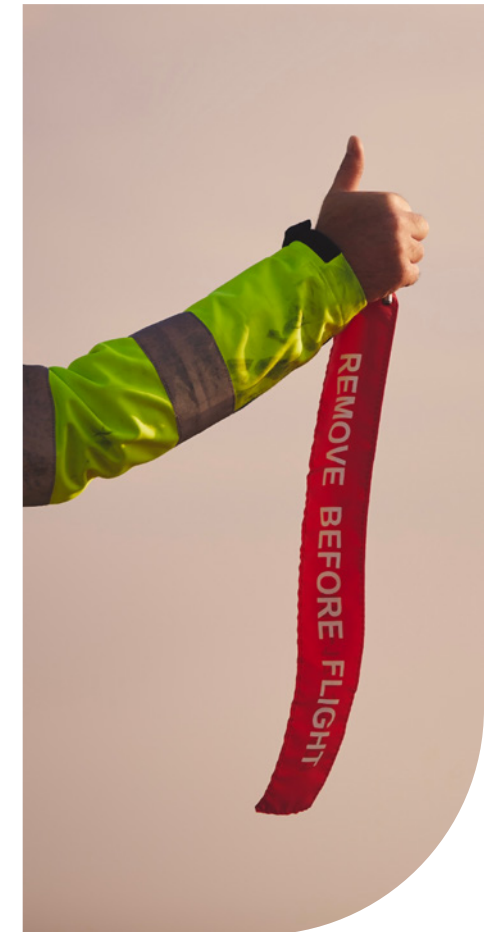
A performance report on safety reporting was prepared weekly to inform our employees. The timeliness and appropriateness of the reporting system was regularly checked and updates have been performed when necessary.

SafeTHY Safety Data Bank Project development study was initiated with our Turkish Technology subsidiary in order to collect all safety-related information about flight operations on a single platform that also incorporates advanced analytical applications and to be a model airline in the sector in proactive safety studies, and the application tests of the first phase were finalized. Upon the implementation of this project, it was aimed to determine individual/fleet risk profiles, -based on this- to develop individual/fleet training models in an evidence-based manner, and to increase operational safety level.

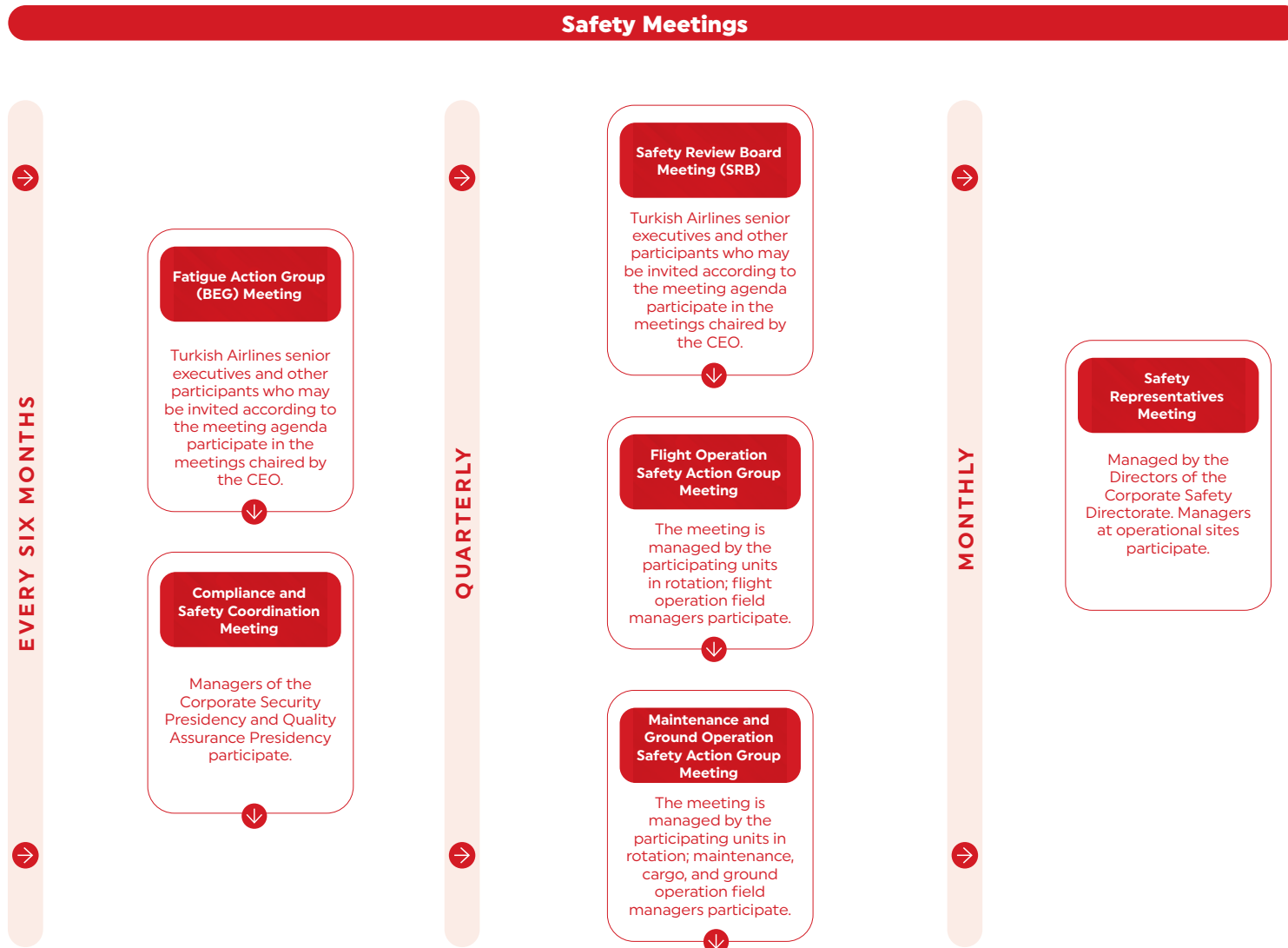
As part of our FDM Next Project, instead of the FDM software used to manage operational safety based on data, a new FDM software that can support current technological developments, analyze large amounts of data generated due to the high number of our fleet and flights at high speed, and provide more precise

measurements was researched and the applications of the identified companies were tested. In 2024, the procurement process is intended to be finalized.

Through all these efforts, we succeeded in achieving our safety targets in 2023.



## FLIGHT SAFETY AND SECURITY



### Safety Audit

At Turkish Airlines, we consider the effective system audit model we have established a critical component of our Safety Management System. We use our audit activities as an important feedback mechanism to increase the safety level of our operations.

We carry out our operations under the supervision of the civil aviation authorities of the countries where it operates, particularly the Directorate General of Civil Aviation of the Ministry of Transportation and Infrastructure of the Republic of Türkiye. In addition, within the scope of the International Air Transport Association's (IATA) Operational Safety Audit Programme (IOSA), we are audited whether we conduct our operations in a healthy and safe manner. In 2022, we successfully completed the IOSA audit. We aim to maintain our success in the IOSA audit to be repeated in 2024. In addition to external audits, planned or unplanned internal audits are organized by the Quality Assurance Department to evaluate the effectiveness of the Safety Management System. All these audits are considered as an opportunity and feedback mechanism to make the operations even safer.

## FLIGHT SAFETY AND SECURITY



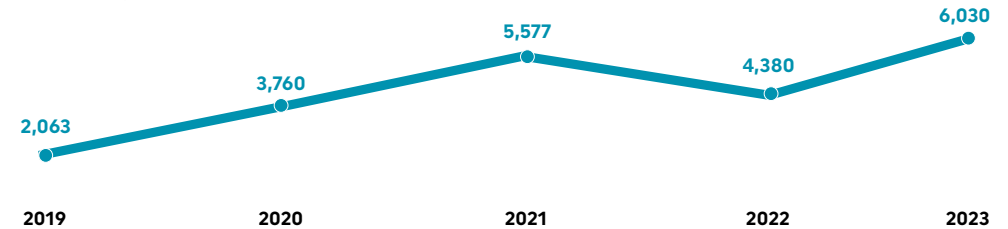
### Safety Assessment of Foreign Aircraft (SAFA) Program

The purpose of the Safety Assessment of Foreign Aircraft (SAFA) Program, led by the European Aviation Safety Agency (EASA), is to identify and resolve any factors that may adversely affect flight safety and to ensure airworthiness. Within the framework of the SAFA Program, the cockpit, cabin, cargo compartments and the general condition of the aircraft are evaluated in terms of safety before and after the flight, and the flight crew, aircraft documents and the technical condition of the aircraft are checked in accordance with national and international regulations and all rules that may directly or indirectly affect safety.

The SAFA rate calculated within the scope of the program is determined by evaluating the number of registrations obtained and the safety status of the airline as a result of the inspections carried out in the last 12 months. In this context, we concluded 2023 with a SAFA ratio of 0.256, as a result of the inspections performed on our aircraft by 39 civil aviation authorities at 55 international airports.

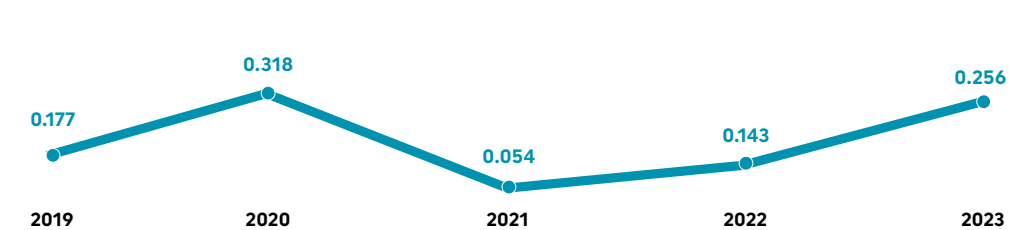
| Flight Safety Activity Data  | 2020 | 2021 | 2022 | 2023     |
|--|------|------|------|----------|
| Number of Aircraft Accidents   | 0    | 0    | 0    | <b>0</b> |
| Sanctions for Non-Compliance with Flight Safety Regulations (Number) | 0    | 0    | 0    | <b>0</b> |

### Reporting Performance\*



\*Report numbers are calculated by normalizing according to 100,000 flights.

### SAFA Rating (%)



## FLIGHT SAFETY AND SECURITY



Through our Risk Assessment and Investigation Department, we carry out planned or unplanned security inspections at airports where flights are planned to be operated, risky stations, hotels where flight and cabin crews stay, and our city offices. We identify risks by evaluating the security vulnerabilities we have detected and take the necessary measures to mitigate these risks.

Security practices to be followed in all operational and managerial processes and the duties and responsibilities of our employees and service providers are determined by the Security Program. The Security Program is prepared by the Directorate of Security in line with the National Civil Aviation Security Program and the security standards of the International Civil Aviation Organization (ICAO), European Civil Aviation Conference (ECAC), and International Air Transport Association (IATA) in accordance with national and international requirements and with the approval of the Directorate General of Civil Aviation. The Security Program is compliant with the European Union Regulations for flights to EU member states and with the security legislation of the US Transportation Security Administration for flights to the USA. All managerial and operational personnel operating in the field of security processes of the Incorporation are responsible for adhering to the instructions in the Security Program and reporting to the Head of Security in case of any contrary situation.

### FLIGHT SECURITY

Our Security Policy sets out the basic principles of the flight security activities we follow in our operations. Our authorized manager responsible for security is our Head of Security, approved by DGCA. Our Security Management System is carried out by the Directorate of Security, which directly reports to the CEO under the management of the Director.

The Directorate of Security is responsible for meeting national and international security requirements as well as additional security measures requested by the civil aviation authorities of the countries where

the flight stations are operated, in order to ensure the protection and safety of passengers and aircraft against illegal acts. In addition, it ensures that risky stations are identified and, if necessary, additional security measures are taken at these points.

We carry out our efforts to ensure that the practices identified in line with the updates in national and international aviation security legislation are implemented in coordination with the relevant units through our Aviation Security Department reporting to the Directorate of Security. The Department,

which conducts risk assessments and implements preventive measures for the safety of our aircraft and flights, is responsible for intervening in suspicious objects and escorting inadmissible passengers (INAD). Within the scope of aviation security practices, passengers traveling with the Incorporation's aircraft, cabin luggage and under-flight luggage are subject to control by airport security. In addition, additional security measures requested by the authorities of the country of flight are taken in a complete manner.



## FLIGHT SAFETY AND SECURITY

Our Security Policy is published on our corporate website. In addition, the sections of our operational manuals related to safety issues are prepared in compliance with the Security Program.

Flight security activities are subject to periodic internal and external audits. Civil aviation authorities of the countries where we operate flights also conduct security inspections on our aircraft. Within the scope of IOSA requirements, flight security activities and audit results are reported to the senior management at the Security Review Board Meetings held twice a year.

### Flight Security Awareness Activities

Maintaining flight security at the highest level depends on continuously increasing the knowledge and awareness of the relevant persons. For this purpose, flight security information and communication activities, internal surveys, and training activities are carried out for our employees. In order to encourage reporting of errors, non-punitive reporting procedures are carried out within the framework of the application confidentiality principle. All kinds of suggestions, requests and notifications regarding security issues can be submitted via [security@thy.com](mailto:security@thy.com).

| Flight Security Trainings       | 2019   | 2020   | 2021   | 2022   | 2023          |
|---------------------------------|--------|--------|--------|--------|---------------|
| Number of Participants (person) | 12,226 | 13,595 | 13,300 | 13,649 | <b>12,563</b> |
| Cockpit Crew                    | 1,476  | 2,620  | 936    | 2,175  | <b>3,089</b>  |
| Cabin Crew                      | 2,992  | 2,528  | 2,432  | 5,884  | <b>6,422</b>  |
| Other Employees                 | 7,758  | 8,447  | 9,932  | 5,590  | <b>3,052</b>  |
| Training Time (person*hour)     | 27,144 | 15,472 | 22,503 | 17,062 | <b>15,704</b> |
| Cockpit Crew                    | 816    | 1,321  | 470    | 2,719  | <b>3,861</b>  |
| Cabin Crew                      | 2,280  | 1,898  | 1,502  | 7,355  | <b>8,028</b>  |
| Other Employees                 | 24,048 | 12,253 | 20,531 | 6,988  | <b>3,815</b>  |



## EMERGENCY ACTION PLAN

We identify possible emergencies in our work areas and carry out works to be prepared for all these scenarios. We carry out drills for different scenarios at each location at least once a year.



**1,760**

**PERSON\*HOUR**

**PARTICIPATION IN DISASTER AND EMERGENCY TRAININGS IN 2023**

### Disaster and Emergency Management

Preparation for disasters and emergencies is of vital importance for Turkish Airlines, a company that manages a large operation in a wide geography. We have accumulated our general procedures to be followed in emergencies in our Emergency Management Plan Handbook in order to be always prepared for emergencies, both in managing the risks in our operations and in our role in disasters. We have established an Emergency Management Center with all the necessary technical infrastructure to manage emergencies. Our Emergency Management Center team determines the procedures to be implemented in their units. These activities are managed by the Crisis Management and Support Department.

We carry out periodic training organizations and drills in order to keep emergency preparedness alive across the operation. In this context, a total of 768 employees participated in 49 Disaster and Emergency Training Activities we organized in 2023, and 1,760 person\*hours of training was provided.

The Urban Search and Rescue Training, organized in cooperation with our Vice Presidency of Human Resources (Health) and the Disaster and Emergency Management Presidency, was successfully completed with the participation of our employees. In the training, a team of 24 people from our Human Resources, General Accounting, and Training Directorates carried out field- and debris-oriented studies for



two weeks. In this way, we have taken the first steps to create an Urban Search and Rescue Team accredited by the Disaster and Emergency Management Presidency.

We identify possible emergencies in our work areas and carry out works to be prepared for all these scenarios. We carry out drills for different scenarios at each location at least once a year. In this context, 91 drills were conducted during the year. Crisis Management Unit Implementation Plans, prepared by our Crisis Management Center member units in order to quickly establish decision-making mechanisms in crisis situations that may arise from possible risks and threats and to ensure that the right decisions are made and implemented that shall not adversely affect the image

of our company in this context, include ongoing work to determine the duties and responsibilities of the units in case of disaster. We also participate in meetings and drills organized by the Disaster and Emergency Management Authority considering a potential earthquake in Istanbul.

In natural disasters and crisis environments that require urgent response, air cargo plays a critical role in meeting the requirements of disaster victims by supporting relief operations thanks to its fast and reliable transport capabilities. Thanks to its agile structure and fast decision-making capability, Turkish Cargo successfully manages disaster logistics and delivers relief supplies to disaster regions in a fast and effective manner.

## EMERGENCY ACTION PLAN



We are also the official transport sponsor of the Turkish Red Crescent, one of the biggest aid organizations in our country. Within the scope of our sponsorship agreement, we support the transport of an average of 100 tons of disaster, emergency, and various aids every year. The agreement in question continued in 2023. During the reporting period, we also undertook the main sponsorship of the training activities organized by the Turkish Red Crescent in order to help citizens in Istanbul gain the habit of first aid and raise awareness on first aid.

### Emergency Measures in Our Buildings

In the projects of our Incorporation, we evaluate the buildings/facilities containing critical operations within the scope of current regulations and consider

the earthquake resistance coefficients of the buildings higher. We identify the buildings that need to continue their operations after the earthquake, prepare special seismicity reports for these buildings, and advance building designs accordingly. We also carry out earthquake sensor studies for buildings in need. For the new data center building we are planning in Istanbul, we plan to install a building system with seismic isolators. When designing building facade systems, we pay attention to the wind load locally and stay on the safe side when determining the coefficients. Depending on operational importance, we provide up to 100% redundancy for mechanical and electrical systems in our facility and building projects. We are installing high-capacity water pumping systems for our buildings in regions with flood risk.

| Disaster and Emergency Preparation Efforts             | 2018 | 2019 | 2020 | 2021 | 2022  | 2023       |
|--|------|------|------|------|-------|------------|
| Number of Disaster and Emergency Training Activities   | 20   | 24   | 10   | 19   | 48    | <b>49</b>  |
| Number of Disaster and Emergency Training Participants | 273  | 400  | 145  | 215  | 1,428 | <b>768</b> |
| Number of Disaster and Emergency Drills                | 17   | 58   | 8    | 97   | 96    | <b>91</b>  |



## CORPORATE CITIZENSHIP

With our corporate citizenship approach, which is an integral part of our deep-rooted corporate culture, we take strategic steps to create impact in key areas for social development.



**430 THOUSAND**

**NUMBER OF PEOPLE EVACUATED FROM EARTHQUAKE AFFECTED REGIONS**

As a company that has contributed to Türkiye's sustainable and qualified development for 90 years, we represent an approach that measures success not only through financial results but also through the social impact we create. With the responsibility of being the flag carrier airline, we reach people in need around the world and facilitate the delivery of aid. We are working with all our strength to give hope to humanity through the humanitarian aid projects we implement. With our corporate citizenship approach, which is an integral part of our deep-rooted corporate culture, we take strategic steps to create impact in key areas for social development. In 2023, we carried out many activities in line with our sustainability commitments and targets, taking into account the basic requirements of society.

### Our Activities After 6 February Earthquakes

During the earthquakes that struck Kahramanmaraş on 6 February 2023 and affected a wide region, including the surrounding provinces, we tried to eliminate the social and economic effects of the earthquake as much as possible by mobilizing all our means to heal the wounds of our citizens affected by the earthquake in a spirit of solidarity and unity and to eliminate the devastating effects of the disaster. During the earthquakes, our top priority was to support search and rescue operations and reach people in need of help by mobilizing all our means.



The Turkish Airlines family tried to convey our support to the region in every field believing that we can overcome the effects of the earthquake disaster with unity and solidarity. In collaboration with the central government and non-profit organizations, we have ensured the sustainability of the air transport system for the delivery of relief supplies and support personnel. During this period, we carried emergency relief supplies as air cargo to the earthquake-affected regions by operating non-scheduled flights. We organized free-of-charge passenger and cargo flights for the transportation of search and rescue teams and equipment domestically and internationally, as well as the necessary relief supplies from all over the world to the region, and in particular for the evacuation of the people living in the region. While we allocated some of our

passenger planes to the free evacuation of our earthquake victims by removing them from their routine flights, we used some of them to transport search and rescue teams and relief volunteers from all over the world to the region. On the other hand, our cargo planes carried humanitarian aid materials, vehicles, equipment, generators, tents, and other urgent requirements to the region in the shortest time possible following the first hours of the disaster. With more than 2,400 domestic and international flights, we provided aid to the earthquake regions with 433 thousand search/rescue and relief teams. We made the return flights of our humanitarian aid planes available to our citizens free of charge. We evacuated 430 thousand citizens from the regions affected by the earthquake. 36 thousand tons of humanitarian aid materials were delivered to the disaster regions.



## CORPORATE CITIZENSHIP

In this process, our employees actively took part in all efforts in the field and offices. In addition to our colleagues working in the field as volunteers and on assignment, our employees providing coordination from the offices provided accommodation, transport, and psychosocial support to our employees coming from the region. The requests received from our employees for taking part in the operational processes carried out at the stations in the disaster region were collected and evaluated by our relevant units and temporary assignments have been performed. In response to many requests from our employees to take part in volunteering activities in the region, the requests were collected and evaluated by our relevant units, and coordination was achieved through meetings with the Disaster and Emergency Management Authority. Hundreds of our colleagues with search and rescue training travelled to the region and supported the operations in coordination with the institutions. In addition to our colleagues participating in search and rescue teams, 147 employees traveled to the region to take part in tent installation, storage, logistic support, and aid distribution efforts.

On the day of the earthquake, we promptly initiated our efforts for blood donation in coordination with the Turkish Red Crescent. As a result of our donation organization, which lasted for seven and a half hours, a large amount of donations have been made to the Red Crescent.

Considering all living creatures affected by the earthquake, the vaccination card requirement was abolished so that our animal friends could be easily evacuated from the earthquake regions. We have sent transport cages to our stations so that our citizens in the earthquake regions can take their pets on board.

We donated TRY 2 billion in cash to be used for the requirements arising in the region. In addition, we are working in coordination with the authorized institutions and organizations of our country for the project of establishing a Turkish Airlines neighborhood of 1,000 houses in the region. Thus, the total amount of aid and donations we made to the earthquake region exceeded USD 300 million. In addition, in order to support the economic development of the earthquake region, 1,000 people from the disaster victims were employed and became a part of the Turkish Airlines family in line with the increasing need of our growing Incorporation every year.

### Our Projects with High Impact

#### 90<sup>th</sup> Year 90 Thousand Saplings Project

Within the scope of the 90<sup>th</sup>-anniversary activities of our Incorporation, 90 thousand olive and pistachio saplings were distributed to the farmers in the Siverek district, which was affected by the earthquake, by supporting the "Life for the Farmers" project carried out by the Association for Solidarity of Environmental Organizations (ÇEKUD) on 11 November National Afforestation Day. We aimed to contribute to the afforestation of the

region, the revival of the local economy, and the creation of input for our country with saplings that are compatible with the region's climate and soil to generate income for the farmers in the region.

#### Every Cabin Crew Has a Planted Tree

In commemoration of World Cabin Crew Day on 31 May, our Directorate of Cabin Crew planted a total of 14 thousand saplings on behalf of each cabin crew member in cooperation with the Association for Solidarity with Environmental Organizations (ÇEKUD) in the pistachio plantation area in Kilis province.

#### Upcycling for the Future

In 2023, we transformed our cabin crew bags that had expired to produce shoes for our children, which we then distributed across the country.

#### Aviation Training for Children

We aim to increase aviation awareness by teaching basic flight principles to children during a training day filled with unique experiences using models and simulators, attended by students aged 8 to 12.

#### Science Workshops in Earthquake Region

Science workshops were organized in coordination with non-governmental organizations working in the disaster region.

#### Plastic Cap Collection Project

We continued to collect plastic caps for the benefit of the Spinal Cord Paralytics Association of Türkiye (TOFD) at all Incorporation campuses.



## CORPORATE CITIZENSHIP

### Free Transport

Turkish Cargo evaluates the free transport requests received within the scope of social responsibility and supports those deemed eligible. During the reporting period, free transport activities were carried out for the protection of endangered species within the scope of the #MissionRescue project, as well as aid materials to the earthquake region. During the reporting period, under the coordination of the Ministry of Culture and Tourism, we supported the repatriation process of Anatolian artifacts from Switzerland and the USA.

### Our Sponsorships

In addition to our social responsibility initiatives, we also increase the value we create for society through our sponsorship activities. In particular, the sponsorships we undertook in Türkiye and the world's most prominent organizations have made our brand one of the leading supporters of sports.

Since its inception in 2000, the EuroLeague has been the most elite organization in European basketball at the team level. We first became the title sponsor of the EuroLeague in 2010 during the quad finals in Paris. Starting from the 2010-2011 season, the tournament has been organized under the name Turkish Airlines EuroLeague. Thus, we have materialized the Turkish Airlines EuroLeague name as a separate brand. We shall continue to be the title sponsor of the tournament until 2025.



In 2022, we became the first airline to become one of the official sponsors of the UEFA Champions League, Europe's most prestigious club-level tournament and one of the most-watched football organizations in the world.

Turkish Airlines is also the main sponsor of the Presidential Cycling Tour of Türkiye, which is organized with the participation of nearly 150 athletes from different countries of the world and broadcast live in 100 countries.

In order to promote the healthy development of bodies and minds, we are increasing our investments in sports and youth day by day. You can find the details of our sponsorships in football and amateur branches [here](#).

### Employee Engagement in Voluntary Work

Turkish Airlines encourages its employees to be active and responsible citizens and supports their voluntary activities in various independent communities and associations in line with their areas of interest and sensitivity.

During the year, we organized 9-week Corporate Volunteering Trainings to encourage employee volunteering and raise their awareness on this issue. These trainings also aimed to increase organizational belonging and employee motivation and to contribute to the development of our social capital. At the end of the project, we asked our employees to produce social responsibility-themed project proposals.

The Family Support Team, one of the voluntary groups formed by our employees, consists of volunteer company personnel to provide organized friendship support to the families, relatives, and companions of our employees in various crises in an organized manner. In 2023, 636 employees continued to work in the initiative, which carries out its activities under the coordination of the Crisis Management and Support department. All our volunteers are trained by psychologists on family support processes and psychological trauma every two years.



# TO THE TOP WITH A LIVABLE WORLD

Turkish Airlines considers combatting climate change as a key priority and implements best practices in the industry in areas such as energy and emission management, Sustainable Aviation Fuel (SAF) efforts, fleet modernization, and resource efficiency.

- 157 Combating Climate Change and Environmental Compliance
- 164 Sustainable Carbon Management
- 170 Effective Energy Management
- 174 Waste Management
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- 180 Chemical Management and Eco-Friendly Material Preferences
- 187 Noise Management
- 188 Biodiversity and Animal Welfare



We have been among the supporting members of the **TCFD** recommendations in order to increase our transparency on climate-related risks and opportunities before our stakeholders and financial markets.



We increased our score to "A-" in the CDP Climate Change Program.



We are among the founding members of Türkiye's first **sustainable aviation platform**.



With the Upcycling for the Future Project, we delivered **5,000** pairs of shoes recycled from cabin crew bags to our children.





## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

The steps taken by Turkish Airlines to improve its environmental performance across the entire value chain are closely monitored not only at the national level but also in the international arena.



**16.8**

**USD MILLION ENVIRONMENTAL INVESTMENTS**

### ENVIRONMENTAL MANAGEMENT

Sustainability for the airline industry requires an ever-increasing level of effort to achieve the emission targets set out in aviation strategies and to reduce environmental impacts. At this point, these efforts are having a global impact on the future of our planet and the well-being of future generations, while providing long-term competitiveness for industry stakeholders. For this reason, the steps taken by Turkish Airlines, which has been named the "Most Sustainable Flag Carrier Airline" by World Finance for two consecutive years, to improve its environmental performance across the entire value chain are closely monitored not only at the national level but also in the international arena.

As it expands its flight network and operations in line with the increasing demand for air transport, Turkish Airlines continues to work to mitigate the potential negative impacts of its operations on climate change in line with the findings of the United Nations Intergovernmental Panel on Climate Change (IPCC). We define and classify our environmental impacts with the Environmental Aspects and Impact List. We present this document, which is the basis of our environmental management system that we have created in line with our sustainability vision, for the information of our stakeholders on our corporate website. We manage our current and potential impacts with an integrated approach, following the principles set out in our Environmental

Policy as well as international standards. These standards include the ISO 14001 Environmental Management System Standard, which has been implemented since 2013, and the IATA Environmental Assessment Management System Programme (IEnvA), which is specially designed by the International Air Transport Association (IATA) for airline companies and of which our Incorporation has been a component since 2020. In 2023, we successfully completed the third-party audit carried out within the scope of this programme with zero findings and maintained the right to use the IEnvA Management System Programme certificate. The certification rate of the business processes of our Incorporation, which is regularly audited by independent auditors, is 92% as of 2023.

The Board of Directors and the Executive Committee are the highest level responsible bodies of the Incorporation in terms of environment as in other areas. The Chief Investment and Strategy

Office, which is responsible for our environmental management activities, reports our performance in this area to senior management through regular Management Evaluation Meetings.

In addition to legal regulations, compliance with the commitments we voluntarily adopt is one of our top priorities in our environmental management activities and we carry out regular monitoring and control activities to ensure this. As a result of the assessments made in this respect, no non-compliance with environmental legislation was recorded during the reporting period, and no legal or administrative sanctions were imposed on the Incorporation due to its environmental impacts. Throughout the year, there were no emergencies or environmental accidents that could have had a negative environmental impact; in this context, no leaks or spills occurred.

As an organization that aims to bring





## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

its environmental management systems and practices in line with global standards beyond legal requirements and to continuously improve its performance, its total expenditures for environmental investments and operational costs in 2023 amounted to USD 16.8 million.

In 2023, 5,513 people (5,123 direct employees and 390 contractor/supplier employees) participated in our environmental training activities, which we organized to raise environmental management awareness and professional competencies of our employees across our Incorporation. The duration of the trainings was 2,951 person\*hours (2,756 person\*hours for direct employees - 195 person\*hours for contractor/supplier employees). In addition, Corporate Sustainability Training, which includes information on the management of social, environmental, and governance (ESG) issues, was organized with the participation of 8,049 employees for 2,682 person\*hours.

In the reporting period, we also carried

### TOTAL ENVIRONMENTAL TRAINING

- 5,513 employees
- 2,951 person\*hour

### CORPORATE SUSTAINABILITY TRAINING

- 8,049 employees
- 2,682 person\*hour

out environmental audits in 43 supplier company operations in order to ensure and improve the compliance of environmental management practices in the supply chain with certain standards.

### Green Building Practices

Turkish Airlines complies with the global sustainability standards in our buildings to ensure that our operations do not have a negative impact on people and nature and takes green building certification as a basis. In this way, we secure the environmental and economic performance of our operational structures from design to utilization. We also aim that the materials used in these buildings have high sustainability qualities.

We utilize environmental and scientific technologies at the highest level in order to shape our investments in harmony with nature. In our new building and area projects and office and facility renovation works, we prefer special certified products with reduced environmental impact using recycled materials and products with high energy efficiency.

We have registered 9 buildings at Istanbul Airport with the LEED (Leadership in Energy and Environmental Design) v4 BD+C certificate issued by the US Green Building Council. The Turkish Airlines Domestic Lounge and Main Lounge buildings have been certified with the silver LEED v4 ID+C certificate. In 2022, the Operations Center and Crew Terminal (OC) Building received

platinum business certification, while Smartist Cargo Terminal received Lean LEED v4 BD+C. In 2023, the Green building certification process was initiated for LEED Gold ID+C for the OC Building Parking Garage Project - PARKSMART and Istanbul Airport Main & Domestic Lounge Expansion Project.

For the 2024 period, we aim to initiate green building certification processes for Main Catering Facility Project - LEED BD+C, SmartIst Cargo Facility Expansion Project - LEED BD+C, TAFA Aydın Çıldır Flight Training Building Project - LEED BD+C, Istanbul Airport Operation Support and Design Office Project - LEED BD+C, Head Office Additional Office Building Project - LEED BD+C, Florya Sedat Şekerci Additional Simulator Facility and

Data Center Project - LEED BD+C, Taksim Sales Office - LEED ID+C, Florya Flight Training New Headquarters Campus Project - LEED BD+C.

### Resource Efficiency

In line with our Environmental Policy, we aim to use natural resources efficiently in our operations and to continuously improve our performance by developing innovative practices in this field. In this context, we monitor the quantities of consumption of materials such as water, paper, and plastics due to the size of our operations, especially in energy resources, which is the largest area of consumption, and we implement practices to optimize consumption.

### PROJECTS FOR WHICH WE INITIATED GREEN BUILDING CERTIFICATION PROCESS IN 2023

- OC Building Indoor Car Parking Building - PARKSMART
- Istanbul Airport Main & Domestic Lounges Expansion Project - LEED Gold ID+C

### OUR PROJECTS PLANNED IN 2023 AND FOR WHICH GREEN BUILDING CERTIFICATION PROCESS SHALL BE INITIATED IN 2024

- Main Catering Facility Project - LEED BD+C
- SmartIst Cargo Facility Expansion Project - LEED BD+C
- TAFA Aydın Çıldır Flight Training Building Project - LEED BD+C
- Istanbul Airport Operation Support and Design Office Project - LEED BD+C
- Head Office Additional Office Building Project - LEED BD+C
- Florya Sedat Şekerci Additional Simulator Facility and Data Center Project - LEED BD+C
- Taksim Sales Office - LEED BD+C
- Florya Flight Training Center Campus Project - LEED BD+C

## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

### COMBATING CLIMATE CHANGE

As the climate crisis evolves into an ever more complex combat, the list of tasks for companies, governments and societies - in short, for all of humanity - grows with each passing day. Although it is responsible for only 2-3% of the world's CO<sub>2</sub> emissions and about 12% of all transport emissions, the aviation sector, which is considered to have a greater role in climate change, is the first sector to take collective action in this field. Aviation, one of the leading sectors where alternatives for carbon reduction are limited, came together under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the

International Civil Aviation Organization (ICAO) in 2016 to control and reduce its environmental impacts. Our country has been among the voluntary participants of this initiative since its inception. In line with the net zero target set for 2050, the industry continues to address the roadmaps created by global aviation organizations, particularly ICAO and IATA, with a holistic approach together with all stakeholders.

Turkish Airlines considers combatting climate change as a key priority and implements best practices in the industry in areas such as energy and emission management, Sustainable Aviation Fuel (SAF) efforts, fleet modernization, and

resource efficiency. These efforts also reflect our commitment to adopt the goals set by IATA to combat climate change.

In this context, we have set one of our main targets as becoming a "Carbon Neutral Airline by 2050" in our 10-year strategy plan for the years 2023-2033. We are now developing our environmental sustainability strategies and practices to align with this goal.

**We have identified the actions that shall enable us to achieve our goal of becoming a "Carbon Neutral Airline by 2050" under 5 main headings:**

#### New Generation Aircraft

With the new-generation aircraft, which is targeted to constitute at least 95% of the fleet in 2033, a **15-20%** reduction in carbon emissions compared to the old-generation aircraft

#### Using SAF

Continuing the use of **Sustainable Aviation Fuel (SAF)** in increasing frequencies and destinations, making long-term guaranteed purchase agreements with SAF suppliers and establishing partnerships/cooperation with companies planning production in Türkiye

#### Renewable Energy

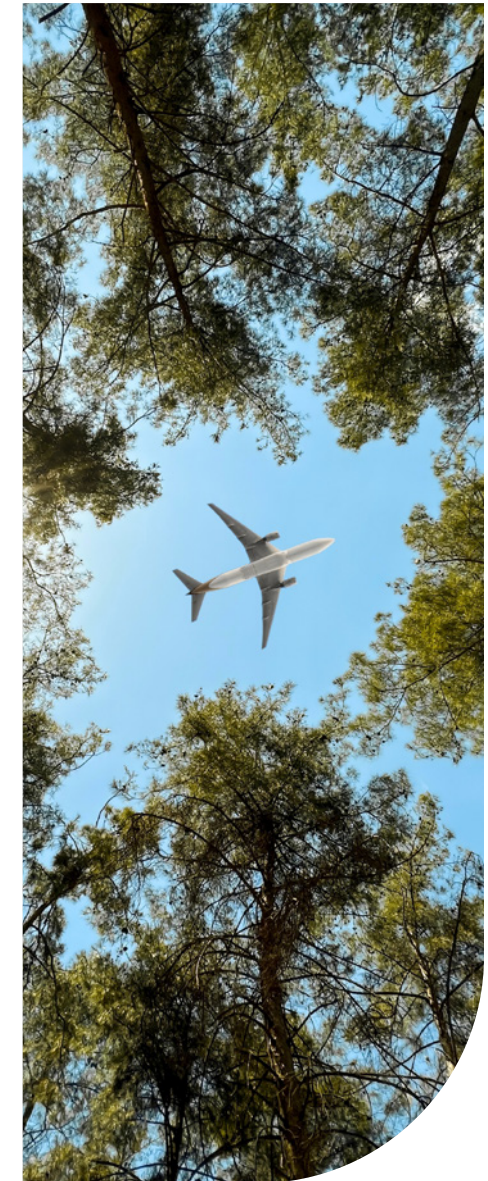
To provide the energy used in buildings from **renewable energy sources** and invest in Solar Power Plant (SPP) Projects that can compensate for the energy requirements of the Incorporation

#### Carbon Offsetting

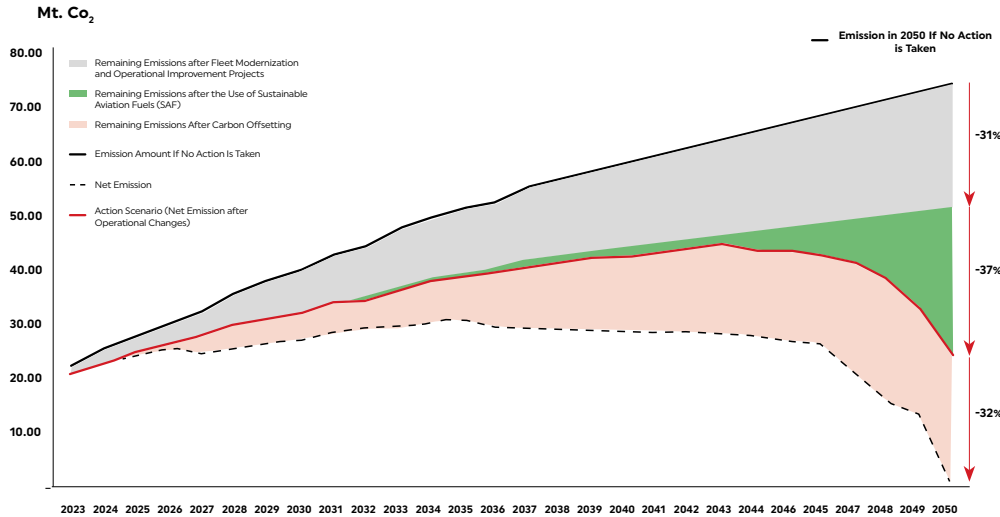
**To neutralize carbon emissions** from flights operated under CORSIA that are above the base year value and develop carbon emission reduction projects with various investment models

#### Operational Improvements

To reduce carbon emissions through **fuel efficiency practices** to be achieved through operational improvements to be made until 2033



## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE



### Collaborations with International Institutions

In early 2023, we reinforced our support for the Sustainable Development Goals (SDGs) by becoming a supporting member of the Task Force on Climate-related Financial Disclosures (TCFD). In line with the TCFD recommendations emphasizing the importance of increasing transparency on climate-related risks and opportunities, we aim to publish our [Climate Transition Plan](#) in the first half of 2024.

In addition to the pioneering initiatives we have taken in combating climate crisis, we transparently disclose to corporate investors and the public our governance structure, strategy, risk, and

opportunity management methods, the budget we allocate to this area, and the metrics related to carbon emissions. In this context, we participated in the Carbon Disclosure Project (CDP) Climate Change Program in 2023, the world's most respected disclosure platform, which is regarded the gold standard in climate change and environmental disclosure. With our performance in 2023, we increased our score from "B" in 2022 to "A-" in the CDP assessment. Our Incorporation, which has continuously raised its performance since the day it was included in the CDP Climate Change Program, has exceeded the air transport sector average with this score and reinforced its position among the sustainability leaders in its area of operation.





## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

Beyond using sustainable fuel, Turkish Airlines is also developing collaborations to increase the production and utilization of SAF, which is very limited in quantity worldwide.



**~65%**

**SHARE OF SUSTAINABLE AVIATION FUELS IN THE REDUCTIONS REQUIRED FOR THE AVIATION SECTOR'S 2050 NET ZERO CARBON EMISSION TARGET**

### Sustainable Aviation Fuels

Sustainable Aviation Fuel (SAF) is expected to play the major role in the industry's journey to net zero carbon emissions by 2050. SAF emits up to 87% less greenhouse gases than conventional kerosene fuel, while the clean combustion of these fuels reduces harmful particles of SOx and NOx emissions. IATA estimates that approximately 65% of the reduction required for the net zero carbon emission target in 2050 can be achieved from SAF. On the other hand, the cooperation of manufacturers, suppliers, policy makers, the aviation industry and financiers is needed to scale up the production and use of SAF and overcome economic and technological challenges.

We operated our first flight using SAF in 2022. In 2023, SAF blended fuel was used once a week on the Paris, Oslo, Gothenburg, Copenhagen, Brussels, Stuttgart, Stockholm, Lyon, and London routes departing from Istanbul and on the return flights to Istanbul Airport on the Lyon, Marseille, Oslo, Strasbourg, Bordeaux and Toulouse routes.

Beyond using sustainable fuel, Turkish Airlines is also developing collaborations to increase the production and utilization of SAF, which is very limited in quantity worldwide. In this context, in addition to making long-term guaranteed purchase agreements with

SAF suppliers, we are also partnering with companies planning production in Türkiye to secure our supply and provide easy access to SAF.

By signing the "Global SAF Declaration," which expresses a common working integrity established by stakeholders in the aviation, space, and fuel sectors for the decarbonization of sustainable aviation fuel, our Incorporation has once again demonstrated the importance it attaches to combating climate change. In addition, in 2023, we established Türkiye's first sustainable aviation platform together with Boeing and Istanbul Technical University. The

platform aims to further advance the decarbonization journey and sustainable transformation of the Turkish aviation industry and to increase knowledge and awareness in this field through training programs and social activities. The parties are carrying out activities together with other stakeholders of the "Türkiye Aviation Sustainability Alliance" to develop a road map for the SAF. Established to facilitate collaborations for sustainable aviation, share ideas and good practices, and develop joint projects, the platform shall grow further with the participation of industry stakeholders.

### WE ARE ADDRESSING COMBATING THE CLIMATE CRISIS AT THE HIGHEST LEVEL

Issues related to combating climate change across the Incorporation are considered by the Sustainability Committee consisting of Turkish Airlines senior executives. In order to accelerate our efforts to combat climate change, we have also established an Emission Management Sub-Working Committee. The Corporate Sustainability Management Department monitors and reports the activities carried out. Various units within the Incorporation perform the planning and implementation of the activities to be carried out within the framework of the performance area to which they are related. For example, the Operational Fuel Management Department carries out studies on aviation fuel efficiency and reduction of fuel consumption, the Corporate Sustainability Management Department and the Fuel Management Department carry out studies on sustainable aviation fuel, and the Directorate of Social and Administrative Affairs carries out energy efficiency studies at the facilities and carries out activities for the implementation of applicable projects within this scope. Management, monitoring, and reporting of greenhouse gas emissions are carried out by the Corporate Sustainability Management Department.



## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

### Managing Climate Risks

#### Risk Identification and Assessment Processes

We use a mechanism integrated into our overall risk management process to identify, assess, manage, and respond to climate-related risks and opportunities. Risks and opportunities in this context are assessed at least once a year along our entire value chain. We consider short-,

medium-, and long-term climate risks and opportunities. Operational risks, supplier risks, and customer risks are included in the Incorporation's Risk and Opportunity Management Procedures.

#### Climate-Related Risks and Opportunities

While identifying climate-related risks and opportunities, we classify our strategies for the future as short-, medium-, and long-term\*.

At Turkish Airlines, the impact of climate change-related events on the ordinary course of business is analyzed in connection with its financial impact on the amount of revenue. Risks and opportunities having an impact corresponding to 15% of revenue are classified as factors with significant strategic impact for Turkish Airlines. Risks and opportunities having an impact of less than 5% on revenues are considered low-impact factors.

Risks and opportunities having a significant strategic impact are assessed by considering at which stage of the value chain they have an impact, the period in which they shall occur, the likelihood of their occurrence, the magnitude of the impact if they occur, and the financial consequences they

shall cause. These assessments are based on the projections of the climate transition scenarios of the International Energy Agency (IEA), which provide short-, medium-, and long-term climate projections, and the physical climate scenarios published by the Intergovernmental Panel on Climate Change (IPCC). With these scenarios, qualitative and quantitative analyses covering the short, medium, and long term are carried out.

#### Assessment of Physical Risks

Since the temperature, pressure and humidity rates in the atmosphere are changing rapidly due to climate change, the frequency of sudden changes in weather conditions is increasing. This also affects the frequency of maintenance of aircraft engines, the physical suitability of landing and take-off areas, the take-off

*\*SHORT TERM (0-3 YEARS): Considering dynamic factors such as rapidly changing weather conditions, changes in demand, and fuel prices, a period of 0-3 years was preferred for short-term strategies.*

*MEDIUM TERM (3-10 YEARS): For the medium-term strategies, a period of 3-10 years was preferred due to the availability of production slots of aircraft manufacturers. With this approach, which takes into account sectoral metrics, the company's medium-term plans are developed within a comprehensive plan that follows trends.*

*LONG TERM (10-20+ YEARS): Long-term strategies were determined based on the fact that the economic life of passenger aircraft is 20 years and new generation aircraft are generally introduced to the market in 20-year cycles. Therefore, a period of 10-20 years was preferred for the long term. Also, commitments beyond 20 years, such as the international air transport sector's carbon emission reduction target and Türkiye's 2053 net zero carbon emission target, are considered under long-term planning.*



## COMBATING CLIMATE CHANGE AND ENVIRONMENTAL COMPLIANCE

weight of the aircraft, the amount of fuel consumption, and flight times. Within the scope of the focus questions we identified while assessing the physical risks associated with climate change, the risks that we may face due to the increase in extreme weather events, drought, sea level rise, increase in average temperatures, and change in icing conditions were defined and both qualitative and quantitative analyses were carried out for these risks. In the quantitative analysis process, we used the latest CMIP6 (The Coupled Model Intercomparison Project) projections, which are based on the SSP scenarios and used by the IPCC in its own assessment reports, to calculate variables such as the change in total precipitation amounts for the short, medium and long term, maximum temperatures, the average and maximum number of days with temperatures above 35°C and 40°C, and the average temperature change, using the WGI Interactive Atlas created by the IPCC. In order to identify low, medium, and high impacts, we considered the outputs of CMIP6 for the SSP1-2.6, SSP2- 4.5, and SSP5-8.5 scenarios. The SSP-based climate scenarios are among the most comprehensive scenarios studied so far and are progressing in line with RCP2.6, RCP4.5, and RCP8.5, corresponding to low, medium, and high radiative forcing levels in parallel with RCP scenarios. These scenarios were selected in order to comprehensively assess potential future climate conditions.

### Assessment of Transition Risks

Developments in aircraft fuels, the main source of emissions in the aviation industry, are progressing in parallel with global innovations in the energy sector. For this reason, in assessing transition risks, the outputs of the STEPS and NZE2050 climate scenarios presented in the International Energy Agency's (IEA) World Energy Outlook (WEO) report, which includes comprehensive findings on the energy and transport sectors, are used. These scenarios present short-, medium-, and long-term sectoral assumptions based on the climate policies of the countries both in force and committed. Based on the focus questions we have formulated, we have identified the risks for our Incorporation in political and legal, market, technology, and corporate reputation categories by considering the findings of the IEA's current report dated 24 October 2023. We have made assessments by taking into account the probability and severity of these risks.

As a result of the assessment of climate-related physical risks and transition risks, a total of 11 risks that could have a significant impact on our business strategy have been identified. Of these risks, 4 are physical and 7 are transition risks. We present the details of the identified climate-related risks and opportunities in our [Climate Transition Report](#).





## SUSTAINABLE CARBON MANAGEMENT



### CARBON MANAGEMENT HIGHLIGHTS IN 2023

**27.5**

**MILLION TONS OF CO<sub>2</sub>e**

**TOTAL GREENHOUSE GAS EMISSION**

**14,337**

**TONS OF CO<sub>2</sub>**

**EMISSION CREDITS SURRENDERED**

**9 SDGs**

Via the CO<sub>2</sub>mission program, our passengers are involved in the journey towards achieving the Sustainable Development Goals (SDGs).

Turkish Airlines manages greenhouse gas emissions arising from its operations under national and international regulations and standards and declares the principles it follows in energy and emission management in its **Environmental, Sustainability, and Energy** Policies. On the other hand, corporate documents such as Fuel Saving Board Procedure, Fuel Saving Practices Monitoring and Control Procedure, Greenhouse Gas Information Management Procedure, and legal regulations such as Regulation on Increasing Efficiency in the Use of Energy Resources and Energy, Regulation on Energy Performance in Buildings, and Energy Efficiency Law guide our activities. ISO 50001 Energy Management System Standard is followed in the development of energy management systems and the GHG Protocol is followed in the calculation of greenhouse gas emissions.

At Turkish Airlines, the Fuel Saving Board, the Directorate of Ground Operations, the Directorate of Social and Administrative Affairs, the Directorate of Catering and Inflight Products, the Directorate of Cargo Operations, the Technical Directorate, the Directorate of Infrastructure and Operations, and the business units operating under the Directorate of Human Resources are involved in the management of energy consumption processes. These business

units also carry out activities to reduce greenhouse gas emissions from energy consumption. Monitoring, calculation, reporting, and auditing processes of greenhouse gas emissions are under the responsibility of our Corporate Sustainability Management Department.

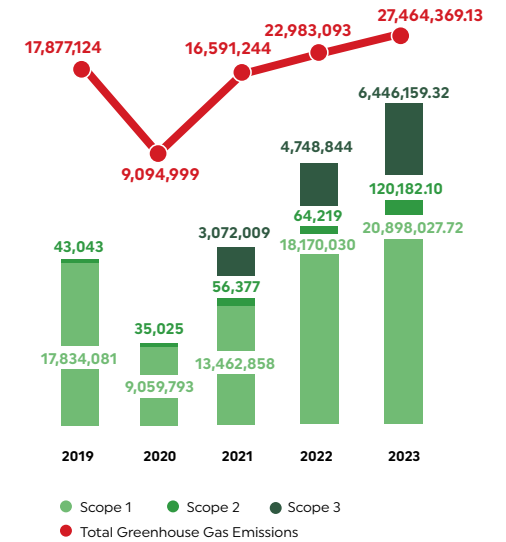
### Greenhouse Gas Emissions

In parallel with our increasing flight operations, total greenhouse gas emissions also increased. Accordingly, a total of 27.5 million tons of CO<sub>2</sub>e greenhouse gas emissions were generated across the operations of the Incorporation in 2023.

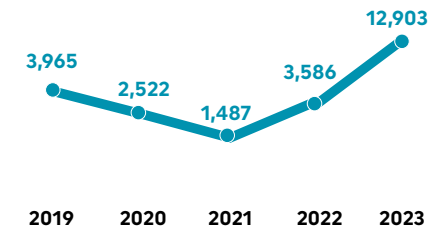
When consolidating the emission data of our affiliates, the emissions from our Subsidiaries <sup>(1)</sup>, in which we hold more than a 50% share, are included in the emissions of our Incorporation within the same scope. The emissions from our Joint Ventures <sup>(2)</sup>, in which we hold a 50% share or less, are evaluated under the Scope 3 category for Investments, in proportion to their shares.

<sup>(1)</sup>: (Turkish Technic Inc, Turkish Flight Training and Airport Operations Inc., Turkish Airlines Technology Inc., THY Support Services Inc., Turkish Cabin Interior Systems Inc.)  
<sup>(2)</sup>: (Turkish Ground Services Inc., Sun Express Aviation Inc., Turkish Do&Co Catering Services Inc., Pratt & Whitney Turkish Engine Center Co. Ltd. (TEC), Turkish Opet Aviation Fuels Inc., Goodrich Turkish Technic Service Center Co. Ltd. (TNC), Turkish Fuel Services Inc.)

### Greenhouse Gas Emissions (ton CO<sub>2</sub>e)



### Number of Greenhouse Gas Awareness Training Participants



## SUSTAINABLE CARBON MANAGEMENT

In line with our commitment to become a "Carbon Neutral Airline by 2050," we support various carbon offset projects to offset greenhouse gas emissions from our operations.



**8,366**

**TONS OF CO<sub>2</sub>**

**AMOUNT OF CARBON OFFSET VIA THE CO<sub>2</sub> MISSION PROGRAM**

### Internal Carbon Pricing

We implement internal carbon pricing to increase low-carbon services, fuel efficiency, and sustainable aviation fuel use and to support investment in innovative technologies and R&D projects. In this practice, carried out as shadow pricing, a price is set for the cost of carbon emissions per ton for the company based on various assumptions. We have included internal carbon pricing practices using the shadow pricing mechanism in the Climate Transition Plan prepared by considering different climate scenarios. One of the sub-components that shall enable us to achieve our commitment to become a "Carbon Neutral Airline by 2050" is to offset the emissions generated as a result of our operations by participating in various offset projects and emission trading systems required by regulations. In 2023, our emissions have been reported under EU ETS, UK ETS, and CORSIA requirements.

For these three mitigation mechanisms affecting our Incorporation, the allocation prices valid in the emission trading systems where the prices paid per unit emission are the highest are accepted as the internal carbon price in our Incorporation.



### Carbon Offset Practices

We report our fuel consumption and greenhouse gas emissions from our operations under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) implemented by the International Civil Aviation Organization (ICAO), the European Union Emissions Trading System (EU-ETS) and the United Kingdom Emissions Trading System (UK-ETS). These reports are verified by audits carried out by authorized third party independent organizations. Within the Incorporation, fuel savings, fuel efficiency values, and greenhouse gas emission amounts are periodically reported to the senior management.

While preparing our emission reports for 2023 in accordance with the CORSIA draft, which is a market-based carbon offset mechanism on a global scale, in 2023, the Incorporation reported a total of 8,892 tons of CO<sub>2</sub> emissions in EU ETS, 5,445 tons in UK ETS and CH ETS.

In line with our commitment to become a "Carbon Neutral Airline by 2050," we support various carbon offset projects to offset greenhouse gas emissions from our operations. In addition, we continue to offset carbon emissions within the scope of regional emission trading systems. The amount of carbon we offset in this context was 14,337 tons in 2023.



## SUSTAINABLE CARBON MANAGEMENT

| <b>Emission Credits Surrendered to Authorities</b>                | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b>   |
|---|-------------|-------------|-------------|-------------|---------------|
| Emission Credits Surrendered Under EU ETS (tons CO <sub>2</sub> ) | 13,240      | 13,835      | 10,838      | 6,619       | <b>8,892</b>  |
| Emission Credits Surrendered Under CH ETS (tons CO <sub>2</sub> ) | 0           | 48          | 0           | 52          | <b>5</b>      |
| Emission Credits Surrendered Under UK ETS (tons CO <sub>2</sub> ) | -           | -           | 3,130       | 2,297       | <b>5,440</b>  |
| Emission credits surrendered in total (tons CO <sub>2</sub> )     | 13,240      | 13,883      | 13,968      | 8,968       | <b>14,337</b> |
| Number of passenger trips reported                                | 686         | 669         | 672         | 476         | <b>694</b>    |

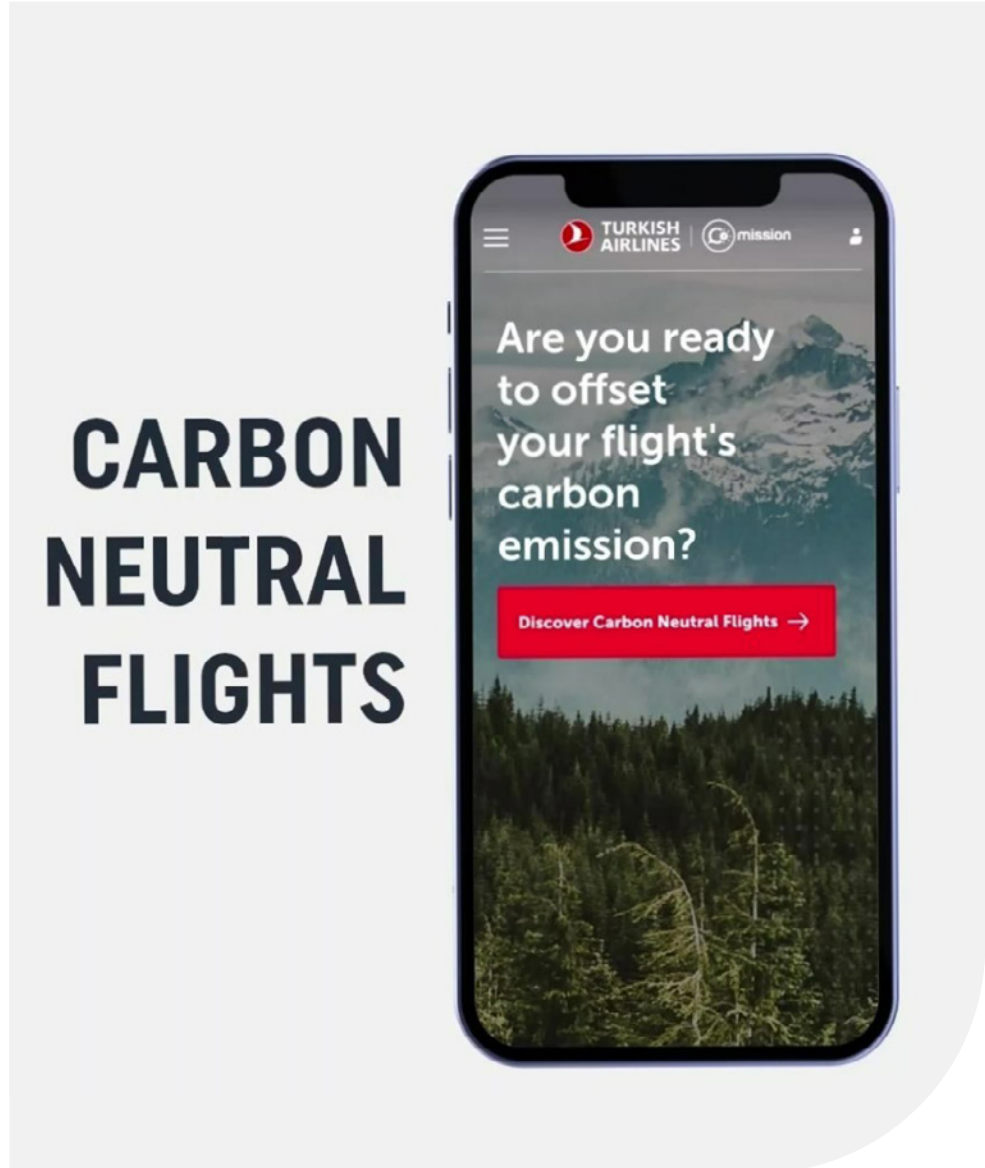
### CO<sub>2</sub>mission

In 2022, we took one more step in combating climate change with the **CO<sub>2</sub>mission** program, where we offered travel lovers the opportunity to offset carbon emissions from their flights by supporting sustainable development projects.

Within the scope of the project, our passengers can offset the emissions of all their flights not only with Turkish Airlines but also with other airlines, and become an active stakeholder in our efforts to combat climate change by choosing from 3 different portfolio options: "Renewable Energy", "Social Benefit", and "Green World." These portfolios consist of climate change combating and social development projects that are certified, generate carbon credits,

and support 9 different Sustainable Development Goals. The contribution of passengers enables Turkish Airlines to support globally recognized projects accredited by VCS and Gold Standard that have completed third-party audit and verification processes, without any share demand. Through this programme, we aimed not only to reduce the environmental impact of our Incorporation but also to strengthen our competence to comply with possible future carbon offset practices and our brand reputation in the eyes of customers.

Within the scope of the CO<sub>2</sub>mission program, emissions from all business trips of our employees are offset by Turkish Airlines. In 2023, 8,366,849 kg of carbon emissions resulting from 44,209 business trips were offset by our Incorporation.



## SUSTAINABLE CARBON MANAGEMENT



### Fuel Efficiency

According to the verified emission data, 99.8% of our Incorporation's greenhouse gas emissions are caused by the fuels consumed by aircrafts. Turkish Airlines, in line with its fuel-saving policy, carries out innovative activities in areas critical to carbon management, such as investments in new technologies for fuel management and optimization of our operations and infrastructure improvement projects, that have a direct impact on fuel management.

We manage aircraft fuel and other operational consumption through different specialized units. We also have coordination bodies to execute these processes coordinately. Our Fuel Saving Board, established in this direction, operates with the participation of senior

representatives from Flight Operations, Ground Operations, Technical, Finance, Cabin Services, Corporate Security, Istanbul Station, Regional Flights, Cargo Operations, and Integrated Operation Control departments as well as the CEO.

Through more than 100 operational optimization projects and aircraft configuration projects that we have successfully implemented since 2008 to reduce our carbon footprint, we saved 71,830 tons of fuel and prevented 226,265 tons of carbon emissions to the atmosphere in 2023. Thus, the total amount of fuel savings we have achieved since 2008, when we started the Fuel Saving Project, has been 743,263 tons, and the carbon emissions prevented have been 2,341,278 tons.

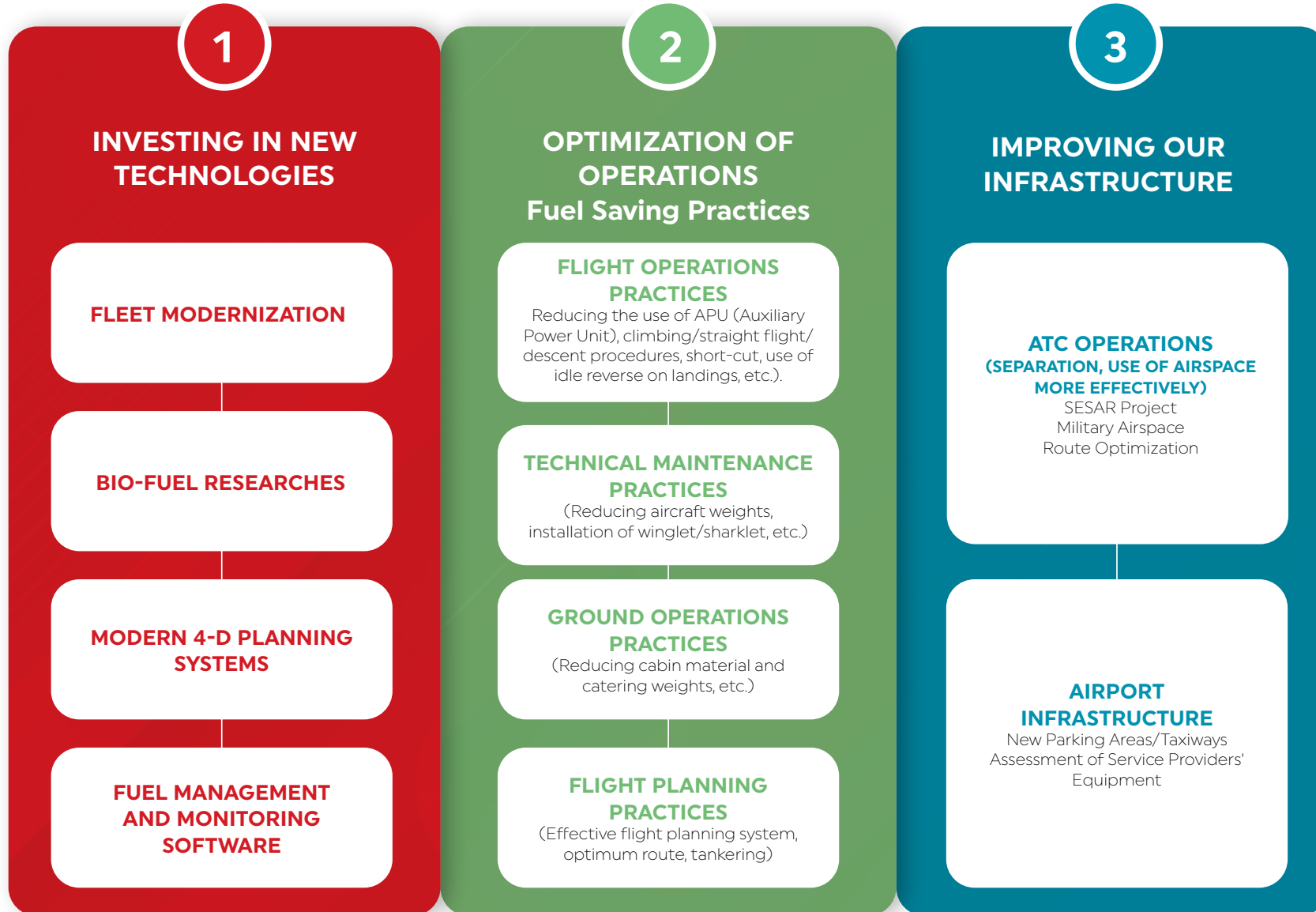
|                                 | 2019   | 2020   | 2021   | 2022   | 2023          |
|---------------------------------|--------|--------|--------|--------|---------------|
| Fuel Consumption (million tons) | 5.6    | 2.9    | 4.2    | 5.7    | <b>6.56</b>   |
| Fuel Saving (tons)              | 55,492 | 22,760 | 37,082 | 57,581 | <b>71,830</b> |

Turkish Airlines is taking important steps to expand and improve its aircraft fleet. We started to implement fleet improvements such as the integration of our new generation aircraft into the fleet and avionic applications. Owing to these important initiatives, we aim to reduce carbon emissions by 15-20% through efficiency improvements in fuel consumption. We plan that by 2033,

new-generation aircraft shall make up at least 95% of the total fleet. Furthermore, we aim to achieve a 5% increase in the efficiency of fuels used in flights compared to 2023 and a total of 1,192,632 tons of fuel savings through operational improvements to be carried out until 2033.

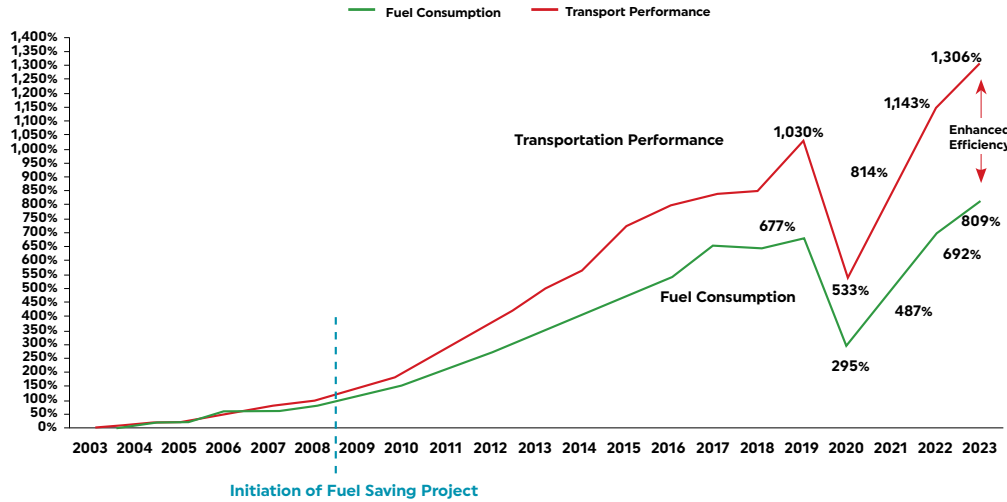
## SUSTAINABLE CARBON MANAGEMENT

**Turkish Airlines' efforts on fuel efficiency are based on three main principles:**



## SUSTAINABLE CARBON MANAGEMENT

### Turkish Airlines Fuel Efficiency for the Last 20 Years



The Fuel Efficiency Performance of Turkish Airlines graph on the left shows the transport performance of Turkish Airlines between 2003 and 2023 and the corresponding fuel consumption. Thanks to the successful implementation of fuel efficiency projects since 2008, when the Fuel Saving Project started, the amount of fuel consumed per unit of transport activity has significantly decreased.

Based on 2008, it is seen that by 2023, transport performance has increased by 1,306%, while fuel consumption has increased by 809%. The year-on-year increase in the difference between transport performance and fuel consumption in the graph clearly shows our improving efficiency performance.

### Fuel Consumption per 100 Available Seat Kilometers (liters/100 ASK)



2019 2020 2021 2022 2023

\*ASK (Corrected by adding ACTK for cargo operations.)

### Fuel Savings and Greenhouse Gas Emission Reduction Achieved by Basic Practices

|                               | Fuel Saving (tons) |       |       |       |               | Greenhouse Gas Emission Reduction (tons CO <sub>2</sub> ) |        |        |        |               |
|-------------------------------|--------------------|-------|-------|-------|---------------|---|--------|--------|--------|---------------|
|                               | 2019               | 2020  | 2021  | 2022  | 2023          | 2019  | 2020   | 2021   | 2022   | 2023          |
| Reduced flap take-off/landing | 9,257              | 5,192 | 7,513 | 9,608 | <b>10,984</b> | 29,160  | 16,355 | 23,666 | 30,265 | <b>34,600</b> |
| Engine out taxi in            | 6,228              | 1,841 | 2,526 | 5,745 | <b>10,464</b> | 19,618  | 5,799  | 7,957  | 18,095 | <b>32,962</b> |
| Idle reverse on landing       | 9,917              | 5,145 | 7,966 | 9,886 | <b>12,440</b> | 31,239  | 16,207 | 25,093 | 31,140 | <b>39,186</b> |
| Continuous Descent Approach   | 4,291              | 2,631 | 3,744 | 3,942 | <b>4,798</b>  | 13,517  | 8,288  | 11,794 | 12,417 | <b>15,114</b> |





## EFFECTIVE ENERGY MANAGEMENT



### ENERGY MANAGEMENT HIGHLIGHTS IN 2023

**289,537,468.79**

**GJ**

**TOTAL ENERGY CONSUMPTION**

**57,369.6**

**GJ**

**RENEWABLE ENERGY PURCHASED**

### SOLAR POWER PLANT (SPP)

**WE AIM TO PREVENT 4,558.7 TCO<sub>2</sub>/YEAR EMISSION WITH OUR SPP PROJECTS.**

The majority of the energy consumption of our operations comes from aircraft fuels. Although ground operations have a smaller share in total energy consumption, it stands out as another area where energy efficiency practices are intensified. The source of our consumption in ground operations consists of electricity and natural gas to a great extent. In our energy-intensive operations, we implement projects to increase energy efficiency according to energy study reports.

Its relationship with social and economic development and key role in reducing greenhouse gas emissions make energy efficiency indispensable

for sustainability. Our Incorporation implements the ISO 50001 Energy Management System in order to reduce its environmental impact and control its costs by properly managing its energy consumption. As of the reporting period, we managed to reduce our electricity consumption by approximately 14.1% compared to 2019 thanks to the practices to increase energy efficiency and the projects we implemented.

Turkish Airlines plans solar energy investments in suitable areas by constantly reviewing the requirements and requirements. In our new buildings, we aim to meet at least 5% of our energy requirements from renewable

sources. Within this framework, we have obtained an I-REC Certificate for all of our electricity consumption in our existing buildings in the Atatürk Airport (AHL) region for the year 2023. We source 100% of our electricity consumption from renewable resources in the AHL region. When considering both the AHL and Istanbul Airport (IHL) regions together, approximately 14.4% of our total electricity consumption is from renewable sources. All of the electricity used in the buildings in the AHL area was purchased from suppliers that produce electricity from renewable sources. In this context, we purchased a total of 57,369.6 GJ of renewable energy with I-REC Certificate during the year.



## EFFECTIVE ENERGY MANAGEMENT

### Energy Efficiency Endeavors in Our Facilities

Improvement renovations have been performed to 1 air handling unit, which provides ventilation and air conditioning in the Additional Office Building of the Directorate of Education, increasing its energy efficiency value.

Software revisions have been performed to improve energy efficiency in air handling units in Istanbul Airport facilities and buildings.

The system that provides ventilation and air conditioning in the mock-up structure where trainings are given at the Flight Training Directorate Headquarters Campus has been renewed, enhancing the efficiency rate.

All lighting fixtures in the new office area of AHL Cargo Accounting Directorate were included in the lighting automation.

Lighting fixtures in the office areas of Ankara Kent Park Mall Turkish Technology Inc. were included in lighting automation.

✓ 57,500 kWh/year saving was achieved.

✓ Our CO<sub>2</sub> emissions were reduced by 27,485 kg/year.

✓ 70,000 kWh/year saving was achieved.

✓ Our CO<sub>2</sub> emissions were reduced by 33,460 kg/year.

✓ 8,150 kWh/year saving was achieved.

✓ Our CO<sub>2</sub> emissions were reduced by 3,894 kg/year.

✓ Annual saving of min. 50% was achieved.

✓ Annual saving of min. 50% was achieved.

We have 4 solar energy utilization-oriented projects to be installed in the facilities of our Incorporation, for which feasibility studies were initiated in 2022, technical consultancy and design processes were carried out in 2023, and manufacturing works shall be started in 2024. In addition, we expect to deactivate large-capacity heating boilers in the summer months in the Istanbul Airport region and meet the hot water need with alternative systems, thereby reducing natural gas consumption by approximately 1%. Furthermore, we aim to reduce electricity consumption through the use of LEDs in lighting systems and the transition to presence sensors and to reduce natural gas consumption by approximately 5% through improvements to be made in the boiler automation system.

**WE PLAN TO PREVENT 4,558.7 TCO<sub>2</sub>/YEAR EMISSION WITH THE SOLAR POWER PLANT (SPP) PROJECTS WE SHALL IMPLEMENT WITH A TOTAL INVESTMENT COST OF USD 3 BILLION.**

- AHL Cargo Facility Roof SPP Project **4.365,45 kWp/3.360,00 kWe**
- TAFA Aydın Çıldır Facility SPP Project **534 kW**
- Sedat Şekerci Flight Training Facility Roof SPP Project **1,110.71 kWp/875 kWe**
- Çukurova Airport Cargo Facility Thermal Panel Water Heating System Project **39.82 kW**

## EFFECTIVE ENERGY MANAGEMENT

In 2023, we continued our practices and projects that reduce emissions of pollutant airs other than greenhouse gases.



**4,558.7**

**TCO<sub>2</sub>/YEAR**

**TOTAL AMOUNT OF EMISSION TO BE PREVENTED WITH PLANNED SOLAR POWER PLANT (SPP) PROJECTS**

In 2023, we continued our practices and projects that reduce the emission of air pollutants other than greenhouse gases. In addition to the Gaziantep and Çukurova CIP Lounges, the design of the AHL Cargo Building Social Area projects included the installation of an ecology unit for exhaust gases from the kitchen areas where food is cooked. The ecology unit shall provide gradual filtration and its electrostatic and activated carbon filters shall filter airborne pollutants (oil-containing pollutants). The filtration rate provided in this exhaust system is between 80% and 90%.

Within the scope of the design of the Operation Center Indoor Car Park project, we plan to create charging stations for electric vehicles and bicycle parking areas. We also aim to create cycling and pedestrian pathways to reduce car traffic between buildings. The design made in 2023 includes the infrastructure to accommodate approximately 540 standard charging units in the car park building, which shall have a parking capacity of 4,000 vehicles. The number of charging units, which shall be installed in small numbers in the first phase, can be increased rapidly with the increase in the use of electric vehicles, thanks to the existing infrastructure in the car park. These practices shall encourage the use of electric vehicles, reducing CO<sub>2</sub> emissions.





## EFFECTIVE ENERGY MANAGEMENT

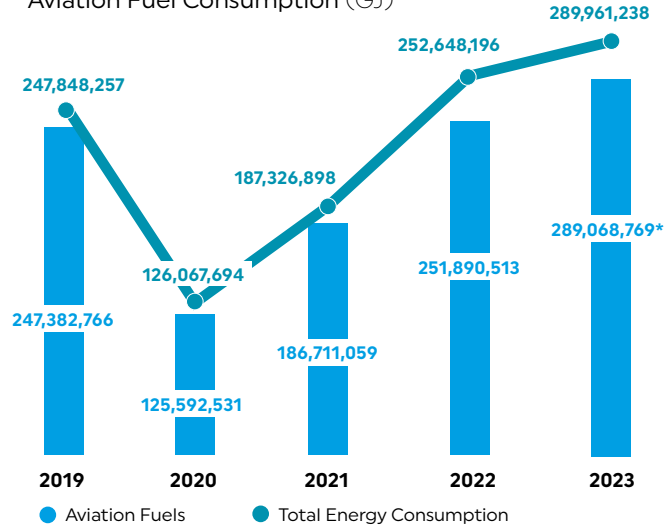
### Energy Consumption

During the reporting period, in parallel with the increase in the number of flights compared to the previous year, both aviation fuel consumption and other energy consumption increased. In 2023, the share of aviation fuels in total energy consumption of 289,961,238 GJ was 99.8%.

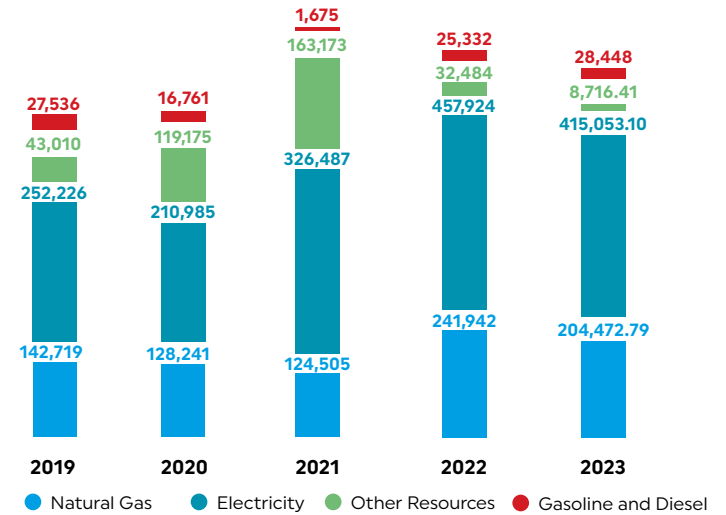
In addition to our increased flight operations, due to the expansion in the scope of emissions of our subsidiaries and business partners, total greenhouse gas emissions including Scope 1, 2, and 3 have also increased. Accordingly, a total of 27,464,369.13 million tons of CO<sub>2</sub>e greenhouse gas emissions were generated across the operations of the Incorporation in 2023.

### Energy Consumption and Greenhouse Gas Emissions

Aviation Fuel Consumption (GJ)



Non-Aviation Fuel Energy Consumption (GJ)



\* Includes only operational fuel consumption.







## WASTE MANAGEMENT



### WASTE MANAGEMENT HIGHLIGHTS IN 2023

**2,170.1 TONS**

**TOTAL AMOUNT OF WASTE**

**33.31 TONS**

**RECYCLED PACKAGING WASTE**

Waste management activities throughout Turkish Airlines operations are carried out in accordance with the Environmental Policy and relevant legal regulations. The principles and methods to be followed in waste management processes are determined by the Waste Management Procedure. "Zero Waste" principle is followed throughout operations and waste hierarchy principles are adopted in waste management. In line with the principles of waste hierarchy, the main priority is to prevent waste generation. If waste cannot be prevented, it is aimed to minimize the amount. Efforts are made to recycle or recover as much of the resulting wastes as possible into the economy through recycling or recovery methods. Wastes that cannot be recovered are disposed of through licensed companies.

All wastes generated are regularly reported to the Ministry of Environment, Urbanization and Climate Change according to the types and codes specified in legal regulations. In order to ensure that waste management processes are carried out in accordance with the legislation and standards applicable in our country, we assign at least 2 "Waste Supervisors" at each operation location.

In 2023, a total of 2,170 tons of waste, of which 2,070 tons were non-hazardous and 100 tons were hazardous, was generated in our domestic operation locations. Thus, the amount of hazardous waste per employee decreased to 3.07 kg. Of the waste generated, 33 tons was packaging waste. The 17.85 tons of waste

generated during the year was classified as non-recoverable hazardous waste and disposed of by licensed companies.

Plastic-based packaging given to authorized companies in order to recycle the generated waste into the economy is recycled into raw materials as granules or recycled as waste water pipes, etc. Organic wastes are used as compost by the authorized company and in biomethanization processes where organic wastes are processed and converted into electrical energy.

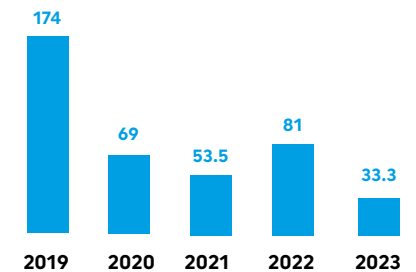
In order to reduce waste generation in our operations, we consider the reusability and recoverability opportunities. In this context, the headphones we offer to our passengers are reused after being sterilized, and the material loading bags are reused after being repaired.

Unused textile products are given to recycling companies and recycled to be used in de-sizing and as fiber in the industry. In order to reduce the amount of waste, defective headsets are repaired and brought into operation. Defective and broken headphones that cannot be used are given to recycling companies. Unusable headphones are subjected to dismantling and mass reduction through machine and/or manual processes by recycling companies. They are then sorted based on the type of metal they contain and shipped to factories. In this context, 1,057.7 tons of textile products were recycled. The wooden materials used for fixing the cargo items are upcycled in the carpentry workshop to produce wooden transport pallets used in cargo operations.

Amount of Waste (tons)



Recycled Packaging Waste (tons)



## WASTE MANAGEMENT

We organize online training sessions on Waste Management and Zero Waste Practices to enhance our employees' knowledge and involvement in waste management.



**14**

**MILLION UNITS**

**NUMBER OF PHYSICAL BOARDING PASSES PREVENTED FROM BEING PRINTED THANKS TO THE MOBILE BOARDING PASS APPLICATION**

### Employee Trainings and Awareness Activities

We organize online training sessions on Waste Management and Zero Waste Practices to enhance our employees' knowledge and involvement in waste management. In 2023, 356 employees participated in periodic waste management trainings organized for all employees, and a total of 314 person\*hours of training was provided. During the reporting period, we initiated a waste sorting project through a mobile application based on a reward system in order to encourage our employees to sort waste at source.

### Disposal of Airframes

Turkish Technic Inc., a subsidiary of the Incorporation, carries out the disposal of the aircraft that have completed their life-cycle. Aircraft that have completed their economic life are first subjected to the disassembly process. During the disassembly, it is aimed to sort the components and materials that can be reused or recovered and to introduce them back to the economy. The scrap body obtained at the end of disassembly is sold to the scrap company provided that various requirements are fulfilled.

These requirements are;

- Carrying out a risk analysis before the cutting of the scrap at the airfield,
- Obtaining hazardous and non-hazardous substance documents,
- Declaration of the competence certificates obtained by the personnel to be employed from professional



- qualification institutions,
- Notification of mobile hazardous waste tracking while the scrap is taken out of the facility,
- Sharing the transport license of the company that shall transport the scrap waste and the disposal documents and contracts of the scrap company or the company to be contracted.

### Reducing Paper Consumption

We are reducing the number of processes where we use paper materials in our operations day by

day. The application with the highest performance in reducing paper material consumption is the Mobile Boarding Pass. In this way, both significant material savings and improvement in customer experience by saving time for passengers are achieved. In 2023, a significant increase was recorded with the Mobile Boarding Pass application, which prevented the printing of 14,038,433 physical boarding passes. In addition, 8.49 million pieces of paper printing was prevented with Web check-in and SMS check-in applications.

## WASTE MANAGEMENT

### PREVENTING PAPER CONSUMPTION WITH OUR DIGITALIZATION INITIATIVES

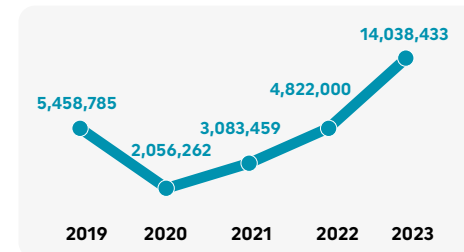
- As part of the "Project for Transition to Digital Archive" of the Directorate of Cabin Crew, the personal files of 14,000 cabin crew members, which were stored physically, are now digitized. In addition, the project for providing tablet computers to our cabin crew and the digitization of documents used in the cabin are ongoing.
- We saved paper by designing digital evaluation forms for the interviews conducted as part of our Communication Volunteers project.
- Designed for pursers, the Compass Cabin series of articles are stored in digital media, saving paper.
- Some of the meetings we conducted with our cabin crews were moved to the online platform and tablet distribution to our cockpit crews started within the scope of the digital cockpit project. During the period, we distributed tablets to 460 cockpit crew members. By July 2024, we aim to reach approximately 6,500 teams to whom tablets are distributed.
- We have started working on information transfer with AR technology to transfer inflight equipment to our cabin crew.
- The digitization of the documents used in the cabin (Checklist, Security Search Report Form for Passengers Who Boarded the Wrong Plane/ Renounced to Board/were Denied to Board, Found Property Form, etc.) is in progress.
- Internet service offered to passengers in the lounges is now available via automatic connection in the M&S Lounges, Business Lounges, and Moscow Lounges.
- With the introduction of online pet booking and payment channels, we have also ended the use of passenger collection receipts.
- We digitized the allergen lists, which were previously given to cabin crew in paper form on each flight, by integrating them into the MOCA system through cabin crew tablets, thereby preventing paper waste by avoiding the loading of 4,800 kg of paper on our aircraft.

Various practices are in place to reuse the materials used in the Directorate of Training's activities. The notebooks used in courses were reduced in size from A4 to A5, the number of pages was also reduced and training evaluation forms started to be delivered to trainees online. In 2023, we saved USD 54,686 in costs through the reuse of course materials.

In addition, we saved paper by consolidating Duty Free EC-BC forms and reducing their size. We have also reduced the size of the airline declaration form.

In line with our goal of reducing our environmental impact, we are also developing practices to reduce napkin consumption in inflight services. For this purpose, starting from February 2024, napkins shall not be included in the mixing sets given to passengers who ask for sugar during the hot beverage service following the meal service, and napkins shall be offered to passengers only upon their request.

Mobile Boarding Pass Application (units)





## WASTE MANAGEMENT



### Circular Economy Practices

Turkish Airlines also focuses on creating innovative solutions to minimize waste, promote resource efficiency, and maximize the value of products and materials. We implement many pioneering circular economy practices, from the recycled products with reduced environmental impact that we offer on our flights to projects to reuse natural resources in our facilities and buildings.

#### "UPCYCLING FOR THE FUTURE" PROJECT

In 2023, we implemented a project called "Upcycling for the Future" that shall inspire both the sector and the world in line with the principles of circular economy. With this project, we designed and produced boots for children using used and expired bags, essential accessories for cabin crews. In today's world, where limited resources and existing assets are becoming more valuable day by day, products that have reached the end of their lifespan have been transformed into a brand new form in the hands of masters thanks to this project. In the project, which aims to transform 7,500 bags into 10,000 pairs of shoes in total, we tried to maximize the benefit from the available materials with a sustainability-oriented approach. We shared the promotional film we prepared for the "Upcycling for the Future Project" launched on March 30, which was proclaimed as the International Zero Waste Day, on our social media accounts and aimed to draw the public's attention to this topic. The project also received a bronze award in the "corporate responsibility" category of the 2023 Stevie Awards Communication or Public Relations Campaign, the world's leading business awards organization.





## WATER MANAGEMENT



### WATER MANAGEMENT HIGHLIGHTS IN 2023

**206,595**

**M<sup>3</sup>**

**TOTAL WATER CONSUMPTION**

**6.87**

**M<sup>3</sup>**

**WATER CONSUMPTION PER CAPITA**

**30%**

**By replacing the standard aerators used in faucets with efficient aerators, we aim to reduce water use in sinks by approximately 30%.**

### Water Consumption




Turkish Airlines attaches great importance to the responsible and efficient use of water, which is the main source of human and ecosystem vitality, at all physical points creating the environmental impact of its operations. In this context, we are carrying out studies to reduce water consumption, identify methods for efficient use and reuse of water, and develop and implement water-saving models for sustainable water management.

With the new projects and practices we implemented throughout the year, we achieved tangible gains in water efficiency performance and the total water consumption of our Incorporation decreased significantly year-on-year during the reporting period. In 2023, a total of 206,595 m<sup>3</sup> of water was consumed and our water consumption per capita was recorded as 6.87 m<sup>3</sup>/person.



## WATER MANAGEMENT

### Our Water Efficiency Projects

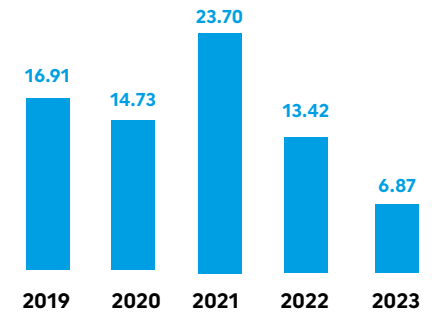
| Project  | Implementation   | Targeted Achievement   |
|--|--|--|
| <b>Water Fixture Replacement in Headquarters Building</b>  | We replace water fixtures (faucets, urinals, reservoirs) within the scope of wet area renovations  |  Planning to ensure <b>30%</b> water savings.   |
| <b>Water Fixture Replacement within the Scope of the Istanbul Airport Lounge Expansion Project</b> | Fixture groups selected in consideration of LEED certification (water consumption values of max. 2.5-4 liters for cisterns, max. 1 liter for urinals, max. 1.3 l/min. for photocell faucets, max. 4 l/min. for special washbasins, max. 5 l/min. for sink faucets, and max. 6 l/min. for shower heads) were included in the wet area design. |  It is aimed to save a minimum of <b>50%</b> water compared to standard product data.   |
| <b>Çukurova Airport Cargo Facility Project Rainwater Collection and Utilization System</b>         | Within the scope of the ongoing project, which started in 2023, rainwater to be diverted from approximately 6,000 m <sup>2</sup> of roof area shall be collected sequentially in 6 m <sup>3</sup> capacity pre-accumulation and 6 m <sup>3</sup> capacity gray water accumulation tanks.   |  Collected rainwater shall be used to feed wet area reservoirs to reduce the use of mains water and achieve water consumption efficiency. |

Our planning efforts to use new technologies for improving water efficiency and to enhance existing practices are also ongoing. In this context, a rainwater collection and utilization system was included in the cargo facility project planned for Çukurova Airport. With this application, it is aimed to reduce the use of mains water by directing rainwater from approximately 6,000 m<sup>2</sup> of roof area.

On the other hand, feasibility studies for a recycling system project that shall enable 65% reuse of cooling tower blowdown water in energy buildings are underway. The design process of this system is planned to be initiated according to the discharge capacities in 2023 and it aims to reduce the make-up water requirement of cooling towers by 16-17%, thereby reducing the amount of wastewater.

We discharge the wastewater generated as a result of our operations into wastewater channels according to legal regulations. In this context, 206,595 m<sup>3</sup> of wastewater was discharged into wastewater channels in 2023. The water efficiency studies we carry out also directly help us reduce the amount of discharged wastewater.

Water Consumption Per Capita (m<sup>3</sup>/person)





## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES



### MATERIAL MANAGEMENT HIGHLIGHTS IN 2023

**366,450**  
UNITS

**FSC CERTIFIED PLAY SET WE OFFER IN 2023**

### OEKO-TEX 100

**WE USE OEKO-TEX 100 CERTIFIED RECYCLED MATERIALS IN PASSENGER BLANKETS.**

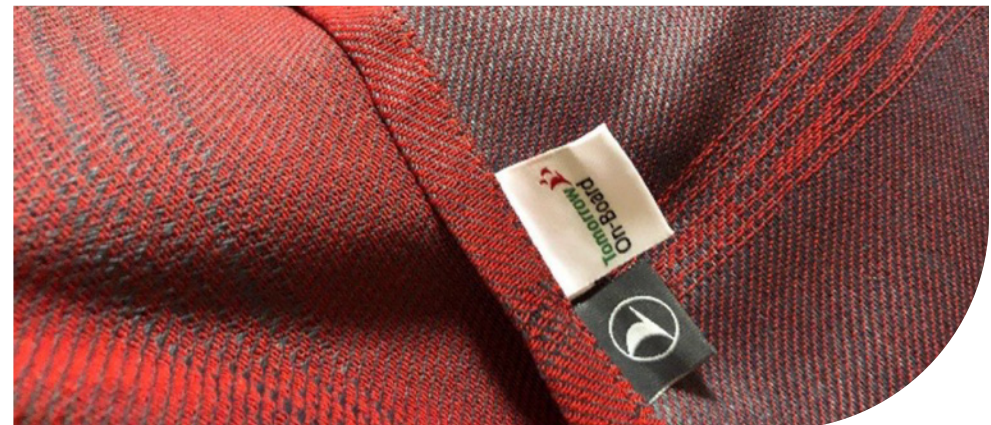
#### Reducing Chemical Use

Controlling and reducing the chemicals we use in our operations is among our prioritized environmental impact management activities. The efficiency studies we carry out in anti-icing and aircraft painting processes come to the forefront in our efforts to control chemical substances.

During the De-Icing season between September and May, "De-Icing/Anti-Icing" applications, which are carried out to eliminate icing and snow accumulations on the aircraft surface, aim to provide a clean aircraft concept by spraying Type I, Type II, or Type IV liquids with chemical contents on the aircraft surface. The guidelines issued by international authorities do not define an upper limit for the amount of liquid to be used, and it is expected that "as much liquid as necessary" shall be used to guarantee the clean airplane concept. Turkish Airlines aims to achieve an optimum level of utilization in De-Icing/Anti-Icing processes, sufficient to ensure flight safety, but at a level that prevents the environmental impact of unnecessary chemical use. In this regard, in order to keep the amount of liquid used at an optimum level, it is our top priority to decide on the correct application method by taking into account the weather conditions and wind intensity during the De-Icing/

Anti-Icing operation process, as well as to ensure that the applicator operator carries out the process with the correct procedures during the operation. During the senior management meetings before the De-Icing season, we consult on the experienced and potential situations based on the analysis of the past season and create our plans for the next De-Icing season. In addition to planning basic or refresher De-Icing trainings before each De-Icing season for our employees working at stations that are suitable for winter conditions, which we call Winter Station, we also contribute to increasing the awareness of De-Icing and winter seasons in our Incorporation by making De-Icing Corporate Culture and Awareness training assignments for our senior executives. The application data and the forms used in the follow-up of the operation are kept during the season.

As a result of the analyses carried out at the end of the De-Icing season, stations that are found to have shortcomings in terms of operation follow-up and that are above the expected levels in liquid usage are investigated, and discussions are held with the relevant station authorities before the next season to improve shortcomings in question. Furthermore, during the De-Icing season, the usage amounts are also checked individually and instant feedback is provided to the station in case of excess far above the expected usage values. As a result of the on-site inspection activities we carry out at the stations on a planned or ad hoc basis, we present the shortcomings we observe at this point as a report to the handling companies and follow up on the actions taken.



## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES

Another process where chemicals are used is aircraft painting applications. The painting system we have adopted allows the aircraft in the fleet to be painted 2 times instead of 3 times on average, using the most modern paint products throughout their 20-year economic life. In this way, our use of chemicals is reduced by 33%. The primers, paints, and other chemicals used in the painting of the aircraft of the Incorporation are searched for options that contain less chromium and have a reduced environmental impact in terms of VOCs. We do not use phenol-containing materials in the chemicals used for paint removal. We prefer chrome-free products for the gaskets used on the body.

We also take some actions to inform our employees about hazardous substances and to raise awareness about their effects and general precautions. In this context, we send e-mail announcements to all stations regarding the loading of substances classified as hazardous and organize webinars with the participation of our stations.

### Eco-Friendly Material Preferences

As a company that prioritizes human health and the environment in all its operations, we constantly evaluate the materials we use in our products and services and prefer sustainable alternatives. We continuously monitor products and services with reduced environmental impact, and investigate the availability and supply continuity of materials that may be suitable for use in our catering services.

Using reusable service and transportation equipment such as plates, cups, and cutlery sets in our inflight catering services, especially on international flights, where the product and service range is more diverse compared to domestic ones, allows us to save on materials. We are analyzing and researching opportunities to reduce other types of materials used in the aircraft.

### SUSTAINABLE INFLIGHT PRODUCTS AND SERVICES

- Wooden toys made from Forest Stewardship Council (FSC) certified forest products with the concept of "My Toy is from Nature"
- Biodegradable and compostable blanket and headphone packaging compliant with TS EN 13432 standard
- OEKO-TEX 100 certified blankets using GRS (Global Recycled Standard) from recycled yarn
- ER BC slippers made of GRS (Global Recycled Standard) recycled yarn
- In-cabin garbage collection and material bags made of 40% recycled raw materials
- Safety cards made of 100% recycled paper
- Vegan cosmetic sets
- FSC-certified inflight paper products (TK Patient bag, compensation card, etc.)
- FSC-certified Denon headphone label
- Headset and blanket cleaning service
- Environment and sustainability content under the Green Earth category on PLANET
- "Press Reader" application
- New comfort sets with reduced plastic products and recycled product content





## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES



Turkish Airlines started to use many new products with reduced environmental impact during the period. In addition to replacing plastic stirrers with ones made of PLA (Polylactic Acid), a biodegradable thermoplastic made from corn starch and sugar cane, we have also added wooden stirrers as an option. Moreover, we preferred "Forest Stewardship Council (FSC)" or "Program for the Endorsement of Forest Certification (PEFC)" certified papers for the paper products and napkins we used. The outer packaging of the wet wipes we offer passengers is now made of recycled material (R-PET).

Within the scope of our services, particularly in our international catering, a significant number of rotatable materials (reusable materials: For example; plates, glasses, cutlery, thermoses, service and transportation equipment, etc.) are used.



### SUSTAINABLE CATERING PRODUCTS

#### Current practices

- Wet wipes packaging made of 70% R-PET (Recycled Plastic) raw material
- Plant-based, biodegradable Business Class "welcome drink" mixers
- Environment-friendly, 100% biodegradable wet wipes
- FSC-certified cardboard cups
- FSC-certified napkins
- FSC-certified cutlery envelopes
- Wooden stirrers
- Food catering 80.19% of which is sourced from local suppliers
- Digitization of the allergen lists, which are previously given to cabin crew in paper form on each flight, by integrating them into the MOCA system through cabin crew tablets
- FSC-certified popcorn outer packaging (cardboard)
- FSC-certified chopstick paper
- FSC-certified cutlery set/tapes
- FSC-certified tray anti-slip mats
- FSC-certified paper cup holders
- FSC-certified plate anti-slip materials
- FSC-certified hot sandwich packaging

#### Those expected to be put into practice

- Using FSC-certified cardboard cups instead of plastic cups
- FSC-certified menu cards

## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES

Although packaging made from renewable resources is more expensive than traditional plastic packaging, we prefer it because it is environment-friendly.



**44.8**

**MILLION UNITS**

**DISPOSABLE PLASTIC CONSUMPTION AVOIDED WITH BIODEGRADABLE AND COMPOSTABLE PACKAGING IN 2023**

We have been offering travel and toy sets without using plastic packaging for a long time. In this way, we prevent significant consumption of plastic materials and waste. In this context, in 2023, 285.13 tons of plastic consumption was prevented by preventing the consumption of all travel and toy set packaging and plastic toys offered to passengers.

Since 2017, we prefer environment-friendly products instead of plastic alternatives in the toys we offer to our infant passengers. In this context, we offered 366,450 FSC-certified toy sets in 2023 and more than 5.2 million in total since 2018.

The Incorporation also demonstrates its commitment to the principles of recycling and sustainability with the packaging of the headphones and blankets distributed to passengers in the cabin. Since 2017, we have been replacing the plastic bags used in the packaging of headphones and blankets with bio-plastic bags that are fully compliant with TS EN 13432 "Packaging-recyclable packaging features through bio-degradation and composting" standard and that disappear in nature. Although these packages produced from renewable resources are more expensive than conventional plastic packages, our

Incorporation prefers them due to their environment-friendly properties. Thanks to this preference, our Incorporation has prevented the consumption of single-use conventional plastics by using a total of 230.9 million biodegradable and compostable packages since 2018 and 44.8 million biodegradable and compostable packages in 2023. With all these environment-friendly material preferences, we prevented the use of over 622.2 tons of packaging materials in total. We use OEKO-TEX 100 Certified recycled materials for passenger blankets. In 2023, the number of blankets produced from this material to be used in the operations of the Incorporation reached 3,002,296 pieces, while a total of 1,058 tons of recycled textile materials were used in 2023 with the service of blankets, slippers, and comfort set contents.

The slippers we serve on board are made of recycled yarn with GRS (Global Recycling Standard) certification. The water-saving information obtained from the slippers and slipper covers offered to passengers is also presented to our passengers on the FSC-certified card. Recycled yarn is used from 500,000 m<sup>3</sup>/year of water used in the production of a total of 1 million pieces of 50% cotton-50% polyester slippers, thus recovering 400,000 m<sup>3</sup> of water in a year with 80% savings.

In addition, in 2023, we started to use in-cabin garbage collection bags and material bags made of 60% 1<sup>st</sup> quality HDPE (high-density polyethylene) and 40% 2<sup>nd</sup> quality LDPE (low-density polyethylene) raw material consisting of recycled waste in flights.



## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES

### We are increasing the number of environment-friendly products in our flights...

#### Bio-Plastic Bags

- Practice initiated as of 2017
- Corn starch-based

#### Recycled Blankets

- OEKO-TEX 100 Certified
- 3,002,296 units used in 2023



#### Recycled Slippers

- Global Recycled Standard (GRS) certified
- 80% recycled material
- Water savings of 400,000 m<sup>3</sup> per year

#### Garbage Collection Bags

- 60% top quality high-density polyethylene (HDPE)
- 40% recycled low-density polyethylene (LDPE)

| Products with Reduced Environmental Impact (pcs.)                                       | 2018       | 2019       | 2020      | 2021       | 2022       | 2023              |
|---|------------|------------|-----------|------------|------------|-------------------|
| Forest Stewardship Council (FSC)-Certified Toy Sets                                     | 2,268,000  | 1,647,700  | 0         | 323,925    | 677,809    | <b>366,450</b>    |
| Biodegradable and Compostable Headset Packaging in compliance with TS EN 13432 Standard | 37,698,863 | 37,790,212 | 9,872,042 | 16,722,548 | 30,307,783 | <b>34,388,286</b> |
| TS EN 13432 Certified Biodegradable and Compostable Blanket Packaging                   | 13,497,804 | 20,791,553 | 4,412,240 | 6,223,785  | 8,823,067  | <b>10,441,690</b> |
| OEKO-TEX 100 Certified Passenger Blankets   | 1,509,204  | 2,181,610  | 572,215   | 1,144,145  | 1,552,460  | <b>1,554,476</b>  |
| Vegan Cosmetic Sets   | -          | -          | -         | 63,471     | 1,313,320  | <b>3,569,512</b>  |

## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES

In line with our goal of minimizing our environmental impact, the MRc-2 credit category was followed in our LEED-certified buildings, and 20 different EPD (Environmental Product Declaration) certified products from at least 5 different manufacturers were selected in each project under the loan conditions.



**3.6**

**MILLION UNITS**

**NUMBER OF VEGAN COSMETIC PRODUCTS SERVED IN 2023**

In the reporting period, we continued the practice of offering cosmetic sets with vegan ingredients in order to promote the use of healthy ingredients in the cosmetic products we offer to our passengers. In this context, we served a total of 3,569,512 cosmetic products with vegan ingredients to our passengers in 2023. We started to serve new travel sets using products with sustainable content. The material of the toothbrush in the set has been changed, and the toothbrush produced with wheat straw and recycled polypropylene raw material has been used. Also, kraft packaging was preferred instead of the plastic earplug box included in the set.

In line with our goal of minimizing our environmental impact, the MRc-2 credit category was followed in our LEED-certified buildings, and 20 different EPD (Environmental Product Declaration) certified products from at least 5 different manufacturers were selected in each project under the loan conditions. We made our choices based on raw material availability, energy use and efficiency, material and chemical content, emissions to air, water, and soil, and waste generation. In the completed buildings of the Incorporation, natural stones and mostly natural wood floors have been preferred.

We plan to use materials with reduced environmental impact, recycled materials, and energy-efficient products in new facility/building designs and office-facility renovation works. Applications considered in this context include; EPD certified glass, MAS (Mineral Aggregate Surface) approved acoustic baffle ceiling materials, carpets with the EU carpet industry environmental program GUT label, FSC-certified wood coatings, LVT floor materials with recycled content, OEKO-TEX certified upholstery fabrics, Tier-2 certified transformers, ENEC (European Norms Electrical Certification) certified lighting fixtures, green building certified water fixtures, refrigerant systems with lower greenhouse gas emissions, and Eurovent-certified air conditioning and ventilation devices.





## CHEMICAL MANAGEMENT AND ECO-FRIENDLY MATERIAL PREFERENCES

### Cabin Modification Projects

Modification works are carried out in aircraft cabins in line with changing passenger expectations and consumption habits. In line with the developing technology, in-cabin components are also revised. During these modifications, Turkish Airlines prefers new technology cabin seats and components that reduce material usage and aircraft weight. The use of the new generation seats manufactured by our subsidiary company, which are lighter than their counterparts, in the fleet of the Incorporation shall provide savings in annual fuel consumption and reduction in CO<sub>2</sub> emissions as well as material efficiency.

- **Epianka Plus Seats:** Lighter than the current ones, these seats are under development.
- **AJet New Cabin Configuration:** TCI Milligram seats with recycled leather covers have been added to the configuration package.
- **Lightweight Food and Garbage Trolleys:** As part of AJet's efforts to create new cabin configurations for charter aircraft, lightened food and trash trolleys have been added to the configuration.
- **High-Density Cabin Conversion Project on 7 Aircraft:** Conversion from 194 to 220 seats, resulting in a weight reduction of 1,723 kg.
- **Power Systems:**
  - Descent Profile Optimization (DPO) modification, a system development application that aims to save fuel by optimizing landing and approach routes to the airport, was implemented on 4 aircraft.
  - With the addition of new generation aircraft to the fleet, which can reach the same range as the aircraft with extra fuel tanks, aircraft planning was made in this direction and some of the extra fuel tanks, which caused extra weight, were dismantled. In 2023, in 1 V2500 engine, select-one mode conversion was implemented, which improves flight performance and saves 1% fuel.





## NOISE MANAGEMENT

We aim to improve our noise reduction performance with the addition of new aircraft currently ordered to our fleet.



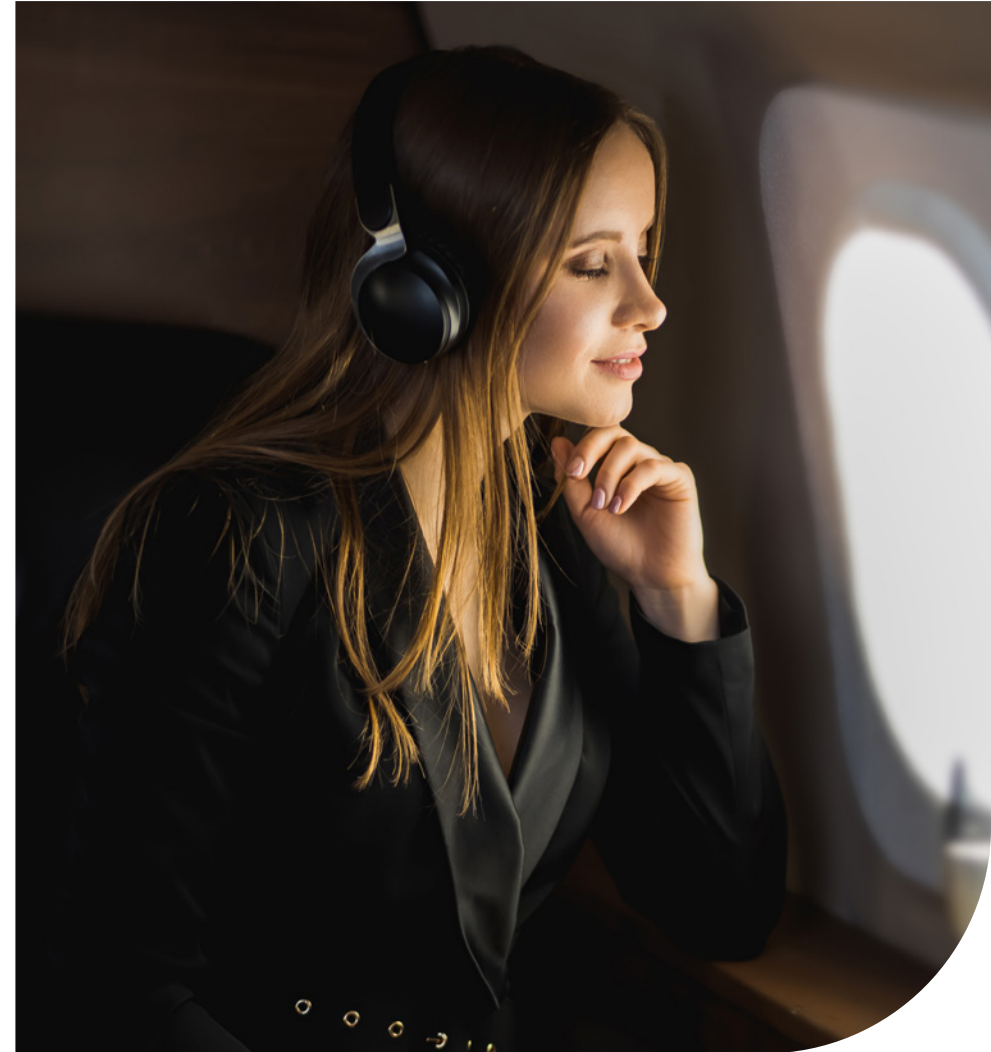
**23**  
**AIRCRAFT**

**NUMBER OF AIRCRAFT WITH NOISE REDUCING VORTEX GENERATOR RECEIVED IN 2023**

Another positive impact of fleet modernization investments on the environmental performance of the Incorporation is in the area of reducing the acoustic impact of its operations in line with Turkish Airlines Environmental Policy.

We obtain a Noise Certificate from the Directorate General of Civil Aviation for each aircraft joining our fleet. The Noise Certificate is a certificate given to the aircraft as a result of the evaluation that the aircraft complies with the specified noise standard when it is maintained and operated in accordance with the relevant requirements and operational limits and the process of obtaining the certificate is carried out by the Department of Airworthiness Review of the Technical Directorate. This certificate ensures compliance with landing and take-off noise level limits at airports.

In 2023, 23 aircraft with noise-reducing vortex generators were delivered. The low noise level of aircraft produced with new technologies also contributes to reducing the acoustic impact of operations. We also aim to improve our noise reduction performance with the addition of new aircraft currently ordered to our fleet.





## BIODIVERSITY AND ANIMAL WELFARE



### BIODIVERSITY AND ANIMAL WELFARE HIGHLIGHTS IN 2023

#### UFW

**WE ARE THE SIGNATORY OF THE UNITED FOR WILDLIFE BUCKINGHAM PALACE DECLARATION (UFW).**

As Turkish Airlines, we have added 3 Sustainable Development Goals to our focus in 2023: Clean Water and Sanitation (SDG 6), Life Below Water (SDG 14) and Life on Land (SDG 15). We have incorporated biodiversity issues into the management of our key corporate environmental risks and opportunities.

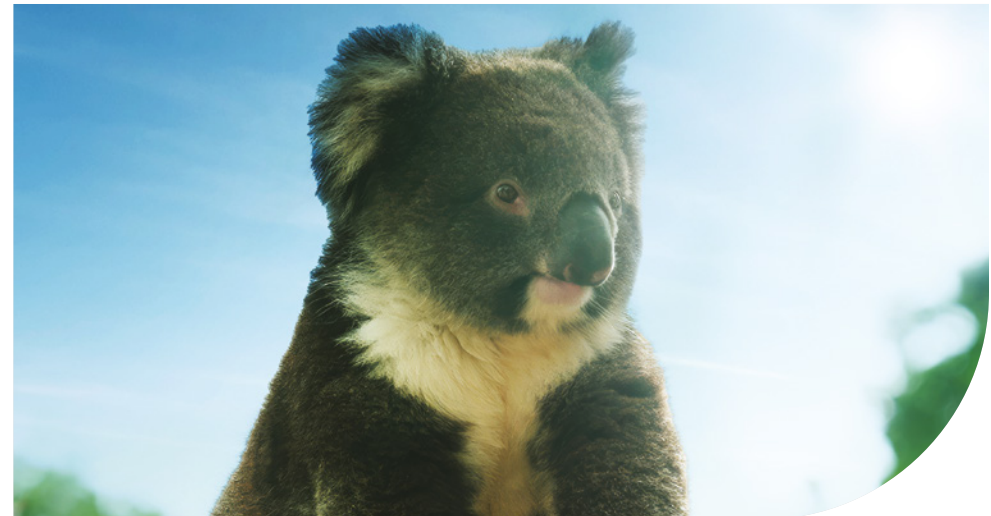
The United Nations Conference on Biodiversity (COP 15) states that a healthy ecosystem is an important factor in human society's adaptation to climate change. To this end, we identify and monitor the impacts and risks of our operations on biodiversity and take measures to protect the diversity of species, habitats, and ecosystems as well as the integrity of ecological functions. For this reason, we drafted and published the [Turkish Airlines Biodiversity Policy](#).

We strictly comply with established rules, local legislation, and regulations in our areas of operation at airports around the world. Our offices are located in urban commercial areas with a low risk of impact on local ecology and biodiversity. The location of our Headquarters building, where managerial decisions regarding our operations are made, was evaluated using WWF's Biodiversity Risk Analysis module and found not to be in a high-risk category in terms of biodiversity.

We work with the awareness of responsible transportation to prevent illegal wildlife trade and ensure that transportation is carried out lawfully. We take measures and cooperate with authorized institutions to prevent any contrary situations from occurring. In this context, we adopt a zero-tolerance approach. By signing the United for Wildlife Buckingham Palace Declaration (UFW), we have clearly demonstrated our support for the goal of responsible transportation to prevent illegal trade in wild animals. To preserve biodiversity, we support reforestation and carbon sequestration initiatives through our CO<sub>2</sub>mission program.

Following our lion and vulture transports as part of our Mission Rescue project, we transported a koala free of charge from a zoo in Hong Kong to a national park in Longleat to increase the koala population and protect this endangered species.

To minimize deforestation impacts, we are selective in using products that shall not adversely affect the forest ecosystem.





# ANNEXES

Turkish Airlines continues to grow with its goal of having the youngest and most modern fleet in Europe with its 17 subsidiaries and affiliates, a capital of TRY 1.38 billion, and 84 thousand employees, including our affiliates.

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GRI 204-1, 302-1, 302-2, 302-3, 302-4, 302-5, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-4, 401-1, 401-3, 404-1, 405-1

## PERFORMANCE INDICATORS

| Financial and Operational Performance  | 2019        | 2020        | 2021        | 2022        | 2023        |
|--|-------------|-------------|-------------|-------------|-------------|
| Net Revenue (USD million)  | 13,229      | 6,734       | 10,686      | 18,426      | 20,942      |
| <i>Passenger Revenue</i>   | 11,167      | 3,792       | 6,390       | 14,291      | 17,727      |
| <i>Cargo Revenue</i>   | 1,688       | 2,722       | 4,015       | 3,735       | 2,596       |
| <i>Other Revenue</i>   | 374         | 220         | 281         | 400         | 619         |
| Operating Profit (USD million)   | 876         | -255        | 1,414       | 2,779       | 2,859       |
| EBITDAR (USD million)  | 3,107       | 1,866       | 3,744       | 5,377       | 6,077       |
| EBITDAR Margin (%)   | 23.5%       | 27.7%       | 35.0%       | 29.2%       | 29.0%       |
| Net Debt   | 10,107      | 14,120      | 11,596      | 8,714       | 7,330       |
| Total Assets   | 24,724      | 25,530      | 26,537      | 30,944      | 35,671      |
| Total Investments  | 4,315       | 4,903       | 4,193       | 5,499       | 5,570       |
| <i>Fleet Investments</i>   | 2,402       | 2,926       | 2,061       | 2,879       | 3,306       |
| <i>Leasing Repayments</i>  | 974         | 1,541       | 1,786       | 1,655       | 1,667       |
| <i>Other</i>   | 939         | 436         | 346         | 965         | 597         |
| Return on Equity (%)   | 11%         | -16%        | 14%         | 32.87%      | 47.60%      |
| Total Flight Miles (nautical mile)   | 500,095,380 | 254,970,056 | 379,947,624 | 515,501,080 | 582,895,788 |
| Available Seat*Km (million Km)   | 187,722     | 75,015      | 127,793     | 201,757     | 234,839     |
| Revenue Passenger*Km (million Km)  | 153,203     | 53,254      | 86,705      | 162,679     | 193,932     |
| Revenue Passenger (person)   | 74,282,064  | 27,951,286  | 44,791,503  | 71,817,525  | 83,377,777  |
| Passenger Load Factor (%)  | 81.6%       | 71.0%       | 67.9%       | 80.6%       | 82.6%       |
| Flight Destinations  | 322         | 324         | 333         | 342         | 345         |
| Number of Landings   | 507,352     | 240,354     | 357,207     | 472,724     | 539,743     |
| Distance Flown Km (thousand)   | 925,918     | 472,032     | 703,265     | 953,902     | 1,079,523   |
| Cargo & Mail Carried (ton)   | 1,544,341   | 1,494,276   | 1,880,989   | 1,679,393   | 1,658,686   |
| Excess Baggage Carried (ton)   | 11,848      | 7,513       | 22,190      | 32,034      | 35,747      |
| Turkish Airlines-Only International Routes                                       | 154         | 155         | 142         | 152         | 188         |
| Turkish Airlines-Only International Routes within Top 20 Airline Companies       | 219         | 216         | 203         | 223         | 352         |
| Turkish Airlines-Only International Destinations within Top 20 Airline Companies | 30          | 24          | 22          | 21          | 23          |
| <b>Fleet Data</b>  |             |             |             |             |             |
| Fleet Average Age  | 8.33        | 8.44        | 8.50        | 8.70        | 9.3         |
| Total Number of Aircraft   | 350         | 363         | 370         | 394         | 440         |
| <i>Number of Narrow-body Aircraft</i>  | 230         | 234         | 246         | 263         | 296         |
| <i>Number of Wide-body Aircraft</i>  | 97          | 104         | 104         | 110         | 120         |
| <i>Number of Aargo Aircraft</i>  | 23          | 25          | 20          | 21          | 24          |
| R&D Expenditure (USD)  | 7,691,853   | 8,857,844   | 4,254,596   | 8,611,503   | 10,903,014  |
| Number of R&D Employees  | 752         | 719         | 829         | 442         | 785         |
| Number of R&D Projects   | 49          | 40          | 20          | 92          | 88          |
| Direct Economic Value Generated (USD million)                                    | 13,229      | 6,734       | 10,686      | 18,426      | 20,942      |

## PERFORMANCE INDICATORS

| <b>Financial and Operational Performance</b>  | <b>2019</b>   | <b>2020</b> | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   |
|---|---------------|-------------|---------------|---------------|---------------|
| Direct Economic Value Distributed (USD million)   | 12,644        | 7,264       | 9,411         | 15,710        | 18,269        |
| Operating Costs   | 10,477        | 6,103       | 8,051         | 13,473        | 14,885        |
| Salaries and Benefits Paid to Employees   | 2,067         | 1,097       | 1,298         | 2,140         | 3,256         |
| Dividend Paid   | 0             | 0           | 0             | 0             | 0             |
| Taxes and Similar Payments to the Government  | 52            | 41          | 37            | 57            | 53            |
| Donation, Sponsorship and Corporate Responsibility Expenditures   | 48            | 23          | 25            | 40            | 75            |
| <b>Tax Paid</b>   |               |             |               |               |               |
| Republic of Türkiye (TL million)  | 1,441,302,581 | 898,893,051 | 1,472,755,988 | 4,139,375,929 | 7,964,087,175 |
| Other States (TL million)   | 66,849,176    | 59,912,800  | 54,248,048    | 241,316,083   | 336,444,058   |
| Airports (USD million)  | 1,120,050,112 | 425,535,737 | 740,139,335   | 1,310,017,369 | 1,561,402,280 |
| Local Procurement Rate by Expenditure (%)   | 69.01%        | 76.55%      | 62.50%        | 89.32%        | 53.23%        |
| Local Procurement Rate by Number of Suppliers (%)   | 73.62%        | 78.64%      | 76.80%        | 74.16%        | 60.88%        |
| <b>Code of Ethics, Anti-Bribery and Anti-Corruption Training</b>  |               |             |               |               |               |
| Total training participants (number of people)  | 4,320         | 2,420       | 6,207         | 9,463         | 7,146         |
| Total training hours (person*hour)  | 2,160         | 1,210       | 3,103         | 4,416         | 1,548         |
| Ethical Line Grievances (number)  | 278           | 134         | 179           | 436           | 355           |
| <b>Breaches of Conduct/Ethical Rules During the Reporting Period (e.g., Corruption, Discrimination, etc.)</b> |               |             |               |               |               |
| Discrimination Grievances (number)  | 5             | 2           | 4             | 1             | 14            |
| Money Laundering*   | -             | -           | -             | -             | 0             |
| Whistleblowing / Insider trading*   | -             | -           | -             | -             | 0             |
| Conflicts of Interest*  | -             | -           | -             | -             | 0             |
| Breaches of Customer Privacy Data*  | -             | -           | -             | -             | 0             |
| Incentives from Government and International Institutions (USD million)                                       | 110           | 164         | 187           | 183           | 410           |
| <b>Employee Suggestion System Data</b>  |               |             |               |               |               |
| Number of Employees Giving Suggestions (number)   | 4,316         | 7,144       | 507           | 1,560         | 562           |
| Number of Suggestions Received From Employees (number)  | 21,995        | 24,259      | 25,129        | 3,548         | 2,051         |
| Number of Suggestions Implemented (number)  | 1,100         | 1,225       | 1,227         | 713           | 102           |
| Financial Benefit from Employee Suggestions (USD million)   | 132           | 163         | 185           | 250           | 82            |

\* Relevant indicators started to be reported as of 2023.

## PERFORMANCE INDICATORS

| Environmental Performance   | 2019        | 2020        | 2021        | 2022        | 2023          |
|---|-------------|-------------|-------------|-------------|---------------|
| Total Energy Consumption (GJ)   | 247,848,257 | 126,067,694 | 187,326,898 | 252,648,196 | 289,961,238   |
| <b>Direct Energy Consumption (GJ)</b>   |             |             |             |             |               |
| Aviation Fuel*  | 247,382,766 | 125,592,531 | 186,711,059 | 251,890,513 | 289,068,769   |
| Natural Gas   | 142,719     | 128,241     | 124,505     | 241,942     | 204,473       |
| Gasoline and Diesel   | 27,536      | 16,761      | 1,675       | 25,332      | 28,448        |
| <b>Indirect Energy Consumption (GJ) - Electricity</b>   | 252,226     | 210,985     | 326,487     | 457,924     | 415,053       |
| Conventional Electricity  | 252,226     | 210,985     | 326,487     | 394,003     | 357,683       |
| Renewable Electricity   | -           | -           | -           | 47,650      | 57,369,6      |
| Other Resources   | 43,010      | 119,175     | 163,173     | 32,484      | 8,716,4       |
| <b>Fuel Consumption</b>   |             |             |             |             |               |
| Aviation Fuel (ton)   | 5,609,587   | 2,847,903   | 4,233,811   | 5,711,803   | 6,554,847     |
| Natural Gas (m <sup>3</sup> )   | 4,131,857   | 3,712,707   | 3,604,558   | 7,004,464   | 4,176,501     |
| Gasoline (liter)  | 2,091       | 3,489       | 265,936     | 404,555     | 161,507       |
| Diesel (liter)  | 774,876     | 469,721     | 413,430     | 349,411     | 593,217       |
| Fuel Saving (GJ)  | 2,447,197   | 1,003,716   | 1,635,316   | 2,539,366   | ✓ 3,167,703   |
| Fuel Saving (ton)   | 55,492      | 22,760      | 37,082      | 57,581      | ✓ 71,830      |
| <b>Efficiency</b>   |             |             |             |             |               |
| Fuel Efficiency (Fuel Consumption per 100 Available Seat KM) (Liters/100 ASK)                 | 3.26        | 3.21        | 3.16        | 3.10        | ✓ 3.07        |
| Emission Intensity (Carbon Dioxide Equivalent per Available Seat KM) (gCO <sub>2</sub> e/ASK) | -           | -           | -           | -           | ✓ 79.4        |
| <b>Energy Intensity</b>   |             |             |             |             |               |
| Electricity Consumption per Employee (GJ/Employee)  | 11.19       | 8.75        | 8.09        | 8.89        | 10.06         |
| Electricity Consumption per Surface Area (GJ/m <sup>2</sup> )                                 | 0.64        | 0.49        | 0.42        | 0.60        | 0.76          |
| Natural Gas Consumption per Surface Area (GJ/m <sup>2</sup> )                                 | 0.43        | 0.45        | 0.74        | 0.44        | 0.03          |
| Total Greenhouse Gas Emissions (ton CO <sub>2</sub> e)  | 17,877,124  | 9,094,999   | 16,591,244  | 22,983,093  | 27,464,369.13 |
| Scope 1 Emissions   | 17,834,081  | 9,059,793   | 13,462,858  | 18,170,030  | 20,898,027    |
| Scope 2 Emissions   | 43,043      | 35,205      | 56,377      | 64,219      | 120,182       |
| Scope 3 Emissions   | -           | -           | 3,072,009   | 4,748,844   | 6,446,159     |

\* Includes only operational fuel consumption.

## PERFORMANCE INDICATORS

| Environmental Performance   | 2019       | 2020       | 2021       | 2022       | 2023       |
|---|------------|------------|------------|------------|------------|
| Greenhouse Gas Emission Savings Provided by Efficiency Projects (tons CO <sub>2</sub> e)  | 179,740    | 72,312     | 117,815    | 182,987    | 228,264.5  |
| Carbon Credits Surrendered to the Authorities (tons CO <sub>2</sub> e)                    | 13,240     | 13,883     | 13,968     | 8,968      | 14,337     |
| <i>Emission Credits Surrendered Under EU ETS</i>  | 13,240     | 13,835     | 10,838     | 6,619      | 8,892      |
| <i>Emissions Credits Surrendered Under CH ETS</i>   | 0          | 48         | 0          | 52         | 5          |
| <i>Emissions Credits Surrendered Under UK ETS</i>   | -          | -          | 3,130      | 2,297      | 5,440      |
| <i>Passenger Flight Offset (number)</i>   | 686        | 669        | 672        | 476        | 694        |
| NOx Emissions (ton)   | 61,846     | 31,398     | 46,678     | 63,040     | 72,384     |
| Total Water Withdrawal (m <sup>3</sup> ) - Municipal Water                                | 64,903     | 38,022     | 255,238    | 364,508    | 206,595    |
| Water Withdrawal per Person (m <sup>3</sup> /person)                                      | 16.91      | 14.73      | 23.70      | 13.42      | 6.87       |
| Waste Water Discharge (m <sup>3</sup> ) (Wastewater Channel)                              | -          | -          | 237,418    | 357,345    | 206,595,00 |
| Solid Wastes (ton)  | 1,577      | 1,269      | 1,608      | 2,313      | 2,170,00   |
| <i>Recycled Non-hazardous Wastes</i>  | 1,249      | 1,163      | 1,449      | 2,103      | 2,036,70   |
| <i>Recycled Hazardous Wastes</i>  | 153        | 36         | 105        | 128        | 82.12      |
| <i>Disposed Non-hazardous Wastes</i>  | 0          | 0          | 0          | 0          | 0,057      |
| <i>Disposed Hazardous Wastes</i>  | 1.00       | 0.60       | 0.50       | 0.90       | 17.85      |
| <i>Recycled Packaging Wastes</i>  | 174        | 69         | 53,50      | 81         | 33.31      |
| <b>Products with Reduced Environmental Impacts (unit)</b>                                 |            |            |            |            |            |
| Forest Stewardship Council (FSC) Certified Toy Sets                                       | 1,647,700  | 0          | 323,925    | 677,809    | 366,450    |
| Biodegradable and Compostable Headphone Packaging in accordance with TS EN 13432 Standard | 37,790,212 | 9,872,042  | 16,722,548 | 30,307,783 | 34,388,286 |
| TS EN 13432 Certified Biodegradable and Compostable Blanket Packaging                     | 20,791,553 | 4,412,240  | 6,223,785  | 8,823,067  | 10,441,690 |
| OEKO-TEX 100 Certified Passenger Blankets   | 2,181,610  | 572,215    | 1,144,145  | 1,552,460  | 1,554,476  |
| Vegan Cosmetic Sets   | -          | -          | 63,471     | 1,313,320  | 3,569,512  |
| <b>Leaks and Spills</b>   |            |            |            |            |            |
| <i>Total Incidents (number)</i>   | 0          | 0          | 0          | 0          | 0          |
| <i>Amount of Leaks and Spills (ton)</i>   | 0          | 0          | 0          | 0          | 0          |
| Environmental Management Expenditure (USD)  | 8,211,709  | 11,477,784 | 8,433,014  | 20,062,805 | 16,827,066 |



## PERFORMANCE INDICATORS

| Environmental Performance   | 2019  | 2020   | 2021  | 2022   | 2023   |
|---|-------|--------|-------|--------|--------|
| <b>Environmental Trainings</b>                                    |       |        |       |        |        |
| Training Participants (person)                                    | -     | -      | 3,227 | 8,425  | 5,513  |
| Company Employees   | -     | -      | 2,731 | 8,350  | 5,123  |
| Contractor Employees  | -     | -      | 496   | 75     | 390    |
| Training Duration (person*hour)                                   | -     | -      | 2,210 | 6,319  | 2,951  |
| Company Employees   | -     | -      | 1,946 | 6,263  | 2,756  |
| Contractor Employees  | -     | -      | 264   | 56     | 195    |
| <b>Supplier Environmental Audits</b>                              |       |        |       |        |        |
| Number of Suppliers Subjected to Environmental Audit              | 0     | 0      | 52    | 42     | 43     |
| Number of Suppliers Audited for the First Time                    | 0     | 0      | 0     | 0      | 1      |
| Number of Suppliers Failed in Audit                               | 0     | 0      | 0     | 0      | 0      |
| Number of Suppliers whose Contract was Terminated After the Audit | 0     | 0      | 0     | 0      | 0      |
| Number of Suppliers Given Development Program After the Audit     | 0     | 0      | 0     | 11     | 6      |
| Number of Suppliers Completing the Development Program            | 0     | 0      | 0     | 11     | 6      |
| Number of GHG Awareness Training Participants                     | 3,965 | 2,522  | 1,487 | 3,586  | 12,903 |
| Number of Waste Management Training Participants                  | 0     | 22,459 | 3,227 | 5,851  | 356    |
| Number of Corporate Sustainability Training Participants          | -     | -      | -     | 13,227 | 8,049  |

## PERFORMANCE INDICATORS

| Employee Demographics   | 2019          | 2020          | 2021          | 2022          | 2023          |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Workforce (Number)  | 34,222        | 33,583        | 33,191        | 37,379        | 35,013        |
| <b>Direct Employment</b>  | <b>29,491</b> | <b>28,668</b> | <b>27,532</b> | <b>29,520</b> | <b>33,138</b> |
| Female  | 13,579        | 13,129        | 12,682        | 13,804        | 15,101        |
| Male  | 15,912        | 15,539        | 14,850        | 15,716        | 18,037        |
| <b>Contractor Employees</b>                                       | <b>4,731</b>  | <b>4,915</b>  | <b>5,659</b>  | <b>7,859</b>  | <b>1,986</b>  |
| Female  | 1,096         | 1,099         | 1,167         | 1,214         | 210           |
| Male  | 3,635         | 3,816         | 4,492         | 6,645         | 1,776         |
| <b>Employee Category (Number)</b>                                 |               |               |               |               |               |
| <b>Cockpit Crew</b>   | <b>5,839</b>  | <b>5,756</b>  | <b>5,561</b>  | <b>5,784</b>  | <b>6,755</b>  |
| Female  | 297           | 303           | 296           | 318           | 446           |
| Male  | 5,542         | 5,453         | 5,265         | 5,466         | 6,309         |
| <b>Cabin Crew</b>   | <b>12,247</b> | <b>12,281</b> | <b>12,033</b> | <b>13,222</b> | <b>14,891</b> |
| Female  | 8,243         | 8,105         | 7,910         | 8,770         | 9,590         |
| Male  | 4,004         | 4,176         | 4,123         | 4,452         | 5,301         |
| <b>Technical Team - Engineer</b>                                  | <b>402</b>    | <b>368</b>    | <b>353</b>    | <b>471</b>    | <b>755</b>    |
| Female  | 177           | 169           | 171           | 221           | 316           |
| Male  | 225           | 199           | 182           | 250           | 439           |
| <b>Technical Team - Technician</b>                                | <b>203</b>    | <b>189</b>    | <b>152</b>    | <b>173</b>    | <b>177</b>    |
| Female  | 11            | 11            | 1             | 2             | 1             |
| Male  | 192           | 178           | 151           | 171           | 176           |
| <b>Non-flight Personnel</b>                                       | <b>11,405</b> | <b>10,631</b> | <b>9,938</b>  | <b>10,514</b> | <b>11,492</b> |
| Female  | 5,039         | 4,721         | 4,476         | 4,715         | 5,065         |
| Male  | 6,366         | 5,910         | 5,462         | 5,799         | 6,427         |
| <b>Distribution of Employees by Geographical Regions (Number)</b> |               |               |               |               |               |
| Africa  | -             | -             | -             | -             | 514           |
| America   | -             | -             | -             | -             | 428           |
| Far East and Asia   | -             | -             | -             | -             | 677           |
| Europe  | -             | -             | -             | -             | 1,454         |
| Middle East   | -             | -             | -             | -             | 447           |
| Türkiye   | -             | -             | -             | -             | 29,618        |

| Employee Demographics                              | 2019          | 2020          | 2021          | 2022          | 2023          |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Total Workforce by Contract Type (Number)</b>   |               |               |               |               |               |
| <b>Indefinite Term Employment Contract</b>         | <b>28,214</b> | <b>27,580</b> | <b>26,519</b> | <b>28,404</b> | <b>31,890</b> |
| Female   | 12,999        | 12,640        | 12,232        | 13,359        | 14,332        |
| Male   | 15,215        | 14,940        | 14,287        | 15,045        | 17,558        |
| <b>Temporary Employment Contract</b>               | <b>1,167</b>  | <b>1,081</b>  | <b>1,007</b>  | <b>866</b>    | <b>907</b>    |
| Female   | 519           | 483           | 444           | 319           | 602           |
| Male   | 648           | 598           | 563           | 547           | 305           |
| <b>Part-time Employees</b>                         | <b>110</b>    | <b>7</b>      | <b>6</b>      | <b>250</b>    | <b>341</b>    |
| <b>Total Workforce by Education Level (Number)</b> |               |               |               |               |               |
| Primary education                                  | 74            | 68            | 48            | 42            | 29            |
| High school  | 5,024         | 4,486         | 3,997         | 4,193         | 4,381         |
| University and Above                               | 24,393        | 24,114        | 23,487        | 25,285        | 28,728        |
| <b>Total Workforce by Age Groups</b>               |               |               |               |               |               |
| 18-30  | 10,658        | 8,632         | 6,456         | 6,875         | 8,822         |
| 30-50  | 17,484        | 18,713        | 19,705        | 21,116        | 22,694        |
| 50+  | 1,349         | 1,323         | 1,371         | 1,529         | 1,622         |
| <b>Average Age of Employees (Age)</b>              | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>35.71</b>  |
| <b>Senior Management Structure (Number)</b>        |               |               |               |               |               |
| <b>Female</b>                                      | <b>61</b>     | <b>59</b>     | <b>56</b>     | <b>66</b>     | <b>78</b>     |
| 18-30  | 1             | 0             | 0             | 0             | 0             |
| 30-50  | 56            | 56            | 49            | 61            | 77            |
| 50+  | 4             | 3             | 7             | 5             | 1             |
| <b>Male</b>  | <b>564</b>    | <b>560</b>    | <b>528</b>    | <b>506</b>    | <b>525</b>    |
| 18-30  | 13            | 7             | 1             | 1             | 0             |
| 30-50  | 510           | 514           | 487           | 467           | 495           |
| 50+  | 41            | 39            | 40            | 38            | 30            |

## PERFORMANCE INDICATORS

| Employee Demographics   | 2019         | 2020         | 2021         | 2022         | 2023         |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Mid-level Management Structure (Number)</b>                          |              |              |              |              |              |
| <b>Female</b>   | <b>516</b>   | <b>496</b>   | <b>498</b>   | <b>506</b>   | <b>557</b>   |
| 18-30   | 34           | 25           | 21           | 11           | 14           |
| 30-50   | 459          | 448          | 453          | 468          | 515          |
| 50+   | 23           | 23           | 24           | 27           | 28           |
| <b>Male</b>   | <b>1,117</b> | <b>1,066</b> | <b>1,095</b> | <b>1,085</b> | <b>1,146</b> |
| 18-30   | 101          | 66           | 53           | 46           | 46           |
| 30-50   | 963          | 945          | 987          | 963          | 1019         |
| 50+   | 53           | 55           | 55           | 76           | 81           |
| <b>New Recruits (Number)</b>  |              |              |              |              |              |
| Female  | 1,781        | 118          | 131          | 1,521        | 3,103        |
| Male  | 2,161        | 416          | 235          | 1,389        | 2,032        |
| <b>Distribution of Newly Recruited Employees by Age Groups (Number)</b> |              |              |              |              |              |
| 18-30   |              |              |              |              | 3,852        |
| 30-50   |              |              |              |              | 1,241        |
| 50+   |              |              |              |              | 42           |
| <b>Distribution of New Hires by Geographical Region (Number)</b>        |              |              |              |              |              |
| Africa  |              |              |              |              | 37           |
| America   |              |              |              |              | 56           |
| Far East and Asia   |              |              |              |              | 80           |
| Europe  |              |              |              |              | 96           |
| Middle East   |              |              |              |              | 51           |
| Türkiye   |              |              |              |              | 4,815        |
| <b>Employees Left (Number)</b>  |              |              |              |              |              |
| Female  | 535          | 569          | 578          | 399          | 737          |
| Male  | 654          | 789          | 924          | 523          | 780          |

| Employee Demographics  | 2019        | 2020        | 2021        | 2022        | 2023        |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>Employees Left (Domestic) (Number)</b>                                      |             |             |             |             |             |
| Female   |             |             |             |             | 651         |
| Male   |             |             |             |             | 648         |
| <b>Employees Left (Abroad) (Number)</b>  |             |             |             |             |             |
| Female   |             |             |             |             | 86          |
| Male   |             |             |             |             | 132         |
| <b>Employee Turn Over Rate (%)</b>   | <b>4.2%</b> | <b>4.6%</b> | <b>5.3%</b> | <b>3.2%</b> | <b>5.0%</b> |
| Voluntary Employee Turnover Rate   |             |             |             |             | 3.0%        |
| Involuntary Employee Turnover Rate   |             |             |             |             | 2.0%        |
| <b>Employee Turn Over Rate (Domestic)</b>                                      |             |             |             |             |             |
| Female   |             |             |             |             | 2.0%        |
| Male   |             |             |             |             | 2.0%        |
| <b>Employee Turn Over Rate (Abroad)</b>  |             |             |             |             |             |
| Female   |             |             |             |             | 0.5%        |
| Male   |             |             |             |             | 0.5%        |
| <b>Employees with Disabilities</b>   |             |             |             |             |             |
| Female   | 60          | 60          | 57          | 56          | 67          |
| Male   | 175         | 170         | 155         | 150         | 159         |
| Disabled Work Rate of Ground Personnel (%)                                     |             |             |             |             | 0.08%       |
| Number of Disabled Employees in Manager Position                               | 24          | 22          | 23          | 26          | 27          |
| <b>Ratio of Disabled Employees in Managing Positions</b>                       |             |             |             |             |             |
| Ratio of Managers Among Employees with Disabilities (Mid and Senior Level) (%) |             |             |             |             | 11.0%       |
| Ratio of Disabled Managers Among All Managers (Mid and Senior Level) (%)       |             |             |             |             | 1.17%       |

## PERFORMANCE INDICATORS

| Employee Demographics  | 2019          | 2020          | 2021          | 2022          | 2023          |
|--|---------------|---------------|---------------|---------------|---------------|
| <b>Workforce Under the Collective Bargaining Agreement (number)</b>      | <b>25,513</b> | <b>25,054</b> | <b>24,307</b> | <b>22,594</b> | <b>28,692</b> |
| Ratio of Female Candidates Applying for a Job (%)                        | 61%           | 0%            | 0%            | 58%           | 48%           |
| Ratio of Female Candidates in Recruitment Interviews (%)                 | 62%           | 0%            | 0%            | 64%           | 47%           |
| <b>Shortlisting Rate of Candidates in the New Employment Process (%)</b> | <b>5%</b>     | <b>0%</b>     | <b>0%</b>     | <b>5%</b>     | <b>12%</b>    |
| Female   | 57%           | 0%            | 0%            | 58%           | 47%           |
| Male   | 43%           | 0%            | 0%            | 42%           | 53%           |
| <b>Ratio of Women Promoted During the Year (%)</b>                       |               |               |               |               |               |
| Domestic   | 49%           | 33%           | 34%           | 23%           | 36%           |
| Abroad   | 0%            | 0%            | 19%           | 20%           | 31%           |

| Employee Demographics   | 2019 | 2020 | 2021 | 2022 | 2023            |
|---|------|------|------|------|-----------------|
| <b>Ratio of Female Employees Promoted to the Management Position for the First Time (%)</b> |      |      |      |      |                 |
| Domestic  | 50%  | 40%  | 17%  | 37%  | 40%             |
| Abroad  | 0%   | 0%   | 10%  | 83%  | 38%             |
| Ratio of Female Employees in Income Generating Positions (%)                                | 8%   | 7%   | 6%   | 0.7% | 0.47%           |
| Ratio of Female Employees in Information Technology Positions (%)                           |      |      |      | 38%  | 37%             |
| Ratio of Female Employees in Engineering Positions (%)                                      | 45%  | 47%  | 49%  | 47%  | 40%             |
| Percentage of Open Positions Filled By Internal Candidates (Internal Hires) (%)             |      |      |      |      | 92.80%          |
| <b>Average Time Employees Stayed in the Same Position (Years) (Waiting for Promotion)</b>   |      |      |      |      | <b>11 Years</b> |
| Female  |      |      |      |      | 13 Years        |
| Male  |      |      |      |      | 10 Years        |
| <b>Employees' Average Length of Service</b>   |      |      |      |      | <b>8.09</b>     |
| Female  |      |      |      |      | 8.48            |
| Male  |      |      |      |      | 7.71            |



## PERFORMANCE INDICATORS

| Social Performance   | 2019    | 2020    | 2021    | 2022    | 2023      |
|--|---------|---------|---------|---------|-----------|
| <b>Number of Employees on Maternity/Paternity Leave</b>  |         |         |         |         |           |
| Female   | 907     | 823     | 628     | 119     | 452       |
| Male   | 811     | 531     | 603     | 177     | 546       |
| <b>Number of Employees Returning from Maternity/Paternity Leave</b>  |         |         |         |         |           |
| Female   | 756     | 677     | 550     | 198     | 171       |
| Male   | 815     | 534     | 598     | 177     | 546       |
| <b>Number of Employees Who Haven't Left Work for the Last 12 Months After Returning from Maternity Leave</b> |         |         |         |         |           |
| Female   | 739     | 623     | 532     | 197     | 448       |
| Male   | 815     | 517     | 588     | 177     | 534       |
| Number of Female Employees Benefiting from the Right to Work Part-Time After Childbirth                      | 4       | 0       | 7       | 6       | 5         |
| Number of Female Employees Benefiting from Partial Employment Right after Childbirth                         | 54      | 61      | 52      | 121     | 142       |
| Employee Trainings- Participants (Number)  | 410,210 | 358,637 | 378,148 | 468,596 | 694,480   |
| Ground/Non-flight Personnel  | 135,831 | 153,519 | 136,023 | 200,342 | 268,221   |
| Cockpit Crew   | 54,930  | 54,968  | 49,088  | 86,973  | 108,138   |
| Cabin Crew   | 219,449 | 150,150 | 193,037 | 181,281 | 317,496   |
| Load Master - Dispatcher   | -       | -       | -       | -       | 625       |
| Employee Trainings - Total Hours (PersonxHours)  | -       | -       | -       | 254,242 | 1,600,896 |
| Ground/Non-flight Personnel  | -       | -       | -       | 158,869 | 309,255   |
| Cockpit Crew   | -       | -       | -       | 6,852   | 586,558   |
| Cabin Crew   | -       | -       | -       | 88,522  | 670,636   |
| Load Master - Dispatcher   | -       | -       | -       | -       | 34,449    |
| Female   | -       | -       | -       | 126,839 | 561,386   |
| Male   | -       | -       | -       | 127,403 | 1,039,510 |
| Contractor Employee Trainings- Participants (number)   | -       | -       | -       | 5,340   | 36,160    |

| Social Performance  | 2019  | 2020 | 2021 | 2022     | 2023    |
|---|-------|------|------|----------|---------|
| Contractor Employee Trainings - Total Hours (PersonxHours)    | -     | -    | -    | 39,586   | 46,166  |
| Average Hours of Training Per Year Per Employee (Total Hours) |       |      |      |          | 48.3    |
| Female  |       |      |      |          | 3717    |
| Male  |       |      |      |          | 576     |
| Accident Frequency Rate (by 1,000,000 Working Hours)          | -     | -    | -    | 15.58    | 17.6    |
| Direct Employment   | 12.69 | 4.57 | 7.82 | 14.36    | 16.26   |
| Contractor Employees  | -     | -    | -    | 20.64    | 23.34   |
| Number of Injuries  | -     | -    | -    | 1,371    | 1,735   |
| Direct Employment   | -     | -    | -    | 1,019    | 1,298   |
| Female  |       |      |      |          | 971     |
| Male  |       |      |      |          | 327     |
| Contractor Employees  | -     | -    | -    | 352      | 437     |
| Female  |       |      |      |          | 89      |
| Male  |       |      |      |          | 348     |
| Accident Severity Rate , (by 1,000,000 Working Hours)         | -     | -    | -    | 116.27   | 203.09  |
| Direct Employment   | 123   | 37   | 63   | 121.09   | 221.88  |
| Contractor Employees  |       |      |      | 96.18    | 122.95  |
| Number of Lost Days   | -     | -    | -    | 10,232.5 | 20,015  |
| Direct Employment   | -     | -    | -    | 8,592.5  | 17,713  |
| Female  |       |      |      |          | 9,693.5 |
| Male  |       |      |      |          | 8,019.5 |
| Contractor Employees  | -     | -    | -    | 1,640    | 2,302   |
| Lost Day Rate (Total)   |       |      |      |          | 239.9   |
| Direct Employment   |       |      |      |          | 267.26  |
| Female  |       |      |      |          | 320.95  |
| Male  |       |      |      |          | 222.31  |

## PERFORMANCE INDICATORS

| Social Performance  | 2019   | 2020   | 2021    | 2022   | 2023     |
|---|--------|--------|---------|--------|----------|
| Contractor Employees  |        |        |         |        | 1,166.64 |
| Lost Time Injury Rate (Total) (by 1,000,000 Working Hours)  |        |        |         |        | 13.1     |
| Direct Employment   |        |        |         |        | 13.91    |
| Contractor Employees  |        |        |         |        | 9.97     |
| Absentee Rate (Total) (% of total days scheduled)           | 2.69   | 1.47   | 1.97    | 3.36   | 3.64     |
| Absentee Rate (As % of employees)                           |        |        |         |        | 27.89%   |
| Absentee Rate (Target) (%)                                  |        |        |         |        | 3%       |
| Occupational Disease Rate (1,000,000 On Working Hour Basis) | 0      | 0      | 0       | 0      | 0        |
| Direct Employment   | 0      | 0      | 0       | 0      | 0        |
| Contractor Employees  | 0      | 0      | 0       | 0      | 0        |
| Number of Occupational Diseases                             | 0      | 0      | 0       | 0      | 0        |
| Direct Employment   | 0      | 0      | 0       | 0      | 0        |
| Contractor Employees  | 0      | 0      | 0       | 0      | 0        |
| Number of Work Related Fatality                             | 0      | 0      | 0       | 0      | 1        |
| Direct Employment   | 0      | 0      | 0       | 0      | 1*       |
| Female  |        |        |         |        | 0        |
| Male  |        |        |         |        | 1        |
| Contractor Employees  | 0      | 0      | 0       | 0      | 0        |
| <b>OHS Trainings- Number of Participants</b>                |        |        |         |        |          |
| Direct Employment   | 14,951 | 20,563 | 153,579 | 91,104 | 173,319  |
| Contractor Employees  | 95     | 67     | 159     | 6,057  | 0        |
| OHS Trainings- Total Hours (PersonxHours)                   | -      | -      | 106.727 | 66.003 | 128.453  |
| Direct Employment   | -      | -      | -       | 24,461 | 128,453  |

| Social Performance  | 2019    | 2020    | 2021    | 2022    | 2023    |
|---|---------|---------|---------|---------|---------|
| Contractor Employees  | -       | -       | -       | 41,542  | 0       |
| <b>OHS Committees</b>   |         |         |         |         |         |
| Numbers of OHS Committees                                     |         |         |         |         | 10      |
| Number of Members in the OHS Committee                        |         |         |         |         | 110     |
| Number of Employee Representatives in OHS Committees          |         |         |         |         | 218     |
| Female  |         |         |         |         | 76      |
| Male  |         |         |         |         | 142     |
| Full time   |         |         |         |         | 218     |
| Part time   |         |         |         |         | 0       |
| Turkish   |         |         |         |         | 218     |
| Foreign National  |         |         |         |         | 0       |
| Number of Field Surveillance Studies (Number)                 | 426     | 204     | 632     | 460     | 673     |
| Number of Physician Activities (Number)                       | 161,992 | 125,326 | 117,699 | 184,219 | 177,048 |
| Number of Disaster Emergency Trainings (Number)               | 24      | 10      | 19      | 48      | 49      |
| Number of Disaster Emergency Training Participants (Person)   | 400     | 145     | 215     | 1,428   | 768     |
| Disaster Emergency Training Hours (PersonxHours)              | -       | -       | -       | 5,097   | 1,760   |
| Number of Disaster Emergency Drills                           | 58      | 8       | 97      | 96      | 91      |
| Number of Employees Receiving Child Care/Elderly Care Support | 2,660   | 2,912   | 2,922   | 3,000   | 3,554   |
| Ratio of Activity Facilities with Lactation Room (%)          | 40%     | 50%     | 50%     | 55%     | 66%     |

\* Our Captain Pilot in Charge passed away due to a heart attack while on duty abroad.

## PERFORMANCE INDICATORS

| Social Performance  | 2019   | 2020   | 2021  | 2022   | 2023   |
|---|--------|--------|-------|--------|--------|
| <b>Number of Employees/Managers Receiving Training on Prevention of Harassment, Mobbing, Oppression and Violence</b>                |        |        |       |        |        |
| Managers  | 20     | 414    | 122   | 0      | 132    |
| Non-managers  | 4,843  | 21,948 | 6,085 | 0      | 7,014  |
| Customer Satisfaction Rate (%)  | 75%    | 77%    | 83%   | 83%    | 81%    |
| The number of passengers surveyed for Feedback Management Process Satisfaction Survey   | 28,686 | 52,653 | -     | 48,938 | 69,474 |
| The average number of passengers surveyed for Feedback Management Process Satisfaction Survey Regarding Complaint Feedback (Number) | 17,149 | 13,090 | -     | 1,807  | 31,337 |
| Average Response Days to Customer Complaints (Day)  | 5.8    | 4.9    | 4.3   | 6.7    | 5.1    |
| <b>Number of Employees Received Training on Human Rights Policies and Procedures</b>  |        |        |       |        |        |
| Cockpit Crew  | 390    | 349    | 59    | 0      | 0      |
| Cabin Crew  | 1,691  | 543    | 47    | 0      | 111    |
| Security Personnel  | 19     | 2      | 1     | 0      | 0      |
| Other Ground/Support Team   | 1,071  | 396    | 210   | 0      | 5      |
| <b>Number of Employee Complaint Regarding Discrimination, Harassment, Mobbing, Oppression and Violence</b>                          |        |        |       |        |        |
| Female  | 8      | 6      | 25    | 22     | 20     |
| Male  | 15     | 5      | 33    | 28     | 14     |
| Anonymous   | 25     | 12     | 21    | 13     | 84     |
| <b>Number of Supplier Audits on Social Fields (OHS, Human Rights, etc.)</b>   |        |        |       |        |        |
| Number of Suppliers Subjected to Audit  |        |        |       |        | 43     |
| Number of Suppliers Audited for the First Time  |        |        |       |        | 1      |
| Number of Suppliers Failed in Audit   |        |        |       |        | 0      |

| Social Performance   | 2019   | 2020   | 2021   | 2022   | 2023   |
|--|--------|--------|--------|--------|--------|
| Number of Suppliers whose Contract was Terminated After the Audit    |        |        |        |        | 0      |
| Number of Suppliers Given Development Program After the Audit        |        |        |        |        | 9      |
| Number of Suppliers Completing the Development Program               |        |        |        |        | 9      |
| Percentage of Suppliers with Labor and Human Rights Policies %       |        |        |        |        | 84     |
| Number of Business Interruptions due to Strike (Number)              | 0      | 0      | 0      | 0      | 0      |
| Number of Non-Working Days due to Strike (Number)                    | 0      | 0      | 0      | 0      | 0      |
| <b>Flight Safety Trainings</b>                                       |        |        |        |        |        |
| Training Participants (Person)                                       | 12,226 | 13,595 | 13,300 | 13,649 | 12,563 |
| Cockpit Crew   | 1,476  | 2,620  | 936    | 2,175  | 3,089  |
| Cabin Crew   | 2,992  | 2,528  | 2,432  | 5,884  | 6,422  |
| Other Employees  | 7,758  | 8,447  | 9,932  | 5,590  | 3,052  |
| <b>Training Duration (PersonxHour)</b>                               |        |        |        |        |        |
| Cockpit Crew   | 816    | 1,321  | 470    | 2,719  | 3,861  |
| Cabin Crew   | 2,280  | 1,898  | 1,502  | 7,355  | 8,028  |
| Other Employees  | 24,048 | 12,253 | 20,531 | 6,988  | 3,815  |
| <b>Flight Security Data</b>  |        |        |        |        |        |
| Number of Aircraft Accidents (Number)                                | -      | 0      | 0      | 0      | 0      |
| Sanctions for Non-Compliance with Flight Safety Regulations (Number) | -      | 0      | 0      | 0      | 0      |
| Number of Flight Security Reports (Number)                           | 2,063  | 3,760  | 5,577  | 4,380  | 6,030  |
| SAFA Rate (%)  | 0.177  | 0.318  | 0.054  | 0.143  | 0.256  |
| Supplier Audit Rate (%)  | -      | -      | -      | 55.8%  | 43.44% |

## TERMS AND ABBREVIATIONS

|                 |  |
|-----------------|--|
| <b>APEX</b>     | Airline Passenger Experience Association   |
| <b>APU</b>      | Auxiliary Power Unit   |
| <b>AQD</b>      | Aviation Quality Database<br>The vendor software where safety notifications, risk assessments, hazard entries, safety-related research, findings and related actions are entered and managed.  |
| <b>ASK</b>      | Available Seat Kilometers  |
| <b>BIST</b>     | Borsa İstanbul   |
| <b>CDP</b>      | Carbon Disclosure Project  |
| <b>CIMT</b>     | Cyber Incident Management Team   |
| <b>CMB</b>      | Capital Markets Board  |
| <b>CMIP</b>     | The Coupled Model Intercomparison Project<br>A collaborative framework designed by the Climate Change Knowledge Development Program (WCRP) to increase knowledge among climate scientists and provide climate projections to understand past, present, and future climate changes. |
| <b>CORSIA</b>   | Carbon Offsetting and Reduction Scheme for International Aviation<br>A climate protection program developed by ICAO to offset and reduce the carbon emissions of the international airline industry.   |
| <b>DGCA</b>     | T.R. Ministry of Transport and Infrastructure General Directorate of Civil Aviation  |
| <b>DJSI</b>     | Dow Jones Sustainability Index   |
| <b>DPO</b>      | Descent Profile Optimisation<br>A systematic development application that aims to save fuel by optimizing aircraft landing and airport approach routes.  |
| <b>EASA</b>     | European Aviation Safety Agency  |
| <b>EcoVadis</b> | One of the world's most comprehensive sustainability rating tools that evaluates private and public companies in terms of their social, ethical and environmental impacts.   |
| <b>EMAS</b>     | Eco-Management and Audit Scheme  |
| <b>ENEC</b>     | European Norms Electrical Certification  |
| <b>EPD</b>      | Environmental Product Declaration  |
| <b>FDR</b>      | Flight Data Recorder   |
| <b>FSC</b>      | Forest Stewardship Council Certification   |
| <b>FTSE</b>     | Financial Times Stock Exchange   |

|                  |  |
|------------------|--|
| <b>GDPR</b>      | The General Data Protection Regulation of the European Union<br>A regulation in European Union law, on data protection and privacy for individuals within the entire European Union and the European Economic Area.              |
| <b>GEKAP</b>     | Recycling Contribution Fee   |
| <b>GHG</b>       | The Green House Gas Protocol   |
| <b>GRI</b>       | The Global Reporting Initiative  |
| <b>GRS</b>       | The Global Recycling Standard  |
| <b>HDPE</b>      | High Density Polyethylene  |
| <b>IATA</b>      | International Air Transport Association  |
| <b>ICAO</b>      | International Civil Aviation Organization  |
| <b>IEA</b>       | International Energy Agency  |
| <b>IEnvA</b>     | IATA Environmental Assessment<br>An environmental management and assessment system designed by IATA to independently evaluate and improve the operations of airline companies from an environmental perspective.                 |
| <b>IFE</b>       | Inflight Entertainment   |
| <b>INAD</b>      | Inadmissible Passenger   |
| <b>IPCC</b>      | The Intergovernmental Panel on Climate Change  |
| <b>I-REC</b>     | International Renewable Energy Certificate<br>An internationally valid certification designed as a market-based tool to provide incentives to the economy in order to produce electricity from renewable sources.                |
| <b>ISACA</b>     | Information Systems Audit and Control Association<br>An international professional association focused on IT (information technology) governance. Known in IRS filings as the Information Systems Audit and Control Association. |
| <b>ISO 10002</b> | Customer Satisfaction Quality Management System Standard   |
| <b>ISO 14001</b> | Environmental Management System Standard   |
| <b>ISO 22000</b> | Food Security Management System Standard   |
| <b>ISO 27001</b> | Information Security Management System Standard  |
| <b>ISO 31000</b> | Risk Management System Standard  |
| <b>ISO 45001</b> | Occupational Health and Safety Management System Standard  |



## TERMS AND ABBREVIATIONS

|                       |   |
|-----------------------|---|
| <b>ISO 50001</b>      | Energy Management Systems Standard  |
| <b>ISO 9001</b>       | Quality Management System Standard  |
| <b>IWT</b>            | Illegal Wildlife Trade<br>A management system developed by IATA to prevent illegal wildlife trade.  |
| <b>KAP (PDP)</b>      | Public Disclosure Platform  |
| <b>LDPE</b>           | Low Density Polyethylene  |
| <b>LEED</b>           | Leadership in Energy and Environmental Design<br>A sustainable green building certification created by the American Green Building Council.   |
| <b>MSCI</b>           | Morgan Stanley Capital International  |
| <b>NIST</b>           | The NIST Framework (National Institute of Standards and Technology Cybersecurity Framework)   |
| <b>OPEC</b>           | Organization of Petroleum Exporting Countries   |
| <b>PCI DSS</b>        | Payment Card Industry Data Security Standard  |
| <b>PEFC</b>           | Programme for the Endorsement of Forest Certification   |
| <b>SAF</b>            | Sustainable Aviation Fuel   |
| <b>SAFA</b>           | Safety Assessment of Foreign Aircraft<br>The safety assessment performed on aircraft performing flight operations, taking into account flight safety requirements.  |
| <b>SASB</b>           | Sustainability Accounting Standards Board   |
| <b>SPP</b>            | Solar Power Plant   |
| <b>SSP</b>            | Shared Socioeconomic Routes<br>A set of scenarios describing plausible future socioeconomic conditions developed for use in climate models and prepared for climate change research to explore a range of potential future climate and societal developments. |
| <b>Sustainalytics</b> | A company that rates the sustainability of publicly traded companies based on their environmental, social and corporate governance performance.   |
| <b>TCC</b>            | Turkish Commercial Code   |

|                               |  |
|-------------------------------|--|
| <b>TCFD</b>                   | Task Force on Climate- Related Financial Disclosures<br>A framework and guidance developed to help organizations evaluate and disclose climate-related risks and opportunities in their financial reporting.   |
| <b>TİM</b>                    | Turkish Exporters Assembly   |
| <b>TPI</b>                    | Transition Pathway Initiative<br>A global initiative that evaluates companies' progress in transitioning to a low-carbon economy and supports efforts to mitigate climate change, using publicly available information and data.   |
| <b>TS EN ISO 14064-1</b>      | Greenhouse Gas Verification and Approval Standard  |
| <b>TSRS</b>                   | Türkiye Sustainability Reporting Standards<br>The purpose of TSRS 1 General Provisions on Disclosure of Sustainability-Related Financial Information, as introduced into our legislation, is to require entities to disclose information about their sustainability risks and opportunities. This information will be useful to primary users of general-purpose financial reports when making sourcing decisions. The purpose of TSRS 2 Climate-Related Disclosures is to enable these users to disclose information regarding climate-related risks and opportunities. |
| <b>ULD</b>                    | Unit Load Devices  |
| <b>UNGC</b>                   | The United Nations Global Compact  |
| <b>WEF Global Risk Report</b> | Developed in collaboration with the World Economic Forum, the report provides a comprehensive analysis of the most significant risks facing today's world. Provides insight into potential challenges and opportunities for risk leaders in various industries.  |
| <b>WEO</b>                    | World Energy Outlook<br>An annual report published by the International Energy Agency (IEA) and considered a valuable source of information for policymakers, industry professionals and the public as it provides a comprehensive analysis of global energy trends and projections for the coming decades.  |
| <b>WEPs</b>                   | Women's Empowerment Principles   |
| <b>WGI</b>                    | Working Group I<br>A group convened under the auspices of the IPCC to examine the physical science basis of past, present and future climate change and to contribute to the Sixth Assessment Report.  |

## REPORTING GUIDANCE

Turkish Airlines Sustainability Report 2023 – Reporting Principles

### General Reporting Principles

This reporting principles ("Principles") provides information on the data preparation and reporting methodologies of indicators within the scope of the limited assurance in Türk Hava Yolları A.O. (the "Incorporation", or "Turkish Airlines") in the Turkish Airlines Sustainability Report 2023 (2023 Sustainability Report).

The indicators include social indicators and environmental indicators. It is the responsibility of the Incorporation's management to ensure that appropriate procedures are in place to prepare the indicators mentioned above in line with, in all material respects, the principles.

The information included in this guide is for the FY 23 fiscal year ending December 31, 2023 (January

1 - December 31, 2023) and as detailed in the "Key Definitions and Reporting Scope" section comprises only the relevant operations of the Incorporation that are the responsibility of the Incorporation by excluding information about subcontractors.

### General Reporting Principles

In preparing this guidance document, consideration has been given to following principles:

- Information Preparation – to highlight to users of the information the primary principles of relevance and reliability of information; and

- Information Reporting – to highlight the primary principles of comparability / consistency with other data including prior year and understandability / transparency providing clarity to users.

### Key Definitions and Reporting Scope

For the purpose of this report, the Incorporation defines:

| Indicator   | Scope  |
|---|--|
| Fuel Efficiency (Fuel Consumption per 100 Available Seat KM) (Liters/100 ASK)               | It represents the fuel consumption per 100 Available Seat Kilometers (ASK) for all flights of the Incorporation during the reporting period. (ASK has been adjusted by adding ACTK (Available Cargo Ton Kilometer) for cargo operations. Evacuation, relief, and VIP flights during the reporting period have been excluded.)  |
| Emission Intensity (Carbon Dioxide Equivalent per Available Seat KM) gCO <sub>2</sub> e/ASK | It represents the greenhouse gas emissions in grams resulting from aircraft fuel usage per Available Seat Kilometer (ASK) for all flights of the Incorporation during the reporting period. (ASK has been adjusted by adding ACTK (Available Cargo Ton Kilometer) for cargo operations.)   |
| Fuel Saving (Ton & GJ)  | It represents the total amount of fuel saved (in Tons & GJ) tracked under four main categories (Flight Operations Practices, Technical Maintenance Practices, Flight Planning Practices, Ground Operations Practices) for all flights of the Incorporation during the reporting period.  |
| Accident Frequency Rate (by 1,000,000 Working Hours)  | It represents the ratio obtained by multiplying the number of accidents, tracked under Law No. 5510 on Social Insurance and General Health Insurance, involving employees directly employed by the Incorporation during the reporting period by 1,000,000 and then dividing it by the total working hours. This is the number of occupational accidents per 1 million working hours. |
| Customer Satisfaction Rate (%)  | In the reporting period, it refers to the customer satisfaction rate obtained through surveys placed within the survey-supported in-flight entertainment systems on the Incorporation's flights, excluding cargo flights and shared with the passengers 20 minutes before landing.   |

## REPORTING GUIDANCE

### Data Preparation

#### Fuel Efficiency

The fuel efficiency indicator is calculated by the following formula.

Fuel Efficiency = Total Fuel Consumption (liters) / Available Seat KM \* 100

Total Fuel Consumption is calculated as the total fuel (tons) consumed in the flights performed during the reporting period by the aircraft in the fleet of the Incorporation, which is tracked on a ton basis, and converted to liters. (1 ton = 1250 liters)

For cargo aircraft, ACTK (available cargo ton KM) is calculated by multiplying each available ton capacity by the Flight Range KM. For passenger aircraft, ASK (Available Seat KM) is calculated by multiplying each available seat by the Flight Range KM. To calculate the ASK for both passenger and cargo aircraft (ASK2); While ASK data for passenger aircraft is taken directly, ACTK data for cargo aircraft is multiplied by 5 to calculate in the common share. (The assumption that 1 cargo ton capacity corresponds to 5 passenger capacity is considered.)

The number of available seats is obtained on a flight-by-flight basis from the Incorporation's Flight Analysis Report.

Mileage information for flights is obtained from AODB (Airline Operational Database). The distance between two stations in the database is calculated with the WGS84 (World Geodetic System) method according to the Latitude and Longitude information of the stations.

#### Emission Intensity (gCO<sub>2</sub>e/ASK)

The Incorporation's emission intensity (gCO<sub>2</sub>e/ASK) is calculated using the following formula:

Emission Intensity = Amount of Greenhouse Gas Emissions from Aircraft Fuel (gCO<sub>2</sub>e) / ASK (Available Seat Kilometer)

#### Greenhouse Gas Emissions from Aircraft Fuel (gCO<sub>2</sub>e)

The Incorporation's greenhouse gas emissions from aircraft fuel are calculated according to the financial control approach in line with the GHG Protocol. For the emission factors used in the calculation, the 2006 IPCC Guidelines\*1, the Global Warming Potential values (100-year) from the IPCC 6th Assessment Report\*2, and

Defra GHG Conversion Factors\*3 are referenced. The greenhouse gases included in the calculation are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

#### Formula:

Emission Amount (gCO<sub>2</sub>e) = Activity Data (Gg) \* Net Calorific Value (Tj/Gg) \* Emission Factor (CO<sub>2</sub>-CH<sub>4</sub>-N<sub>2</sub>O) (Kg/Tj) \* 1000

| Inventory Source | CO <sub>2</sub> Emission Factor (Kg/Tj) | CH <sub>4</sub> Emission Factor (Kg/Tj) | N <sub>2</sub> O Emission Factor (Kg/Tj) | Emission Data Unit |
|------------------|---|---|--|--------------------|
| Aircraft Fuel    | 71,500                                  | 0.5                                     | 2  | gCO <sub>2</sub> e |

\*1: 2006 IPCC Guidelines for National Greenhouse Gas Inventories, (<https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol2.html>)

\*2: IPCC, 2014: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the sixth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp. ([https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC\\_AR6\\_SYR\\_FullVolume.pdf](https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf))

\*3: UK Government GHG Conversion Factors for Company Reporting, Conversion factors 2023: full set (<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>)

## REPORTING GUIDANCE

### Fuel Saving

Fuel saving applications are followed under 4 main titles:

**Flight Operations Practices:** Auxiliary Power Unit (APU) usage (fuel consumption and engine maintenance), single-engine taxi (taxi-in and taxi-out), low flap usage at departure, low flap usage at landing, tracking of extra fuel requests, NADP2 (Noise Abatement Departure Procedure, flap retraction at low altitude), idle reverse at landing (engine braking with low power), CDA (Continuous Descent Approach).

### Technical Maintenance Practices:

Monitoring of aircraft aerodynamics, weight reduction.

### Flight Planning (Dispatch) Practices:

Selection of alternate airports, optimum routing, tracking of extra fuel planning, Zero Fuel Weight difference (planned vs. actual), statistical APU fuel planning.

### Ground Operations Practices:

Reduction of catering weights, monitoring and loading of potable water, tracking of Center of Gravity (CG).

Calculations are made according to 18 different fuel saving methods under 4 main applications, aircraft types and the flight rate at which the application is performed.

For applications that provide direct fuel savings, the equation is calculated by multiplying the relevant application rate with the amount of savings per flight, monthly flight cycle and application rate. The amount of savings per application is taken from IATA's Guidance Material and Best Practices for Fuel and Environmental Management document. (Engine-out Taxi-In, Reduced Flap Take-Off etc.)

#### Formula:

Fuel Saving for the related application = (Savings per flight under the relevant application) \* (Monthly flight cycle) \* (Application rate)

For applications that save fuel compared to the previous period, the equation is calculated by multiplying the difference between the previous period value and the current period value, the weight factor, the number of monthly flights and the monthly average flight time. Weight factor values are calculated as type based using the method in IATA's Guidance Material and Best Practices for Fuel and Environmental Management document. (Alternate Selection, Dispatcher/ops Extra etc.)

### Formula:

Fuel Saving for the related application = (The previous period value for the related application – The current period value for the related application) \* (Weight Factor) \* (Monthly flight cycle) \* (Average Monthly Flight Time)

Below formula is used to convert the total fuel savings from ton to GJ;

(Fuel saving in tones) \* Net Calorific Value (Tj/Gg) (i)

(i) Net Calorific Value is obtained from "2006 IPCC Guidelines for National Greenhouse Gas Inventories" report.

### Accident Frequency Rate

Total Accident number refers to the accidents of directly employed employees within the Incorporation during the reporting period, which are tracked through work accident research forms, work accident information forms and notifications made to the Social Security Institution and recorded on the Health Automation System.

#### Formula:

Accident Frequency Rate = (AFR= (Number of Occupational Accidents) / (Total Number of Workdays 8) 1.000.000)

Total working hours are obtained by separately calculating the number of premium days reported to the Social

Security Institution (SSI) for employees under 4A and 4C on a monthly basis (30 days). In this calculation, one working day is considered to be 8 hours.

### Customer Satisfaction Rate

It is measured by the question "Overall, how would you rate your travel experience with Turkish Airlines?" in the 16-question passenger satisfaction survey, which is located within the survey-supported in-flight entertainment systems of the aircraft. The questionnaire is evaluated on a 5-point scale. It is calculated by using the Top 2 Box method as the ratio of the passengers who answered the question "Good" and "Very good" to all the passengers who participated in the survey. While calculating the rate, the votes of the passengers who answered "I have no idea" are not taken into account.

#### Formula:

Customer Satisfaction Rate= [Number of participants who answered the question "Good (4 Points)" and "Very Good (5 Points)" / The total number of passengers who participated in the survey] \*100

### Restatement

The measuring and reporting of sustainability-related data inevitably involves a degree of estimation. Restatements are considered where there is a change in the data of greater than 5 percent at the Incorporation level.




## INDEPENDENT ASSURANCE REPORT




### Limited Assurance Report to the Board of Directors of Türk Hava Yolları Anonim Ortaklığı

We have been engaged by the Board of Directors of Türk Hava Yolları Anonim Ortaklığı (the “Company”) to perform a limited assurance engagement in respect of the Selected Sustainability Information (the “Selected Information”) stated in the Türk Hava Yolları 2023 Sustainability Report (the “2023 Sustainability Report”) for the year ended 31 December 2023 and listed below.

#### Selected Information

The scope of the Selected Information for the year ended 31 December 2023, which is subject to our limited assurance work, set out in the pages 13, 14, 15, 106, 167, 192, 198 and 200 of the 2023 Sustainability Report with the sign “

- Fuel Efficiency (Fuel Consumption per 100 Available Seat KM) (Liters/100 ASK)
- Emission Intensity (Carbon Dioxide Equivalent per Available Seat KM) (gCO<sub>2</sub>e/ASK)
- Fuel Saving (Ton & GJ)
- Accident Frequency Rate (by 1,000,000 Working Hours)
- Customer Satisfaction Rate (%)

Our assurance was with respect to the Selected Information marked with “

#### Criteria

The criteria used by the Company to prepare the Selected Information is set out in section Türk Hava Yolları 2023 Sustainability Report-Reporting Principles (the “Reporting Principles”) on pages between 203 and 205 of the 2023 Sustainability Report.

### The Company’s Responsibility

The Company is responsible for the content of the 2023 Sustainability Report and the preparation of the Selected Information in accordance with the Reporting Principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Selected Information that is free from material misstatement, whether due to fraud or error.

### Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Selected Information in the context of the Reporting Principles.

In particular, the conversion of different energy measures to megawatt-hour (MWh) and energy used to carbon emissions is based upon, inter alia, information and factors generated internally and/or derived by independent third parties as explained in the Reporting Principles. Our assurance work did not include examination of the derivation of those factors and other third-party information.

### Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1 and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## INDEPENDENT ASSURANCE REPORT



### Our Responsibility

Our responsibility is to form a limited assurance, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the Selected Information has not been properly prepared in all material respects in accordance with the Reporting Principles. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised). Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of the persons responsible for the Selected Information;
- understood the process for collecting and reporting the Selected Information. This included analysing the key processes and controls for managing and reporting the Selected Information;
- evaluated the source data used to prepare the Selected Information and re-performed selected examples of calculation.
- performed limited substantive testing on a selective basis of the preparation and collation of the Selected Information prepared by the Company and
- undertook analytical procedures over the reported data.

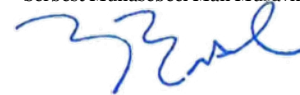
### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Company's Selected Information for the year ended 31 December 2023, is not properly prepared, in all material respects, in accordance with the Reporting Principles.

### Restriction of use

This report, including the conclusion, has been prepared for the Board of Directors of the Türk Hava Yolları Anonim Ortaklığı as a body, to assist the Board of Directors in reporting Türk Hava Yolları Anonim Ortaklığı's performance and activities related to the Selected Information. We permit the disclosure of this report within the 2023 Sustainability Report for the year ended 31 December 2023, to enable the Board of Directors to demonstrate they have discharged their governance responsibilities by commissioning a limited assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of Türk Hava Yolları Anonim Ortaklığı as a body and Türk Hava Yolları Anonim Ortaklığı for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.



Baki Erdal, SMMM  
Independent Auditor

Istanbul, 21 August 2024

# GREENHOUSE GAS VERIFICATION STATEMENT



TÜRK STANDARDLARI ENSTİTÜSÜ

## HEAD OF INSPECTION AND SUPERVISION DEPARTMENT

### GHG PROTOCOL GREENHOUSE GAS VERIFICATION STATEMENT



|  |  |   |   |
|--|--|---|---|
| <b>Certificate Number</b>                                    | SER.006.2024/B00042-Rev1   |   |   |
| <b>Report Number</b>   | SER.006.2024/R00025-Rev1   |   |   |
| <b>Issued Date</b>   | 02/08/2024   |   |   |
| <b>Company Title</b>   | TÜRK HAVA YOLLARI A.O.   |   |   |
| <b>Company Address</b>                                       | Türk Hava Yolları A.O. Genel Yönetim Binası, Yeşilköy Mahallesi, Havaalanı Caddesi, No.3/1, 34149, Bakırköy/İSTANBUL   |   |   |
| <b>Purpose of Verification</b>                               | Verifying that the Greenhouse Gas Statement dated 09/07/2024 of the company has been prepared according to GHG PROTOCOL CORPORATE ACCOUNTING AND REPORTING STANDARD (2015) for the period from 01/01/2023 to 31/12/2023 and that the Greenhouse Gas Statement is free from material misstatements at "Select Level of Assurance" according to the requirements of the TS EN ISO 14064-3:2019 standard. |   |   |
| <b>Verification Methodology</b>                              | Verification of the Greenhouse Gas Statement has been carried out in accordance with requirement of TS EN ISO 14064-3:2019 standard.   |   |   |
| <b>Verification Procedure</b>                                | Greenhouse gas information system controls and greenhouse gas data / information are evaluated by document review, site visits and recalculation methods and on the basis of the evidence of Greenhouse Gas Statement is verified.   |   |   |
| <b>Greenhouse Gas Statement Preparation Criteria/Program</b> | GHG PROTOCOL CORPORATE ACCOUNTING AND REPORTING STANDARD (2015)  |   |   |
| <b>Verification Period</b>                                   | 01/01/2023 - 31/12/2023  |   |   |
| <b>Base Year</b>   | 2023   |   |   |
| <b>Organizational Boundaries</b>                             | All activities of Turkish Airlines Inc. and its subsidiaries   |   |   |
| <b>Types of Greenhouse Gases</b>                             | CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC, SF <sub>6</sub>   |   |   |
| <b>Verified GHG Emissions and Removals</b>                   | Scope 1  | Direct Greenhouse Gas Emissions                               | 20,897,544.97 tons CO <sub>2e</sub>   |
|  | Scope 2  | Electricity Indirect Greenhouse Gas Emissions (Located Based) | 120,182.10 tons CO <sub>2e</sub>  |
|  | Scope 2  | Electricity Indirect Greenhouse Gas Emissions (Marked Based)  | 45,967.38 tons CO <sub>2e</sub>   |
|  | Scope 3  | Purchased goods and Services                                  | 6,446,159.32 tons CO <sub>2e</sub>  |
|  |  | Emissions due to Biomass Combustion                           | 482.73 tons CO <sub>2e</sub>  |
|  |  | GHG Removals  | Not quantified by the organization  |
|  |  | Carbon Credits  | 5,440 tons CO <sub>2e</sub> (ETSWAP)<br>8,897 tons CO <sub>2e</sub> (Deutsche Emissionshandelsstelle) |
| <b>Level of Assurance</b>                                    | Reasonable Assurance Level   |   |   |
| <b>Verification Opinion</b>                                  | Verified as Satisfactory   |   |   |

  
Mehmet ERGUN  
Director of Sustainability and Climate Change

Doküman Kodu: 15.01.66.FR.002    Yayın Tarihi: 5/16/2024    Revizyon Tarih/No: 8/29/2024/4

Bu dokümanın güncelliği, elektronik ortamda TSE Doküman Yönetim Sisteminden takip edilmelidir.

Sayfa 1 / 2



TÜRK STANDARDLARI ENSTİTÜSÜ

## HEAD OF INSPECTION AND SUPERVISION DEPARTMENT

### GHG PROTOCOL GREENHOUSE GAS VERIFICATION STATEMENT

#### APPENDICES:

#### SCOPE 1 DIRECT GREENHOUSE GAS EMISSIONS

|   |                                     |
|---|-------------------------------------|
| Direct Emissions from Stationary Combustion | 11,843.09 tons CO <sub>2e</sub>     |
| Direct Emissions from Leakage               | 2,863.30 tons CO <sub>2e</sub>      |
| Direct Emissions from Mobile Combustion     | 20,848,532.68 tons CO <sub>2e</sub> |
| Affiliate Scope 1                           | 34,305.89 tons CO <sub>2e</sub>     |

#### SCOPE 2 ELECTRICITY INDIRECT GREENHOUSE GAS EMISSIONS

|   |                                 |
|---|---------------------------------|
| Indirect Emissions from Imported Electricity                                      | 51,352.67 tons CO <sub>2e</sub> |
| Indirect Emissions from Imported Energy (Steam, Heating, Cooling, Compressed Air) | 1,610.61 tons CO <sub>2e</sub>  |
| Affiliate Scope 2   | 67,218.81 tons CO <sub>2e</sub> |

#### SCOPE 3 INDIRECT GREENHOUSE GAS EMISSIONS

|             |   |                                    |
|-------------|---|------------------------------------|
| Category 1  | Purchased Goods and Services  | 251,409.51 tons CO <sub>2e</sub>   |
| Category 2  | Capital Goods   | 34,039.55 tons CO <sub>2e</sub>    |
| Category 3  | Fuel-and Energy-Related Activities Not Included in Scope 1 or Scope 2 | 4,360,656.79 tons CO <sub>2e</sub> |
| Category 4  | Upstream Transportation and Distribution                              | 3,369.43 tons CO <sub>2e</sub>     |
| Category 5  | Waste Generated in Operations   | 46,344.67 tons CO <sub>2e</sub>    |
| Category 6  | Business Travel   | 145,675.99 tons CO <sub>2e</sub>   |
| Category 7  | Employee Commuting  | 14,251.89 tons CO <sub>2e</sub>    |
| Category 8  | Upstream Leased Assets  | 0.16 tons CO <sub>2e</sub>         |
| Category 13 | Downstream Leased Assets  | 64.57 tons CO <sub>2e</sub>        |
| Category 15 | Investments   | 1,590,346.76 tons CO <sub>2e</sub> |

*ME.*

Doküman Kodu: 15.01.66.FR.002    Yayın Tarihi: 5/16/2024    Revizyon Tarih/No: 8/29/2024/4

Bu dokümanın güncelliği, elektronik ortamda TSE Doküman Yönetim Sisteminden takip edilmelidir.

Sayfa 2 / 2

## GRI CONTENT INDEX

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the in the index is clearly presented and accessible to the stakeholders. The service was performed on the Turkish version of the report.



**CONTENT INDEX  
ESSENTIALS SERVICE**

2024

|  |  |
|--|--|
| <b>Statement of Use</b>                  | Turkish Airlines has reported in accordance with the GRI Standards for the period January 1 - December 31, 2023. |
| <b>GRI 1</b>                             | GRI 1: Foundation 2021   |
| <b>Applicable GRI Sector Standard(s)</b> | Since the sector standard for the aviation industry has not been prepared yet, no sector standard has been used. |

| GRI STANDARD  | DISCLOSURE   | LOCATION AND/OR ANSWERS  |
|---|--|--|
| <b>GENERAL EXPLANATIONS</b>                         |  |  |
| <b>The Organization and Its Reporting Practices</b> |  |  |
| GRI 2: General Notifications 2021                   | 2-1 Organizational details   | About the Report, page 9<br>About Turkish Airlines, page 20<br>Shareholding Structure, page 21   |
|   | 2-2 Entities included in the organization's sustainability reporting | About the Report, page 9   |
|   | 2-3 Reporting period, frequency and contact point                    | Annual   |
|   | 2-4 Restatements of information                                      | About the Report, page 9<br>None.  |
|   | 2-5 External assurance   | Independent Assurance Report, pages 206-207  |
| <b>Activities and Employees</b>                     |  |  |
| GRI 2: General Notifications 2021                   | 2-6 Activities, value chain and other business relationships         | About Turkish Airlines, page 20<br>Subsidiaries and Affiliates, page 22<br>Brand Management and Corporate Reputation, pages 29-32<br>Value Chain Management, pages 115-119 |
|   | 2-7 Employees  | Employee Profile (Human Resources), pages 124-125  |
|   | 2-8 Workers who are not employees                                    | Employee Profile (Human Resources), pages 124-125  |



## GRI CONTENT INDEX

| GRI STANDARD                           | DISCLOSURE  | LOCATION AND/OR ANSWERS   |
|--|---|---|
| <b>GENERAL EXPLANATIONS</b>            |   |   |
| <b>Governance</b>                      |   |   |
| GRI 2: General Notifications 2021      | 2-9 Governance structure and composition  | Board of Directors, Senior Management and Committees, pages 73-75<br>The selection of members of the Board of Directors is carried out in accordance with the minimum qualifications required and within the framework of the relevant regulations. |
|  | 2-10 Nomination and selection of the highest governance body                              | Board of Directors, Senior Management and Committees, pages 73-75   |
|  | 2-11 Chair of the highest governance body   | Board of Directors, Senior Management and Committees, pages 73-75   |
|  | 2-12 Role of the highest governance body in overseeing the management of impacts          | Board of Directors, Senior Governance and Committees, pages 73-75   |
|  | 2-13 Delegation of responsibility for managing impacts                                    | Sustainability Strategy and Organization, pages 34-38   |
|  | 2-14 Role of the highest governance body in sustainability reporting                      | Sustainability Strategy and Organization, pages 34-38   |
|  | 2-15 Conflicts of interest  | Corporate Governance, pages 70-72   |
|  | 2-16 Communication of critical concerns   | Sustainability Strategy and Organization, pages 34-38   |
|  | 2-17 Collective knowledge of the highest governance body                                  | Board of Directors, Senior Management and Committees, pages 73-75   |
|  | 2-18 Evaluation of the performance of the highest governance body                         | Board of Directors, Senior Management and Committees, pages 73-75   |
|  | 2-19 Remuneration policies  | Being a Preferred Employer (Human Resources), pages 127-129<br><b>Remuneration Policy</b>   |
| 2-20 Process to determine remuneration | Being a Preferred Employer (Human Resources), pages 127-129<br><b>Remuneration Policy</b> |   |
| 2-21 Annual total compensation ratio   | <b>Turkish Airlines Annual Report 2023</b>  |   |

## GRI CONTENT INDEX

| GRI STANDARD                            | DISCLOSURE  | LOCATION AND/OR ANSWERS  |
|---|---|--|
| <b>GENERAL EXPLANATIONS</b>             |   |  |
| <b>Strategy, Policies and Practices</b> |   |  |
| GRI 2: General Disclosures 2021         | 2-22 Statement on sustainable development strategy      | <p>Message from the Chairman, pages 10-12</p> <p>Our Strong Performance in 2023 and Future Goals, pages 13-18</p> <p>Sustainability Strategy and Organization, pages 34-38</p> <p>Material Issues and Materiality Matrix, pages 46-47</p> <p>Sustainable Development Goals We Contribute to, pages 48-51</p> |
|   | 2-23 Policy commitments                                 | <p>Sustainability Strategy and Organization, pages 34-38</p> <p><b>All Policies</b></p>  |
|   | 2-24 Embedding policy commitments                       | <p>Sustainability Strategy and Organization, pages 34-38</p> <p><b>All Policies</b></p>  |
|   | 2-25 Processes to remediate negative impacts            | <p>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80</p> <p>Anti-Bribery and Anti-Corruption, page 82</p> <p>Customer Satisfaction and Experience, pages 99-107</p>   |
|   | 2-26 Mechanisms for seeking advice and raising concerns | <p><b>Customer Satisfaction Policy</b></p> <p>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80</p> <p>Anti-Bribery and Anti-Corruption, page 82</p> <p>Customer Satisfaction and Experience, pages 99-107</p>  |
|   | 2-27 Compliance with laws and regulations               | <p><b>Customer Satisfaction Policy</b></p> <p>There were no developments that were not in compliance with the law during the reporting period, and no administrative penalties were imposed for non-compliance with laws and regulations.</p>  |
|   | 2-28 Membership associations                            | <p>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80</p> <p>Corporate Memberships and Initiatives We Support, pages 42-45</p>   |
| <b>Stakeholder Engagement</b>           |   |  |
| GRI 2: General Disclosures 2021         | 2-29 Approach to stakeholder engagement                 | <p>Stakeholder Map and Relations with Stakeholders, pages 39-41</p> <p>Human Rights (Human Resources), page 126</p>  |
|   | 2-30 Collective bargaining agreements                   | <p><b>Collective Bargaining Agreement Statement</b></p>  |

## GRI CONTENT INDEX

| GRI STANDARD   | DISCLOSURE   | LOCATION AND/OR ANSWERS   |
|--|--|---|
| <b>MATERIAL TOPICS</b>   |  |   |
| GRI 3: Material Topics 2021                                    | 3-1 Process to determine material topics   | Material Issues and Materiality Matrix, pages 46-47   |
|  | 3-2 List of material topics  | Material Issues and Materiality Matrix, pages 46-47   |
| <b>Financial Sustainability and Resilience</b>                 |  |   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Management of Sustainability Risks, Trends, and Opportunities, pages 52-68<br>Our Contribution to the Country's Economy, pages 91-95 |
|  | 201-1 Direct economic value generated and distributed                                | Our Contribution to the Country's Economy, pages 91-95<br>Our Financial and Operational Indicators, pages 96-98   |
| GRI 201: Economic Performance 2016                             | 201-2 Financial implications and other risks and opportunities due to climate change | Management of Sustainability Risks, Trends, and Opportunities, pages 52-68  |
|  | <b>Fleet Modernization and Development</b>   |   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Fleet Modernization and Development, pages 110-111   |
| GRI 203: Indirect Economic Impacts 2016                        | 203-1 Infrastructure investments and services supported                              | Fleet Modernization and Development, pages 110-111  |
| <b>Responsible Supply Chain Management</b>                     |  |   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Responsible Supply Chain Management (Value Chain Management), pages 117-119  |
|  |  | <b>Sustainable Procurement Policy</b>   |
| GRI 204: Procurement Practices 2016                            | 204-1 Proportion of spending on local suppliers                                      | Responsible Supply Chain Management (Value Chain Management), pages 117-119<br>Performance Indicators, pages 190-200  |
| GRI 308: Supplier Environmental Assessment 2016                | 308-2 Negative environmental impacts in the supply chain and actions taken           | There were no significant negative environmental impacts in the supply chain during the reporting period.   |
|  |  | Responsible Supply Chain Management (Value Chain Management), pages 117-119   |
| GRI 414: Supplier Social Assessment 2016                       | 414-2 Negative social impacts in the supply chain and actions taken                  | There were no significant negative social impacts in the supply chain during the reporting period.  |
|  |  | Responsible Supply Chain Management (Value Chain Management), pages 117-119   |
| <b>Business Ethics, Legal Compliance, and Fair Competition</b> |  |   |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80<br>Anti-Bribery and Anti-Corruption, page 82                    |
|  |  | 205-1 Operations assessed for risks related to corruption   |
| GRI 205: Anti-Corruption 2016                                  | 205-3 Confirmed incidents of corruption and actions taken                            | Business Ethics, Legal Compliance, and Fair Competition, pages 77-80<br>Anti-Bribery and Anti-Corruption, page 82   |

## GRI CONTENT INDEX

| GRI STANDARD                           | DISCLOSURE   | LOCATION AND/OR ANSWERS   |
|--|--|---|
| <b>MATERIAL TOPICS</b>                 |  |   |
| <b>Energy and Fuel Efficiency</b>      |  |   |
| GRI 3: Material Topics 2021            | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Effective Energy Management, pages 170-173 |
|  |  | <b>Energy Policy</b>  |
| GRI 302: Energy 2016                   | 302-1 Energy consumption within the organization                               | Effective Energy Management, pages 170-173<br>Performance Indicators, pages 190-200               |
|  | 302-2 Energy consumption outside of the organization                           | Effective Energy Management, pages 170-173<br>Performance Indicators, pages 190-200               |
|  | 302-3 Energy intensity   | Effective Energy Management, pages 170-173<br>Performance Indicators, pages 190-200               |
|  | 302-4 Reduction of energy consumption  | Effective Energy Management, pages 170-173<br>Performance Indicators, pages 190-200               |
|  | 302-5 Reductions in energy requirements of products and services               | Effective Energy Management, pages 170-173<br>Performance Indicators, pages 190-200               |
| <b>Water Management</b>                |  |   |
| GRI 3: Material Topics 2021            | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Water Management, pages 178-179            |
| GRI 303: Water and Wastewater 2018     | 303-1 Interactions with water as a shared resource                             | Water Management, pages 178-179   |
|  | 303-2 Management of water discharge-related impacts                            | Water Management, pages 178-179   |
|  | 303-3 Water withdrawal   | Water Management, pages 178-179<br>Performance Indicators, pages 190-200                          |
|  | 303-4 Water discharge  | Water Management, pages 178-179<br>Performance Indicators, pages 190-200                          |
|  | 303-5 Water consumption  | Water Management, pages 178-179<br>Performance Indicators, pages 190-200                          |
| <b>Biodiversity and Animal Welfare</b> |  |   |
| GRI 3: Material Topics 2021            | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Biodiversity and Animal Welfare, pages 188 |
|  |  | <b>Biodiversity Policy</b>  |
| GRI 304: Biodiversity 2016             | 304-2 Significant impacts of activities, products and services on biodiversity | Biodiversity and Animal Welfare, pages 188  |



## GRI CONTENT INDEX

| GRI STANDARD                         | DISCLOSURE   | LOCATION AND/OR ANSWERS   |
|--------------------------------------|--|---|
| <b>MATERIAL TOPICS</b>               |  |   |
| <b>Combating Climate Change</b>      |  |   |
| GRI 3: Material Topics 2021          | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Combating Climate Change and Environmental Compliance, pages 157-163<br>Sustainable Carbon Management, pages 164-169 |
| <b>Environmental Policy</b>          |  |   |
| GRI 305: Emissions 2016              | 305-1 Direct (Scope 1) GHG emissions   | Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200   |
|                                      | 305-2 Energy indirect (Scope 2) GHG emissions                                    | Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200   |
|                                      | 305-3 Other indirect (Scope 3) GHG emissions                                     | Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200   |
|                                      | 305-4 GHG emissions intensity  | Performance Indicators, pages 190-200   |
|                                      | 305-5 Reduction of GHG emissions   | Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200   |
|                                      | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx) other significant air emissions | Performance Indicators, pages 190-200   |
| <b>Waste Management</b>              |  |   |
| GRI 3: Material Topics 2021          | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Waste Management, page 174-177   |
| GRI 306: Waste 2016                  | 306-1 Waste generation and significant waste-related impacts                     | Waste Management, page 174-177  |
|                                      | 306-2 Management of significant waste-related impacts                            | Waste Management, pages 174-177   |
|                                      | 306-3 Waste generated  | Waste Management, pages 174-177<br>Performance Indicators, pages 190-200  |
|                                      | 306-4 Waste diverted from disposal   | Waste Management, pages 174-177<br>Performance Indicators, pages 190-200  |
| <b>Talent Management</b>             |  |   |
| GRI 3: Material Topics 2021          | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Employee Profile (Human Resources), pages 124-125<br>Talent Management (Human Resources), pages 133-139              |
| <b>Training Policy</b>               |  |   |
| GRI 401: Employment 2016             | 401-1 New employee hires and employee turnover                                   | Employee Profile (Human Resources), pages 124-125<br>Performance Indicators, pages 190-200  |
|                                      | 401-3 Parental leave   | Employee Profile (Human Resources), pages 124-125<br>Performance Indicators, pages 190-200  |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee                            | Talent Management (Human Resources), pages 133-139<br>Performance Indicators, pages 190-200   |
|                                      | 404-2 Programs for upgrading employee skills and transition assistance programs  | Talent Management (Human Resources), pages 133-139  |

## GRI CONTENT INDEX

| GRI STANDARD                                  | DISCLOSURE  | LOCATION AND/OR ANSWERS   |
|---|---|---|
| <b>MATERIAL TOPICS</b>                        |   |   |
| <b>Employee Health and Safety</b>             |   |   |
| GRI 3: Material Topics 2021                   | 3-3 Management of material topics   | Material Issues and Materiality Matrix, pages 46-47<br>Occupational Health and Safety, pages 140-143<br><br><b><u>Occupational Health and Safety Policy</u></b> |
| GRI 403: Occupational Health and Safety 2018  | 403-1 Occupational health and safety management system  | Occupational Health and Safety, pages 140-143   |
|   | 403-2 Hazard identification, risk assessment, and incident investigation  | Occupational Health and Safety, pages 140-143   |
|   | 403-3 Occupational health services  | Occupational Health and Safety, pages 140-143   |
|   | 403-4 Worker participation, consultation, and communication on occupational health and safety                       | Occupational Health and Safety, pages 140-143   |
|   | 403-5 Worker training on occupational health and safety   | Occupational Health and Safety, pages 140-143   |
|   | 403-6 Promotion of worker health  | Occupational Health and Safety, pages 140-143   |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Safety, pages 140-143   |
|   | 403-8 Workers covered by an occupational health and safety management system  | Occupational Health and Safety, pages 140-143   |
|   | 403-9 Work-related injuries   | Occupational Health and Safety, pages 140-143<br>Performance Indicators, pages 190-200  |
|   | 403-10 Work-related ill health  | Occupational Health and Safety, pages 140-143<br>Performance Indicators, pages 190-200  |
| <b>Inclusion and Equal Opportunity</b>        |   |   |
| GRI 3: Material Topics 2021                   | 3-3 Management of material topics   | Material Issues and Materiality Matrix, pages 46-47<br>Inclusion and Equal Opportunity (Human Resources), pages 130-132   |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees  | Board of Directors, Senior Management and Committees, pages 73-75<br>Employee Profile (Human Resources), pages 124-125<br>Performance Indicators, pages 190-200 |
|   | 405-2 Ratio of basic salary and remuneration of women to men  | There is no gender-based discrimination in employee wages at Turkish Airlines.<br><br><b><u>Remuneration Policy</u></b>   |

## GRI CONTENT INDEX

| GRI STANDARD   | DISCLOSURE   | LOCATION AND/OR ANSWERS  |
|--|--|--|
| <b>MATERIAL TOPICS</b>   |  |  |
| <b>Human Rights</b>  |  |  |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80<br>Human Rights (Human Resources), page 126<br><br><a href="#">Human Rights and Employee Rights Policy</a>                           |
| GRI 406: Non-discrimination 2016                               | 406-1 Incidents of discrimination and corrective actions taken   | There were no cases of discrimination at Turkish Airlines during the reporting period.<br><br>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80   |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Turkish Airlines respects the rights of association and collective bargaining. During the reporting period, there was no violation of trade union rights in any supplier within the knowledge of the Company.<br><br>Human Rights (Human Resources), pages 77-80 |
| GRI 408: Child Labor 2016                                      | 408-1 Operations and suppliers at significant risk for incidents of child labor                                      | Turkish Airlines does not employ child labor in any way, and expects its suppliers and other stakeholders in the value chain to comply with the age provisions specified in the relevant laws and regulations.<br><br>Human Rights (Human Resources), page 126   |
| GRI 409: Forced or Compulsory Labor 2016                       | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | Turkish Airlines and all stakeholders in its value chain, especially its suppliers, do not employ forced labor in any way.<br><br>Human Rights (Human Resources), page 126   |
| <b>Corporate Citizenship</b>                                   |  |  |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Corporate Citizenship, pages 153-155  |
| GRI 413: Local communities 2016                                | 413-1 Operations with local community engagement, impact assessments, and development programs                       | Corporate Citizenship, pages 153-155   |
| <b>Flight Safety and Security</b>                              |  |  |
| GRI 3: Material Topics 2021                                    | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Flight Safety and Security, pages 144-150<br><br><a href="#">Safety Policy</a>  |
| GRI 416: Customer Health and Safety 2016                       | 416-1 Assessment of the health and safety impacts of product and service categories                                  | Flight Safety and Security, pages 144-150  |

## GRI CONTENT INDEX

| GRI STANDARD  | DISCLOSURE   | LOCATION AND/OR ANSWERS  |
|---|--|--|
| <b>MATERIAL TOPICS</b>  |  |  |
| <b>Cyber Security and Data Privacy</b>                        |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Cyber Security and Data Privacy, pages 120-122<br><br><u>Information Security Policy</u>  |
| GRI 418: Customer Privacy 2016                                | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | There were no verified complaints regarding violation of customer privacy and loss of customer data during the reporting period.<br><br>Cyber Security and Data Privacy, pages 120-122 |
| <b>Customer Experience and Satisfaction</b>                   |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Customer Satisfaction and Experience, pages 99-107<br><br><u>Customer Satisfaction Policy</u>                                   |
| <b>Being a Preferred Employer</b>                             |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Being a Preferred Employer (Human Resources), pages 127-129   |
| <b>Digitalization</b>   |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Innovation and Digitalization Activities, pages 112-114   |
| <b>Operational Excellence and Sustainable Service Quality</b> |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Operational Excellence and Sustainable Service Quality, pages 108-109<br><br><u>Quality Policy</u>                              |
| <b>Proactive Risk and Crisis Management</b>                   |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Material Issues and Materiality Matrix, pages 46-47<br>Management of Sustainability Risks, Trends, and Opportunities, pages 52-68<br>Proactive Risk and Crisis Management, pages 83-88 |
| <b>Brand Management and Reputation</b>                        |  |  |
| GRI 3: Material Topics 2021                                   | 3-3 Management of material topics  | Brand Management and Corporate Reputation, pages 29-32<br>Material Issues and Materiality Matrix, pages 46-47  |



## GRI CONTENT INDEX

| GRI STANDARD  | DISCLOSURE                        | LOCATION AND/OR ANSWERS   |
|---|-----------------------------------|---|
| <b>MATERIAL TOPICS</b>                              |                                   |   |
| <b>Customer Expectations and Behavioral Changes</b> |                                   |   |
| GRI 3: Material Topics 2021                         | 3-3 Management of material topics | Material Issues and Materiality Matrix, pages 46-47<br>Customer Expectations and Behavioral Changes (Customer Satisfaction and Experience), pages 100-106 |
| <b>Sustainable Catering</b>                         |                                   |   |
| GRI 3: Material Topics 2021                         | 3-3 Management of material topics | Material Issues and Materiality Matrix, pages 46-47<br>Sustainable Catering (Value Chain Management), pages 115-116                                       |
| <b>Innovation</b>                                   |                                   |   |
| GRI 3: Material Topics 2021                         | 3-3 Management of material topics | Material Issues and Materiality Matrix, pages 46-47<br>Innovation and Digitalization Activities, pages 112-114  |
| <b>Stakeholder Communication and Interaction</b>    |                                   |   |
| GRI 3: Material Topics 2021                         | 3-3 Management of material topics | Stakeholder Map and Relations with Stakeholders, pages 39-41<br>Material Issues and Materiality Matrix, pages 46-47                                       |
| <b>Noise Management</b>                             |                                   |   |
| GRI 3: Material Topics 2021                         | 3-3 Management of material topics | Material Issues and Materiality Matrix, pages 46-47<br>Noise Management, page 187   |
| <b>Global Crises</b>                                |                                   |   |
| GRI 3: Material Topics 2021                         | 3-3 Management of material topics | Material Issues and Materiality Matrix, pages 46-47<br>Management of Sustainability Risks, Trends, and Opportunities, pages 52-68                         |

## TCFD INDEX

| Focus Areas         | Recommendations  | References  |
|---------------------|--|---|
| Governance          | a. Describe the board's oversight of climate-related risks and opportunities   | <a href="#">Message from the Chairman, pages 12-13</a><br><a href="#">Sustainability Strategy and Organization, pages 34-38</a>   |
|                     | b. Describe management's role in assessing and managing climate-related risks and opportunities.   | <a href="#">Proactive Risk and Crisis Management, pages 83-88</a><br><a href="#">CDP Climate Change Report 2023, page 4</a><br><a href="#">Climate Transition Plan, pages 14-18</a>   |
| Strategy            | a. Describe the climate-related risks and opportunities the organization has identified over the short, medium- and long-term.                                 | <a href="#">Management of Sustainability Risks, Trends, and Opportunities, pages 52-68</a><br><a href="#">CDP Climate Change Report 2023</a><br><a href="#">Climate Transition Plan</a>   |
|                     | b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.                          | <a href="#">Sustainability Strategy and Organization, pages 34-38</a><br><a href="#">Management of Sustainability Risks, Trends, and Opportunities, pages 52-68</a><br><a href="#">Combating Climate Change and Environmental Compliance, pages 157-163</a><br><a href="#">Sustainable Carbon Management, pages 164-169</a><br><a href="#">CDP Climate Change Report 2023, pages 5-11</a><br><a href="#">Climate Transition Plan, pages 21-40</a> |
|                     | c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 ° C or lower scenario. | <a href="#">CDP Climate Change Report 2023, page 13</a><br><a href="#">Climate Transition Plan, page 50</a>   |
| Risk Management     | a. Describe the organization's processes for identifying and assessing climate-related risks.  | <a href="#">Sustainability Strategy and Organization, pages 34-38</a><br><a href="#">Management of Sustainability Risks, Trends, and Opportunities, pages 52-68</a>   |
|                     | b. Describe the organization's processes for managing climate-related risks.   | <a href="#">Proactive Risk and Crisis Management, pages 83- 88, 163-164</a><br><a href="#">CDP Climate Change Report 2023, page 7</a><br><a href="#">Climate Transition Plan, pages 51-54</a>   |
|                     | c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.       |   |
| Metrics and Targets | a. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.      | <a href="#">Our Strong Performance in 2023 and Future Goals, pages 13-18</a><br><a href="#">Combating Climate Change and Environmental Compliance, pages 157-163</a><br><a href="#">Sustainable Carbon Management, pages 164-169</a>  |
|                     | b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3, greenhouse gas (GHG) emissions, and the related risks.  | <a href="#">Performance Indicators, pages 190-200</a>   |
|                     | c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.                            | <a href="#">Climate Transition Plan, pages 108-118</a><br><a href="#">CDP Climate Change Report 2023, pages 16-37, 42-44</a>  |

## SASB INDEX

| Topic                          | Metric   | SASB Code    | Category                | Unit of Measurement         | Related Title   |
|--------------------------------|--|--------------|-------------------------|-----------------------------|---|
| Greenhouse Gas Emissions       | Gross global Scope 1 emissions   | TR-AL-110a.1 | Quantitative            | (t) CO <sub>2</sub> -e      | Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200   |
|                                | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | TR-AL-110a.2 | Discussion and Analysis | N/A                         | Our Strong Performance in 2023 and Future Goals, pages 13-18<br>Combating Climate Change and Environmental Compliance, pages 157-163<br>Sustainable Carbon Management, pages 164-169<br><a href="#">CDP Climate Change Report 2023</a><br><a href="#">Climate Transition Plan</a>                 |
|                                | (1) Total fuel consumed<br>(2) Alternative fuel percentage<br>(3) Sustainable fuel percentage  | TR-AL-110a.3 | Quantitative            | Gigajoule (GJ), Percent (%) | Combating Climate Change and Environmental Compliance, pages 157-163<br>Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200   |
| Workforce Practices            | Percentage of active workforce employed under collective agreements  | TR-AL-310a.1 | Quantitative            | Percent (%)                 | Human Resources, pages 124-139  |
|                                | (1) Number of work stoppages<br>(2) Total number of non-working days   | TR-AL-310a.2 |                         | Number                      | Performance Indicators, pages 190-200   |
| Competitive Behavior           | Total amount of monetary losses resulting from legal proceedings related to anti-competitive behavior regulations  | TR-AL-520a.1 | Quantitative            | Presentation currency       | There was no evidence of violation of competition rules against Turkish Airlines in 2023. Additionally, no administrative or judicial sanctions regarding the Competition Law have been imposed on our Incorporation.<br><br>Business Ethics, Legal Compliance, and Fair Competition, pages 77-80 |
| Accident and Safety Management | Description of the implementation and results of the Safety Management System  | TR-AL-540a.1 | Discussion and Analysis | N/A                         | Flight Safety and Security, pages 144-150   |
|                                | Number of aviation accidents   | TR-AL-540a.2 | Quantitative            | Number                      | No aviation accidents occurred during the reporting period.<br>Flight Safety and Security, pages 144-150<br>Performance Indicators, pages 190-200   |
|                                | Number of government sanctions on aviation safety regulations  | TR-AL-540a.3 | Quantitative            |                             | No sanctions were imposed for non-compliance with aviation security regulations during the reporting period.<br>Flight Safety and Security, pages 144-150<br>Performance Indicators, pages 190-200  |

## SASB INDEX

| Activity Metric                 | SASB Code   | Category     | Related Title  |
|---------------------------------|-------------|--------------|--|
| Available seat kilometers (ASK) | TR-AL-000.A | Quantitative | Sustainable Carbon Management, pages 164-169<br>Performance Indicators, pages 190-200          |
| Passenger occupancy rate        | TR-AL-000.B |              |  |
| Toll passenger kilometer (RPK)  | TR-AL-000.C |              | Our Financial and Operational Indicators, pages 96-98<br>Performance Indicators, pages 190-200 |
| Toll ton-kilometer (RTK)        | TR-AL-000.D |              |  |
| Number of departures            | TR-AL-000.E |              | About Turkish Airlines, page 20<br>Our Financial and Operational Indicators, pages 96-98       |
| Fleet average age               | TR-AL-000.F |              | Fleet Modernization and Development, pages 110-111   |



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