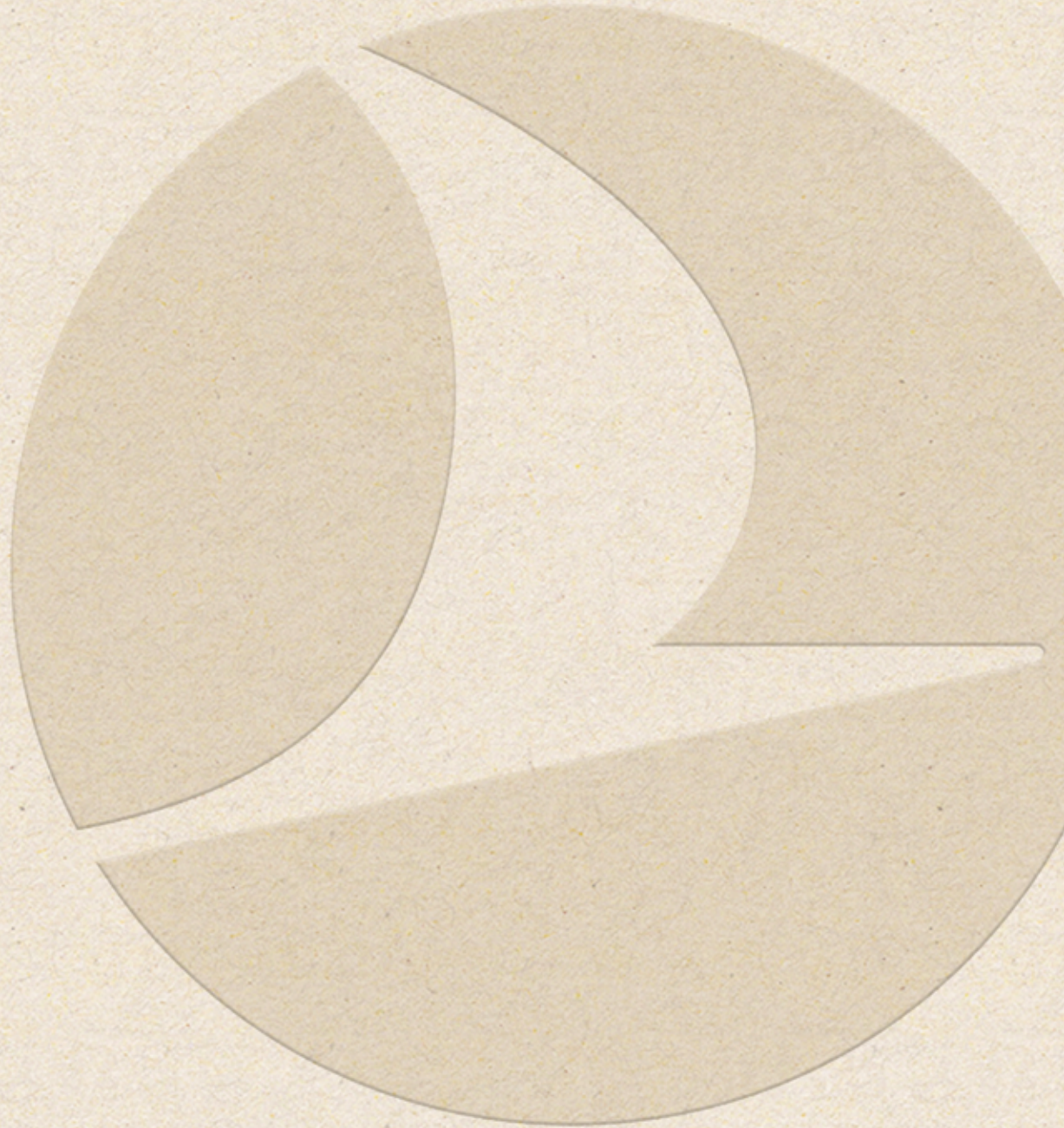



# Sustainability Report 2014

TURKISH AIRLINES 



A STAR ALLIANCE MEMBER 



# Sustainability Report 2014



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A STAR ALLIANCE MEMBER 





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# Message from the CEO

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WE BELIEVE THAT BEING  
A RESPONSIBLE GLOBAL  
CORPORATE CITIZEN  
EXTENDS BEYOND  
CONSIDERATION OF OUR  
EXISTING STAKEHOLDERS  
BUT ALSO INCLUDES  
CONSIDERATION OF OUR  
FUTURE GENERATIONS AND  
NATURAL RESOURCES

Turkish Airlines, Turkey's flag carrier and the "Best Airline in Europe" for five years in row, aims to carry 63 million passengers in 2015 with the 300 aircraft in its fleet, and continue to serve as a responsible global corporate citizen, with a steadfast commitment to sustainable development.

*Dear Stakeholders,*

We are thrilled to share with you our first sustainability report representing our key sustainability topics and achievements for the year of 2014 including our goals and targets set for the future. Turkish Airlines, Turkey's flag carrier and the "Best Airline in Europe" for five years in row, aims to carry 63 million passengers in 2015 with 300 aircraft, and continue to serve as a responsible global corporate citizen, with a steadfast commitment to sustainable development.

Our competitive strengths, including the advantages of the geographical location of our main hub at Istanbul Ataturk Airport, our strong flight network and efficient fleet structure, provide significant support and contributions to us on our long-time sustainability journey.

## **Aviation and Sustainable Development**

Aviation industry contributes to economic progress and social development by facilitating trade and tourism and connecting people. Moreover, it increases a country's connectivity, raises productivity, encourages investment and innovation and generates employment. The global economic impact of aviation industry is estimated at USD 2.4 trillion, equivalent to 3.4% of total global gross domestic product (GDP) and expected to multiply by 2.5 by the year 2034.

On the other side, its dependence on the fossil energy, as with all other modes of transport, brings a challenge to the industry in minimizing its environmental footprint. Indeed, aviation is the first industry to set comprehensive short-term and long-term targets regarding carbon emissions.

## **Turkish Airlines Sustainability Agenda**

Strongly committed to sustainable development, Turkish Airlines has developed sustainability agenda based on four pillars: governance, economy, environmental and social. We act in conformity with the international aviation regulations along with national requirements and aim to go beyond compliance by implementing internationally-recognized management systems and policies. Furthermore, we collaborate with our business partners, suppliers and NGOs and academic institutions with respect to our material sustainability topics to overcome challenges and achieve better performance results.

### **Governance**

We have established an effective risk management strategy and internal control mechanism to ensure regulatory compliance and better opportunity management. We are committed to the highest standards of integrity and business ethics and do not tolerate any form of corruption and bribery. In order to ensure ethical business conduct, we have published our Code of Ethics including anti-bribery and anti-corruption standards in our operations. We are proud to have been awarded by the Ethical Boardroom Corporate Governance Awards 2015 for our good corporate governance practices.

### **Economy**

As the market leader in Turkey, Turkish Airlines currently carries 44% of all passengers and flies to more countries than any other airline in the world with over 276 destinations in 110 countries; and we create new economic opportunities through our expanding network. An increase in the export rate has been recorded in countries we introduced new

destinations, which is evident in Africa and Middle East regions in particular. Together with our subsidiaries, we employ over 40,000 employees worldwide, which means a considerable contribution to Turkish economy. Furthermore, Turkish Airlines contributes to local development at its destinations by offering services to many underserved markets and least developed countries, and enables economic and social relationships with the rest of the world.

#### **Environmental**

Climate change and resource depletion are two important global problems of our world. Turkish Airlines is committed to minimizing the adverse environmental impacts occurring as a result of its operations. We work hard to make a fair contribution to Air Transport Association's (IATA) ambitious worldwide commitments about fuel efficiency and carbon emissions both for the short term and long term. Thanks to our comprehensive strategy and dedicated efforts, we fly 20% more efficiently compared to 7 years ago, which enabled us to save 86,916 tons of CO<sub>2</sub> by the end of 2014. Our target is to reduce fuel consumption-liter/available ton-km by 5% by 2020 and 10% by 2025. We also invest in research projects on sustainable biofuels which could make a significant contribution in reducing carbon emissions. We believe that being a responsible global corporate citizen extends beyond consideration of our existing stakeholders but also includes consideration of our future generations and natural resources. Thus, we aim to conserve natural resources for our future generations and take measures to reduce our waste and water consumption and promote recycling opportunities in our offices and in-flight activities.

We have one of the youngest fleet of the world with an average age of 7.2, which supports our efforts to minimize our environmental impacts. As part of our strategy, we have ordered 92 Airbus and 75 Boeing new generation, more fuel efficient aircraft to be delivered by 2021, which will enable us to maintain our leader position in fleet age and reduce our carbon and noise emissions even further.

#### **Social**

Our top priority is to guarantee flight safety and the security of our employees and customers. In this area, clearly the results speak for us. We achieved a SAFA

rating which is above the European average in 2014. With our effective safety and security management systems, we are dedicated to continuously improve our performance.

Providing an outstanding customer experience is integrated in our business model, which drives us to offer innovative and sustainable products in a consistent and continuous manner. We have been awarded the "Best Airline in Europe" for the fifth consecutive year in 2015 Skytrax World Airline Awards. Thanks to our partner in catering, Turkish DO&CO, Turkish Airlines was also awarded "World's Best Business Class Lounge Dining" for the second consecutive time, as well as "World's Best Business Class Airline Lounge".

I wish to thank all our employees for their contribution in all these achievements by their hard work and perseverance. In return, Turkish Airlines puts great emphasis on satisfaction and health and well-being of its employees. From nutrition to discounted health-care service and to internationally renowned career development programs, many initiatives are implemented to maximize the motivation of our employees and support their professional development.

In 2014, we continued to add value to the community and support local development at our destinations through dedicated employee volunteering and our corporate sponsorship programs in many areas including sports, education and humanitarian aid. We will continue to use every opportunity to enrich communities of which we are a part.

#### **Future Plans**

We are committed to meeting our 2023 targets and will continue to engage with our key stakeholders and develop our sustainability practices and share them with you regularly. We look forward to receiving your feedback about this report so that we can improve our performance and progress towards a sustainable future.



**Doç. Dr. Temel Kotil**

Vice Chairman of the Board of Directors and  
Executive Committee, CEO



Turkish Airlines flies to  
the most countries and  
international destinations  
from a single hub



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# Our Company

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OUR COMPANY

- TURKISH AIRLINES AT A GLANCE
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# Turkish Airlines

## at a Glance

#1

FLYING TO THE MOST  
COUNTRIES WORLDWIDE

Established in 1933, Turkish Airlines is the flag carrier airline of the Republic of Turkey. Headquartered in Istanbul, Turkish Airlines is a private Company and its main fields of activity are all types of domestic and international passenger and cargo air transportation. Ranking as the “Best Airline in Europe” for the fifth consecutive year, Turkish Airlines has 261 aircraft in its fleet and carried 54.7 million passengers in 2014. Together with our subsidiaries, we employ 40,000 employees worldwide.

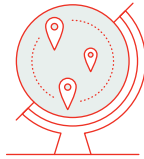
We have grown steadily with double-digit growth rates in the last decade and transformed into one of the largest global network carriers in the world. Moreover, we managed this growth while maintaining our strong profitability, which results in having one of the highest EBITDAR margins in the industry. Turkish Airlines ranks as the world’s 4th largest flight network, connecting Istanbul to 261 destinations in 108 countries as of 2014. This makes us the number one airline in the world that flies to the most countries and international destinations from a single hub.

Turkish Airlines joined Star Alliance in 2008.

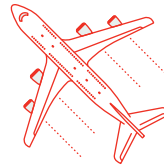
The Company has 13 subsidiaries, compromising mainly of service provider companies operating in the field of maintenance and overhaul, catering, ground handling and fuel supply. Among these, 3 are directly owned companies and 10 are joint ventures.



## 2014 Key Figures



**108**  
COUNTRIES



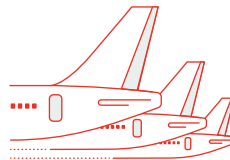
**261**  
AIRCRAFT



**54.7**  
MILLION PASSENGERS



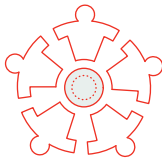
**667,743**  
MILLION TONS OF CARGO



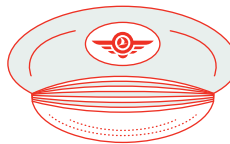
AVERAGE FLEET  
AGE OF **7.2** YEARS



**86,916 t**  
CO<sub>2</sub> SAVED



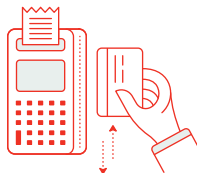
**19,902**  
EMPLOYEES



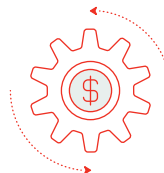
**3,892**  
COCKPIT PERSONNEL



**7,778**  
CABIN PERSONNEL



**US \$11.070**  
BILLION TOTAL SALES



**US \$ 2.044**  
MILLION EBITDAR



**US \$845**  
MILLION NET PROFIT



OUR COMPANY

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# Our Vision and Mission

## 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
- 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

## OUR MISSION

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

To make Istanbul a significant (hub) destination.



A STAR ALLIANCE MEMBER 

**TURKISH  
AIRLINES** 

THERE ARE THOSE OF US WHO LIKE TO **VENTURE**  
**TO THE UNEXPLORED.**

**TO SEE THE BEAUTY**  
IN THE STRANGE AND UNKNOWN.

THOSE OF US WHO GO OUT THERE WITH A SENSE OF

**WONDER.**

**BRIDGING WORLDS,**  
**CULTIVATING OUR CURIOSITY**  
AND FINDING DELIGHT IN OUR DIFFERENCES.

IF YOU'RE ONE OF US,  
AND YOU WANT TO **EXPLORE MORE OF THIS GREAT PLANET,**  
WE'RE READY TO TAKE YOU THERE.

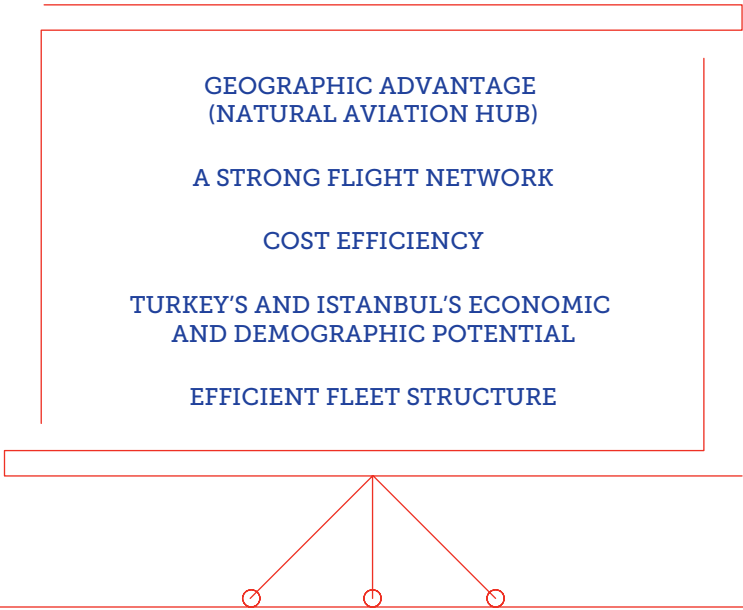
**IT'S TIME.**

**W I D E N   Y O U R**  
**W O R L D**

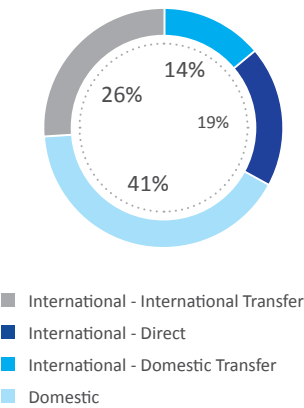
[TURKISHAIRLINES.COM](http://TURKISHAIRLINES.COM)

# Competitive Strengths & Priorities

## COMPETITIVE STRENGTHS



54.7 m  
PASSENGERS IN 2014



### Geographical Advantage (Natural Aviation Hub)

Turkish Airlines has a natural advantage due to the prime location of its hub at Atatürk Airport in Istanbul, with close connectivity to Europe, the Middle East, Central Asia and North Africa—constituting more than 40% of all worldwide international air traffic and covering more than 60 national capitals—within a narrow body range. Being able to reach all of these destinations with narrow body aircraft allows Turkish Airlines to penetrate many smaller underserved cities and serve them with greater frequency, differentiating its product from that of its main competitors. Operating from a central location as a main hub has assisted us in creating a balanced network structure and, in return, achieving higher aircraft utilization levels.

## A Strong Flight Network

Turkish Airlines' extensive route network, combined with Turkey's growth potential, make it well-positioned to grow in both developed and emerging markets. As of December 31, 2014, Turkish Airlines offered flights to 108 countries (including Turkey)—more countries than any other airline. In addition, throughout 2013 and 2014, Turkish Airlines positioned itself as the largest air carrier in the world by the number of international destinations served from a single hub, and now aims to improve its connectivity across the globe. With over 9,000 flights per week, Turkish Airlines provides over 44,000 O&D origin-destination options and reaches at least 76% of all destinations daily.



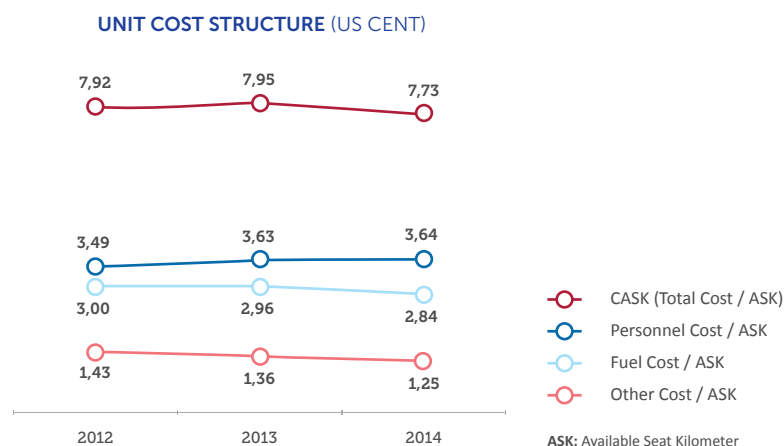
**#1**  
IN THE WORLD, FLYING  
TO THE MOST COUNTRIES  
WORLDWIDE

**#4**  
IN THE WORLD, FLYING  
TO THE MOST AIRPORTS  
WORLDWIDE

**#1**  
IN THE WORLD,  
FLYING TO THE MOST  
INTERNATIONAL  
DESTINATIONS FROM A  
SINGLE HUB

## Cost Efficiency

Turkish Airlines has a lower cost base than most of its full-service competitors. The primary driver of this low cost structure is the geographic location of Istanbul, Turkish Airlines' main hub, which enables us to operate at optimum stage lengths and with high utilization rates using lower cost narrow body aircraft. Turkish Airlines' relatively young average fleet age and modern/ efficient fleet also contribute to our operational efficiency. In order to preserve this competitive advantage, we have implemented efficient fuel consumption policies, employee efficiency strategies, cost-cutting strategies and financial risk management strategies. Turkish Airlines plans to continue investing in new generation technologies to decrease costs, increase efficiency and enhance its customers' product experience.



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Turkey’s and Istanbul’s Economic and Demographic Potential

Turkey is a growing country with a population of 77.7 million people and as of 2014 Istanbul, specifically, is a city with a young and growing population of 14.3\* million people. Turkey, and particularly Istanbul, is rapidly becoming one of the most visited destinations in the world, and Turkish Airlines believes it will continue to grow as a tourist destination, given its strategic central location between Europe and Asia. In 2014, Istanbul ranked as the third largest air travel city in Europe. This growth creates a continuous increase in direct passenger potential for Turkish Airlines and provides leverage for its operations by reducing its dependence on transfer passengers, which is a highly competitive area for passenger transportation. In 2014, 56% of Turkish Airlines’ international passengers flew directly into or out of Turkey, while the remaining 44% were international-to-international transfer passengers.



\* Source: Turkish Statistical Institute (Turkstat)



## Efficient Fleet Structure

Extending our network has required and will continue to require Turkish Airlines to make significant investments in new aircraft. Through the **'2008-2023 Fleet Projection Program'**, we have placed firm purchase orders with Boeing and Airbus for a mix of 344 new wide and narrow body aircraft, 99 of which have been delivered as of 2014, with the remaining 245 scheduled to be delivered by 2021. All of these aircraft are new generation aircraft that are 15% more fuel efficient and cause relatively less noise.

With these additions and more, we aim to have the world's largest and most modern fleet with more than 450 aircraft by 2023, which meet growing passenger traffic and changing needs of customers, emphasize passengers' comfort and safety, and which are equipped with the latest technology and are not only economical but also environmentally sensitive.



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## STRATEGIC PRIORITIES

### Customer Satisfaction & Brand Awareness

Customer satisfaction is integral to Turkish Airlines' business model. Our commitment to maintaining a high level of customer satisfaction is evident in every service that we provide, from Turkish Airlines' "Lounge Istanbul" at Atatürk Airport—which was nominated to the list of the world's top ten premium airport lounges and was awarded "Best Business Class Lounge Dining" by Skytrax in 2014—to Turkish Airlines' award winning catering service—which was named "Best Business Class Catering" by Skytrax in 2014 for the second year in a row Turkish Airlines is committed to creating, providing and maintaining a product that customers are satisfied with and can trust.



In 2013 and 2014, awareness of the Turkish Airlines brand increased thanks to its extensive flight network and high-quality service. With the newly adopted motto "Widen Your World", we actively encourage passengers to take advantage of Istanbul as a bridge between two continents and explore the unknown within our vast network. In a contest organized by Youtube, the video-sharing website, dedicated to its 10th anniversary, our commercial film "Kobe vs. Messi: The Selfie Shootout", released in 2013, has been selected as the best commercial film of the last decade.

As a consequence of these activities, Turkish Airlines believes it has gained strength against traditional airline brands and has become a globally-preferred airline.

## Sustainable Growth

Turkish Airlines demonstrated a stable and sustainable growth over the last decade—has made profit every year since 2006 and became one of the few full-service airlines to remain profitable throughout the financial crises. Turkish Airlines continues to strive daily to maintain its position among the top of the airline industry in network strength and expansion, operational efficiency, customer satisfaction and brand awareness, and each effort is carefully and strategically reviewed and planned by the management.

Since 2003, Turkish Airlines has increased its capacity in ASK by 17% on average annually (CAGR). With this growth rate, Turkish Airlines' global market share in terms of ASK capacity more than tripled reaching 1.8% in 2014 compared to 0.5% in 2003 according to the reports issued by the International Air Transport Association (IATA). In 2013 and 2014, Turkish Airlines' capacity increase was 21.1% and 16.3%, respectively, compared to the global ASK increases of 4.8% and 5.6%, respectively, for the same years according to the IATA.

In order to support Turkish Airlines' growth plans, the Turkish Government finalized the tender for building a third airport in Istanbul in 2013 and broke ground on the new facility in June 2014. The new airport will be one of the biggest airports in the world at its final stage with six runways, four terminals and 500 aircraft park positions on an area of 77 square kilometers, and will have the capacity to handle more than 150 million passengers. It is anticipated that the first phase of the airport will be ready for use by 2018 and will be able to handle 90 million passengers.



17%  
ANNUAL CAPACITY  
INCREASE IN ASK SINCE  
2003

THE NEW AIRPORT WILL  
BE ONE OF THE BIGGEST  
AIRPORTS IN THE WORLD AT  
ITS FINAL STAGE WITH SIX  
RUNWAYS, FOUR TERMINALS  
AND 500 AIRCRAFT PARK  
POSITIONS

#### OUR COMPANY

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## Awards

At Turkish Airlines, we are delighted to be awarded for our achievements which are the fruits of our employees hard work and teamwork.

Turkish Airlines is currently the only European carrier that has earned four stars from Skytrax under its airline rating system in all categories—including seat comfort, inflight entertainment and service efficiency. By 2014, Turkish Airlines had been chosen as the **“Best Airline in Europe”** and the **“Best Airline in Southern Europe”** four years in a row as part of the Skytrax World Airline Awards. Additionally, Turkish Airlines was awarded the **“Best Business Class Onboard Catering”** and **“Best Business Class Lounge Dining”** at the Skytrax World Airline Awards in 2014. Aiming to become a five star airline, we have invested heavily in our products and services through the introduction of an award winning catering concept, CIP lounges, premium cabin offerings, inflight entertainment systems, enhanced cabin comfort and specialized cabin attendant and customer service training for its personnel. In recent years, these superior products and services, combined with the numerous prestigious awards from prominent bodies of the airline industry, have resulted in increased brand awareness for Turkish Airlines and, we believe that an increased appreciation of the airline will pave the way for us to become the first five-star airline in Europe.

TURKISH AIRLINES AGAIN HAS BEEN REWARDED BEST IN EUROPE FOR THE FIFTH TIME IN 2015





# For the 5<sup>th</sup> year in a row, we are chosen the best airline in Europe.

Every year, Skytrax, the world's largest airline passenger satisfaction survey asks millions of passengers around the world to choose their favourite European airline.

For the past five years, the answer has always been the same.

Turkish Airlines remains the best airline in Europe.

We would like to thank you and congratulate our employees for making this possible.

WIDEN YOUR  
WORLD

TURKISH  
AIRLINES





BEST AIRLINE IN EUROPE (SKYTRAX)  
BEST AIRLINE IN SOUTHERN EUROPE (SKYTRAX)  
BEST AIRLINE BUSINESS CLASS CATERING (SKYTRAX)  
BEST BUSINESS CLASS LOUNGE DINING (SKYTRAX)  
BEST EUROPEAN CARGO AIRLINE (AIR CARGO NEWS)  
BEST CORPORATE GOVERNANCE AWARD (ETHICAL BOARDROOM)  
STRUCTURED FINANCE DEAL OF THE YEAR AWARD (BONDS & LOANS)  
TAX LEASE DEAL OF THE YEAR 2014 (AIRFINANCE JOURNAL)  
ENGINE DEAL OF THE YEAR 2014 (AIRFINANCE JOURNAL)  
OVERALL CARRIER OF THE YEAR AND COMBINATION CARRIER OF THE YEAR (PAYLOAD ASIA AWARDS 2014)  
BEST OPERATIONAL EXCELLENCE (AIRBUS AWARDS FOR EXCELLENCE)  
“MOST INNOVATIVE KIT” AND “TRIO AMENITY KIT” AWARDS (TRAVEL PLUS AWARDS)



BEST AIRLINE IN EUROPE (SKYTRAX)  
BEST AIRLINE IN SOUTHERN EUROPE (SKYTRAX)  
BEST AIRLINE BUSINESS CLASS CATERING (SKYTRAX)  
AIRLINE OF THE YEAR (CAPA AVIATION AWARDS FOR EXCELLENCE)  
AIRCRAFT TAX LEASE DEAL OF THE YEAR AWARD 2013 (AIRFINANCE JOURNAL)  
AIRCRAFT LEASING DEAL OF THE YEAR AWARD 2013 (GLOBAL TRANSPORT FINANCE)  
BEST ASIA PACIFIC CARGO AIRLINE (AIR CARGO NEWS)  
AIR CARGO AWARD OF EXCELLENCE (AIR CARGO WORLD)  
AIRLINE OF THE YEAR (APG NETWORK AWARDS 2013)  
TOP AIRLINE COMPANY IN TURKEY (FORTUNE 500 AWARDS 2013)  
MARKETING AWARD OF THE AIRLINE STRATEGY AWARDS 2013 (AIRLINE BUSINESS)  
BEST FOOD AND BEVERAGE AWARD (PASSENGER CHOICE AWARDS 2013)  
MOST INNOVATIVE KIT AND PREMIUM ECONOMY KIT AWARDS (TRAVEL PLUS AWARDS 2013)  
TOP-PERFORMING GLOBAL TRAINING PARTNERS (IATA)



BEST AIRLINE IN EUROPE (SKYTRAX)  
BEST AIRLINE IN SOUTHERN EUROPE (SKYTRAX)  
BEST PREMIUM ECONOMY AIRLINE SEATS (SKYTRAX)  
PROGRAM OF THE YEAR (EUROPE&AFRICA) FOR MILES&SMILES FREQUENT FLIER PROGRAM (ANNUAL FREDDIE AWARDS)  
BEST LOYALTY CREDIT CARD (EUROPE / AFRICA) FOR SHOP & MILES CREDIT CARD (ANNUAL FREDDIE AWARDS)  
SILVER MEDAL IN THE CATEGORY ‘THE BEST INTERNAL RECOGNITION /MOTIVATIONAL EVENT’ (STEVIE AWARD)  
AIRLINE OF THE YEAR AWARD 2012 (AIRFINANCE JOURNAL)





Turkish Airlines conducts  
its operations in a  
responsible manner for a  
better future.



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# Governance

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GOVERNANCE

- OUR SUSTAINABILITY APPROACH
- ENGAGING WITH STAKEHOLDERS
- MATERIAL ISSUES
- CORPORATE GOVERNANCE

# Our Sustainability Approach

G4-18

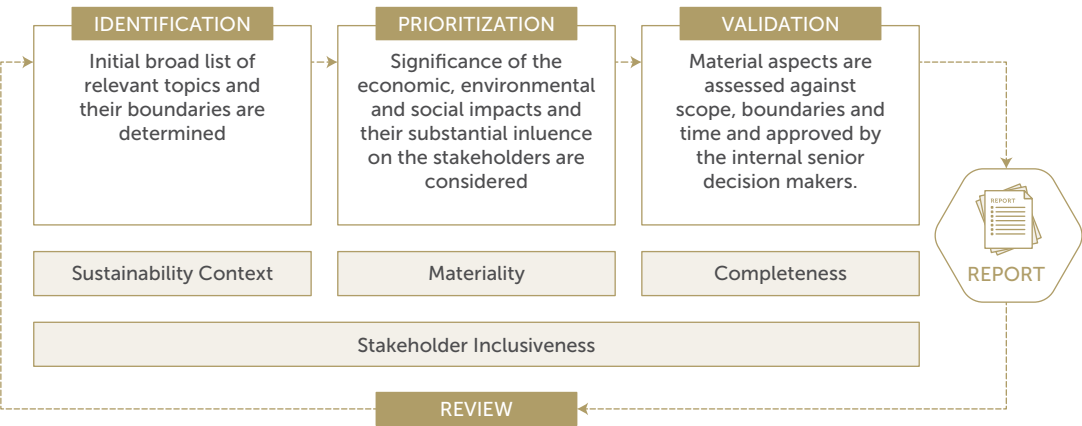
It refers to G4 indicator disclosure number in the GRI Content Index Table on pages 125 to 132

We at Turkish Airlines are strongly committed to contributing to sustainable development by conducting our business in a socially, economically and environmentally responsible manner.

At the core of our sustainability approach are our stakeholders. The reasonable expectations and interests of our stakeholders are a key reference point in defining the report content and aspect boundaries as well as in the ongoing development process of our sustainability strategy. Thus, stakeholder engagement is a crucial aspect of our sustainability practices, which helps us better understand our impacts and in turn continually refine them. As a growing company, we have a broad and diverse stakeholder base and various channels to engage with them. Please refer to the table on page 26 to get further information about our stakeholder engagement process which forms the basis in identifying our material aspects. In addition, the process for defining the report content and the material aspects and boundaries are indicated in the below figure.

AT THE CORE OF OUR SUSTAINABILITY APPROACH ARE OUR STAKEHOLDERS

### Defining the Report Content and Material Aspects and Boundaries



At Turkish Airlines, members of the Board of Directors and the Executive Committee have ultimate responsibility for oversight of our economic, environmental and social impacts. We are committed to integrating sustainability considerations and principles into our business and operations, and every business unit works collaboratively to achieve our common goals. Each business unit has their own specific targets aligned with our Company goals. Performance reviews are conducted annually and future action plans are identified accordingly.

We have always remained at the forefront of setting new and higher standards for our operations. Turkish Airlines has internationally-recognized management systems and policies in place on its material sustainability issues which lay out our commitment in responsible business act. We monitor our progress and KPIs through online reporting systems.

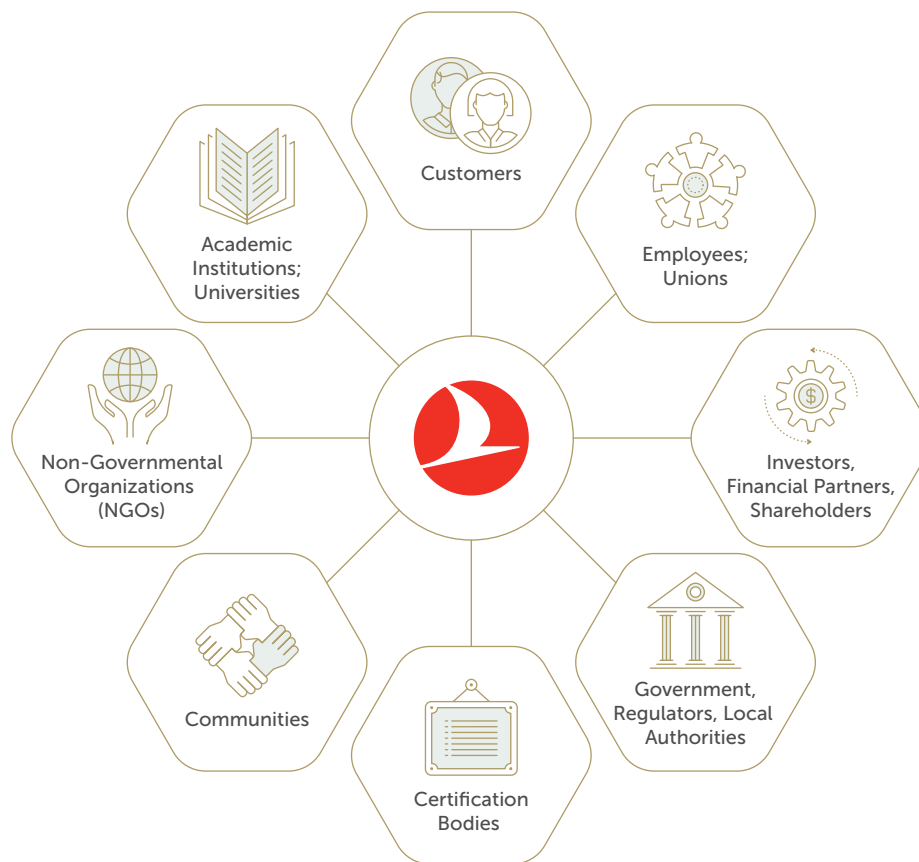
# Engaging With Stakeholders

Our success goes in pair with satisfaction of and value creation for our stakeholders. Our stakeholder base consists of stakeholder groups who are significantly affected by our activities as well as those having potential to affect Turkish Airlines' ability to successfully implement its strategy. We value and listen to our stakeholders and strive to maintain an open and constructive dialogue with them and foster greater collaborations.

G4-18, G4-24, G4-25, G4-26

OUR SUCCESS GOES IN PAIR  
WITH SATISFACTION OF AND  
VALUE CREATION FOR OUR  
STAKEHOLDERS.

## OUR STAKEHOLDERS



Turkish Airlines uses various channels to engage with its internal stakeholders including shareholders/financial partners/investors and employees as well as external stakeholders including government, certification bodies, business partners, customers, suppliers, communities, NGOs and academic institutions. Please refer to the below-given table to see the key material topics and aspect boundaries and stakeholder engagement pathways as well as the frequency of our engagement and matters engaged upon.

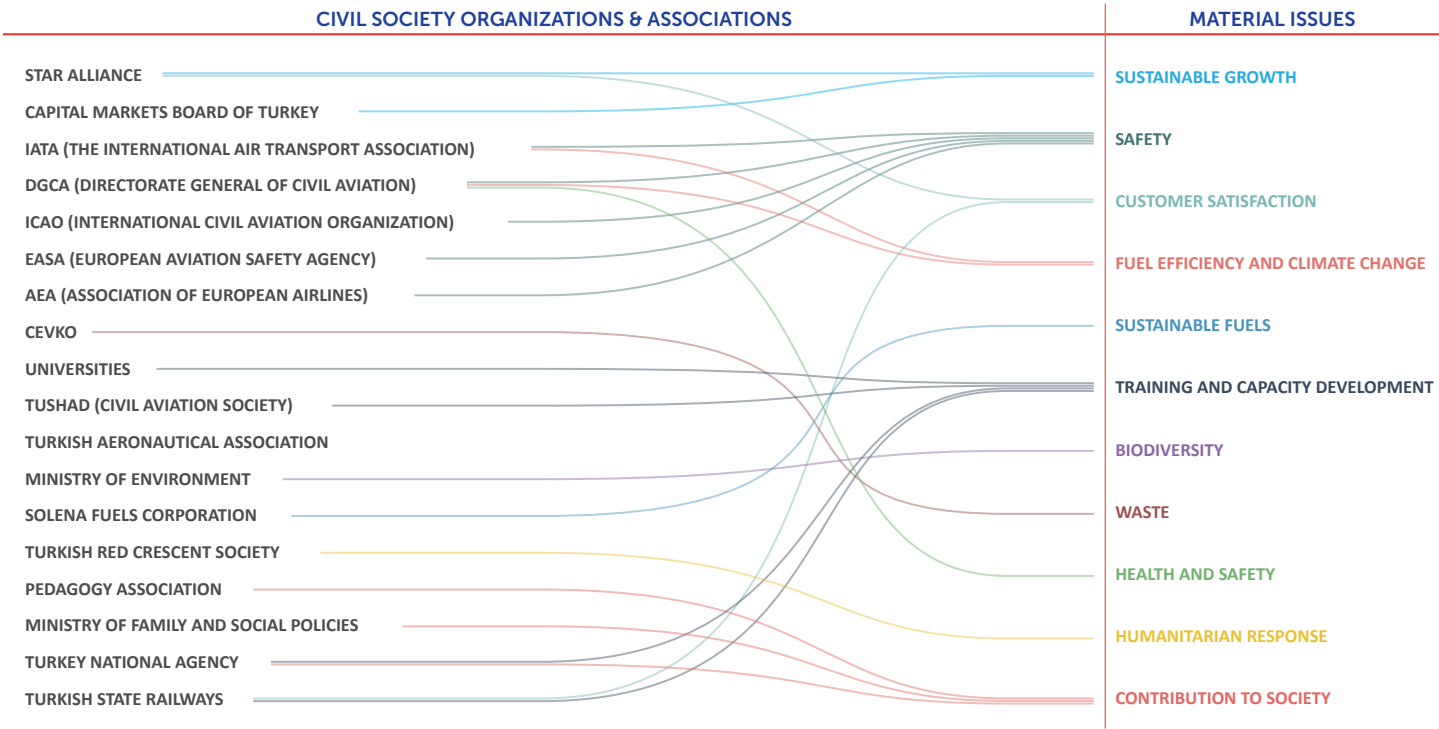


	STAKEHOLDER GROUPS	KEY ENGAGEMENT TOPICS	MAIN ENGAGEMENT PATHWAYS	FREQUENCY	SOME OF THE OUTCOMES OF THE STAKEHOLDER ENGAGEMENT
INTERNAL	Shareholders Financial Partners Investors	Minority Rights Operational & Financial Performance Strategy Corporate Governance	E-mail distribution list; "ir@thy.com"	Ongoing	<ul style="list-style-type: none"> <li>Investor Day events were organized</li> <li>IR website has been renewed</li> <li>Credit Investor Roadshows have been held</li> </ul>
			Dedicated "ir" website	Ongoing	
			General Shareholders' Meeting	Annually	
			Investors Meetings	Annually	
			Presentations, Reports, Publications	Quarterly	
	Employees Unions	Business Ethics Cultural Values Employee Satisfaction Freedom of Association and Collective Bargaining Flight Safety & Security Health and Safety & Well-being Non-discrimination and Diversity Performance & Career Development Sustainable Use of Resources	Ethics Line "Ethical Way"	Annually	<ul style="list-style-type: none"> <li>37 Reported cases to "Ethics Reporting Line" have been solved</li> <li>Shuttle service for employees has been improved</li> <li>Free and discounted health service has been provided</li> </ul>
			E-mails: flightsafety@thy.com; security@thy.com	Ongoing	
			"Empathy" Company TV	Ongoing	
			"Empathy" Employees Newsletter	Monthly	
			"Empathy" Website "I have an idea" Page	Ongoing	
			Meetings & Events & Forums & Summits	Annually	
			Surveys	Annually	
EXTERNAL	Government Regulators Local Authorities	Social and Economical Development Customer Rights Compliance Financial Performance Flight Safety & Security Forestration Health and Safety Noise Waste Management	Audits	Regularly	<ul style="list-style-type: none"> <li>500,000 trees were planted</li> <li>Sustainability Report has been published</li> <li>Types of wastes were identified and separate collection of wastes was initiated</li> </ul>
			Meetings	Ad hoc meetings upon needed	
			Reports	Annual	
	Certification Bodies	Environmental Management Flight Safety & Security Health and Safety Noise Quality Management	Audits	Regularly	<ul style="list-style-type: none"> <li>ISO 14001, ISO 9001; OHSAS 18001 Standards were renewed</li> <li>Environmental Policy has been updated</li> <li>Health and Safety Policy has been updated</li> </ul>
	Customers	Accessibility Customer Satisfaction & Service Quality Customer Rights Flight Safety & Security Innovative Products & Services Sustainable Catering	Customer Care Call Center	On-going	<ul style="list-style-type: none"> <li>Made self check-in kiosk application available in 11 languages</li> <li>Created new call centres in new regions</li> <li>Created a new section on customer rights in our website</li> </ul>
			Web-based/In-flight Feedback Form	On-going	
			Customer Satisfaction Measuring Devices at the Airports	On-going	
			Customer Satisfaction Online-Surveys	Annually	
			In-flight Safety Handouts and Videos	On-going	
			"Skylife" In-flight Magazine	Monthly	
			Social Media (facebook, twitter, blog)	On-going	
			Website of the Company	On-going	
	Communities	Social and Economic Development Social Responsibility Projects	Meetings with Associations and Charities School and Hospital Visits	Ad hoc meetings as needed	<ul style="list-style-type: none"> <li>Created a library with 1,500 books for five pediatric oncology divisions</li> <li>10,000 children in 100 village schools are supported with educational supplies</li> <li>During the "Let's Make a Snowman Together!" Campaign, 19 provinces from Tokat to Edirne, nearly 1,700 students were donated boots, coats, and socks</li> </ul>
	Non-Governmental Organizations (NGOs)	Corporate Social Responsibility Projects Accessibility	CSR Fair and Events	Ad hoc meetings as needed	<ul style="list-style-type: none"> <li>Shared Turkish Airlines CSR Projects with participants and members of the CSR Europe and CSR Association of Turkey</li> </ul>
	Academic Institutions Universities	Training Employment & Career Opportunities	Meetings	Regularly	<ul style="list-style-type: none"> <li>Partnership has been formed with Istanbul Technical University for "Air Transport Management Master Program"</li> </ul>
			Career Days	Annually	
			Social Media (LinkedIn)	Ongoing	

Related Organizations & Associations

We work collaboratively with national and international Civil Society Organizations and Industry Associations regarding our material topics. Some of them are listed below.

G4-24, G4-26



GOVERNANCE

- OUR SUSTAINABILITY APPROACH
- ENGAGING WITH STAKEHOLDERS
- MATERIAL ISSUES
- CORPORATE GOVERNANCE

# Material Issues

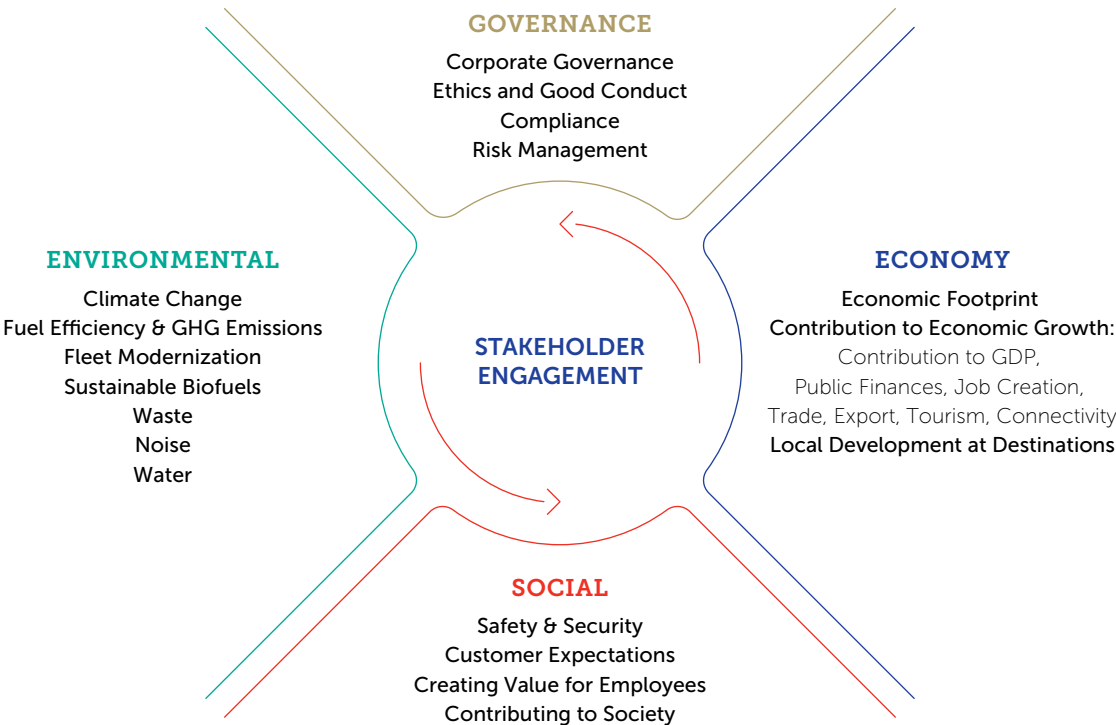
G4-19, G4-20, G4-21

We continue to refine our sustainability strategy over time focusing on the most material issues which have the potential to impact our business and are considered important by our stakeholders. We take into account the stakeholders’ concerns, broader social expectations and our influence on the value chain along with the Company’s overall mission and strategy while identifying the material issues.

Our sustainability agenda comprises of four pillars, each of which includes a number of material aspects, namely Governance, Economy, Environment and Social. Our most material issues identified are listed in the Sustainability Agenda. All the issues listed are material within the organization except three aspects, namely contribution to economic growth, contribution to society and local development at destinations which are material outside the organization.

As we have highlighted these aspects as material issues in this report, we will continue to seek our stakeholders’ feedback and continue to further deepen our materiality process in the coming years.

## OUR SUSTAINABILITY AGENDA



# Corporate Governance

## OUR GOVERNANCE SYSTEM AND STRUCTURE

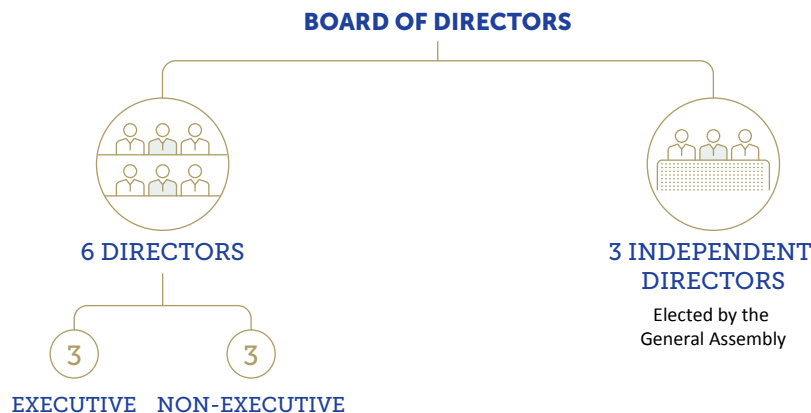
Turkish Airlines, Turkey's flag carrier airline, was founded in 1933. Originally a 100% state owned airline, Turkish Airlines initiated the process of privatization in 1990, and consequently is now 50.88% publicly owned company while the remaining 49.12% is held by the Republic of Turkey, Prime Ministry, Privatization Administration.

Turkish Airlines is listed in Istanbul Stock Exchange 'Borsa İstanbul' (BIST) under the Ticker Symbol "THYAO", and complies with the Turkish Commercial Code (TCC) and the regulations promulgated by the Capital Markets Board (CMB).

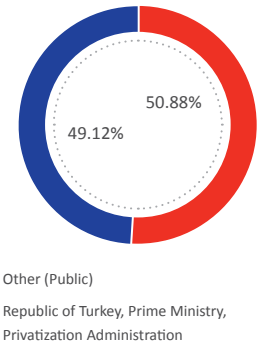
Turkish Airlines builds its Corporate Governance Principles on the social responsibility culture it has developed since its foundation in 1933. Turkish Airlines has adopted the main cultural characteristics of the Turkish people towards all its stakeholders, namely *hospitality, helpfulness and trustworthiness*.

Turkish Airlines' Board of Directors is comprised of nine members, three of whom are independent Board Members also elected by the General Assembly. Three members of the Board of Directors are appointed to the Executive Committee and the majority of the Members of the Board of Directors are non-executive members as per the CMB's Corporate Governance Principles. The term of office for Board members is 2 years.

Due to the dynamic nature of the aviation industry, the Chairman of the Board of Directors also assumes the title of the chairman of the Executive Committee in order to create uniformity. But our Chief Executive Officer (CEO), also being a member of the executive committee, assumes separate roles and responsibilities from the Chairman. Ms. Arzu Akalın joined our Board in 2014 and we will strive to increase women's representation at our Board in the future.



## OWNERSHIP STRUCTURE



TURKISH AIRLINES BUILDS ITS CORPORATE GOVERNANCE PRINCIPLES ON THE SOCIAL RESPONSIBILITY CULTURE IT HAS DEVELOPED SINCE ITS FOUNDATION IN 1933

For more information about corporate governance please check:



## GOVERNANCE

- OUR SUSTAINABILITY APPROACH
- ENGAGING WITH STAKEHOLDERS
- MATERIAL ISSUES
- **CORPORATE GOVERNANCE**

During 2014, the Board of Directors convened 33 times and adopted 222 resolutions. Among the discussed matters, there are no related party transactions or transactions of important nature, which are not approved by the independent board members and require submission to the General Assembly.

There are three committees formed within the structure of the Board, namely Audit Committee, Corporate Governance Committee and Early Identification of Risks Committee, all of which are chaired by the independent Board members. The Committees have been formed under the framework of the TCC and the regulations promulgated by the CMB.

Turkish Airlines embraces the principles of *transparency, justice, responsibility* and *accountability* in its operations. Turkish Airlines complies with all mandatory Corporate Governance Principles promulgated by the CMB, and pays utmost attention to comply with any non-mandatory principles.



Turkish Airlines has been recognized in December 2014 by The Ethical Boardroom, an independent magazine and website, for its outstanding leadership in ensuring high corporate governance in order to protect and enhance long-term value for all stakeholders. The Ethical Boardroom considers four governance attributes in its evaluation, namely: Board Composition, Board Committees, Shareholder Rights and Transparency.



## SHAREHOLDERS

Investor Relations Department, which reports directly to the Chief Financial Officer (CFO), serves as a department overseeing the two-way communication of the Board of Directors and all Capital Markets participants including analysts, investors and our shareholders providing accurate, consistent and timely information.

In fact, a **Public Disclosure Policy** has been established by the Board to furnish **all stakeholders** including shareholders, investors, analysts, employees and customers with timely, accurate, complete, comprehensible and easily accessible information for enhanced transparency.

During the 2014 fiscal year, Investor Relations Department participated in 20 investor conferences and road shows with the aim of sharing the financial, operational and strategic developments about the Company with investors and analysts, made 15 teleconferences and organized an Investor Day Webcast meeting. In these conferences and teleconferences, 405 investors/analysts from 289 incorporations and funds were met at the Company Headquarters or at the Investors' offices. During 2014, around 2,500 information requests were met by our Investor Relations Department via e-mail.

In terms of shareholders' rights, Turkish Airlines, along with all listed BIST companies, started using the e-General Assembly (e-GEM) system which allows shareholders, delegates, intermediary institutions and all stakeholders to attend the General Assembly Meeting online via a video webcast using their own personal electronic signatures, as well as to send their comments and, above all, be informed of all the processes instantly.

The Public Disclosure Policy  
can be accessed from:



### TURKISH AIRLINES SHAREHOLDERS' GENERAL MEETINGS

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
	29.03.2013	27.03.2014	06.04.2015
One share equals one note	Yes	Yes	Yes
Number of shareholders present, represented, granting power of attorney to chairman or voting by email	561 shareholders representing 893,729,919 shares	522 shareholders representing 979,363,717 shares	600 shareholders representing 1,068,909,943 shares
Attendance rate	74,5%	70,97%	77,46%



## GOVERNANCE

- OUR SUSTAINABILITY APPROACH
- ENGAGING WITH STAKEHOLDERS
- MATERIAL ISSUES
- CORPORATE GOVERNANCE

For further information  
about risk management  
please check:



## RISK MANAGEMENT AND INTERNAL CONTROL

### Our Risk Management Strategy

An effective risk management strategy at our Company is critical in taking under control potential risks inherent in the airline industry, which is prone to fierce competition and to ensuring sustainable growth. Early Risk Detection Committee was established and authorized by the Board of Directors to carry out activities regarding early diagnosis of strategic, operational and financial risks threatening the existence, development and continuation of Turkish Airlines and the assessment of the impact and probability of the risks and the implementation of the relevant measures against the detected risks. The committee which also assesses the risks regarding bribery and corruption, prepares and presents a report that includes a situation analysis and committee's opinions and suggestions to the Board of Directors every two months. The reports are also submitted to the independent auditors.

Furthermore, in order to minimize particularly the impacts of fuel and carbon emission prices, interest rates, cash flow, foreign currency fluctuations and counterparty risks and to provide a reasonable level of guarantee within our Company against potential shocks; Treasury and Risk Management Commission – chaired by Chief Financial Officer was established in 2008. The Commission sets the financial risk management strategy of our Company and carries out necessary activities regarding the management of the financial risks our Company is/will be facing. The Committee meets every month and reports to the Board of Directors once a quarter.

Our risk management system also includes issues related to **climate change risks**. In this regard, the Company established its liability in relation to carbon emissions, laid down a strategy to protect itself against carbon emission risk which works as required under the framework of the Carbon Emission Trading System.

### Internal Control Mechanism

Our Company has a Senior Vice Presidency (SVP), Inspection Board which inspects, with a systematic and disciplined approach, whether the Company's activities including corporate governance, effectiveness of risk and control processes, improvement of Company services are at the quality level that will provide the highest level of customer satisfaction, compliance with legislation, the Company's internal regulations, agreements, pre-determined strategies, policies and targets, and provides consultancy and assurance on the efficiency and effectiveness of these processes, and also submits opinions and suggestions.

In this respect, the SVP, Inspection Board identifies risk mitigating measures, reports and provides counseling service to the Senior Management about these issues including detection of faults, fraud and misconducts.

## BUSINESS ETHICS

### Our Business Ethics Approach

The Turkish tradition has been the foundation of Turkish Airlines' commitment to embracing a socially and ethically responsible approach to its business and adopting a transparent and fair management culture.

The Company cultivates open communication channels with all stakeholders which enable the organization to assess all shareholders' and stakeholders' interests and understand different perspectives. This approach helps Turkish Airlines serve as a corporate citizen and operate beyond its financial interests.

Our Board of Directors has prepared a **"Code of Ethics"** and a related handbook, which is also published on our website, within the framework of Corporate Governance Principles. Turkish Airlines defines its 'Code of Ethics' as the fundamental policies, procedures and rules that all executives and employees are obligated to comply with. These rules have been established to ensure that Turkish Airlines' executives and employees show high standards of ethical conduct, that they are aware of the impact of their acts and attitudes on the Company, and that they exhibit highly qualified behaviors. The Code of Ethics covers various issues such as our principles and values as well as the matters related to compliance, bribery and corruption, anti-competitive behavior, etc.

Our employees become familiar with our Code of Ethics during their employment period and are provided with information on the Company's **Corporate Ethics Handbook and Corporate Ethics Procedures**; and are required to act in line with the generally-accepted principles in business life, and be respectful in their words and deeds with regards to legislation, ethical values, social norms and environment.

Turkish Airlines has not encountered any findings of breaches of competition rules nor it has been subject to any sanctions with respect to competition law so far as a result of the inspections/investigations carried out by the domestic and foreign competition authorities.

For more information about  
Turkish Airlines' Code of  
Ethics please check:



\* Our Code of Ethics is being updated to better reflect our broad approach regarding Business Ethics and Corporate Social Responsibility issues, notably regarding the matters related to Bribery and Corruption, and we expect to implement our new standards across our organizations in 2015

## GOVERNANCE

- OUR SUSTAINABILITY APPROACH
- ENGAGING WITH STAKEHOLDERS
- MATERIAL ISSUES
- CORPORATE GOVERNANCE

## Compliance

Turkish Airlines is committed to complying with all national regulations and those related to the aviation industry, which have been prescribed in our Compliance Policy. We believe that compliance goes beyond just strictly adhering to laws and regulations and includes reflecting the spirit of our Code of Ethics in our decisions and actions.

### Ethics Trainings

As a growing Company, it is of high importance for us to conduct this growth process in accordance with the “Competition Law”. We organize trainings for our executives and managers to create this awareness. The trainings enable to raise the participants’ awareness on anti-competition issues and provide them with tips and tools on how to identify and deal with these issues. In 2013, 13 and 6 participants received trainings on competition law and ethics, respectively.

### Misconduct Reporting

“Ethical Way”, an **Ethics Reporting Line**, a whistle-blowing system has been established to enable Turkish Airlines’ employees to anonymously report on any breach of our corporate principles or ethical issues including discrimination, bribery, conflict of interest or anti-competition practices. Ethical Way is managed by a completely independent third party company and is dedicated to Turkish Airlines employees’ questions and/or reporting about ethical concerns. In order to address these applications, our Ethics Board, which is composed of four members and a president, put forward proposals to the CEO about every application made in the Ethical Way. Ethics Board listens to the respective personnel and receives the opinions of the concerned departments, and thereafter, takes action upon the results received.

Since 2012, 69 applications were made to Ethics Reporting Line on various issues, 24 of which have been addressed and replied by direct e-mail and 13 of which have been addressed by direct discussions with employees. The remaining 32 were considered irrelevant to the Business Ethics.

9 out of all reporting received by the Ethics Reporting Line so far were directly or indirectly associated with discrimination. All of these issues were considered in detail by Turkish Airlines Ethics Board, as a result of which 5 were not found subject to any actions and as for the remaining 4, it was decided to inform the concerned employees and departments to ensure that necessary actions are taken.

## Anti-Bribery and Anti-Corruption

Turkish Airlines is committed to ensure the highest standards of integrity and business ethics in its operations and **we do not tolerate any form of corruption and bribery** or any other kind of unethical behavior. Countering bribery and corruption is an essential part in our way of doing business and is integrated in our Code of Ethics, which is our reference in terms of anti-bribery and anti-corruption standards in our operations to ensure an ethical business conduct.

We comply with the guidelines of the airline industry and the applicable laws in the countries, where we operate, regarding bribery and corruption issues, and we have gone further by setting higher standards for ourselves in our revised Code of Ethics.

We strive to raise awareness among our governance bodies and business partners as well as our employees to prevent risks of any related potential incidences, and have established internal control measures to ensure compliance and monitor these issues across our Company. In respect of anti-corruption guidelines; the roles of the senior management, SVP, Inspection Board, SVP, Security, Audit Committee, Ethics Board, Discipline Council, Human Resources and every employee of our company have been established with an integrated approach towards detecting and preventing corruption and misconducts in addition to monitoring and improving anti-corruption systems. SVP, Inspection Board assesses the whole Company including risks related to bribery and corruption. During the reporting period, Turkish Airlines did not pay any fine regarding bribery or corruption.



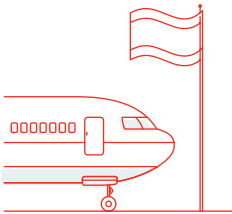
We are generating new economic opportunities through our expanding network and we are a significant contributor to the Turkish economy, trade growth and tourism.



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# Economy

# Contribution of Aviation



21st  
IN THE WORLD  
If aviation were a country, it would rank 21st in the world in terms of GDP

The aviation industry plays a vital supporting role in economic growth by facilitating the growth of international trade, tourism and international investment, and connecting people across the globe. The total value of goods transported by air represents 35% of all international trade.

The overall world aviation market size in 2014 was USD 751 billion\*. Over 50 million tons of goods were freighted and over 3 billion people boarded on an aircraft in 2014; and this figure is expected to double in the next 20 years.

Aviation is indispensable for tourism, which is a major engine of economic growth globally, particularly in developing economies. Globally, 53% of international tourists travel by air.

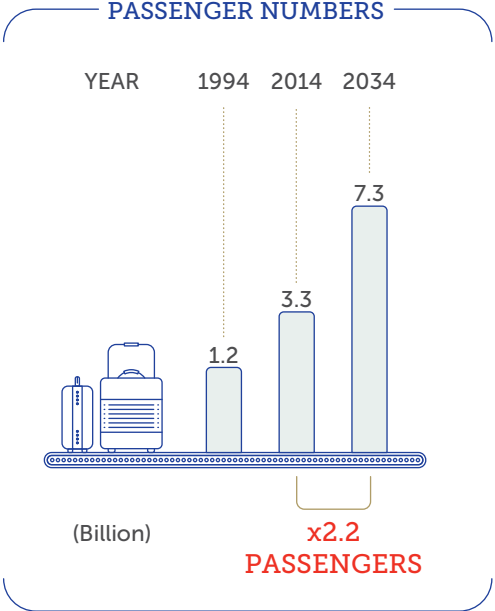
Air transport also increases a country’s connectivity which can help raise productivity, by encouraging investment and innovation; improving business operations and efficiency; and allowing companies to attract qualified employees.

The global economic impact of aviation industry is estimated at USD 2.4 trillion, equivalent to 3.4% of the global gross domestic product (GDP)\*.

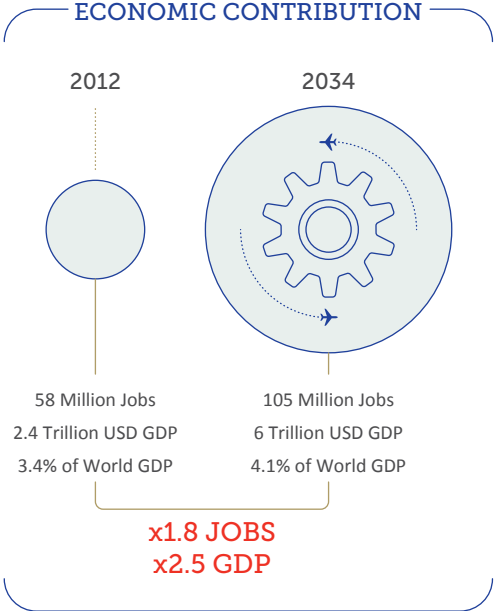
\* Source: Aviation Benefits Beyond Borders (ATAG), Oxford Economics Analysis, 2012

## AVIATION TODAY & TOMORROW

### PASSENGER NUMBERS



### ECONOMIC CONTRIBUTION



3.4%  
OF GLOBAL GDP  
is supported by aviation

Source: ATAG Facts and Figures 2012

### The Aviation Industry Has 4 Main Economic Impacts:

- ✈ **Direct impacts:** The aviation industry itself is a direct generator of employment and economic activity, generating a total of 58.1 million jobs globally. The airlines' services generate **8.7 million direct jobs** within the air transport industry and contribute **USD 606 billion to global GDP**. In comparison with other sectors the airlines contribution to the global GDP is higher than the textile, automotive or pharmaceuticals and is around half as big as the global chemicals. Also, the air transport industry has important 'multiplier' effects, which mean that its overall contribution to global employment and GDP is much larger than its direct impact alone.
- ✈ **Indirect impacts** which include employment and activities of suppliers to the air transport industry. According to the ATAG, over **9.8 million indirect jobs** globally are supported through the purchase of goods and services by companies in the air transport industry. These indirect jobs contributed approximately **USD 697 billion to global GDP** in 2012.
- ✈ **Induced impacts:** Induced by the spending of those directly or indirectly employed in the air transport industry. Around 4.6 million induced jobs globally are supported through employees in the air transport industry. The induced contribution to global GDP is estimated at **USD 324 billion** in 2012.
- ✈ **Catalytic:** Air transport's most far-reaching economic contribution is via its contribution to the performance of other industries and as a facilitator of their growth by providing connectivity. These 'catalytic' or 'spin-off' benefits of aviation affect industries across the whole spectrum of economic activity.

Source: ATAG, Aviation Benefits Beyond Borders, 2014

Airlines have a powerful role in alleviating sustainable development challenges by facilitating tourism and trade, particularly in remote areas, generating economic growth and new jobs, improving living standards, alleviating poverty and increasing revenues from taxes. Airlines can also contribute significantly to communities when road or rail networks are lacking or in remote areas such as small islands where access to essential services depends on the air transport. Therefore airlines can significantly contribute to deliver urgently needed assistance during emergencies caused by acts of natural disaster, famine and war.

THE AVIATION SECTOR

LOCALLY-BASED AIRLINES

- Domestic
- International passenger
- Freight Services

GROUND-BASED INFRASTRUCTURE

- All on site activities at Airports
- Air Navigation Service Provider (ANSP)
- Regulators

THE AVIATION SECTOR'S SUPPLY CHAIN

Purchases by the aviation sector of domestically produced goods & services from firms outside the aviation sector

LOCALLY-BASED AIRLINES



Aviation Fuel



Repair & Maintenance



Catering



Ticketing & Distribution



Freight Forwarding



Aircraft Financing

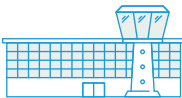


Other Finance & Business Services

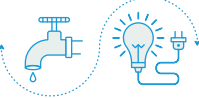
GROUND-BASED INFRASTRUCTURE



Finance



Construction & Facilities Management



Electricity & Water Supply

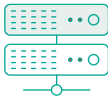
NON-AIRSIDE SUPPLY CHAIN



Food and Drink



Business & Marketing Services



Computing

Source: Economic Benefits from Air Transport in Turkey, Oxford Economics, 2011

## Mitigating Environmental Impacts

The industry is conscious of aviation's environmental impacts and its contribution to climate change. Efforts to minimize these play an important role in aircraft design and engine manufacturing. Furthermore, every aspect of current operations both in the air and on the ground is being examined to see how the industry can be made cleaner, quieter and more carbon-efficient. In 2008, aviation industry agreed to the world's first set of industry-specific climate change targets. The industry is already delivering on the first target-to continue to improve fleet fuel efficiency by 1.5% per year until 2020. From 2020, aviation will cap its net carbon emissions while continuing to grow to meet the needs of passengers and economies. By 2050, the industry has committed to reducing its net carbon footprint to 50% below what it was in 2005.

Air travel has always relied on advances in efficiency. Since the beginning of the jet age, aircraft have reduced fuel use per passenger kilometre by well over 70% and these efforts still continue.

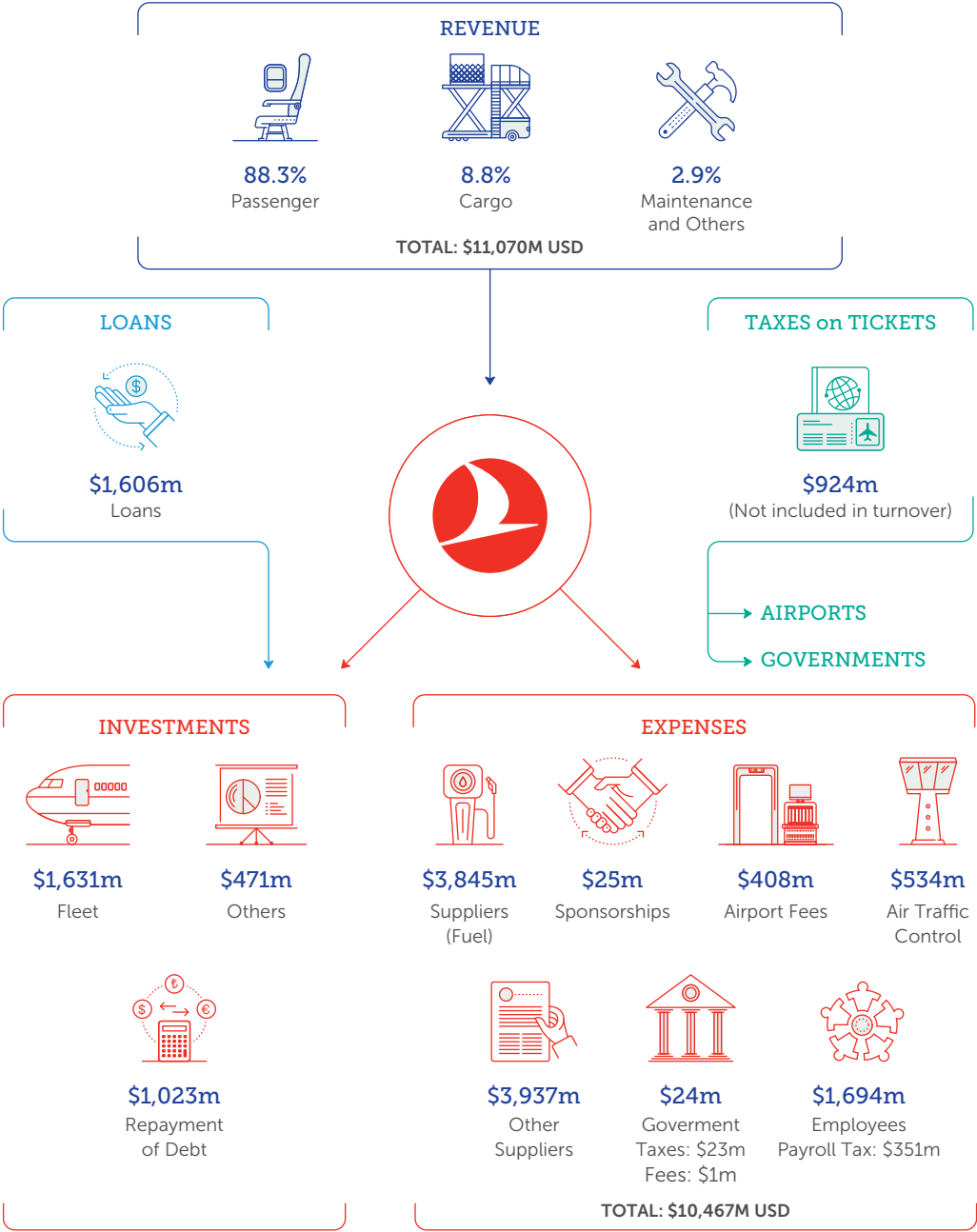
Modern jet aircraft are 75% quieter than the first models that entered into service and each new generation of aircraft maintains this downward trend. Not only do aircraft controllers work to provide operational noise mitigation measures but also airports and air traffic controllers work to provide operational noise mitigation measures and local governments work with the aviation industry to more appropriate zone areas around airports.

The industry is also making significant progress to develop sustainable alternative fuels for aviation. It is expected that carbon reduction from moving to alternative fuels could be up to 80% compared to traditional jet fuel.





# Our Economic Footprint



Turkish Airlines is the market leader in Turkey carrying 44% of total passengers. As we fly to more countries than any other airline in the world with over 261 destinations in 108 countries, we are generating new economic opportunities through our expanding network and we are a significant contributor to the Turkish economy, trade growth and tourism. Not only do our main hub Istanbul Ataturk Airport and other hubs Sabiha Gökçen and Ankara provide highly attractive business environments, but also we contribute to local economic and social development at our destinations both nationwide and worldwide.

## CONTRIBUTION TO GDP OF TURKEY

The aviation industry directly contributed TL 61 billion to Turkish GDP in 2014 through the output of airlines, airports and ground services. This figure corresponds to 3.5% of the total GDP of Turkey. When considered together with its indirect contributions through the aviation industry's supply chain and induced contributions through the spending by the employees of the aviation industry and its supply chain the total contribution is estimated to be over TL 120 billion. These figures do not take into account the addition of 'catalytic' benefits provided by tourism industry.

Turkish Airlines has generated a revenue of USD 11.1 Bn in 2014 reflecting a growth rate of 13% compared to 2013. We have made investments over USD 10 billion since 2006; being USD 2.1 billion in 2014. All of these investments have been financed through our own operations.

## CONTRIBUTION TO PUBLIC FINANCES

The aviation industry contributes substantially to the public finances through either direct tax payments or through indirect employee benefits, airport charges etc.

Turkish Airlines is a significant contributor to the Public Finances and generated, USD 948 million of other taxes and fees, USD 351 million payroll tax in 2014.

## CONTRIBUTION TO JOB CREATION

Aviation industry in Turkey is considered as a major employer and supported 187,000 direct jobs in Turkey in 2014. This number is estimated to be over 400,000 including jobs indirectly supported through the aviation industry's supply chain and jobs supported through the spending by the employees of the aviation industry and its supply chain.

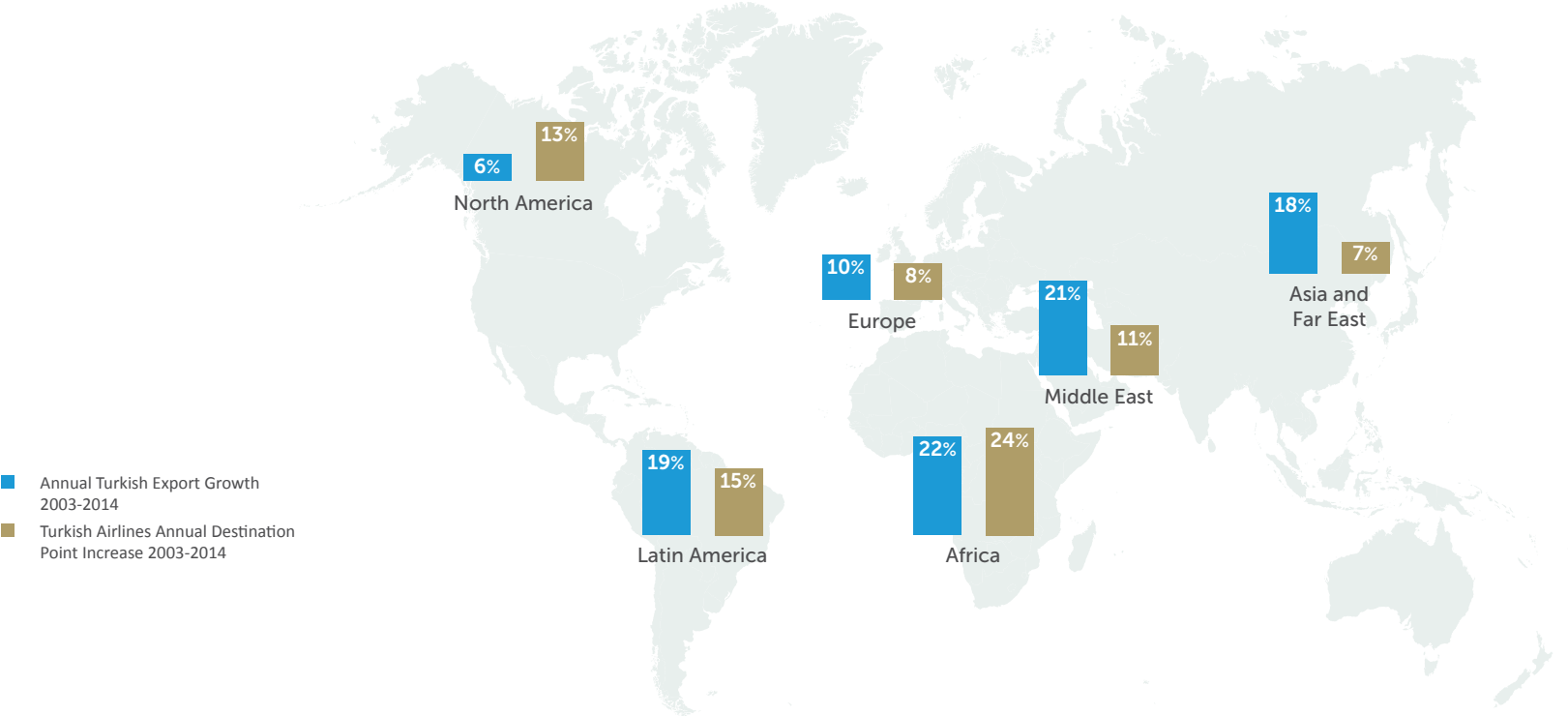
An average employee serving in air transport services generates a higher gross value added and is 175% more productive compared to an average employee in Turkey\*.

Turkish Airlines provided 25,117 direct jobs in 2014 up from 23,157 in 2013, and over 43,000 direct jobs together with its subsidiaries which represents over 24% of the direct jobs provided by the aviation industry in Turkey in 2014.

\* Oxford Economics, Economic Benefits from Air Transportation in Turkey, 2011.

CONTRIBUTION TO TURKEY'S EXPORT

Turkish Airlines contributes to Turkey's export directly as the Turkey's biggest exporter and also indirectly by opening new channels of transport and therefore increased connectivity. More than 75% of our tickets are sold outside the borders of Turkey, implying a direct inflow of funds equal to USD 8 billion to the country's current account in 2014.



Reference: Turkish Statistical Institute (TurkStat)

There is an increase in export rate in our destinations while we do not observe a similar trend in any points not covered by our flight network. Overall in Africa, the export rate increased from USD 1.3 billion in 2005 to USD 4.4 billion in 2014, representing an annual growth rate by 22%.

A similar trend can also be observed in the Middle East. After we launched 10 new destinations in 2004 in four Middle East countries, namely Iraq, Qatar, Yemen and Oman our export operations to these countries grew by 18% CAGR between 2006 and 2014.

## CONTRIBUTION TO TOURISM

Over 3 billion passengers worldwide boarded on an aircraft in 2014 for various reasons including touristic purposes.

Being a major contributor to Turkey's economy and having an increasing number of destinations, Turkish Airlines has a significant footprint on the tourism industry.

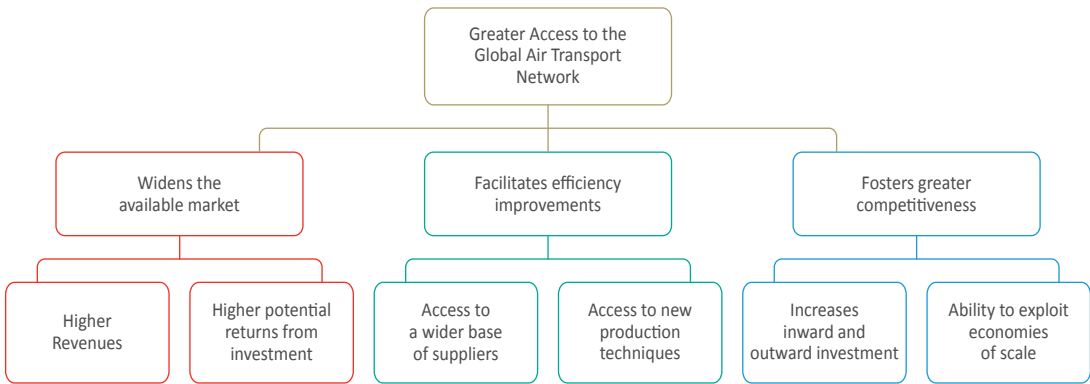
In 2014, number of tourists in Turkey reached 36.8 million and grew by 8% on average annually over the last decade, and is expected to reach 63 million by 2023. Among the 36.8 million tourists, 73% preferred air transport instead of other means of transport.

## CONNECTIVITY GAINS

Connectivity can be defined as the scope of access between an individual airport or country and the global air transport network\*. It is also an indicator of a network's concentration and its ability to transport passengers from their points of origin to their points of arrival seamlessly\*\*.

AS A MAJOR CONTRIBUTOR  
TO TURKISH ECONOMY  
WITH ITS INCREASING  
NUMBER OF DESTINATIONS,  
TURKISH AIRLINES HAS A  
SIGNIFICANT FOOTPRINT ON  
THE TOURISM INDUSTRY.

## THE WIDER ECONOMIC IMPACTS OF CONNECTIVITY



\* IATA Report, Aviation Economic benefits, 2007

\*\* ICAO (2013), Worldwide Air Transport Conference

## ECONOMY

- CONTRIBUTION OF AVIATION
- OUR ECONOMIC FOOTPRINT

\*Air connectivity brings many advantages to Turkey's economy including:

- ✈ Opening up foreign markets for Turkish exports;
- ✈ Reducing transport costs, particularly over long distances, and increasing competition as suppliers can provide service to a wider area and potentially reduce average costs, through increased economies of scale;
- ✈ Increasing the flexibility of labor supply, which should enhance allocative efficiency and bring down the natural rate of unemployment;
- ✈ Encouraging Turkish enterprises to invest and specialise in areas that play to the economy's strengths;
- ✈ Accelerating the adoption of new business practices, such as just-in-time-inventory management that relies on quick and reliable delivery of essential supplies;
- ✈ Raising productivity and therefore the economy's long-run supply capacity. It is estimated that a 10% improvement in connectivity relative to GDP would see a TL 609 million per annum increase in long-run GDP for the Turkish economy\*\*.

# ISTANBUL

## 3rd

LARGEST AIR TRAVEL CITY  
IN EUROPE

## 6th

MOST CONNECTED CITY IN  
THE WORLD

Istanbul, as a geographically strategic transfer point, is a natural hub and ensures a high level of connectivity. Istanbul, the hub from where all Turkish Airlines flights depart from, ranks as the 3<sup>rd</sup> largest air travel city in Europe. It is also the 6<sup>th</sup> most connected air travel city in the world thanks to Turkish Airlines' wide flight network. It has experienced the highest connectivity growth in the world both in 2013 and 2014 thanks to continuous growth of Turkish Airlines' flight network.

\* IATA Report, Aviation Economic benefits, 2007.

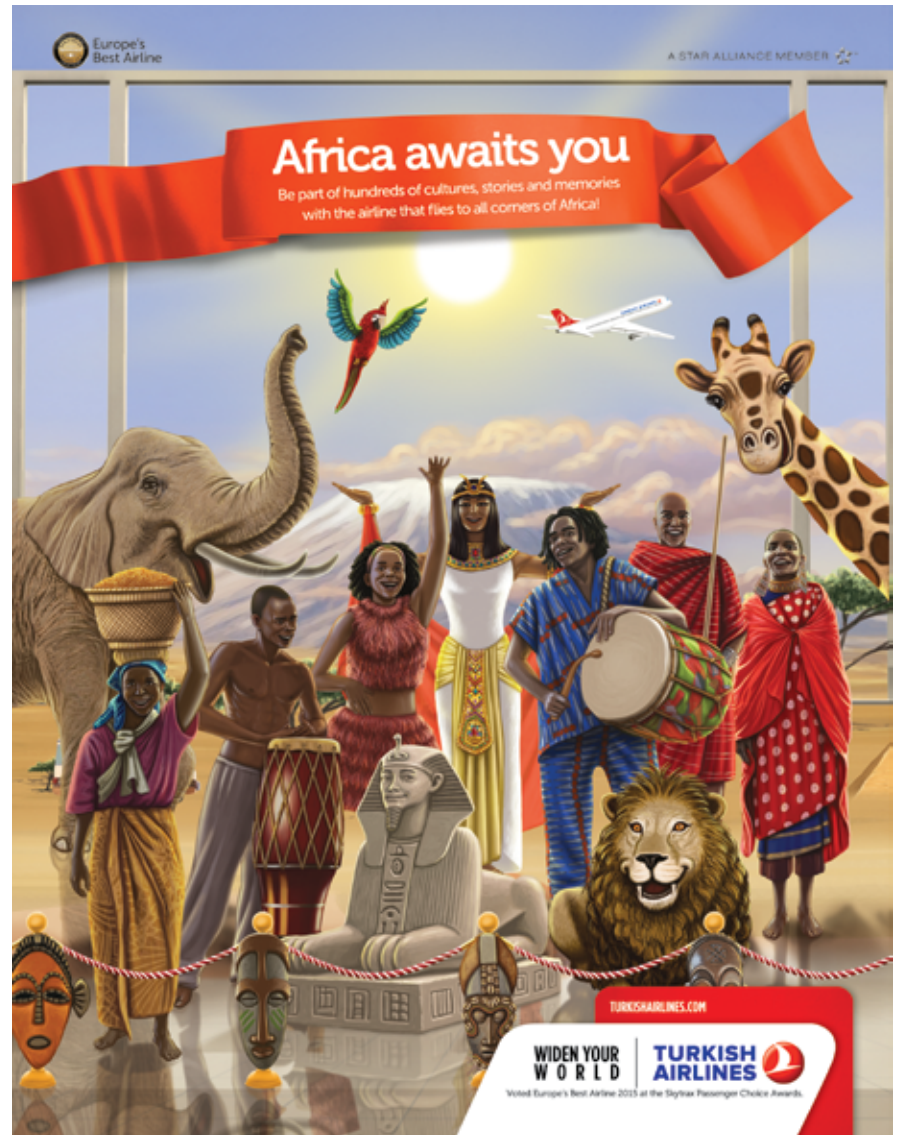
\*\* Oxford Economics, Economic Benefits from Air Transportation in Turkey, 2011.

## LOCAL DEVELOPMENT AT OUR DESTINATIONS

Turkish Airlines flies to 41 of the top 50 hub airports which constitute over 68% of the worldwide air traffic. But more importantly Turkish Airlines has the highest coverage of secondary cities not included in the top 50, offers services to many underserved markets and provides many developing and underdeveloped communities with a channel to the world.

As of 2014, 48 countries were categorized as the least developed countries in the world by the United Nations, and Turkish Airlines have performed flights to 16 of such countries. Of those 2.4 million international passengers carried in these 16 least developed countries, 0.9 million passengers were carried by Turkish Airlines, which corresponds to 41% of their total international passenger traffic. For example, 55% and 53% of all international traffic to/from Ethiopia and Nepal connected to the world via Istanbul with Turkish Airlines flights. Most notably in Yemen, 76% of the international passengers were carried to 218 international destinations in 108 countries by Turkish Airlines. Offering global connectivity, our company enabled the Yemenis to foster their economic and social relationships with the rest of the world.

While Turkish Airlines is the sole global airline that serves in underdeveloped cities such as Aden, Mogadishu and Mazar-i Sharif, Turkish Airlines offers services in other underdeveloped cities such as Bamako, Conakry, Kinshasa, Djibouti, Ndjamena, Niamey, Nkongsamba and Ouagadougou along with only one other major air carrier allowing these cities to boost their global visibility.





INNOVATIVE PRODUCTS AND SERVICES

WE’R From Turkey

Although being a precursor airline company is a term indicating sectoral and corporate rights, this title also gives the company a national mission. Having carried the Turkish flag with pride since the day it was founded, Turkish Airlines introduces the Turkish values, first and foremost hospitality, to the world.

“WE’R From Turkey” is a project positioned as a brand for mission by Turkish Airlines which, in essence, aims to promote the traditions and cultural heritage of Anatolia around the world. Creation of product groups peculiar to Anatolian traditions and consolidation of all these products under a brand name to be launched around the world are among the project steps with utmost importance. These product groups are divided into two groups, namely food and non-food cultural items. The top consideration point in creation of these groups was to make sure that the products, both organic and natural ones, are selected among the highest quality products across the Anatolia region.

With the project “WE’R From Turkey”, we as Turkish Airlines aim to reinforce our positioning as flag carrier and pioneer in introduction of our culture into the rest of the world as a global brand originated from this territory.



## Invest On Board

Pitches flyin' high with Turkish Airlines! 'Invest On Board' platform meets investors and startups in sky!

Aiming to further promote the entrepreneurial spirit of Turkey, Turkish Airlines has launched its newest high-flying business venture to great success, giving entrepreneurs the chance to reach investors in the sky. "Invest On Board" is a worldwide program that allows investors to meet startups while onboard sitting on their seats. Away from their busy offices and regular workdays, "Invest On Board" gives investors the opportunity to encounter the next big business in an easy, accessible format, and startups get a chance to grow without having to search for the perfect investor. Using the Turkish Airlines' in-flight entertainment system 'Planet', which offers films, music as well as live flight information to passengers in an interactive, digital touchscreen, investors will also be able to browse through video pitches to encounter the next big idea!

The project is online at "[InvestOnBoard.com](http://InvestOnBoard.com)" where new startups can apply to be periodically included in newer video pitch release.







We Want to Leave a  
Habitable World to Next  
Generations

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# Environment

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ENVIRONMENT

- ENVIRONMENTAL MANAGEMENT
- CLIMATE CHANGE
- FUEL EFFICIENCY
- WASTE MANAGEMENT
- NOISE

# Environmental Management

Turkish Airlines is committed to minimizing, to the greatest possible extent, the adverse impacts of its operations on the environment and taking measures to combat with climate change. Our environmental management approach goes beyond just complying with statutory and regulatory requirements. We implement international management systems and provide trainings to increase environmental awareness of our employees.

Our Environmental Policy can be accessed on our webpage:



Turkish Airlines has been certified to **TSE ISO EN 14001** for all its operations in Turkey. We are equipped with environmental management system (EMS) ensuring that we have appropriate procedures and documentation in place to manage environmental impacts and the risks associated with them. Our Environmental Management Policy which is reviewed regularly, has been extended recently to include further commitments as part of our responsible business approach and has been shared with our stakeholders on our website. We monitor and track our environmental footprint regularly. Environmental Impact Assessments (EIA) are regularly carried out and reported bi-annually. Senior Vice Presidency, Quality Assurance directly reporting to the CEO is responsible for managing the environmental issues. Management review meetings are held twice a year, upon attendance of the CEO and our Senior Executives.

Within the EMS, various activities are carried out in order to reduce the environmental impacts that may arise as a result of our operations.

- ✈ As part of our climate change mitigation strategy, we strive to maintain continuous fuel efficiency which ultimately decreases our carbon footprint.
- ✈ Furthermore, we invest in research and development projects on sustainable biofuels.
- ✈ Waste management projects are conducted in offices, and in-flight activities and projects promoting effective and efficient use of natural resources such as water, electricity, natural gas and paper are implemented.
- ✈ We have ordered new generation aircraft to be delivered by 2021 which will enable us to reduce our noise emissions even further.



## **ENVIRONMENTAL POLICY**

### **Abiding by the Rules**

Acts in conformity with the international aviation regulations along with national, legal and other requirements which is obliged to abide on environmental issues. Aims to extend beyond compliance with laws by environmental projects it supports.

### **Managing the Environmental Aspects**

Identifies the environmental aspects resulting from all its activities, products and services, and develops action plans to decrease environmental impacts thereof. Implements improvement-oriented management system and methods to keep the environmental aspects under control, and takes precautions to encounter climate change.

### **Considering People and the Environment while Growing**

Uses the technology and methods as much as possible that have the least adverse effects on the environment while planning new investments, expanding the fleet, and raising the technological infrastructure level regarding its field of activity.

### **Minimizing Adverse Environmental Impacts**

Gives top priority to protection of environment while carrying out all its activities, products and services.

Supports initiatives regarding fuel efficiency, and decreases the air emission as well as the carbon emission. Takes measures to decrease the noise pollution. Takes preventive measures against waste production. Ensures to minimize wastes by giving priority to the use of recyclable materials and supporting the recovery of recyclable materials within the scope of waste management.

### **Bequeathing an Habitable World for Future Generations**

Uses natural resources effectively and efficiently by not just considering today, but also by considering next generations, who are the collective assurance of the Company, with its stakeholders. Being aware of its responsibility for sustainable use of natural resources, it takes measures to decrease water consumption and water emission, and protects the biodiversity.

### **Developing along with Stakeholders**

Works to increase the environmental awareness of its own employees, business partners and stakeholders in the first place, and encourages their participations.

Supports the sustainable products and services throughout the supply chain.

### **Improving Consistently**

Measures, monitors development, reviews and continuously improves its environmental performance on a regular basis as per its environmental objectives. Ensures participation of stakeholders and all levels of the organization for the improvement of environmental performance. Shares the information on environmental performance with its stakeholders. Reviews and updates its Environmental Policy periodically.



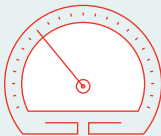
ENVIRONMENT

- ENVIRONMENTAL MANAGEMENT
- CLIMATE CHANGE
- FUEL EFFICIENCY
- WASTE MANAGEMENT
- NOISE

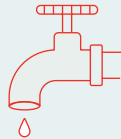
MINIMIZING OUR ENVIRONMENTAL FOOTPRINT



Electricity  
Consumption  
**1.62% reduction**  
(2012-2014)  
(kWh/employee)



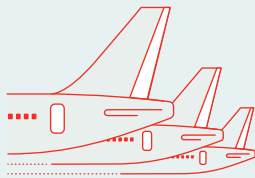
Natural Gas  
Consumption  
**0.51% reduction**  
(2012-2014)  
(m<sup>3</sup>/employee)



Water  
Consumption  
**19.4% reduction**  
(2012-2014)  
(m<sup>3</sup>/employee)



New Generation  
**15% fuel efficient**  
aircraft by 2021  
**92 Airbus**  
**75 Boeing**



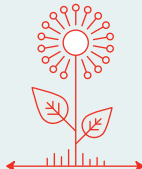
One of the **youngest fleet**  
of the world with  
an average age of **7.2**



**27,592 tons**  
of fuel saving



We fly **20% more**  
efficiently compared to  
**7 years ago**



Research & Development  
Investments  
in Sustainable **Biofuels**



**86,916 tons**  
less CO<sub>2</sub>

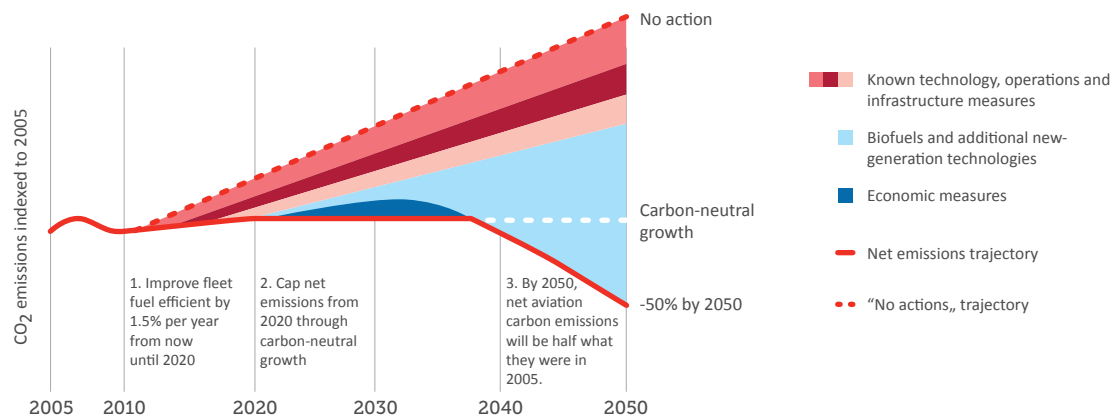
# Climate Change

Turkish Airlines recognizes the need to address climate change, which is one of the most challenging global problems. The major concern for the aviation industry is the greenhouse gas emissions and their implication for climate change.

According to the United Nations Intergovernmental Panel on Climate Change (IPCC), aviation produces around 2% of the world's man-made emissions of carbon dioxide (CO<sub>2</sub>). Turkish Airlines is committed to mitigating the carbon emissions associated with its operations.

## INDUSTRY COMMITMENT AND TARGETS

Air transport was the first industry to take global action on CO<sub>2</sub> emissions and set comprehensive targets.



Short term and long term targets are:

- ✈ From 2009 until 2020: average 1.5% efficiency improvement per year
- ✈ From 2020: Capping emissions growth from aviation
- ✈ By 2050: halving net emissions based on 2005 levels

In the light of our responsible business approach, Turkish Airlines makes its best efforts to contribute to industry's targets and has put in place a comprehensive fuel efficiency program to contribute to the collective effort of the aviation against climate change.

ENVIRONMENT

- ENVIRONMENTAL MANAGEMENT
- CLIMATE CHANGE
- FUEL EFFICIENCY
- WASTE MANAGEMENT
- NOISE

# Fuel Efficiency

It is Turkish Airlines’ responsibility to act and promote sustainability as a commitment to the environment. To do this, Turkish Airlines has undertaken wide range of initiatives to reduce carbon footprint under the umbrella of below topics:

LESS FUEL LESS EMISSIONS!

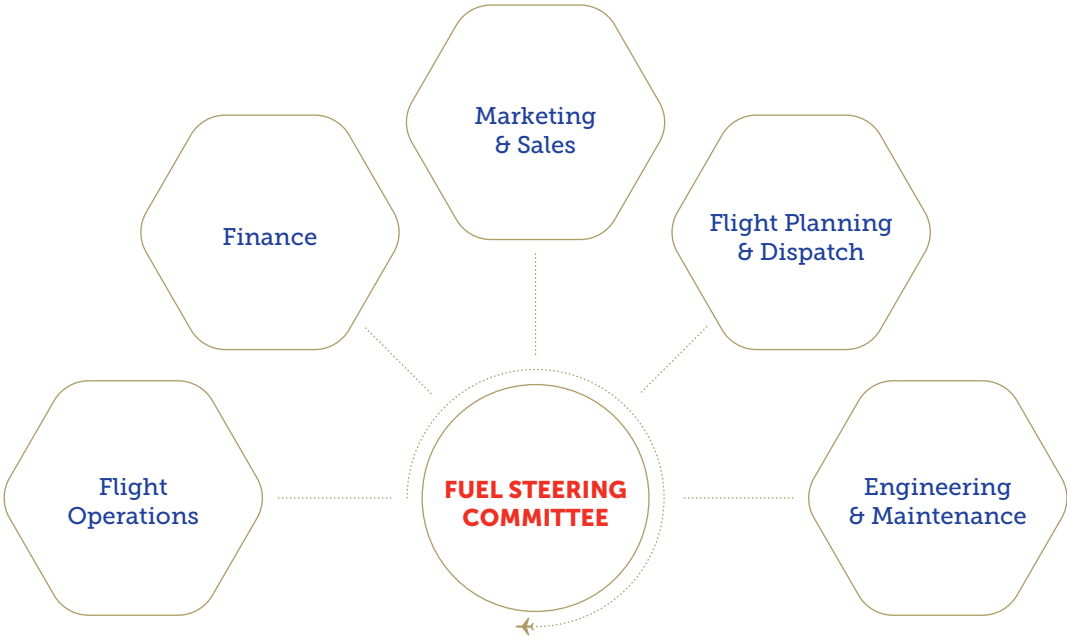


EACH KILOGRAM OF FUEL  
SAVED REDUCES CARBON  
DIOXIDE (CO<sub>2</sub>) EMISSIONS BY  
3.16 KG

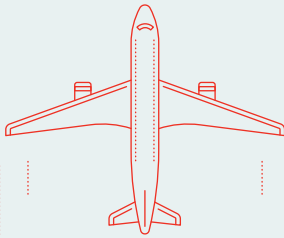
Turkish Airlines started a collaborative study with IATA Green Team which involves measuring and monitoring of fuel efficiency.

Having established a Fuel Steering Committee acting in a matrix organization of key departments who meet regularly and review action plans, Fuel Efficiency Program has become an integral part of Turkish Airlines company culture.

Establishing a corporate fuel saving culture and awareness is the fundamental basis of Turkish Airlines’ achievements up to now and future success.



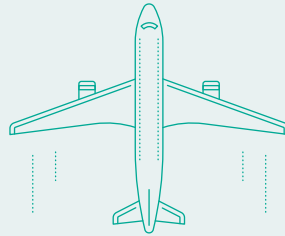
## Turkish Airlines Fuel Policy is based on three pillars:



### WE OPTIMIZE OUR OPERATIONS

#### FUEL SAVING PRACTICES

- » Piloting (Single Engine Taxi, reduced-flap takedoff/landing, climb/level flight/descent procedures, NADP, Cost Index, descent speed, short-cut, idle reverse)
- » Dispatch/Flight Planning (effective flight planning system, optimum route, tankering)
- » Aircraft Maintenance (modifications, winglet/sharklet, engine wash, CDL)
- » Ground Operations (APU, catering, portable water, fuel servicing, CG)



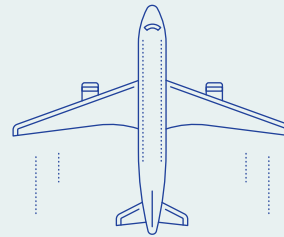
### WE INVEST IN NEW TECHNOLOGY

**FLEET MODERNIZATION (ONE OF THE YOUNGEST FLEET OF THE WORLD WITH AN AVERAGE AGE OF 7.2)**

**BIOFUELS (ALTERNATIVE FUELS) RESEARCH STUDIES**

**MODERN 4-D FLIGHT PLANNING SYSTEMS**

**FUEL MANAGEMENT & MONITORING SOFTWARE**



### WE IMPROVE OUR INFRASTRUCTURE

**ATC OPERATIONS (SEPARATION, USE OF AIRSPACE MORE EFFECTIVELY)**

- » SESAR Project
- » Military airspace
- » Route Optimization

#### AERODROME INFRASTRUCTURE

- » New parking areas / taxiways
- » Assessment of service providers' equipment

ENVIRONMENT

- ENVIRONMENTAL MANAGEMENT
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- FUEL EFFICIENCY
- WASTE MANAGEMENT
- NOISE

100  
PROJECTS TO REDUCE  
CARBON EMISSIONS

TOTAL NUMBER OF  
AIRCRAFT:  
261

AVERAGE FLEET AGE:  
7.2

MORE FUEL-EFFICIENT  
NEW GENERATION 75  
BOEING AND 92 AIRBUS  
HAVE BEEN ORDERED

Optimising Our Operations

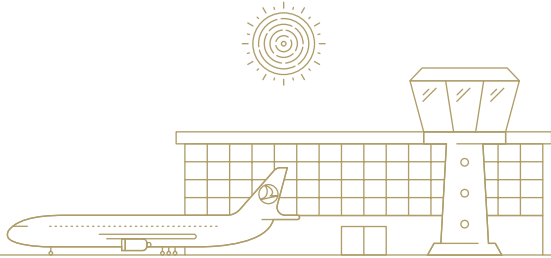
Since 2008, more than 100 operational optimization projects have been introduced and implemented in order to reduce carbon footprint. Some of these operational optimization projects include: Pilot technique, optimizing the use of APU (auxiliary power unit) while the aircraft is on the ground, introducing a new optimized flight planning system, optimization of the routes and aircraft speed, aircraft weight reduction practices (fly away kits, magazines, containers, potable water, catering equipment) and aircraft modifications such as winglet and sharklet and engine wash.

Investing In New Technology

Fleet Modernization

Thanks to the technological developments which enable to ensure fuel efficiency and offer ultimate passenger comfort, Turkish Airlines aims to minimize fuel consumption and invests in the most advanced and environmentally friendly aircraft.

197 NARROW BODY		55 WIDE BODY		9 CARGO	
B737-900 ER	10	A330-200	16	A310-300F	3
B737-800	88	A330-300	18	A330-200F	6
B737-700	9	A340-300	5		
A320-200	33	B777-300 ER	16		
A321-200	43				
A319-100	14				



By the end of 2014, the number of aircraft in the Turkish Airlines’ fleet increased to 261, with an average fleet age of 7.2 years. Aiming to acquire the youngest and most modern fleet in Europe, Turkish Airlines ordered 75 Boeing (B737 9-MAX and 737 8-MAX) and 92 Airbus (A 321 NEO) new generation aircraft that are 15% more fuel efficient in 2013 and these aircraft will have been delivered by 2021. Adding these aircraft to our fleet will enable us to meet not only our targets on carbon emission reduction but also on noise and air quality.

## Improving Our Infrastructure

Turkish Airlines attempts to improve the air traffic management system working closely with both domestic and international air navigation service providers. Turkish Airlines has a team dedicating themselves to permanently performing researches on the optimum flight routes, and has created an interdivisional committee working on the SESAR (Single EUROPEAN SKY ATM Research) project. Other infrastructure projects to improve operational efficiency include airport enhancements such as new parking areas and better use of airspace with improved approaching procedure.

**TURKISH AIRLINES WILL  
CONTINUE ITS EFFORTS  
AND INVESTMENTS FOR A  
SUSTAINABLE FUTURE**





TURKISH AIRLINES  
FUEL EFFICIENCY PROGRAM

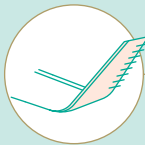
17-21 thousand  
TONS OF FUEL SAVING WILL BE ACHIEVED  
ANNUALLY WITH THE INSTALLATION OF SHARKLETS



CABIN I-PAD  
USE INSTEAD OF PAPER



SKYLIFE MAGAZINE  
WITH LESS PAPER



INSTALLATION OF SHARKLETS  
INCREASES FUEL EFFICIENCY  
2-3% AND SAVES CO<sub>2</sub>



3,000 LIGHT NETS  
AND 2,000 LIGHT PALLETS  
INCREASE FUEL EFFICIENCY  
AND SAVE CO<sub>2</sub>

OUR FLEET CHARACTERISTIC

- |                 |                            |
|-----------------|----------------------------|
| • YOUNG         | • FLEXIBLE                 |
| • COMFORTABLE   | • FAMILY FRIENDLY          |
| • TECHNOLOGICAL | • ENVIRONMENTALLY FRIENDLY |
| • EFFICIENT     | • COMPETITIVE              |
| • DYNAMIC       | • RELIABLE                 |



STEEL BREAKS REPLACED WITH  
**CARBON BREAKS**  
IN 20 AIRCRAFT



INVESTING IN RESEARCH AND  
DEVELOPMENT IN SUSTAINABLE  
**BIOFUELS**



2,614 BAGGAGE  
CONTAINERS ARE BEING REPLACED WITH  
**COMPOSITE CONTAINERS**

#### IMPROVED FUEL MANAGEMENT SYSTEM

Our new Fuel Management System, the procurement process of which has substantially been completed, will have been introduced by the end of the last quarter of 2015. This new system will enable to calculate the cost of ATC operations in particular (airborne instructions, deviations from the flight plan, etc.) and discuss possible solutions together with this cost items measured. It will also enable us to closely monitor significant factors that affect fuel consumption including any deviations from the flight plan and in actual flight route, changes of altitude and speed, etc. and respond in a very short time in potential areas.

#### CONTAINER, PALLET AND NET

We have started to replace 2,614 baggage containers with their composite equivalents along with 2,500 light pallets and 3,000 light nets which will enable us to save 3,000-3,500 tons of fuel per year.

#### CARBON BREAK

We have started to replace steel breaks with carbon breaks of 20 aircraft in our B737 family expecting an annual fuel saving of 380 tons.

#### SUSTAINABLE BIOFUELS

Turkish Airlines invests in research and development to perform researches in alternative fuels which would have a big impact in reducing carbon emissions. Turkish Airlines has executed a non-binding "Letter of Intent" with Solena Fuels Corporation, situated in Washington DC, USA in 2013 with a view to explore any potential partnership opportunities on installing a waste-to-biofuel production facility in Istanbul, Turkey.

#### INSTALLATION OF SHARKLETS

Installation of sharklets on the aircraft increases fuel efficiency by 2-3%.

As of 2014, 9 aircraft in our A320 fleet had sharklets. Upon completion of installment of sharklets on the entire A320 family, we will have achieved approximately 17-21 thousand tons savings in our annual fuel consumption based on the flight hour figures for 2015.

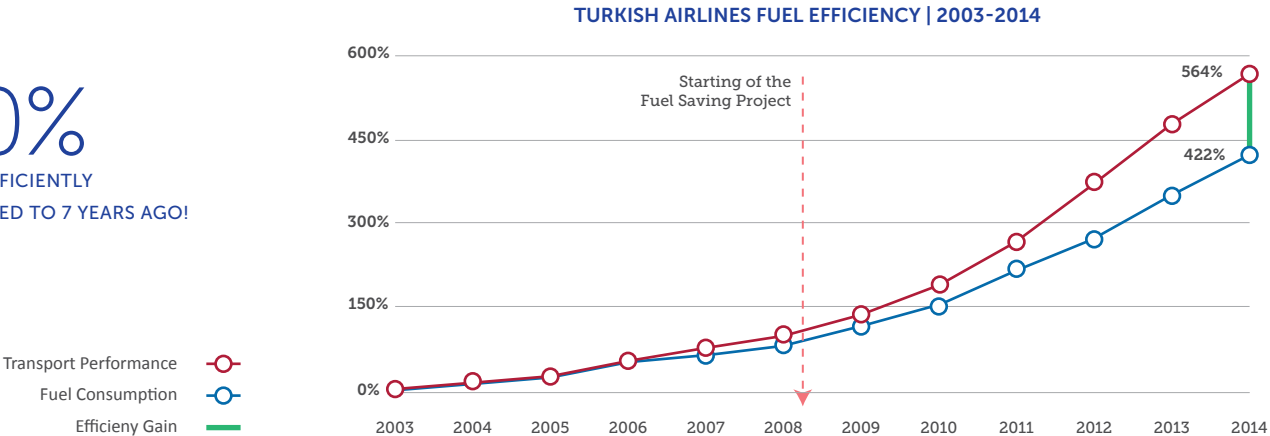
ENVIRONMENT

- ENVIRONMENTAL MANAGEMENT
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FUEL EFFICIENCY PERFORMANCE (2003-2014)

The chart below illustrates the transport performance and the corresponding fuel consumption of Turkish Airlines between 2003-2014. If 2003 is set as a “reference/baseline”, it is seen that the transport performance and the corresponding fuel consumption has increased by 564% and 422%, respectively. The gap between the above lines on the graph gives a good indication of Turkish Airlines efficiency performance over the years. We can simply call it “efficiency gap” and it can easily be concluded that the gap between transport performance and the corresponding fuel consumption has gradually increased each year, making a significant contribution to operational efficiency, and therefore, impact on the environment. (the fuel efficiency project was launched following the first quarter of 2008).

WE FLY  
20%  
MORE EFFICIENTLY  
COMPARED TO 7 YEARS AGO!



86,916  
TONS OF CO<sub>2</sub> SAVED

2014 Measurable Fuel Saving:

Thanks to various fuel savings projects implemented; 27,592 tons of fuel have been saved which corresponds to a reduction of 86,916 tons of CO<sub>2</sub> by the end of 2014.

Our Future Target (KPI)

Turkish Airlines has set a target to reduce fuel consumption-liter/available ton-km by 5% by 2020 and 10% by 2025.

EU ETS

EU has agreed, for the period to 2016, that the scope of the EU ETS (European Emissions Trading System) will be limited to the flights that take-off from and land in the European Economic Area.

We calculate, report and get verification for the direct emissions that are covered by the (EU-ETS) as per its requirements, and follow up the developments very closely.

# Waste Management

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As stated in Turkish Airlines Environmental Policy, we aim to minimize the generation of waste and promote recycling and recovery initiatives where possible. Waste management practice involves ensuring identification of types and sources of the wastes generated within the organization, collection and separation of the wastes at their own sources, temporary storage, recycling and disposal of the wastes in accordance with the regulations of the Ministry of Environment and Urbanization.

Waste Management Supervisor's Office reporting to the Office of Chief Human Resources Officer coordinates the process for waste management. Waste management procedures are in place for each different waste category defined by the applicable national laws.

## **Actions in 2014:**

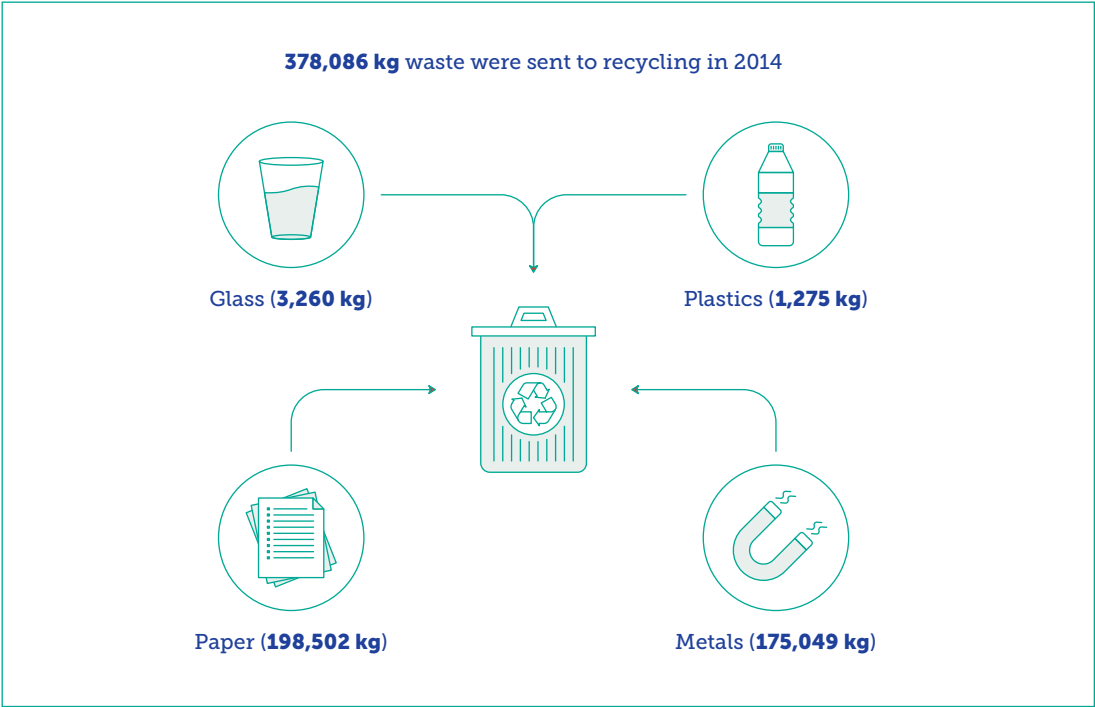
- ✈ As part of the waste management system, we continued to conduct awareness raising trainings for our employees in 2014.
- ✈ Turkish Airlines allocated waste storages at all locations needed. To that end, General Management Building Waste Storage has been established and sortation of such wastes has been ensured based on the type of the wastes.
- ✈ Furthermore, agreements with waste disposal firms which are licensed by the Ministry of Environment and Urbanization were executed to ensure that the most appropriate waste disposal method is implemented for each waste category.
- ✈ Industrial waste management plans were developed in accordance with the recent regulations in the field of environment and urbanization.

ENVIRONMENT

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- FUEL EFFICIENCY
- FLEET MODERNIZATION
- WASTE MANAGEMENT
- NOISE

REPORTING OF WASTES

Reporting of any hazardous waste is performed online in accordance with the regulations of the Ministry of Environment and Urbanization. Amounts of wastes delivered to the licensed firms are given in the waste table under the performance tables section of the report.



# Noise

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As stated in our Environmental Policy, we are committed to reduce the noise emissions. Acquiring one of the youngest fleet of the world with an average age of 7.2 years already makes substantial contributions in our reduction targets. Furthermore, we have already ordered new generation aircraft to be delivered by 2021 which will enable us to reduce our noise emissions even further.

Airworthiness Tracking Supervisor's Office executes application processes to obtain Noise Certificate for each aircraft in accordance with the applicable national and international aviation requirements. It can be seen that the noise level limitations are complied with during landing and take-off at airports with this certificate providing the allowed noise level data for aircraft.







Our business approach is  
based on creating long-term value and satisfaction for all our stakeholders; including customers, employees and the society we live in

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# Social

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## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Flight Safety and Security

## SAFETY IS THE ABSOLUTE PRIORITY AND FOUNDATION IN OUR OPERATIONS

Our Safety Policy can be accessed on our website:



## APPROACH

At Turkish Airlines, safety is the absolute priority and foundation in our operations.

We, as Turkish Airlines, are determined to operate in accordance with the highest operational standards. In order to serve these purposes and principals, resources are allocated to establish, maintain and improve state-of-the-art systems, one of which being the **Safety Management System (SMS)**. Turkish Airlines' CEO has been the designated accountable executive for the current SMS, which has been in place since 2006. He leads in the commitment for safety by setting the policy and scene for the Turkish Airlines' team.

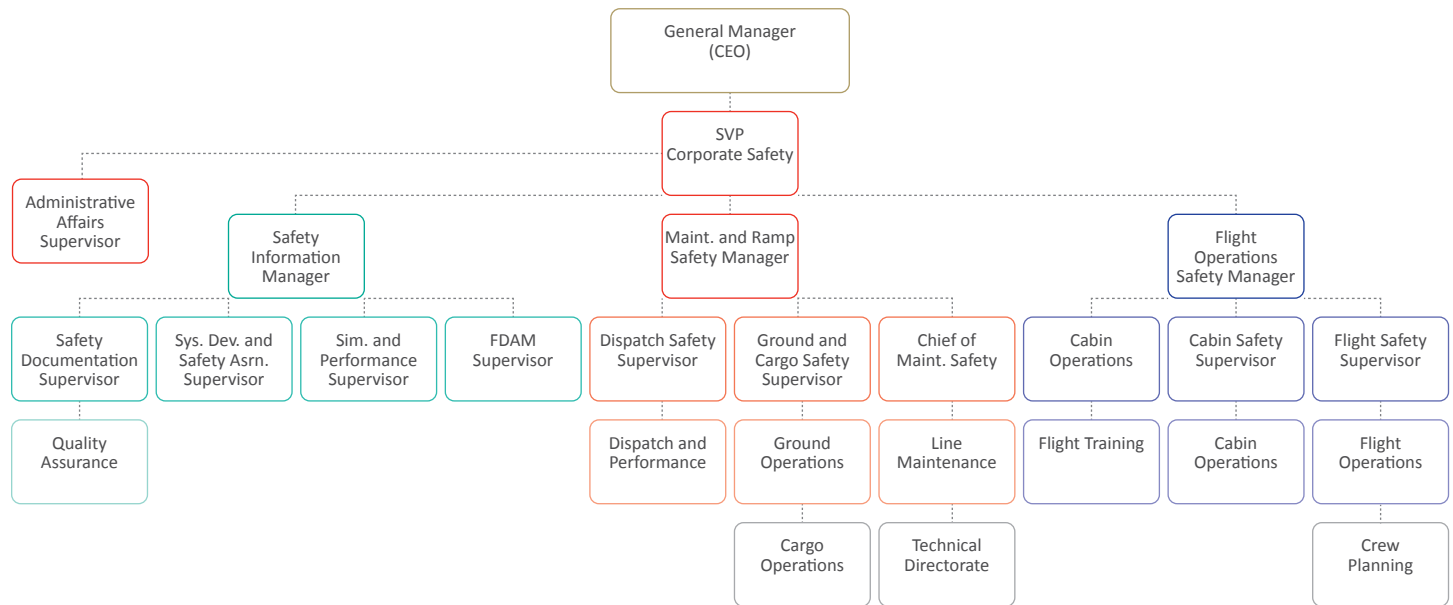
## POLICY

As stated in our Safety Policy, Turkish Airlines implements continuous improvements to develop and improve operational conditions to go beyond the global standards of the authorities and manufacturers that define the baseline. In order to achieve this goal, management systems are implemented in an integrated manner. One of the management systems in place as part of the Integrated Management System (IMS) of Turkish Airlines is the **SMS** to specifically deal with the operational hazards and manage risks. Being ranked as the best airline in Europe with respect to its operational quality and customer experience for 4 times in a row, Turkish Airlines is determined to be recognized with its excellence in safety.

## SMS ORGANIZATION AND MANAGEMENT

Principally, Turkish Airlines' SMS is maintained beyond the level that suffices for compliance with the global standards. Safety system has been structured to encompass the entire organization as well as the interactions with the operational environment; operations-specific safety programs are implemented to identify hazards and manage risks in a proactive and predictive manner to assure sustainability. The day-to-day administration of SMS is ensured by the SVP, Corporate Safety. Flight Operations Safety, Ground and Maintenance Safety and Safety Information Management are the three departments within the SVP, Corporate Safety that are responsible for managing the Flight Safety, Cabin Safety, Training Safety, Ground Safety, Maintenance Safety, Cargo Safety, Dispatch Safety, Safety Assurance, Fatigue Risk Management and Flight Data Monitoring Programs.

Each program exploits various methods to acquire data to reflect the safety level in operations, to identify new hazards and improvement opportunities and transform into knowledge through thorough analyses. Being **SMART** (Specific, Measurable, Achievable, Realistic, Timely) is another principle of the system in setting goals and management. The goals, objectives and performance of the system are reviewed bi-monthly by the Safety Board chaired by the CEO. In these review meetings, Safety Performance Indicators (SPI) and the action plans are closely examined.



## SMS STANDARDS AND REGULATIONS

Turkish Airlines' SMS, being more sophisticated than the standard requirements, is in strict compliance with the highest level of standards and regulations in the industry.

Turkish Airlines has been registered under IOSA (IATA Operational Safety Audit) since 2006, when IOSA program was first introduced. Establishing the most detailed operational safety standard in aviation, IOSA provides a measure for and a proof of health and safety of an airline operator. In addition to the IOSA audit, Turkish Airlines is in active contact with numerous Civil Aviation Authorities due to its vast operation network, and time to time may be subject to audits by such authorities as well as by Turkish Directorate General of Civil Aviation (DGCA). These audits are appreciated as a reassessment opportunity and feedback mechanism for Turkish Airlines' safer operation. Active and continuous participation in Workgroups of International Civil Aviation Organization (ICAO), EASA, Turkish DGCA and Star Alliance is encouraged by the CEO.

**SAFETY CULTURE**

Turkish Airlines fosters a Safety Culture with the following attributes: Flat, Reporting, Learning, Informed, Adaptive, Committed and Just.

Corporate Safety has adopted a Flat Office and Flat Cockpit Policy to enhance safety culture, which is one of the principal components of the corporate values.

Empirically being the safest mode of transportation, aviation has globally well-defined high operational standards. Nevertheless, the reports provided by the stakeholders, especially the frontline personnel, very much help to improve the system and operational conditions. Thus, safety declaration and policy states a non-punitive approach and provides immunity for reporting. The number of reports and the trend are one of the items reviewed by the safety board since reporting is appreciated as the hallmark of a functioning and effective SMS.



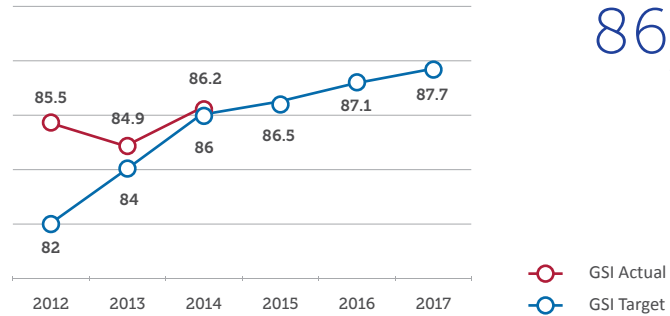
**TRAININGS**

In addition to their personal risk perceiving attitudes, thanks to the SMS trainings and safety communications all through the company, everyone under the wings or in the cockpit of Turkish Airlines is very well aware of their responsibility for safety. To ensure that skills are maintained at highest level, training programs are adaptively improved. In addition to online trainings for the entire organization, classroom trainings are provided to cockpit personnel. Flight Data Analysis, Hazard Identification and Risk Management, Safety Management System trainings are also provided through the Aviation Academy of Turkish Airlines. Moreover, Turkish Airlines will be involved in an ERASMUS+ Project concerning “European Education for Aviation Safety” as a responsible industry partner.

## SAFETY PERFORMANCE

Thanks to safety performance indicators, safety, despite its abstract nature, has become measurable as a tangible asset, which is one of the fundamental attributes of the service presented.

A very large set of SPIs are improved continuously and Generalized Safety Index (GSI), derived from the SPIs, is monitored as one of the core business indicators. The results are disseminated within the company to enable data driven improvement process and enhance safety culture. The target value of GSI for 2014 was 86, which has been surpassed to reach 86.2 with a better performance; a score that is very close to the target set at 86.5 for 2015.



## SAFETY PROCESSES AND REPORTS IN PLACE

Turkish Airlines continuously assesses the philosophy and proficiency of its paradigm, monitors efficiency of its safety policy and safety objectives as well as its compliance with the policy.

A centralized, non-punitive and well-functioning safety reporting system is in place. The evolution in reporting system can be seen through the figure depicting the number of reports per month.

In addition to the reporting system, other open channels such as “**Direct Message to CEO**”, “**flightsafety@thy.com**” and open invitation for a coffee at Safety Office are also provided to promote communications.

Hazard identification and risk management process is standardized and the regular trainings are provided to all operational managers. With the coordination of the responsible safety managers, operational safety representatives and operational managers meet monthly to assess the safety level. Safety Action Group that also meets monthly is the higher safety organization of the process owners. Most of the agenda of these meetings is comprised of the inputs provided through data collection systems and activities of the Corporate Safety such as Flight Data Analysis System (FDAS), Safety Reporting System, and Operational Observations.



SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

SMS AUDITS AND ACTIVITIES

In 2014, Turkish Airlines successfully completed its most recent biannual internal Safety Audit with respect to enhanced IOSA standards and its SMS successfully underwent a detailed audit by Turkish DGCA.

Moreover, in the same year Turkish Airlines successfully completed the DGCA's Operational Audit and Internal Compliance Audit with respect to IOSA standards. In May 2015, Turkish Airlines will be having its biennial IOSA audit with respect to the enhanced standards before it becomes mandatory.

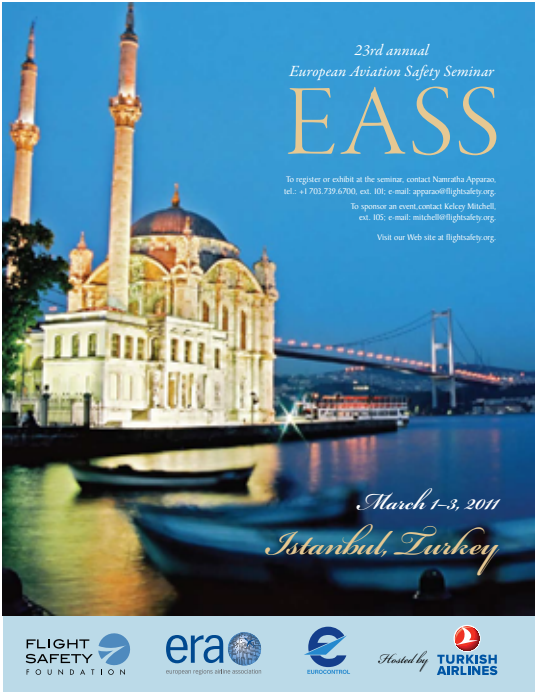
Turkish Airlines conducts operational observations in addition to the audits and inspections. Line Operations Safety Audit (LOSA) being the source of inspiration, all operational areas are planned to be within scope of a two-year plan. LOSA observations have been implemented since 2010 to assess operations from a safety perspective and collect data about errors and potential threats, which are otherwise difficult to identify. Every sub-fleet within Turkish Airlines' fleet is observed biyearly. The findings are used in enhancing airline SOPs, trainings and safety communications. The information is collected and reported, in line with ICAO 9803 guidelines, in a non-identifying fashion to encourage participation. Safety assurance and promotion activities go hand in hand with the support and participation of upper management.

In addition to the above mentioned activities and processes, 17th Incident Review Meeting of IATA and European Safety Conference of Flight Safety Foundation were organized in Istanbul with the hospitality of Turkish Airlines.

The Safety Assessment of Foreign Aircraft Program (SAFA Program)

Safety Assessment of Foreign Aircraft (SAFA) is a program run by European Aviation Safety Agency (EASA). The purpose of SAFA audit is to check the cockpit, cabin and documents inside the aircraft, and all exterior surfaces and cargo compartments outside the aircraft before and after the flight; and to determine and solve any matters, which may affect the flight safety adversely. Audits carried out among SAFA members' result in a SAFA rating.

50% IMPROVEMENT  
0.287 SAFA RATING



Our Company achieved an improvement by almost 50% compared to the year 2012 which is above the European average and closed the year 2014 at 0.287.

### **Safety Assessment Of National Aircraft Program (SANA Program)**

These are the audits conducted by the DGCA based on the control criteria of EASA SAFA audits for the airlines operating in Turkey.

### **Safety Assessment of Company (Community) Aircraft (SACA Program)**

SACA inspections are internal inspections conducted as of 2011 under the leadership of the SVP, Quality Assurance of Turkish Airlines. The purpose of SACA inspections is to minimize SAFA and SANA findings and to ensure that repetitive findings are eliminated through corrective and preventive actions. SACA inspections make a great contribution to the successful improvement we have achieved in SAFA rate.

Turkish Airlines pays great attention to safety and security and makes investments accordingly. Our numbers clearly speak for our success.

## **INVESTMENTS AND FUTURE PLANS**

Every flight record is aimed to be analyzed by the FDAS to assure that the management has been in compliance with Standard Operating Procedures and aircraft's airworthiness is not affected. The same flight data are also analyzed to monitor fuel efficiency and carbon footprint. In order to reach 100% almost real-time data coverage, Turkish Airlines invested in excess of USD 10,000,000 in Teledyne's End-to-End wireless solution including retrofits. Our modern, young aircraft fleet is planned to be communicating wireless by the end of 2016.

# Enhancing A Secure Travel Experience

## APPROACH

Turkish Airlines Security Department ensures security during the course of all its activities. These activities include sustainability of passenger transportation, cargo transportation, and security training according to national and international security regulations and standards while preventing acts of unlawful interference.

As a proactive measure, Turkish Airlines Security Department conducts risk assessment of the destinations before the commencement of the operations and informs the related departments and personnel about the security vulnerabilities in order for them to take necessary precautions.

## POLICY

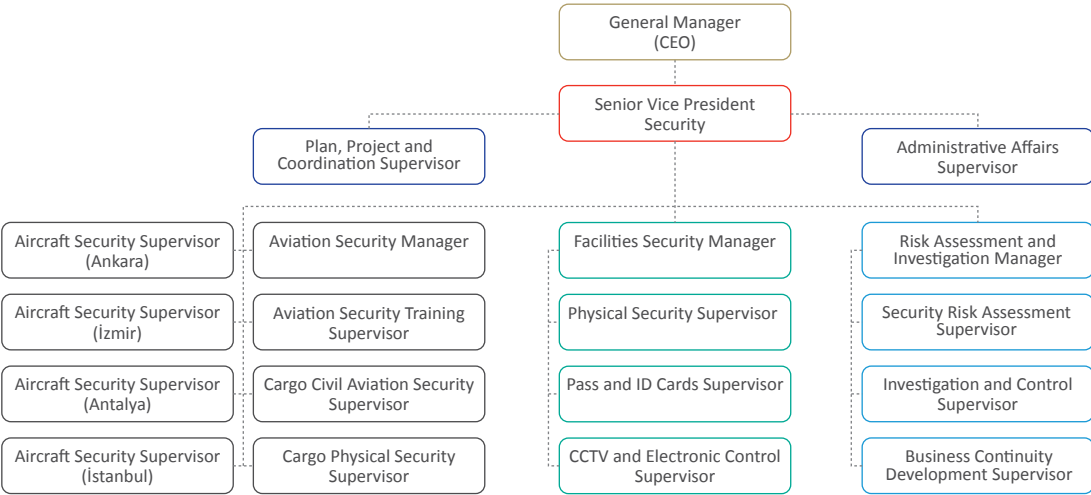
Our Security Policy can be accessed on our website:



Turkish Airlines Security Policy ensures the operational security, management of security related activities, determination of the security responsibilities, identification of the security vulnerabilities/risks, providing the highest level of communication, promoting a corporate security culture and providing necessary resources for ensuring security in company.

## SeMS ORGANIZATION AND MANAGEMENT

Turkish Airlines Security Management System (SeMS) is managed by the SVP, Security which reports directly to the CEO. Aviation Security Management is responsible for the protection of the passengers, the aircraft and the cargo on the ground and in the air; while Risk Assessment and Investigation Management ensures the sustainability of the security operations. Additionally, Facilities Security Management protects the buildings, vehicles, employees from any threats that might arise against company facilities globally.



## SECURITY POLICY

### **To Ensure Operational Security**

Turkish Airlines develops and implements processes to prevent acts of unlawful interference that may occur on the ground or during flights and establishes security objectives and security performance standards. While implementing these processes, Turkish Airlines provides a periodic policy review to ensure continuing relevance to organizational needs and to the requirements of security performance standards.

### **Management of Security-Related Activities**

Turkish Airlines ensures a clear statement of the organization's security objectives and the measures taken in order to conform to security regulations. It executes its corporate security management system to provide security to all its activities with constant improvement.

### **To Determine Security Responsibilities**

Turkish Airlines determines the responsibilities of its employees regarding security-related issues and ensures a commitment to security from senior management as a fundamental priority throughout the organization.

### **To Identify Security Vulnerabilities and Risks**

Turkish Airlines provides assistance to all its employees to identify and prevent vulnerabilities and risks that may occur as a result of the interaction between people, machines, the environment and duties.

### **To Provide Highest Level of Communication**

Turkish Airlines promotes a just culture where the flow of information and communication is carried out objectively between senior management and the employees in order to support all activities.

### **To Establish and Promote a Corporate Security Culture**

Turkish Airlines ensures that all necessary arrangements are made to establish and improve a "Corporate Security Culture". It promotes activities to increase security awareness and to make security an integral part of the corporate management system.

### **To Provide Necessary Resources for Security**

Turkish Airlines ensures the provision of the resources necessary for the successful implementation of the security policy.

## **SOCIAL**

- **FLIGHT SAFETY AND SECURITY**
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

### **SECURITY TRAINING**

All personnel (management, front office, ground handling, flight crew, security, catering, cargo, service provider/supplier, etc.) are provided with the security awareness trainings as described in national regulations concerning their respective duties and responsibilities prior to the commencement of their employment at Turkish Airlines.

All aspects of the security training programs are regulated according to instructions published by DGCA in Turkey.

### **SECURITY COMMUNICATION**

At Turkish Airlines Security Department, communications are executed in a secure manner, including non-punitive reporting procedures to encourage the reporting of any inadvertent human error. To ensure the exchange of relevant operational information throughout all functions of the Company, including senior managers, operational managers, front line personnel, cockpit and cabin crew, SVP, Security has established a communication system, which enables the flow of information from the top management to the staff step by step according to the job title levels.

To promote communication, SVP, Security ensures that the flow of information is provided through “security@thy.com” for all suggestions, requests and reporting.

### **TARGETS AND ACTIONS**

Turkish Airlines security procedures aim to ensure the protection of its customers, employees and assets including facilities and aircraft. For maintaining the sustainability of the operations, various measures such as risk assessment of the flights and control of aircraft, passengers, baggage, cargo and employees are taken systematically. As the entire security operation is subjected to strict regulations by the Directorate General of Civil Aviation, Transport Security Administration (TSA), European Union Regulations, etc., it is important for SVP, Security to constantly monitor national and international regulations for compliance purposes. We see these activities as high priority since we are the flag carrier of the Republic of Turkey.





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Customers



## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Our Innovative Approach

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## CUSTOMERS' SATISFACTION AND THEIR TRUST IN OUR BRAND ARE THE BACKBONE OF OUR GROWTH AND SUCCESS

Turkish Airlines makes the whole world more accessible for its passengers by flying to many international destinations. In recognition, we have adopted a new branding that emphasizes its global reach: "Widen Your World", and which emphasizes Istanbul's linking character between two continents. Our new brand strategy aims to develop new applications at each phase of the travel, to offer memorable surprises to passengers and to bring them together with international innovation and distinctive services to make them feel special and cherished.

Customers' satisfaction and their trust in our brand are the backbone of our growth and success and a core value of our Company. As a result of our continuous efforts to serve our customers at best, ensure their satisfaction and win their trust, Turkish Airlines has been awarded the Skytrax\* awards for Europe's Best Airline for the fourth time in a row and for Southern Europe's Best Airline for the fifth time in a row in 2014, and the World's Best Premium Economy Class Airline Seat for three consecutive years in 2011, 2012 and 2013. Furthermore, Turkish Airlines was chosen the Airline of the Year by Air Transport News at the Air Transport News Awards 2013.

## WE AIM TO STRENGTHEN OUR HEART BONDS WITH OUR CUSTOMERS, MAINTAIN AND INCREASE THEIR SATISFACTION

Customers are the foundation of our existence and we aim to strengthen our heart bonds with them, maintain and increase their satisfaction. Each passenger is special and unique for us, therefore we adopt a customer-oriented approach in all of our activities in order to gain their trust and loyalty and nurture long-term relations. Numerous innovative projects are being put into practice in all our departments to achieve a customer-oriented approach and to increase customers' satisfaction.

Aiming to become a five star airline, Turkish Airlines has invested heavily in its products and services through the introduction of an award winning catering concept, CIP lounges, premium cabin offerings, inflight entertainment systems, enhanced cabin comfort and specialized cabin attendant and customer service training for its personnel. In recent years, these superior products and services, combined with the numerous prestigious awards from prominent bodies of the airline industry, have resulted in increased brand awareness for Turkish Airlines and, Turkish Airlines believes that an increased appreciation of the airline will pave the way for Turkish Airlines to become the first five-star airline in Europe.

For further information about  
our related policies, please  
visit our webpage:



Responsibility for and oversight of customer related topics are managed by the various departments including Customer Relations, Cabin Operations, Marketing and Corporate Communications and Ground Operations. Customer requests, recommendations, and complaints are thoroughly evaluated by these departments.

Being at the heart of our business, customer satisfaction is embedded in our policies such as our Corporate Policy and Quality Policy. We also have a dedicated Customer Satisfaction Policy and we aim to obtain ISO 10002-Customer Satisfaction Certification by 2015.

\* SKYTRAX is an independent evaluation company that audits airlines and grants stars to them

## **CUSTOMER SATISFACTION POLICY**

### **Everything is for improvement**

We provide the networks through which our passengers easily convey their expectations, complaints, suggestions, and satisfactions. We implement the compensation methods, evaluate the feedbacks, generate solutions, and use the information we have obtained to induce persistent improvement in order to stimulate passenger satisfaction when needed.

### **We work with customer focus**

We adopt a customer-oriented approach in all our activities in order to provide top level satisfaction to our passengers, who are the foundation of our existence, and to win their trust and loyalty.

### **We understand the complaints**

We analyse our passengers' complaints related to our activities most correctly and generate solutions related to the inconvenience. We inform our passengers about the results of the complaints in the framework of the principles of transparency and accessibility.

### **We get our passengers involvement in our processes**

In line with the expectations and transmitted feedbacks of our passengers we work together with them to design a new product and service or to improve the existing designs.

# Dialogue With Customers

We always seek to respond immediately to our customers’ wishes in line with our approach to high-quality and sustainable products and services.

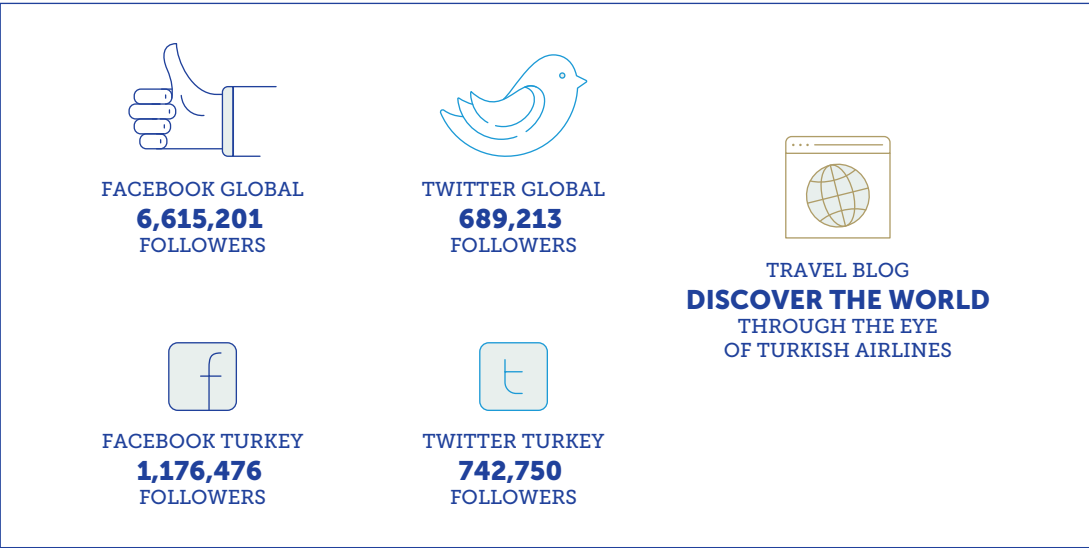


Through the “Voice of Customer” application, which has been implemented this year, we enable our customers to share their travel experiences and feedback with our cabin crew. Thus, we aim to have our cabin crew internalize our customers’ expectations and cultural differences.

We took another step in ensuring customer satisfaction and we opened **representative agencies**. These new teams, which we refer to as **the Customer Representative Teams (CRT)** generate instant and onsite solutions to any problem that customers might experience. In this way, we attempt to develop a standard behavioral model towards the problems our customers face, regardless of where they occur in the world.

## SOCIAL MEDIA

Turkish Airlines owns one of the most popular airline pages on “Facebook” with followers from all over the world.



The blog can be accessed via the following web link;



## Travel Blog

As the airline that flies to more countries than any other, our primary goal is to share Turkish Airlines’ comprehensive travel culture with our passengers. Aiming to enhance the sharing concept between the passengers and the extended family of Turkish Airlines, the Travel Blog was created by our employees. The blog is published in both English and Turkish so that interested readers across the globe have access.

## Feedback Management Process

As Turkish Airlines, our primary objective is to ensure customer satisfaction by providing world-class service in the aviation industry. Hence; all kinds of feedback that we receive from our valued customers remains a source of great strength for us.

Customers' expectations, complaints, suggestions and satisfaction are of great importance to us and therefore, through various channels, we are committed to enabling our customers to reach us at all stages of their experience.

YOUR FEEDBACK IS  
VALUABLE TO US!

## Feedback Forms

Our customers can contact us through the contact form that is given by the cabin crew during the flight. Our feedback form is also available on our Company web site. In addition, our "Reservation and Customer Care Team" is available 24/7 for those who prefer to call us directly. Our call center services are available in various languages namely Turkish, English, French, German, Italian, Russian and Arabic.

## Customer Satisfaction Measurement and Surveys

**Skytrax**, the acknowledged name associated with air travel excellence in 21st century by providing unique products to the global aviation industry through professional audit and service benchmarking programs, is the most respected global airline passenger survey firm in the industry. In 2014, the awards were based on the results of over 18 million passenger surveys, with more than 105 nationalities participating and covering 245 airlines. Turkish Airlines has scored a resounding success in the 2014 Skytrax World Airline Awards, with air travelers once again recognizing the airline as the "Best Airline in Europe", for the fourth year running.

As a Star Alliance member, we undertake **Online Customer Satisfaction Survey (OCSS)** in which we invite Miles & Smiles members to this survey after their flights. The OCSS results reveal Turkish Airlines' passenger satisfaction score and position among Star Alliance members. Our current OCSS percentage of passenger satisfaction is around 70% and above. These reports are shared with all departments responsible for customer touch points, and various improvements are implemented.

Furthermore, we send **online questionnaires** to our Miles and Smiles member customers in order to assess the level of their satisfaction with the service they receive from our call center.

In addition, at Ataturk Airport we have installed **Customer Satisfaction Measuring Devices** at all counters where we offer services, which enable online tracking of customer perception and station-based reporting.

All feedback reports show us the way to increase the quality of service. Our expert staff evaluates the feedback with a customer-centric, transparent and objective approach and within the framework of the principle of confidentiality.

70%  
PASSENGER  
SATISFACTION RATE

# Innovative and Sustainable Products and Services

## IT DEVELOPMENT AT DISPOSAL OF OUR CUSTOMERS

Always aiming to offer innovative services to make a difference, we as Turkish Airlines also make use of the developments in information technologies (IT).

Our customers have direct access to our services through our web and mobile channels for reservation, ticketing, check-in and information transactions and they can also instantly check in with the help of the kiosks at the airport. We also plan to upgrade our website and mobile applications by 2015 in order to further enhance the platforms and ergonomics, enable flexibility in marketing and sales capabilities and increase customer satisfaction.

Some of our IT driven applications to enhance customer experience are as below:

**Self Check-in Kiosks**, which reduce queues and offer more flexibility for the passengers, have been enhanced to offer service in 9 more languages, bringing it to a total of **11 languages** for an easier use by our international passengers. We are happy to see that the number of passengers using these devices is increasing every day.

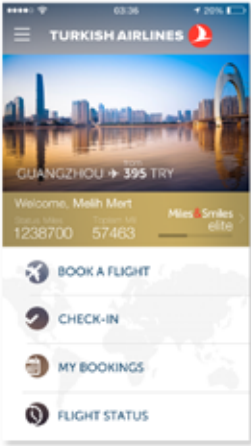
We have launched our **“One Stop Security”** application for our transit passengers coming from EU countries and continuing to the international destinations through Istanbul, enabling them to board without passing through security check again which has reduced the transit period about 20 minutes.

**Turkish Airlines Mobile Application** makes it possible, via smartphones, to book tickets in less than a minute and to access all the services needed for a Turkish Airlines flight.

Our **“My Airport Shuttle”** mobile application has been put online at App Store and Google Play. Thanks to this application, our customers can reach the updated information on the shuttles between domestic airports and city centers.

A **SkyLife Magazine application for i-pad** has been released with an enriched content for online readers. While the iPad app makes articles even more enjoyable for readers thanks to galleries containing visuals that could not be included in the magazine, the videos on the app add visual richness to art-culture news items and film promotions. The app lets you listen instantly to some of the concerts and vocal artists appearing on the music pages. In addition, readers can bookmark pages they like and put them on a favorites list, and they can also use the app on the various social media.

We have also started implementing an **electronic passport pass** at the Ataturk Airport. At the end of this pilot application period the necessary legal arrangements will be completed and electronic passport pass will be used in the whole airport.



SUSTAINABLE CATERING

Parallel to the profitable and stable pace of our Company’s growth in recent years, the quality of our catering has also improved continuously. We have been elected by SKYTRAX as the Best Airline for Business Class Catering in 2014.

Our latest innovation programs have not only increased the quality of our catering services, but they also help us to step forward in terms of sustainable catering. TURKISH DO&CO supplies 85% of its food supplies locally in Turkey, which helps us promote local produces and reduce food miles. Also, our in-flight catering meals are always prepared with purely fresh and best-quality ingredients. We do not use any frozen or canned products or any food additives. This helps us reduce the environmental burdens related to processed food and provide high quality products. Our meals are prepared according to the highest hygiene standards in line with **ISO 22000 Food Safety Management** requirements and we prefer products from suppliers that are ISO 22000 certified. In addition, the selection process for TURKISH DO&CO suppliers includes a detailed risk assessment. Product safety controls are overseen and documented by our Hygiene and Procurement Departments. Our menus include healthy options from Turkish, Mediterranean and International Cuisine.

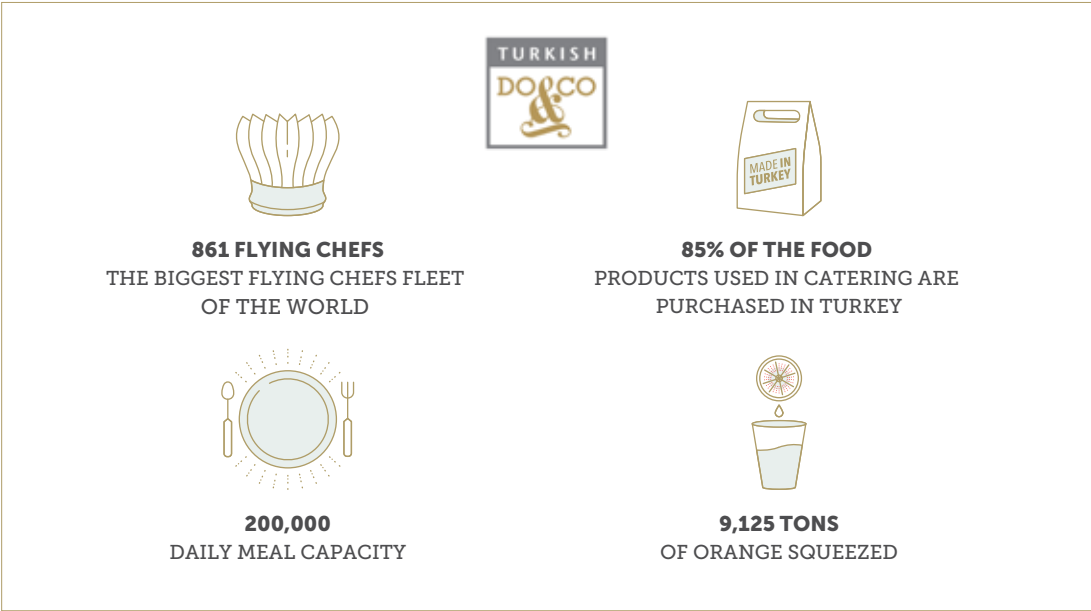
With a capacity of 200,000 meals per day, we are aware that even with small adjustments we can do big changes. Within our efforts to provide a sustainable catering, all of our organic waste, paper and packing wastes are sent to recycling firms contracted by the General Directorate of State Airports Authority for waste recycling process. In addition, we collect our waste oil and send it to a contracted waste oil processing company, licensed by Ministry of Environment, enabling the transform of waste oil into biodiesel fuel. The remaining organic wastes are recycled as compost by food waste recycling companies.



BEST AIRLINE FOR  
BUSINESS CLASS  
CATERING IN 2014

85%  
FOOD SUPPLIED  
LOCALLY

NO FROZEN OR  
CANNED FOOD  
LESS CO<sub>2</sub> FOOTPRINT!





**SOCIAL**

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY



**WE RECYCLE IN-FLIGHT  
PLASTICS, ALUMINUM  
AND PAPER**

**IN-FLIGHT SUSTAINABILITY PRACTICES**

When we started our new flight concept in 2013, all of our equipment was renewed to include exquisite design and lightness, reducing the total weight of catering supplies and as such contributing to reduce our carbon emissions and increase our fuel efficiency. In addition, we recycle in-flight plastics, aluminum and paper in accordance with environmental regulations. Moreover, in 22 of our domestic flights which take longer than 1.15 hours, our cabin crew separates paper meal trays, plastic bottles and Tetrapak boxes as part of the flight operation. Related trainings are delivered to all of our employees as a part of our employee sustainability program.

**PREMIUM CATERING SERVICES**

As a leading airline, we constantly innovate, renew ourselves and surprise our passengers. We are constantly innovating our catering concept to increase our passengers’ satisfaction. Among the innovations we offer to our passengers are “firsts” such as dinner service by candlelight and freshly brewed tea in a “samovar”. We try to offer the best examples of our Turkish hospitality to our passengers on our flights while we also serve our traditional Turkish Coffee and Turkish Delight. We also receive attention with our freshly prepared soft drinks.

Our passengers experience feelings of being guests at an exclusive restaurant when they board our aircraft. The Flying Chefs who serve during our long-haul flights are also gaining appreciation from our passengers.

Moreover, the new products prepared by TURKISH DO & CO for business, comfort and economy class draw attention with their modern and plain design reflecting Turkish culture. The design inspired by Ottoman and Seljuk motifs has the convenience for in-flight use and also represents new trends. As for product design, numerous factors such as weight and ergonomics as well as ease of use in cabin were taken into consideration.



## ENTERTAINMENT IN OUR FLIGHTS

Turkish Airlines has a new in-flight entertainment system. The new B777 has a new Panasonic eX3, android based system. The system also has a new GUI (General User Interface) that has specially been designed for Turkish Airlines. The system has also HD content features, and in addition, Turkish Airlines is continuing to serve our passenger with WIFI connectivity and also Live TV Channels. In particular, Turkish Airlines Business Class seats have their own touch pad video handsets, which enable passengers to use as a separate map screens or other applications while watching in-flight movies. Furthermore, Turkish Airlines now has contents in 12 different languages with the new system. The new A321 aircraft are equipped with Thales Avant system, which again has a new GUI, HD content and special business class touch pad handsets. This system is available in 8 different languages.

Turkish Airlines is currently installing the brand new system GUI to the existing systems in 2015. Current systems are capable of providing service also in 8 different languages to our passengers.

Being in service since 2013 for our B777 aircraft, WIFI connectivity and live TV application via satellite communication are now available on board for A330 aircraft. Moreover, international investors can meet important business leaders in the sky thanks to our "Invest On Board" digital platform.

In 2014, we executed an agreement with Universal Music and we created **My Music Planet** platform which gives passengers access to specially prepared content including audio and video playlists, teasers, concert videos, music news, behind the scenes footage and short videos. In addition, music lovers have the opportunity to stream the latest albums in Universal Music Group's unique library. Every month, a world-renowned artist will be named as the 'Artist of the Month'. The featured artist will present a unique video introducing the flight destination for that month. 'My Music Planet' will feature specialist playlists prepared exclusively for the chosen city, sharing music and artists around the globe with Turkish Airlines' valued guests.

By pushing the limits to offer the perfect travel experience for its passengers, Turkish Airlines puts its signature again under a unique innovation. It promises home comfort on the clouds to the Business Class passengers during the extended range flights. **Sky Illusion** sleeping collection is the latest innovation developed by Turkish Airlines to enable its passengers to enjoy the best Turkish hospitality within the concept of privileged travel. Each detail has been meticulously thought out in the collection. The collection is presented in the packages arranged as "Bohça", which is used as a hospitality indicator in the Turkish society for centuries as well as being an unalterable element of Turkish culture.



#3  
BEST IN-FLIGHT  
ENTERTAINMENT

194,982  
IN-FLIGHT INTERNET  
ACCESSES IN 2014

536  
LIVE SPORTS GAMES  
BROADCASTED IN 2014

SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

MILES AND SMILES

Miles & Smiles is the frequent-flyer program of Turkish Airlines. Earned miles can be used on Turkish Airlines’ flights, as well as on flights operated by the Star Alliance network. Members of Turkish Airlines Miles & Smiles program increased by 26% and reached 4.59 million in 2014. In addition, 64 program partners (38 being new) from various industries were reached.



In response to the increasing popularity of online shopping, Turkish Airlines introduced **Shop&Miles**, an alternative way of using miles accumulated in the airline’s popular mileage reward program. The new option allows the program members to purchase items either with their accumulated miles or in cash or by using a combination of miles and cash.

TOURISTANBUL



Thanks to Touristanbul, Turkish Airlines international passengers have a unique opportunity to use their transit time visiting Istanbul instead of simply waiting at the airport. The tours with English speaking guides, are designed especially for this purpose. Touristanbul also contributes to the global promotion of Istanbul with the support of a number of government and touristic departments. Launched in 2009, the program continues to attract more participants each year, with approximately 20,000 passengers taking advantage of the offer in 2014.



## LOUNGES

At Turkish Airlines, hospitality is a key component of our culture, therefore we want our lounge guests to have a relaxed and comfortable travel experience.

Turkish Airlines has 16 lounges under Turkish Airlines brand. 12 of them are located in domestic terminals and 3 of them, including Lounge Istanbul are located in International terminals in Turkey and one in Moscow.

Turkish Airlines invites you to come visit its lounges and experience for yourself the very special environment that has been created to make your travels on Turkish Airlines even more memorable.

### Lounge Istanbul

Lounge Istanbul, located in the departure area of Ataturk Airport, already a world-class facility, offers a wide range of activities and services that will bring additional satisfaction to customers with diverse requirements.

Services offered in the lounges include: variety of meals featuring traditional Turkish delicacies as well as contemporary cuisines, a wide range of beverages, free Wi-Fi, printers and computers, cinema, a wide selection of local and international papers/magazines, library, media wall, worship room, showers, massages, billiard table, suit rooms, playroom for children, piano and performance stage, golf simulator, car racing simulator and electronic diversions.

Turkish Airlines was awarded in the category, “Best Business Class Lounge Dining” for its excellent catering service that has been a hallmark of guest comfort in its expanded and refurbished lounge at Ataturk Airport.



HOSPITALITY IS A KEY  
COMPONENT OF OUR  
CULTURE

BEST BUSINESS CLASS  
LOUNGE DINING IN 2014



SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Customer Information and Rights

Turkish Airlines complies with regulations related to passenger rights including EU and US regulations and informs its customers about their rights via various channels such as our website and brochures. In Turkey, DGCA is responsible for protection of passengers’ rights.

- In order to increase customer satisfaction, our passengers are given information during all phases of their flights. Sample announcements were prepared for the standardization of all cockpit announcements.
- Training Academy has prepared an e-learning platform about the regulation on air passenger rights. (shy-passenger) for our employees. At our call center, our teams are trained to offer solutions for customer complaints (during call). These teams reply to passengers’ calls, make necessary analysis and aim to offer instant solutions to the customers.
- As part of the “Star Alliance Seamless Hub Project”, TAV Airports, Turkish Airlines and Star Alliance conducted a common work and all the visual equipment in the airport was renewed. Installing additional monitors at the transfer area, we have started to give detailed information to the customers.

For further information please visit our Company website:



## CUSTOMERS PRIVACY

Due to the nature of our operations, we daily handle personal data of our customers. Turkish Airlines recognizes that the confidentiality of personal information is of utmost importance, and therefore we guarantee that we will comply with Turkish Airlines’ Privacy Policy and guidelines in the matter.

Turkish Airlines endeavors to ensure compliance by our staff with the strictest standards of security and confidentiality and commits to limit the collection and use of personal information to what is necessary to administer our business. For more details about our Privacy Policy Statement please check our website.

## LOST BAGGAGE

The baggage irregularity rate in the world is 8.99 per thousand and it is planned to be reduced to 5 per thousand by IATA by 2018. Turkish Airlines almost attained this goal at the end of 2013. In 2014, we ranked first with the lowest lost baggage level with 5.4% lost baggage per 1,000 passengers in AEA’s (Association of European Airlines) lost baggage rate evaluation. Our efforts in this regard have been awarded and we received the “**Star Alliance Award for Priority Baggage Delivery**”.

The focus of our work is to increase the satisfaction of our passengers, showing empathy to them and therefore keeping their confidence in our Company. In case of lost baggage, we proactively call our passengers even before they fill any form and start the solution procedure for them. We called 34,150 passengers and enhanced the



LOWEST LOST BAGGAGE RATE IN AEA EVALUATION & STAR ALLIANCE AWARD FOR PRIORITY BAGGAGE DELIVERY

follow-up of their files between 2013 and 2014. We formed an additional e-mail team for instant response to baggage-related customer complaint messages. Our basic standard is to reply to passenger complaints within three days.

We investigate all lost baggage reports and unclaimed baggage sent from our entire stations and transport them to our passengers in the shortest time. Thanks to the improvements we have implemented, baggage and items left behind in cabin are returned to the passengers more easily. In 2013, 78% of the lost & found baggage in our international depot was delivered to their owners and we aim to further increase this rate.

## DENIED BOARDING

Our denied boarding office (DBO) significantly contributes to increasing customer satisfaction.

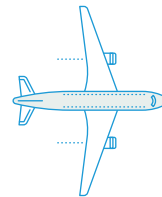
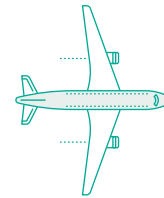
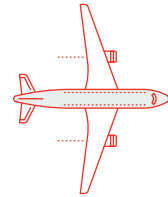
We undertook innovations in our denied boarding services and started using a follow-up system. We started to realize EMD arrangements in the system and speeded up the transactions and compensations. In this context, we have developed a prepaid card system which increases passenger satisfaction while on the other hand reduces the workload of our staff.

### OUR DENIED BOARDING SERVICES RENEWED IN THREE STAGES:

**1** Primarily our Denied Boarding Office has been developed with the support of our Customer Relations Department taking duty under our Istanbul Station under our Ground Operations Department. Computers for passengers use have been installed in the office, of which the decoration has been completed.

**2** Work flow towards increasing quality awareness has been handled, all impeding processes have been measured and identified with the feedback from passengers and improvement studies has been started. Afterwards, with the approval of our CEO, the preparation and fast delivery compensation to the passengers has been realized in the Denied Boarding Office instead of in another office. With this application time losses have been avoided.

**3** The development of our Electronic MCA project in the shortest time has been determined. The related project has been realized as of the New Year. With this application our service quality will be moved to a higher level and the compensation amounts to be paid can be controlled and statistical data can be obtained in a better way.





## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Accessibility

## HELPING OUR PASSENGERS OVERCOME FEAR OF FLYING/AVIOPHOBIA



We initiated an operation intended for overcoming fear of flying: 'Program for Overcoming Fear of Flying'. Launched in 2007, the program is dedicated for helping those who fear flying to overcome this problem. Firstly, pilots and technical trainers instruct attendees about flights, aircraft structures and atmospheric situations. Secondly, a virtual flight in a cabin simulator takes place. This aims at smoothing away the feelings of fear and worry by way of normal and heavy turbulence. The team flies to a destination as a last step.

We also consider our customers in regards to training needs. We designed "Conquer Your Fear of Flying" program for our customers to enable them to overcome their fear of flying. The program is conducted with a success rate of over 90%, carried out every month by trainers and psychologists due to the increasing demand in recent years.

## HELPING OUR PASSENGERS WITH REDUCED MOBILITY

Our ground handling agents are responsible for performing the processes in relation to transport of sick passengers, pregnant passengers, and passengers with reduced mobility, mentally disabled passengers and any other passengers with special needs, to the aircraft, and the station managers are responsible for the adoption of the final decision in respect of ensuring such passengers' travel. The cabin crew members ensure the required coordination with the ground personnel during handling of any passengers with special needs.

Our passengers can request via our call center, ticket sales offices or website before the flight to have a companion, transportation and wheelchair services up to aircraft/terminal building free of charge during landing and take-off.



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Employees

- SOCIAL**
- FLIGHT SAFETY AND SECURITY
  - CUSTOMERS
  - **EMPLOYEES**
  - SOCIAL RESPONSIBILITY

# Our Greatest Asset: Human Capital



Turkish Airlines’ greatest asset is its human capital, and the Company has transformed the dynamism of its young cadre consisting of more than 40 thousand personnel including the subsidiaries into an international success story. As of 2014, Turkish Airlines is a big family with 19,902 employees consisting of 3,892 cockpit personnel, 7,778 cabin personnel and of whom 54% are male and 46% are female. Turkish Airlines aims to provide all of its employees, residing in different parts of the world, with a transparent working environment that supports creativity and team spirit, is conducive to personal development, an environment where the corporate targets are internalized at every level and ideas can be exchanged freely. All individuals taking a step into the magical world of aviation commit themselves to their profession at Turkish Airlines.

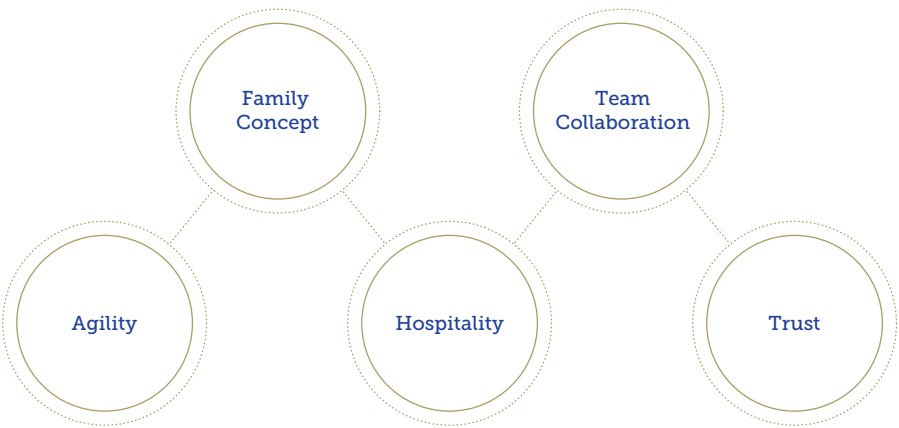
Our Human Resources Policy is to ensure employment of qualified personnel who abide by the professional and ethical rules and are able to perform their duties effectively and efficiently in line with the strategic plans and targets of our Company, as well as maintaining the sustainability of such personnel’s qualifications. In this context, the human resources planning, setting the job descriptions, ensuring the creation of the “Corporate Culture and Awareness”, personnel employment, performance management, training and development, personnel processes, social and economic rights, ensuring the personnel satisfaction, working order, disciplinary and rewarding processes are covered by our Human Resources Policy.

## Turkish Airlines is Y Generation’s Choice!

We are proud to be awarded by Universum and Dinamo collaboration, as the “ideal employer” by participation of 7,776 students at 20 universities.

## CULTURAL VALUES

Our cultural values constitute the foundation of how our employees interact in the workplace. We are committed to living and communicating the following cultural values:



# Performance Management and Career Development

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With its comprehensive scope of activity and multicultural structure, Turkish Airlines provides its employees with a unique career opportunity in the aviation industry. Corporate loyalty and effective team work are two of the most prominent characteristic features of the company. While the qualifications of the employees add a distinct richness to the company, individual targets and corporate objectives are in harmony with each other. Prospects for a long-term career are available for pilots.

## THE LEADERSHIP SCHOOL

Established with the aim of raising and developing talented managers that our Company and the aviation industry as a whole will need in the future, Turkish Airlines Academy Leadership School was launched in 2012. The aim is to bring up new leaders with high performance potential who can keep up with the competition, come up with corporate related ideas and solutions for our fast growing Company and the aviation field in general. Leadership School is aimed at candidates who wish to have a better career in their organization, as well as for those who work as senior executives. The Leadership School, with the training concept integrated by the distance learning programs of Harvard University, is on its way to become a globally recognized school following the international education standards.

In 2014, 147 employees participated in the leadership school. The number of female employees participating in the program has reached 60 and doubled compared to the numbers in 2012.

## CAREER DEVELOPMENT PROGRAM IDEAS BANK PROJECT

The project is designed to enable the participants to realize and put into practice their ideas by implementing projects regarding the improvement and development of our Company. Thus, they will be able to both gain the experience of putting their knowledge they get through Career Development Program into practice, and have the opportunity to make a direct contribution to our Company's growth.



THE LEADERSHIP SCHOOL,  
WITH THE TRAINING  
CONCEPT INTEGRATED BY  
THE DISTANCE LEARNING  
PROGRAMS OF HARVARD  
UNIVERSITY, IS ON ITS WAY  
TO BECOME A GLOBALLY  
RECOGNIZED SCHOOL

## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Internal Communication and Employee Engagement

A healthy pace of internal communication affects the happiness and productivity of the employees in a positive way.

## EMPATHY

The secret of success is hidden in understanding the other side by developing empathy. In this sense, our **Empathy Magazine**, which takes its name from the same word, gives us the opportunity to develop empathy by bringing new perspectives. Empathy magazine, published in Turkish and English languages, is made available to Turkish Airlines personnel everywhere in the world, enabling our employees to learn about the important news about our Company and future plans. Furthermore, the employees can share their ideas and give feedback about the Company practices via empathy website and **Empathy TV**, Turkish Airlines' corporate broadcast medium through which current news about the company are disseminated at 120 locations.

## DIFFERENT TOGETHER PROJECT

We aim to create a more participatory and enjoyable work environment for the members of our family and consolidate the sense of belonging in each member with "Different Together" project. This project contributes to the understanding and adoption of our new strategy by our employees. An event for our employees was organized under the scope of our cultural integrity project.

## CUSTOMER FORUM

Significant events are organized for improving customers' satisfaction within the organization of our company. Customer Forum, which is held every year, is an important event during which applications and ideas towards improving passengers' satisfaction are discussed with the participation of our senior executives and customer representative team members. Also, the staff members and departments are awarded at this event for their valuable contributions toward the success of our Company.





## MANAGEMENT SUMMIT

Our annual management summit is a significant meeting where our managers from 108 locations all over the world get together and discuss the strategies regarding the future. In this year's annual meeting, participants focused on the 2023 goals of Turkey and our Company. The participants agreed that the synergy created at this summit would turn into a whole form of motivation aimed for our 2023 goals.





SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

WE CARE ABOUT OUR  
EMPLOYEES’ SATISFACTION  
AS MUCH AS OUR  
PASSENGER SATISFACTION.

# Employee Satisfaction

We care about our employee satisfaction as much as our passenger satisfaction.

SVP, Social and Administrative Affairs handles the service processes that directly affect many of our employees and is primarily responsible for creating quality awareness and presenting it to the service of our employees on a sustainable basis. While progressing toward the objective of being the best in the world, we pay utmost attention to the processes such as transportation, nutrition, office ergonomics and life quality that would maximize the motivation of our employees.

The Company managed to exploit all incentives to the fullest extent through appropriate workforce allocation. Indeed, it has been awarded by the Social Security Institution for paying the highest premium and for being a debt free entity.

## SOCIAL BENEFITS

Turkish Airlines provides its employees with important social benefits. Examples of these social benefits are as follows: A wide ranging of service network, private health insurance, private health insurance discounts provided to the employees’ families, allowances for birth, nursing, death and marriage, kindergarten or kindergarten allowance for the female employees with dependent children, free or discount domestic/international flight opportunities, visa facilities, contract accommodation opportunities all around the world.

## AWARDING THE BEST COLLEAGUE

Our Products and Services Management Department serving by reporting to SVP, Ground Operations launched a new application with “360 Degrees, 365 Days of Excellence” slogan to reward the best stations and colleagues of the month. As a result of the assessments, ongoing as of January, awards are granted in three categories for the purpose of increasing sustainable product, service quality and efficiency to the top level.





## CREW GARDEN LOUNGE

### World's Best Lounge for the World's Best Team

When it comes to our employees' happiness, we do not hesitate to invest in anything which contributes to our employees' satisfaction. The Crew Lounge, used by our crew in between flights, was inaugurated with the "World's Best Lounge for the World's Best Team" slogan.

## EMPLOYEE SATISFACTION SURVEY

In order to assess employee satisfaction, we conduct surveys at regular intervals. In 2014, with the participation of 6,683 employees, the employee satisfaction rate was 76.2% and we continuously work to increase the participation and satisfaction level of our employees. Last year, following the survey, an "Employee Satisfaction Workshop" has been organized. Upon the results of this workshop, we set a comprehensive action plan. Some of our initiatives are listed in the below-given graph.

In brief, we are working constantly to increase our employees' satisfaction.

SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- **EMPLOYEES**
- SOCIAL RESPONSIBILITY

You Ask And We Do It For You!

As the best airline company in Europe, we continue our efforts to make our teammates the happiest employees in the world. From personnel development to nutrition, we have initiated many projects upon our 2014 employee satisfaction survey.

G4-27

Actions Taken Upon Employee Satisfaction Survey



Discount agreements with various organizations exclusive to our employees. eg: Hotel accommodation.



New facilities at our refectory to meet our employees' expectations.



Recognition of our employees' success through plaques and badges.



Open communication between management level and our employees as well as many meetings with executives.



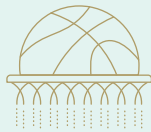
Appreciation of our employees' suggestions and opinions through the "I Have An Idea" page on Empathy portal.



Management trainings for employees under Career Development Program



Gatherings with our teammates and their families in over 40 activities.



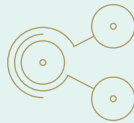
Getting together in sports and art activities using our sponsorship rights.



Free and discounted healthcare service.



Pleasure of traveling with the whole family with CED ticket.



Sharing more news and getting to know more about each other thanks to Empathy.



Improved shuttle service for our personnel.

# Diversity and Equal Opportunity

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Turkish Airlines experiences the pride and happiness of its achievements gained with the help of its employees who come from many different national and cultural backgrounds. Our diverse employee profile is a great source of creativity and innovation. Having been committed to systematic diversity management for many years, Turkish Airlines is an equal opportunity employer and no employee is subjected to any form of discrimination because of her/his race, color, sex, national origin, religion, disability, age, parental status.

Number of our cockpit crew members, who have made a significant contribution in Turkish Airlines' success story, is more than 3,000 upon recruitment of 450 foreign pilots from 42 countries, which makes cockpit environment a truly cosmopolitan place to work.

At Turkish Airlines, the number of female employees corresponds to 46% of the total number of employees, which hit 19,902, as of 2014. Indeed, the workforce is dominated by women as cabin personnel role. We are happy to see that our female pilot numbers are increasing year by year. Aiming to improve career opportunities for female employees, we developed measures such as offering kindergarten or kindergarten allowance for the female employees with dependent children and providing allowances for birth.

Turkish Airlines is committed to integrating people with disabilities and their talents in employment. Number of disabled employees has been 165 in 2014.

We are a growing family where newcomers join at any level every year. In line with the growth pace of the Company; pilots, cabin personnel and the employees holding other positions are recruited following an active process. Applicants are evaluated by objective criteria at all phases of assessment. In 2014, 2,599 people were employed at Turkish Airlines. Growth- and quality-based human resources policies are an important part of our Company's 2023 vision and our personnel planning until 2023 has already been made.

Turkish Airlines' diverse employee profile is illustrated by age and gender in the employee profile table under the performance tables section.



OUR DIVERSE EMPLOYEE  
PROFILE IS A GREAT SOURCE  
OF CREATIVITY AND  
INNOVATION

450  
FOREIGN PILOTS FROM  
42  
COUNTRIES

46%  
FEMALE EMPLOYEES

# Freedom of Association and Collective Bargaining

Turkish Airlines complies with national regulations about freedom of association and rights of collective bargaining. Furthermore, the agreement with the Union and Turkish Airlines internal procedures describes the general rules and principles of employment and type and duration of the employment contracts.

Collective Bargaining Agreement has been in place at Turkish Airlines for nearly 48 years and it has been continuously refined to improve the rights of employees and executed smoothly in a manner to minimize any possible conflicts through dedicated efforts of the parties so far. We will strive to do so in the future.

# Health, Safety and Well-Being

## APPROACH

Health, safety and well-being of our employees, customers, business partners and contractors and those who may be impacted by our activities are our top priority in every field we operate. Health and Safety is an integral part of our business conduct and incorporated into every action we undertake. Our commitment to Occupational Health and Safety (OH&S) goes well beyond compliance with statutory OH&S requirements and integrated into our Company culture. We are dedicated to maintaining the aim of eliminating and reducing the risk of injury and taking any and all preventive and protective measures to ensure a safe and healthy work environment.

## POLICY AND MANAGEMENT

Our updated OH&S Policy can be accessed on our webpage:



Turkish Airlines has a public OH&S policy accompanied with a well-documented OHS Management System that is carried out together with SVP, Personnel Management and SVP, Quality Assurance. These two SVPs and our Health Management consisting of various health experts including doctors, nurses, health and safety specialists and officers work to ensure that the highest standards of occupational health and safety can be achieved and maintained. Turkish Airlines’ CEO is the accountable executive designated for the existing occupational health and safety management.

Furthermore, our Health and Safety Committees including representatives from employees, encourage the employees in actively involving in health and safety activities. There are also several committees where each particular business unit is represented.

Turkish Airlines has established various internal procedures including management of OH&S and environmental risks and communication as well as involvement and consultation to implement its policy successfully. All of these procedures are subjected to audits through the Internal Audit Procedure of Turkish Airlines and published every year in the Company's intranet system.

The Company holds management review meetings regarding OH&S issues twice a year, with the attendance of the CEO, the Chief Officers, the Senior Vice Presidents, the Managers directly reporting to the CEO and President and the Managers of the SVP, Quality Assurance.

As stated in the policy, Turkish Airlines identifies all risks concerning occupational health and safety and environment arising from its activities. Actions are planned to eliminate these risks before they cause any occupational accidents and disease.

Turkish Airlines systematically collects, monitors and reviews health and safety data through online reporting systems and has established various mechanisms to achieve continuous improvement in its performance. Thus, all incidents including the near misses are reported; the root causes of the incidents are examined and investigated, and corrective and preventive actions are implemented.

Moreover, the statutory agreements executed by and between Turkish Airlines and unions cover compliance with the rules and regulations applicable to the health and safety issues.

As a result of all these efforts, Turkish Airlines has been certified under the internationally recognized **Occupational Health and Safety Management System Certificate (OHSAS 18001)** in 2013. We strive to achieve continuous improvement and ongoing compliance with the regulations and standards.

ACHIEVED  
OHSAS 18001  
CERTIFICATION

## Performance

Turkish Airlines is dedicated to achieving the goal of reducing injury rate on a continuous basis. As a first step, the reporting system has been improved to identify even the smallest type of injuries. In 2014, the injury rate has been 20.18, which is calculated as number of accidents\*1000000/working time.

Between 2011-2014 Turkish Airlines has not experienced any fatal accidents.

Main types of injuries experienced at work within the organization of Turkish Airlines are minor cuts, musculoskeletal system injuries and falls.

## Targets

70% of our employees have been provided with training about the recent OH&S regulations in 2014. We aim to deliver training to all of our employees in 2015.



## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- **EMPLOYEES**
- SOCIAL RESPONSIBILITY

## HEALTH AND SAFETY PRACTICES

Turkish Airlines promotes psychological health as well as physical health and well-being of its staff members, and is committed to ensuring that the staff members taking part in critical functions are physically and medically ready to undertake their respective tasks.



### Personal Protective Equipment

Turkish Airlines provides appropriate personal protective equipment (PPE) that meets the respective international and national standards.

PPE needs are regularly assessed and any and all existing PPE are re-assessed to ensure that they are still at good operating conditions.



### Emergency Response

Turkish Airlines has emergency response action plans which cover pre-determined actions that employers and employees must take to ensure safety in case of fire or other emergencies. Adequate emergency equipment such as first aid kits, fire extinguishers, emergency showers, emergency lighting, breathing apparatuses, ladders, stretchers, emergency communication equipment are regularly checked.

8 emergency evacuation drills were conducted in 2014 in order to enhance the emergency preparedness.



### Medical Examinations

Our goal is to ensure and enhance the long-term health and employability of all our employees. For this, periodic medical examinations are conducted with the purpose of evaluating the health status, screening for risk factors and diseases and providing preventive counseling interventions for our employees.

In 2014, 93,158 medical examinations including routine periodic medical examinations of the existing employees and pre-examinations of the newly recruited staff members have been performed.

### Drinking Water Tests

Microbiological, physical and chemical parameters of water at our aircraft and stations are tested periodically in order to ensure safe drinking water both for our employees and customers.

## Training

Turkish Airlines supports the improvement of occupational health and safety culture by raising the awareness of its personnel about occupational health and safety issues and provides all employees with relevant information and regular trainings on occupational health and safety issues including;

**2015 TARGET:**  
**CONDUCT OH&S TRAININGS**  
**FOR ALL OUR EMPLOYEES**

- ✈ regulations and statutory rights and responsibilities of employees
- ✈ general principles of OH&S culture
- ✈ chemical, physical and ergonomic risk factors,
- ✈ safe use of work equipment,
- ✈ use of personal protective equipment,
- ✈ causes and prevention of occupational accidents,
- ✈ emergency response plans (explosions, fires, etc.)
- ✈ evacuation and rescue

## Promoting Healthy Lifestyles

We encourage our employees to make healthy choices through various initiatives. Our health program promotes healthy diet, substance abuse awareness and being smoke free.

Weight management and an active lifestyle are keys to prevent obesity which is associated with numerous chronic diseases. We offer nutrition counseling service to help our employees make healthy nutrition choices, exercise and manage their weight. We promote a smoke-free environment and our employees can participate in a tobacco cessation program to help them become smoke-free.

# Training

While training of employees is essential for business continuity and ensuring safe, efficient and sustainable operations, it is also essential for employee engagement and delivery of high quality customer service. As Turkish Airlines, we not only aim to enhance the fulfillment and performance of our employees but also work to develop both the technical competencies and costumer-oriented soft skills of them. To that end, we utilize significant resources on employee training and development.

## • TURKISH AIRLINES AVIATION ACADEMY

Turkish Airlines Aviation Academy has been providing service training since 1982 with the vision of being a prominent airline training center in Turkey and in the regions mostly covering Europe, Africa, and the Middle East.

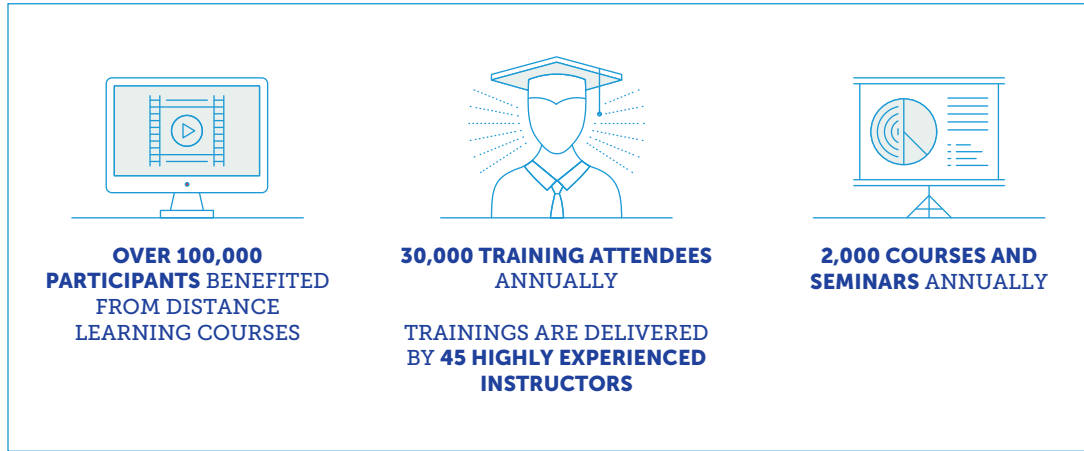
### Our Ambitions

- Sustainable Growth and Profitability
- Brand Awareness and Preference
- Business Excellence and Productivity
- Innovative Approach
- Customer Oriented Service Culture
- Corporate Social Responsibility
- Adding Value to Business Partners

As a flag carrier in the industry, being a sustainable airline is the most important element in achieving success and becoming a leader in personnel training. Within this framework, Turkish Aviation Academy has three fundamental visions namely; providing all levels of internationally approved training, pre-planning potential long term needs, taking into account fast growth rate of Turkish Airlines and becoming a brand for personnel training in the aviation industry.

### Our National & International Approvals and Partnerships:

- IATA Regional Training Partner and Accreditation Training Center and School
- DGCA Dangerous Goods Authority
- DGCA Approval
- TS-EN-ISO 9001: 2008 Quality Management System Certificate
- ICAO Trainair Plus Full Membership
- PEARSON Accreditation



The frequency of trainings varies based on the Company's needs and requirements, and that whether it is mandatory compliance, new hire, recurrent training or seminar.

We offer trainings under three categories: Corporate Solutions, Organizational Development and Language Skills.

### **CORPORATE SOLUTIONS TRAININGS**

The variety of internationally certified courses ranging from "Passenger Services" to "Dangerous Goods Regulations" is mainly designed for the efficiency and safety of daily and long-term operations.

Our Academy is the regional business partner of IATA which represents 84% of worldwide air traffic. We offer IATA certified trainings to improve safety and efficiency of air transport through establishment, maintenance and monitoring of high standards of training. As a result of our Academy's distinguished efforts, we are honored by IATA as 2012 Worldwide Top Regional Training Partner. Our Academy is also a "Center of Excellence" of ICAO TRAINAIR Plus which promotes training collaboration for the purpose of providing safe, secure and sustainable development of global air transport.

Turkish Airlines aims overall reduced consumption of paper, gas, fuel and electricity for effective and efficient use of natural resources in the workplace and operations. We are committed to raising environmental awareness among employees. Therefore the Academy offers an "**Environmental Management Training**" online course which is compulsory for all of our employees.

For effective management of occupational health and safety at the workplace, we conduct "**Occupational Health and Safety Trainings**" that are compulsory for all of our employees and relative refresher courses every three years. In 2014 approximately 6.600 employees received "Occupational Health and Safety Trainings".

**SOCIAL**

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- **EMPLOYEES**
- SOCIAL RESPONSIBILITY

**ORGANIZATIONAL DEVELOPMENT**

We intensely conduct trainings to improve soft skills of our employees with the aim of ensuring outstanding customer experience. Our courses include conflict resolution in different cultural environments, stress management and body language.

**LANGUAGE TRAININGS**

English is the predominant language in aviation industry, and thus, the Academy offers “Aviation English” and “English for Specific Purposes” training courses for employees. Audio visual language training materials enable employees to equip with professional communication skills. In addition to these, our language department conducts the in-house English language proficiency tests for cabin crew members and pilots on a regular basis or on demand.

**ACADEMIC PARTNERSHIPS AND COLLABORATIONS**

The Academy cooperates with universities, academies, vocational schools and various educational institutions including Fatih Sultan Mehmet University, Maltepe University, Istanbul Technical University and Yıldız Technical University to provide qualified human resources that we need due to the fast growth of our Company.

In addition to educational institutions, we executed goodwill agreements and contracts with High Level Aviation Academy based in Sudan, Gulf Aviation Academy in Dubai and Allied International Support.



**AIR TRANSPORT MANAGEMENT MASTER PROGRAM**

Our Academy has entered into a partnership with Istanbul Technical University (ITU) and Boeing in October 2013 in order to train the executives who will shape the future of the World Aviation.

The Air Transport Management Program was attended by a second group of students in 2014. Offering an international Master’s Degree Program, the courses are given by distinguished instructors across the world, coming from Boeing, the Massachusetts Institute of Technology (MIT), ITU, Cranfield University, McGill University and the University of British Columbia.

## FLIGHT TRAINING CENTER

The Flight Training Center is responsible for delivering all flight-related trainings provided to the Company's cockpit and cabin crew members, and is focused on achieving higher standards through continuous improvements. The center provides training services for national and international customers through domestic and international authorizations, and aims to be one of the biggest training centers across Europe, the Middle East and Africa.

The Flight Training Center regularly deals with aviation safety and security, is comprehensively integrated into the organization, processes and the culture of the company, and is committed to achieving the highest performance standards. Thus, our Flight Training Center has been certified by the Turkish Civil Aviation Authority as a Type Rate Training Organization (TRTO) and Flight Training Organization (FTO).

Furthermore, we continue to update our approach to training to improve the quality of trainings and ensure employees are highly equipped with the necessary technical skills to serve in a globally aligned matrix environment. We, therefore, offer conversion and recurrent trainings that are well above the international standards in addition to our various trainings in other areas such as safety, security, communication and environmental awareness.

We also seek to raise environmental awareness by training our employees in the related fields such as fuel efficiency. The Flight Training Center conducts seminars about fuel efficiency through their operational applications (such as engine out taxi in/out, reduced flap take-off/landing, or using ground power units rather than auxiliary power units) in order to sustain environmental well-being.

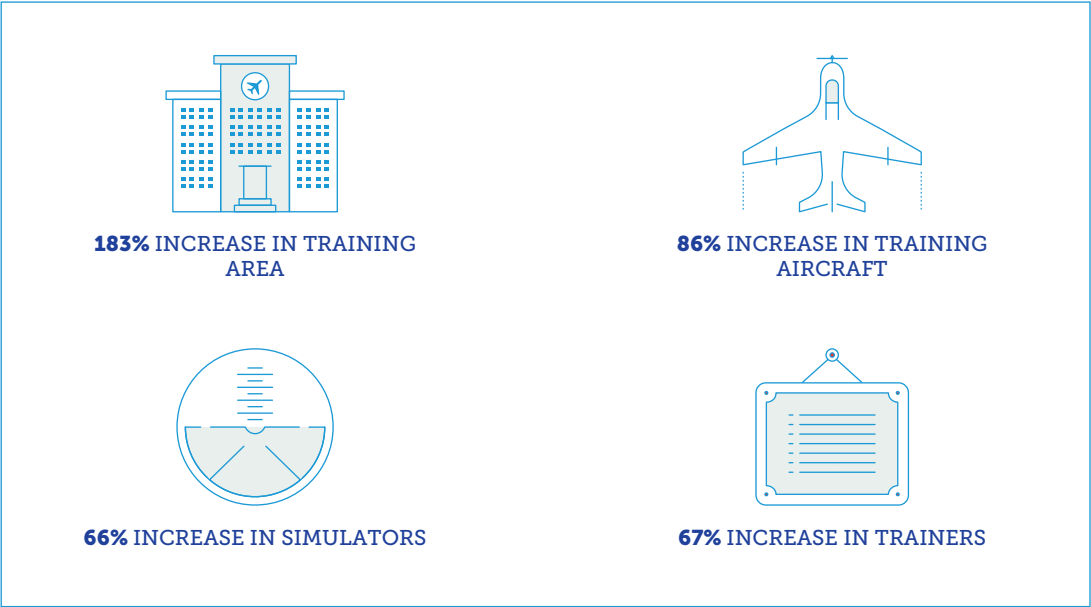
The Flight Training Center positions itself around the company's growth rate. Employing new trainers and EASA-certified (European Aviation Safety Agency) flight simulators, training time per person has increased in accordance with our fleet's growth and variety. Around 40,000 people are trained each year by 372 highly qualified instructors, and courses are provided for each aircraft type.



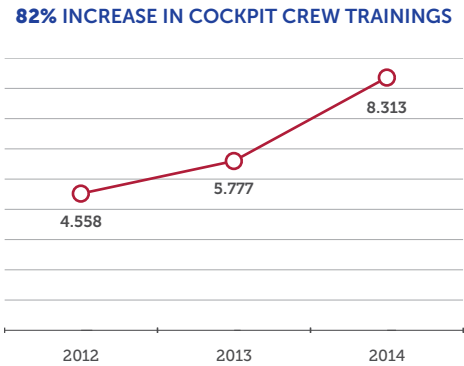
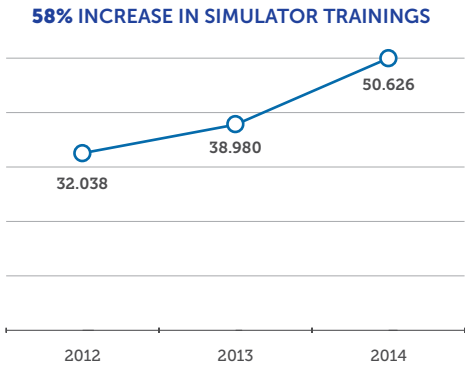
40,000  
PEOPLE ARE TRAINED  
EACH YEAR BY  
372  
INSTRUCTORS



- SOCIAL**
- FLIGHT SAFETY AND SECURITY
  - CUSTOMERS
  - **EMPLOYEES**
  - SOCIAL RESPONSIBILITY



Our Company’s rapid growth has also created opportunities for the Flight Training Center to engage in both academic and industrial partnerships. In order to sustain the internationally competitive strength of the Flight Training Center, academic collaborations are established with well-respected national and international universities and flight training institutions.



Compared to 2012, simulator trainings and cockpit crew trainings has increased by 58% and 82%, respectively.



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Social Responsibility

# SPONSORSHIP LIST

✈ TURKISH AIRLINES EUROLEAGUE	✈ TURKISH FOOTBALL FEDERATION
✈ BVB BORUSSIA DORTMUND	✈ TURKISH BASKETBALL FEDERATION
✈ OLYMPIQUE MARSEILLE	✈ TURKISH AIRLINES OPEN
✈ CHIO AACHEN	✈ PORSCHE TENNIS GRAND PRIX
✈ WORLD ARCHERY FEDERATION	✈ TURKISH AIRLINES BJ LEAGUE
✈ STENA MATCH CUP	✈ TURKISH AIRLINES CHALLENGE TOUR
✈ TURKISH GOLF FEDERATION	✈ TURKISH AIRLINES LADIES OPEN
✈ GOTHIA CUP	✈ LENA AYLİN ERDİL-WINDSURF
✈ IFK HELSINKI ICE HOCKEY CLUB	✈ ENES YILMAZER-WINDSURF
✈ GALATASARAY FOOTBALL TEAM	✈ KEMER COUNTRY GOLF & COUNTRY CLUB
✈ TRABZONSPOR FOOTBALL TEAM	✈ TEAM RWANDA BICYCLE TEAM
✈ FENERBAHÇE FOOTBALL TEAM	✈ SOUTH AFRICA PGA
✈ BEŞİKTAŞ FOOTBALL TEAM	✈ SOUTH AFRICA PGA REGIONAL TOURNAMENT
✈ BURSASPORTS FOOTBALL TEAM	✈ NEW YORK MASHOMACK POLO TOURNAMENT
✈ FK SARAJEVO	✈ OMIYA ARDIJA (FOOTBALL TEAM IN TOKYO)
✈ THE PRESIDENTIAL CYCLING TOUR OF TURKEY	✈ SHONAN BELLMARE (FOOTBALL TEAM IN TOKYO)
✈ ŞAHİKA ERCÜMEN-FREE DIVING	✈ VISSEL KOBE FOOTBALL CLUB (FOOTBALL TEAM IN OSAKA)
✈ İSTANBUL MARATHON	







## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Corporate Support and Sponsorships

## SUPPORTING SPORTS

### Euroleague Basketball & One Team



#### Using the Power of Basketball to Integrate Communities



Turkish Airlines, the Euroleague Basketball title sponsor, has partnered to create an initiative, “One Team”, as a way to reach out to those in our society who are disadvantaged, either mentally or physically. As a founding partner of the project, Turkish Airlines and the players will donate their time as the group reaches out to people who often are overlooked by society and will use their skills, learned on the court, to brighten their lives. One of the basic principles of One Team is that it focuses on life skills NOT sports skills.

In the first year of the One Team project, 8 teams have agreed to participate (Alba Berlin, Anadolu Efes, CSKA, Maccabi, Olimpia Milano, Olympiacos, Real Madrid and Unicaja) and in coming years the number should grow, eventually including all the Euroleague teams.

## Turkish Airlines Open 2014

Deemed as one of the most exciting golf tournaments that brings Europe's best Golf players together since its first years, "Turkish Airlines Open" staged a golf feast for four years. At the tournament that is held under the auspices of the Ministry of Youth and Sports, Brooks Koepka succeeded to complete in first place and obtained his first European Tour win.



## Promoting Bicycle as a Sport Branch in South Africa

Turkish Airlines sponsored the Team Rwanda (Kigali) bicycle team.



## SUPPORTING FORESTATION

Turkish Airlines has been planting a young tree for each baby passenger since 2012.

In 2014, memorial forests were created in 19 provinces and 500.000 trees were planted. With the young trees planned to be planted in 2015, we will reach our target of 1 million saplings. These activities are organized with the full support of Turkish Airlines' employees, and some of the trees are planted with village children. During these activities, entertaining activities are also carried out with the children.

1 million  
YOUNG TREES, 1 MILLION  
SMILING CHILDREN'S FACES

## TURKISH RED CRESCENT SOCIETY

Under a long-standing cooperation agreement with the Turkish Red Crescent Society, Turkish Airlines contributes towards the society's natural disaster recovery, blood drive, educational and publicity activities on an ongoing basis. As part of this support, Turkish Airlines undertakes to transport the assistance provided by the society in the event of natural disasters occurring anywhere in the world. There are some social responsibility projects that can be conducted by cooperation of Turkish Airlines and Turkish Red Crescent.

4,180  
EMPLOYEES DONATED  
BLOOD IN 2014



## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

# Employee Volunteering

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## HUMANITARIAN RESPONSE

### Van Earthquake

As Turkish Airlines family, once again we acted immediately to help the residents of Van in the aftermath of the earthquake which hit Erciř. From the very beginning, we organized at the enterprise level, and mobilized all our resources to help Van. Our efforts began with a donation campaign, and proceeded with a campaign to donate blankets and diapers. In this context we delivered tons of aid materials to Van. Through 7 cargo flights arranged in the coordination with the Prime Ministry's Disaster and Emergency Management Committee, we delivered 300 tons of aid materials as well as search & rescue and medical teams to the region. Also, we arranged additional flights from Istanbul and Ankara to Van in response to the increased demand.

### Play Therapy with Children from Soma

Turkish Airlines employees organized an aid campaign for the relatives of the deceased miners in Soma. The employees also visited families and orphans on the 40th day after the disaster. R veyda, a symbol of pain for Soma, and her brother Talha, who lost his father 10 days before his circumcision feast, were visited by Turkish Airlines Volunteers. The volunteers extended their visit to the Governor, the Provincial Directorate of National Education and the Provincial Directorate of the Ministry of Family and Social Policies, and other official institutions and expressed their condolences.

From the first day of the disaster on, Turkish Airlines Volunteers monitored the situation closely and negotiated with tens of associations. The volunteers partnered with the Association of Pedagogy and Doctors Worldwide and supported the treatment of children, who lost their fathers, with play therapy. Other than play therapies, we delivered therapeutic play therapy set to 100 children.

## SUPPORTING SOCIAL DEVELOPMENT IN TURKEY

Turkish Airlines aims to contribute to the society in which it operates beyond its commercial interests.

### Education

Studies show that education is among the most important issues in Turkey. Many schools lack educational tools and equipment and also children lack the supplies they need for their education. Turkish Airlines is supporting children's education in a new campaign carried out by its employees in which more than 10,000 children in 100 village schools are supported with educational supplies.

#### "It's Your Turn to Read This Book"

Turkish Airlines employees and their families collected and bought thousands of books. These books were donated to 13 village libraries set up in the provinces of Hatay, Konya, Eskişehir, and Muş by Turkish Airlines Volunteers. Thanks to these libraries, many children who have never seen an airplane before and even never visited the sea, had the opportunity to socialize and chat with Turkish Airlines Volunteers about the Company's flight destinations and about being a pilot.

#### Turkish Airlines Ahmet Nuri Duman Children's Library

In memory of the child of a Turkish Airlines employee who lost his/ her child from leukemia, a children's library consisting of 1,500 colored and moving large books in total have been donated to five pediatric oncology divisions. As well, Turkish Airlines' Volunteers pay regular visits to accompany children in addition to the delivery of materials varying from sports to handicraft materials to oncology clinics.

#### Every Toy is a Joy

Many children grow up without a simple toy, let alone a good level of education. A while back, Turkish Airlines employees came together with the intention of doing good work for their communities. This group delivered toys to village kids, collected through the 'Every Toy is a Joy' project. Moreover, Turkish Airlines' employees' poverty committee delivered aid packs of stationery, toys and books for village schools and established libraries in village schools in Turkey. In 2014, 1,000 aid packs were delivered.



## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

### Computer

We also contributed to meet the needs of 100 village schools in terms of 400 computers. This project which started in May 2012, provided support since then to thousands of kids in the regions of Batman and Malatya.

### “Let’s Make a Snowman Together!”

Turkish Airlines organized a meaningful campaign for village schools where the winter season is harsh named “Let’s Make a Snowman Together!” During the campaign, held in 19 provinces from Tokat to Edirne, nearly 1,700 students were donated boots, coats, and socks. In addition, Turkish Airlines Volunteers delivered over 500 blankets and collected garments for homeless refugees in Istanbul. During this campaign, support was provided to in-house employees who needed help and to children with leukemia.

### Training & Activity Center for Orphans

Turkish Airlines Volunteers have reached thousands of orphans in Istanbul, Turkey, and abroad for the past three years. Some 100 orphans are regularly supported in Gaza. The volunteers have opened up an Orphanage Center in Haseki, Istanbul, in order to carry out different kinds of social, art-related, and sports activities.

This center was decorated by Turkish Airlines Volunteers, and children from various age groups were involved in activities such as a space workshop, sports, blind painting, acrobatics, and storytelling workshops. Volunteers regularly join approximately 250 orphans Istanbul-wide to conduct various and pleasant activities such as a kite flying festival, breakfasts, amusement park visits, museum visits, forest trips, and movie programs.



\*Children thanking Turkish Airlines in village schools

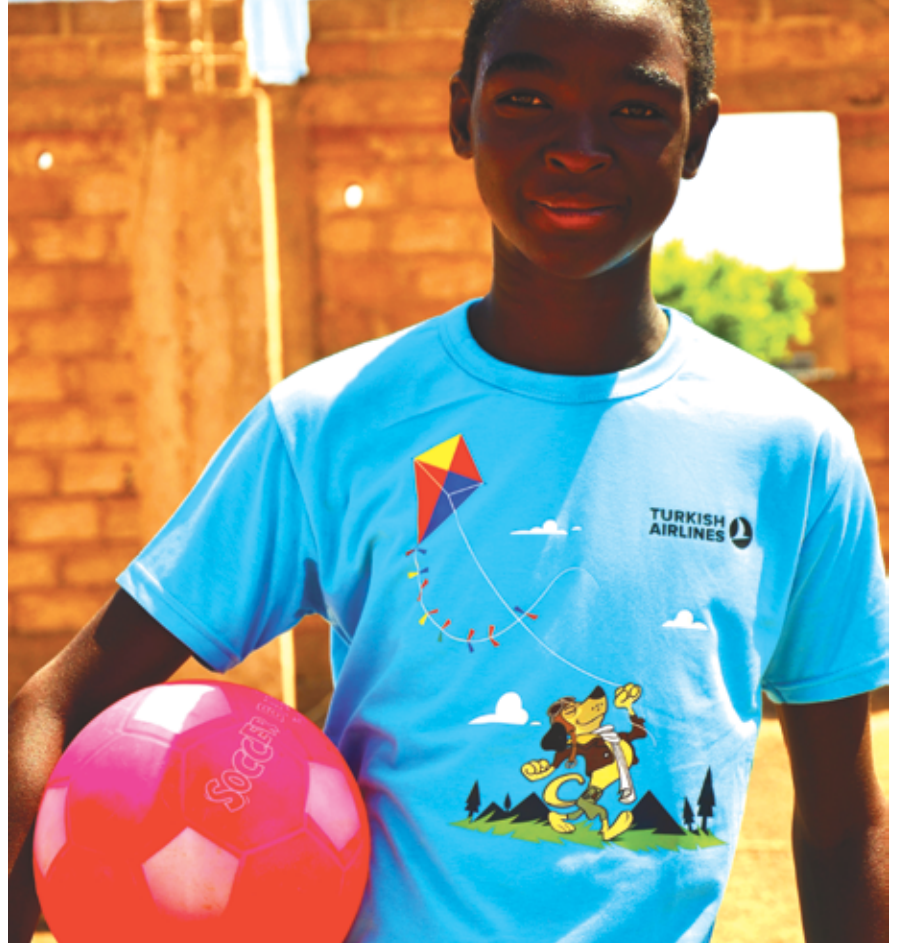
## SUPPORTING COMMUNITIES AT OUR DESTINATIONS

As the airline brand that flies to the most number of destinations in the world, we contribute to the normalization processes of countries that are going through difficult times and help people of those lands stay in touch with the rest of the world.

For instance, Afghanistan, which suffers under the influence of long-lasting wars and conflicts, is one of these countries. The flights operated by our Company to Afghanistan are a part of this process. Our team in Kabul continues to offer services despite all the challenges.

In Pakistan, we participated in the supporting visits organized for the children in need of care, in Pakistan's Rawalpindi, Kashmir and Haripur regions. We made 700 children happy with our gifts. Guided by our Islamabad Manager Alp Yavuzeser, Pakistani bureaucrats, opinion leaders and political representatives of other countries attended the visits, which took place in three different places.

In Niger, our employees signed an extraordinary aid campaign in order to bring stable economic revenue for the families of orphans. In the context of an aid campaign accomplished with the contributions of our Niamey Management, 610 goats were presented by our employees to the families of orphans. The families will use the milk and wool of the goats initially and will in time provide sustainable revenue for the families. Also, our volunteering employees conveyed thousands of candies, soaps, medicines, toys and most importantly insecticide mosquito nets to 500 children to protect them from malaria. They also organized Iftar meals for 1,000 people.



## SOCIAL

- FLIGHT SAFETY AND SECURITY
- CUSTOMERS
- EMPLOYEES
- SOCIAL RESPONSIBILITY

In Senegal, we delivered educational supplies for children. In Bangladesh and Ivory Coast we distributed chocolate and Turkish delight while we hosted iftar meals in various countries such as Tanzania and Iraq. We restored two orphanages in Burkina Faso which were in reduced circumstances. Our employees opened water wells in various destinations throughout Africa to enable people to reach clean water supply they need.

Through the agency of our Düsseldorf Management, Turkish Airlines supported an association that carries aid to Uganda, one of the poorest countries in Africa. Our financial support covered various areas, and we cherish the joy of being able to do something for the people who live in a country where troubles and sorrow never come to an end. So, our flight crew are constantly trying to develop new ideas for micro projects in our destinations keeping in mind that even though that something is small for us, it means a lot to those people.

### Charity Gala in Dortmund

In 2014, we organized a donation night together with Borussia Dortmund in Germany, the soccer team we sponsor. During the event, over 200 people participated in the event called **“Turkish Airlines Charity Night”**. Over Euro 35,000 in financial support was collected and was used for ‘Youngsters Akademie’, which supports the adaptation of the young people to society and for the water well and facilities that will be opened in Ghana.

# Planning for 2015

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We will launch numerous campaigns in the coming year while we will maintain our volunteering projects with utmost dedication. We included 21 new projects in our 2015 Corporate Social Responsibility plans. For instance, we are planning to launch **100 Hopes 100 Holidays** project for children with cancer that we supported with play therapies during their cancer treatment process. They will go on a holiday in a destination they wish after their treatment is completed successfully.

We also map out the plan for building playrooms, libraries and scheduling monthly visits for children under 6 who are in penitentiary facilities with their mothers. Furthermore, building 2 new orphanages in Burkina Faso and Niger, providing infant formulas to Adana Tent Camp, organizing sailing tours with our flight crew for orphan children are among our 2015 activity plans.

We strive to ensure that we will continue to use every opportunity to enrich communities of which we are a part. We will continue to lead the corporate social responsibility projects in various areas and categories in 2015 and thereafter.



# Performance Tables

## ENVIRONMENTAL PERFORMANCE

G4-EN 23: TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD

Non-hazardous waste	Amount (kg)	Disposal Method
Paper	198,502	Recycling
Glass	3,260	
Plastics	1,275	
Metals	175,049	
Total	378,086	
Hazardous waste	Amount (kg)	Disposal Method
Electronic waste	17,622	Recovery
Toner	151	
Fluorescent lamps	77	
Waste vegetable oil	4,260	
Waste oil	3,000	
Contaminated waste	459	
Tank	2,790	
Contaminated packaging waste	678	
Pressured tank	160	
Paint remover	401	
Chemicals	420	

## SOCIAL PERFORMANCE

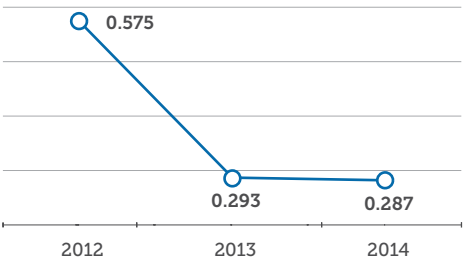
### G4-LA 6 : INJURY RATE

2012	2013	2014
19.65	16.12	20.18

### G4-10: EMPLOYEE PROFILE BY AGE GROUPS AND GENDER

Year	Employee category	Age Group			Gender		TOTAL
		0-29	30-49	50+	Female	Male	
2012	Cockpit personnel	253	1,648	638	32	2,507	2,539
	Cabin personnel	2,874	2,614	3	4,215	1,276	5,491
	Other personnel	1,328	6,115	384	3,325	4,502	7,827
	<b>Total</b>	<b>4,455</b>	<b>10,377</b>	<b>1,025</b>	<b>7,572</b>	<b>8,285</b>	<b>15,857</b>
2013	Cockpit personnel	623	2,079	667	57	3,312	3,369
	Cabin personnel	4,131	2,803	2	5,027	1,909	6,936
	Other personnel	1,829	6,373	375	3,568	5,009	8,577
	<b>Total</b>	<b>6,583</b>	<b>11,255</b>	<b>1,044</b>	<b>8,652</b>	<b>10,230</b>	<b>18,882</b>
2014	Cockpit personnel	669	2,460	763	78	3,814	3,892
	Cabin personnel	4,390	3,385	3	5,439	2,339	7,778
	Other personnel	1,819	6,049	364	3,709	4,523	8,232
	<b>Total</b>	<b>6,878</b>	<b>11,894</b>	<b>1,130</b>	<b>9,226</b>	<b>10,676</b>	<b>19,902</b>

### SAFETY AUDIT PERFORMANCE



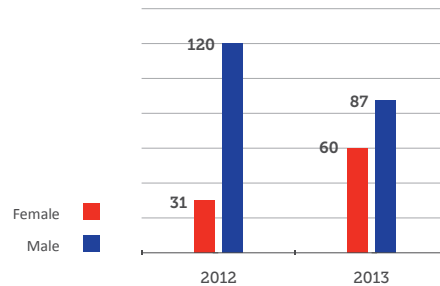
#### G4-LA 1: BREAKDOWN OF NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND GEOGRAPHIC REGION

		2012	2013	2014
Age Group	Total	1,448	3,965	2,599
	Below 30	967	2,888	1,847
	30-49	446	982	663
	50+	35	95	89
Gender	Male	881	2,405	1,594
	Female	567	1,560	1,005
Geographical Region	Africa	53	78	53
	America	18	55	38
	Asia	33	34	65
	Europe	156	224	130
	Middle East	53	73	45
	Far East	42	49	35
	Turkey	1,093	3,452	2,233

#### G4- LA-12: BREAKDOWN OF MANAGEMENT PROFILE BY AGE GROUP AND GENDER

Year	Age Group			Gender		TOTAL
	0-29	30-49	50+	Female	Male	
2012	8	423	52	52	431	483
2013	18	451	51	50	470	520
2014	23	468	49	54	486	540

#### G4-LA 11: LEADERSHIP TRAINING PARTICIPANTS



#### G4-LA: 11 PERFORMANCE: BREAKDOWN OF EMPLOYEES RECEIVING PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY GENDER

	2012	2013	2014
Total	320	378	462
Female	36	42	50
Men	284	336	412

Executives are subjected to target and competency-based performance evaluation system

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# Appendix

CALCULATION METHODOLOGY	124
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## Calculation Methodology

Electricity, Water and Natural Gas 2014 saving figures are calculated based on the consumptions in the following locations: Turkish Airlines Headquarters and Yenibosna and Gunesli Premises

## OH&S

Turkish Airlines calculates the accident frequency rate as follows: number of accidents\*1000000/working time.  
Scope: Only Turkish Airlines data are used while calculating the injury rate.

## About the Report

G4-17, G4-22, G4-23

This is the first sustainability report that represents the sustainability performance of Turkish Airlines for the year of 2014 prepared in line with the globally-recognized sustainability reporting framework, "GRI G4", the latest version of Global Reporting Initiative (GRI) Guidelines, in accordance with core option. Where relevant, Turkish Airlines has also included data from the previous years 2012 and 2013. Turkish Airlines Company and its fully owned subsidiaries, Turkish Habom, Turkish Technic and Turkish Flight Academy are included in the consolidated financial statements however these subsidiaries are not covered by the report. External assurance has not been provided for any of the indicator or the report itself. We plan to report on our sustainability performance regularly.

## Contact for Feedback:

Any feedback we receive from you remains a source of great strength for us.  
Contact for feedback : [ir@thy.com](mailto:ir@thy.com), +90212 463 63 63

## Disclaimer

Türk Hava Yolları A.O. (or "Turkish Airlines") has prepared this report for the sole purpose of providing information about its sustainability practices. This report is not, and does not support to be comprehensive and to contain all information related to Turkish Airlines.

The information contained in this report has not been subject to any independent audit or review and may contain forward-looking statements, estimates and projections. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. Although Turkish Airlines believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ. As a result, you should not rely on these forward-looking statements. Turkish Airlines undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law. Any forward-looking statement in this report speaks only as of the date on which it is made, and Turkish Airlines undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, except to the extent required by law.

Industry, market and competitive data and certain industry forecasts used in this report were obtained from internal research, market research, publicly available information and industry publications and other market commentaries. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable at the relevant time, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal research, market research, industry publications and other publicly available information, while believed to be reliable, have not been independently verified, and Turkish Airlines does not make any representation as to the completeness or accuracy of such information.



**"GRI G4 CONTENT INDEX 'IN ACCORDANCE' OPTION CORE"**

Indicator	GENERAL STANDARD DISCLOSURES	Page	Explanation/link
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from CEO about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	4, 5	
<b>ORGANIZATIONAL PROFILE</b>			
G4-3	Name of the organization.	125	Turkish Airlines Inc.
G4-4	Primary brands, products, and services.	8, 48	
G4-5	Location of the organization's headquarters.	8, 125	General Management Building, Atatürk Airport Yeşilköy 34149 ISTANBUL TURKEY
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	13	
G4-7	Nature of ownership and legal form.	29	
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	8, 9, 12, 13, 125	Annual Report 2014, pages 6,7; 10 to 13
G4-9	Scale of the organization, including: * Total number of employees * Total number of operations * Net sales (for private sector organizations) or net revenues (for public sector organizations) * Total capitalization broken down in terms of debt and equity (for private sector organizations) * Quantity of products or services provided	9, 42, 92, 99, 125	Annual Report 2014; pages 10 to 13



G4-10	a. Report the total number of employees by employment contract and gender.	99, 121	
	b. Report the total number of permanent employees by employment type and gender.		
	c. Report the total workforce by employees and supervised workers and by gender.		
	d. Report the total workforce by region and gender.		
	e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.		
	f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).		
G4-11	Percentage of total employees covered by collective bargaining agreements.	100	
G4-12	Organization's supply chain	40	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including:  *Changes in the location of, or changes in, operations, including facility openings, closings, and expansions  *Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations)  *Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	15, 126	Annual Report 2014; pages 10 to 13
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	32, 52, 68 to 76, 83	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	52, 69, 72, 73, 76, 83, 88, 101, 104, 105, 107	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization:  * Holds a position on the governance body * Participates in projects or committees * Provides substantive funding beyond routine membership dues * Views membership as strategic	27	
This refers primarily to memberships maintained at the organizational level.			
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	a. Entities included in the organization's consolidated financial statements.	124	
	b. Any entity included in the organization's consolidated financial statements is not covered by the report		
G4-18	Process for defining the report content and the aspect boundaries	24, 25, 26	
G4-19	Material aspects identified	28	

G4-20	For each material aspect, report the Aspect Boundary within the organization	26, 28	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	26, 28	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	124, 127	This is the first sustainability report
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	124, 127	This is the first sustainability report
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	List of stakeholder groups engaged by the organization.	25, 26, 27	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	25	
G4-26	Organization's approach to stakeholder engagement	26, 27	
G4-27	Response to key topics and concerns that have been raised through stakeholder engagement.	26, 98	
<b>REPORT PROFILE</b>			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	127	January 1, 2014-December 31, 2014
G4-29	Date of most recent previous report (if any).	127	This is the first report
G4-30	Reporting cycle (such as annual, biennial).	127	Annual
G4-31	Provide the contact point for questions regarding the report or its contents	124, 127	Investor Relations, ir@thy.com, Tel: +90212 463 63 63
G4-32	'In accordance' option, the GRI content index and external assurance	124, 127	in accordance option "Core"
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report.	124, 127	External assurance has not been provided for the report or any indicator in the report
<b>GOVERNANCE</b>			
G4-34	Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental and social impacts.	29, 30	



G4-DMA	Management Approach	52, 53	As stated in our environmental policy, we are working to minimize our total water usage and promote recycling wherever possible
G4-EN8	Total water withdrawal by source	54	48479 m <sup>3</sup> municipal water is used at Headquarters, Gunesli and Yenibosna Premises.
<b>MATERIAL ASPECT</b>	<b>EMISSIONS</b>		
G4-DMA	Management Approach	55 to 62	
G4-EN18	Greenhouse gas (GHG) emissions intensity	54, 60 to 62	
<b>MATERIAL ASPECT</b>	<b>EFFLUENTS AND WASTE</b>		
G4-DMA	Management Approach	52, 53, 63, 64	
G4-EN23	Total weight of waste by type and disposal method	64, 120	
<b>MATERIAL ASPECT</b>	<b>PRODUCTS AND SERVICES</b>		
G4-DMA	Management Approach	83, 84	
G4-EN27	Extent of impact mitigation of environmental impacts of product and services	84	
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<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>			
<b>MATERIAL ASPECT</b>	<b>EMPLOYMENT</b>		
G4-DMA	Management Approach	92, 99	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	99, 122	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	96, 97, 98	

MATERIAL ASPECT	LABOR/MANAGEMENT RELATIONS		
G4-DMA	Management Approach	100	
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective bargaining agreements		A period of 8 weeks is allocated for preparation and planning before the collective bargaining agreement
MATERIAL ASPECT	OCCUPATIONAL HEALTH AND SAFETY		
G4-DMA	Management Approach	100 to 103	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	130	OH&S Committee operates at managerial level within the Company.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	101, 121	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	130	H&S topics are covered in formal agreements with trade unions
MATERIAL ASPECT	TRAINING AND EDUCATION		
G4-DMA	Management Approach	104 to 108	
G4-LA9	Average hours of training per year employee by gender, and by employee category	105, 107, 108	
G4-LA10	Programs for skills management and lifelong learning that support continued employability of employees and assist them in managing career endings	105 to 108	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	122	
MATERIAL ASPECT	DIVERSITY AND EQUAL OPPORTUNITY		
G4-DMA	Management Approach	99	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	122	
MATERIAL ASPECT	LABOR PRACTICES GRIEVANCE MECHANISMS		
G4-DMA	Management Approach	33, 34	
G4-LA16	Number of grievances about labor practices filed, addressed and resolved through formal grievance mechanisms	34	

#### SUB-CATEGORY: HUMAN RIGHTS

MATERIAL ASPECT	NON-DISCRIMINATION	
G4-DMA	Management Approach	33, 34
G4-HR3	Total number of incidents of discrimination and corrective actions taken	34
MATERIAL ASPECT	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	
G4-DMA	Management Approach	100
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	100

#### SUB-CATEGORY: SOCIETY

MATERIAL ASPECT	LOCAL COMMUNITIES	
G4-DMA	Management Approach	47, 110 to 119
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	26, 47, 110 to 119
MATERIAL ASPECT	ANTI-CORRUPTION	
G4-DMA	Management Approach	33, 34, 35
G4-SO3	Total number and percentage of operations assessed for risks related to corruption	35
G4-SO4	Communication and training on anti-corruption policies and procedures	33, 34
G4-SO5	Confirmed incidents of corruption and actions taken	33, 35
MATERIAL ASPECT	ANTI-COMPETITIVE BEHAVIOUR	
G4-DMA	Management Approach	33, 34
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*By using 100% recycled paper rather than a non-recycled paper, the environmental impact was reduced by:*



**103** kg  
of landfill



**207** km travel  
in the average  
European car



**300** kWh  
of energy



**21** kg  
CO<sub>2</sub> and  
greenhouse gases



**3,200** litres  
of water



**168** kg  
of wood

*Carbon-footprint data for the recycled paper is calculated in accordance with the Bilan Carbone® methodology.*



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